

Key results

Substantial pension assets have been provisioned around the world. Assets in retirement savings plans amount to as much as the sum of the GDPs of all OECD countries at end-2020. More than 20 OECD countries have also built up public pension reserves to support the operation of their public pension arrangements. For these countries, assets in public pension reserve funds (PPRFs) represented 14% of GDP in total at end-2020.

Assets in retirement savings plans amounted to USD 54.1 trillion at end-2020 in the OECD area. The United States had the largest pension market within the OECD member countries with assets worth USD 35.5 trillion, representing 65.6% of the OECD total. Other OECD countries with large pension systems include the United Kingdom, with assets worth USD 3.6 trillion and a 6.6% share of OECD pension market in 2020; Canada, USD 3.1 trillion and 5.7%; the Netherlands, USD 2.1 trillion, 3.9%; Australia, USD 1.8 trillion and 3.3%; and Japan, USD 1.6 trillion and 2.9%.

Pension assets in the OECD amount to as much as the sum of the GDPs of all OECD countries at end-2020, but their prominence domestically varies across countries. In three countries, assets exceeded more than twice the size of the GDP: Denmark (229.4%), the Netherlands (212.7%) and Iceland (206.9%). Six additional OECD countries achieved asset-to-GDP ratios higher than 100% – Canada (179.7%), the United States (169.9%), Switzerland (167%), Australia (131.7%), the United Kingdom (126.8%) and Sweden (108.9%). These countries have private pensions from long ago, and most of them have mandatory or quasi-mandatory private pension systems. By contrast, the asset-to-GDP ratios were below 20% in 16 OECD countries, including some with relatively recent mandatory or automatic enrolment programmes (such as Latvia, Lithuania and Poland) or with relatively low coverage of the working-age population (such as France, Greece, Italy). Greece recorded the lowest amount of assets relative to its GDP among OECD countries (below 1%).

In non-OECD G20 economies, the size of pension assets also varied widely, from 92.1% in South Africa to 2% of GDP in Indonesia (for employer pension funds and financial institution pension funds).

Many countries also decided to accumulate assets in order to support the operation of public pension arrangements, usually financed on a pay-as-you-go basis. More than 20 OECD countries hold reserves that are separated and ring-fenced in public pension reserve funds (PPRFs). By the end of 2020, the total amounts of assets in PPRFs were equivalent to USD 6.8 trillion in the OECD area. The largest reserve was held by the US social security trust fund at USD 2.8 trillion, accounting for 41.5% of total OECD assets in PPRFs, although the assets consist of non-tradable debt instruments issued by

the US Treasury to the social security trust. Japan's Government Pension Investment Fund was second at USD 1.7 trillion – 25.3% of the OECD total. Of the remaining countries, Korea, Canada, France and Sweden had also accumulated large reserves, respectively accounting for 11.7%, 6.5%, 2.8% and 2.5% of the total.

In terms of total assets relative to the national economy, PPRF assets accounted for 13.9% of the GDPs of all OECD countries with reserves at end-2020. The highest ratio was observed for the Korean National Pension Fund with 45.1% of GDP. Other countries where the ratio was of a significant size include Finland with 33.6%, Luxembourg with 33.6%, Japan with 33% and Sweden with 31.8%. The expansion of these pools of assets are forecast to continue over the coming years in some countries (such as Canada, Japan and New Zealand) but assets in some other PPRFs have started or will fall in the near future (such as in France (FRR) and Spain). Belgium that used to have a PPRF (Zilverfonds) closed it in 2017, while Ireland converted its own (the Irish National Pension Reserve Fund) into a sovereign wealth fund (Ireland Strategic Investment Fund) in 2014, with a broader mandate than financing pay-as-you-go pension plans.

Definition and measurement

The term "retirement savings plans" refers to private pension arrangements (funded and book reserves) and funded public arrangements (e.g. ATP in Denmark).

Private pension plans are pension plans administered by an institution other than general government. They may be administered directly by a private-sector employer acting as the plan sponsor, a private pension fund or a private sector provider. In some countries, these may include plans for public-sector workers.

Funded public arrangements are pension plans that are managed by a public institution.

PPRFs are reserves established with the primary goal to support unfunded / pay-as-you-go public pension arrangements. They could act as a short-term liquidity buffer, a temporary buffer against shocks (such as a demographic change) or as a permanent smoothing vehicle between the inflows and outflows of public pension arrangements.

Table 9.2. **Assets in retirement savings plans and public pension reserve funds in OECD countries and other major economies, in 2020 or latest year available**

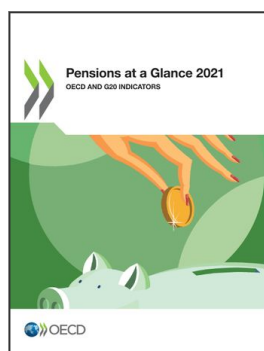
As a percentage of GDP and in USD million

| Retirement savings plans | | | Public pension reserve funds | |
|--------------------------|------------------------|-------------------|------------------------------|------------------|
| | as a percentage of GDP | USD million | as a percentage of GDP | USD million |
| Australia | 131.7 | 1 794 300 | 8.2 | 110 571 |
| Austria | 6.6 | 30 634 | x | x |
| Belgium | 40.4 | 223 702 | x | x |
| Canada | 179.7 | 3 081 679 | 25.6 | 438 314 |
| Chile | 75.8 | 208 482 | 4.4 | 10 787 |
| Colombia | 32.0 | 93 053 | .. | .. |
| Costa Rica | 36.9 | 21 657 | .. | .. |
| Czech Republic | 9.5 | 25 347 | x | x |
| Denmark | 229.4 | 882 109 | x | x |
| Estonia | 21.8 | 7 170 | x | x |
| Finland | 64.1 | 186 741 | 33.6 | 97 939 |
| France | 12.2 | 344 114 | 6.7 | 186 400 |
| Germany | 8.2 | 338 469 | 1.2 | 45 492 |
| Greece | 1.0 | 2 016 | x | x |
| Hungary | 5.6 | 8 922 | x | x |
| Iceland | 206.9 | 47 842 | x | x |
| Ireland | 35.5 | 162 459 | x | x |
| Israel | 68.9 | 300 489 | 17.0 | 73 253 |
| Italy | 12.7 | 256 417 | 5.4 | 107 828 |
| Japan | 30.1 | 1 564 587 | 33.0 | 1 714 783 |
| Korea | 31.7 | 560 037 | 45.1 | 795 652 |
| Latvia | 19.5 | 7 004 | x | x |
| Lithuania | 9.5 | 5 723 | 1.6 | 959 |
| Luxembourg | 2.9 | 2 246 | 33.6 | 23 943 |
| Mexico | 22.8 | 264 022 | 0.2 | 1 965 |
| Netherlands | 212.7 | 2 088 702 | x | x |
| New Zealand | 34.1 | 80 111 | 13.5 | 28 272 |
| Norway | 12.3 | 49 398 | 7.5 | 26 366 |
| Poland | 7.9 | 48 934 | 2.5 | 15 209 |
| Portugal | 22.0 | 54 606 | 8.5 | 19 898 |
| Slovak Republic | 14.4 | 16 192 | x | x |
| Slovenia | 8.0 | 4 605 | x | x |
| Spain | 14.5 | 199 627 | 0.2 | 2 419 |
| Sweden | 108.9 | 663 486 | 31.8 | 171 626 |
| Switzerland | 167.0 | 1 331 372 | 6.2 | 46 702 |
| Turkey | 3.4 | 23 069 | x | x |
| United Kingdom | 126.8 | 3 593 710 | 1.8 | 47 282 |
| United States | 169.9 | 35 491 205 | 13.4 | 2 811 716 |
| Total OECD | 99.9 | 54 064 238 | 13.9 | 6 777 376 |
| Argentina | .. | .. | 12.8 | 41 649 |
| Brazil | 28.2 | 404 028 | x | x |
| China | 2.2 | 344 259 | 2.9 | 447 239 |
| India | 9.3 | 249 050 | .. | .. |
| Indonesia | 2.0 | 21 701 | .. | .. |
| Russian Federation | 6.1 | 87 489 | x | x |
| Saudi Arabia | .. | .. | .. | .. |
| South Africa | 92.1 | 312 355 | x | x |

Note: “..” means not available. “x” means not applicable. The line “OECD” shows the total assets in millions of USD and the total assets over the total of the GDPs of all reporting OECD countries.

Source: OECD Global Pension Statistics, websites and annual reports of reserve funds or other national authorities.

StatLink  <https://stat.link/qi2ev9>



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