



Council of the  
European Union

Brussels, 4 May 2015  
(OR. en)

6628/15  
ADD 4

ECOFIN 153  
SOC 119  
BUDGET 10  
STATIS 40

#### COVER NOTE

---

From: General Secretariat of the Council  
To: Permanent Representatives Committee (Part 2) / Council (ECOFIN)  
Subject: The 2015 Ageing Report: Economic and budgetary projections for the  
EU 28 Member States (2013-2060)

---

Delegations will find attached the fifth part of the 2015 Ageing Report: Economic and budgetary projections for the EU 28 Member States (2013-2060).

# Part IV

## Statistical Annex – Country Fiches

# 1. BELGIUM

| Belgium  |                            | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.1                           | 1.81 | 1.82 | 1.83 | 1.84 | 1.84 | 1.85 | 1.85 | 1.86 | 1.86 | 1.87 |
| Life expectancy at birth   |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 6.9                           | 77.8 | 78.9 | 79.7 | 80.5 | 81.2 | 82.0 | 82.7 | 83.3 | 84.0 | 84.6 |
|  | females                    | 6.0                           | 82.9 | 84.0 | 84.6 | 85.3 | 86.0 | 86.6 | 87.2 | 87.8 | 88.4 | 88.9 |
| Life expectancy at 65  |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 4.6                           | 17.6 | 18.4 | 18.9 | 19.4 | 19.9 | 20.4 | 20.9 | 21.3 | 21.8 | 22.2 |
|  | females                    | 4.5                           | 21.1 | 21.8 | 22.3 | 22.8 | 23.3 | 23.8 | 24.2 | 24.7 | 25.1 | 25.6 |
| Net migration (thous and)  |                            | -19.1                         | 61.2 | 80.2 | 82.0 | 80.9 | 76.8 | 69.8 | 59.8 | 46.8 | 44.5 | 42.1 |
| Net migration as % of population                                     |                            | -0.3                          | 0.5  | 0.7  | 0.7  | 0.6  | 0.6  | 0.5  | 0.4  | 0.3  | 0.3  | 0.3  |
| Population (million)   |                            | 4.2                           | 11.2 | 11.9 | 12.4 | 12.9 | 13.5 | 14.0 | 14.4 | 14.8 | 15.1 | 15.4 |
| Children population (0-14) as % of total population                  |                            | -0.1                          | 17.0 | 17.5 | 17.5 | 17.4 | 17.2 | 17.2 | 17.2 | 17.2 | 17.1 | 16.9 |
| Prime age population (25-54) as % of total population                |                            | -4.3                          | 40.9 | 39.2 | 38.2 | 37.7 | 37.7 | 37.6 | 37.4 | 37.0 | 36.8 | 36.6 |
| Working age population (15-64) as % of total population              |                            | -5.9                          | 65.3 | 63.6 | 62.5 | 61.3 | 60.7 | 60.4 | 60.2 | 60.0 | 59.7 | 59.4 |
| Elderly population (65 and over) as % of total population            |                            | 6.0                           | 17.7 | 18.9 | 20.0 | 21.3 | 22.1 | 22.5 | 22.6 | 22.8 | 23.1 | 23.7 |
| Very elderly population (80 and over) as % of total population       |                            | 3.6                           | 5.3  | 5.4  | 5.4  | 6.1  | 6.8  | 7.5  | 8.3  | 8.7  | 8.8  | 8.9  |
| Very elderly population (80 and over) as % of elderly population     |                            | 7.5                           | 30.0 | 28.8 | 26.8 | 28.5 | 30.6 | 33.5 | 36.6 | 38.0 | 38.0 | 37.5 |
| Very elderly population (80 and over) as % of working age population |                            | 6.8                           | 8.1  | 8.6  | 8.6  | 9.9  | 11.1 | 12.5 | 13.7 | 14.4 | 14.7 | 15.0 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.7                           | 0.7  | 1.5  | 1.3  | 1.8  | 2.2  | 2.2  | 2.0  | 1.9  | 1.8  | 1.8  |
| Employment (growth rate)   |                            | 0.5                           | 0.3  | 0.9  | 0.5  | 0.6  | 0.6  | 0.6  | 0.5  | 0.3  | 0.3  | 0.3  |
| Labour input: hours worked (growth rate)                             |                            | 0.5                           | 0.4  | 0.9  | 0.5  | 0.6  | 0.6  | 0.6  | 0.5  | 0.4  | 0.3  | 0.3  |
| Labour productivity per hour (growth rate)                           |                            | 1.2                           | 0.2  | 0.6  | 0.9  | 1.2  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| TFP (growth rate)  |                            | 0.8                           | 0.2  | 0.4  | 0.6  | 0.8  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.4                           | 0.0  | 0.2  | 0.3  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 1.1                           | 0.0  | 0.6  | 0.5  | 1.0  | 1.4  | 1.5  | 1.4  | 1.4  | 1.4  | 1.4  |
| Potential GDP per worker (growth rate)                               |                            | 1.2                           | 0.4  | 0.6  | 0.8  | 1.2  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thousands)                         |                            | 1949                          | 7316 | 7566 | 7753 | 7937 | 8171 | 8432 | 8681 | 8877 | 9033 | 9165 |
| Population growth (working age:15-64)                                |                            | 0.0                           | 0.3  | 0.5  | 0.5  | 0.5  | 0.6  | 0.7  | 0.5  | 0.4  | 0.3  | 0.3  |
| Population (20-64) (n thousands)                                     |                            | 1957                          | 6681 | 6904 | 7033 | 7188 | 7389 | 7627 | 7861 | 8038 | 8167 | 8278 |
| Population growth (20-64)  |                            | -0.1                          | 0.4  | 0.4  | 0.4  | 0.5  | 0.6  | 0.7  | 0.5  | 0.4  | 0.3  | 0.3  |
| Labour force 15-64 (thous and)                                       |                            | 1412                          | 4943 | 5270 | 5387 | 5517 | 5692 | 5880 | 6048 | 6176 | 6265 | 6355 |
| Labour force 20-64 (thous and)                                       |                            | 1395                          | 4897 | 5223 | 5336 | 5463 | 5636 | 5821 | 5999 | 6115 | 6203 | 6291 |
| Participation rate (20-64)   |                            | 2.7                           | 73.3 | 75.6 | 75.9 | 76.0 | 76.3 | 76.3 | 76.2 | 76.1 | 75.9 | 76.0 |
| Participation rate (15-64)   |                            | 1.8                           | 67.6 | 69.7 | 69.5 | 69.5 | 69.7 | 69.7 | 69.7 | 69.6 | 69.4 | 69.3 |
|  | young (15-24)              | -0.3                          | 31.2 | 31.7 | 30.7 | 31.2 | 31.2 | 31.3 | 31.3 | 31.1 | 30.9 | 30.9 |
|  | prime-age (25-54)          | 0.3                           | 85.4 | 86.0 | 86.0 | 85.9 | 85.7 | 85.6 | 85.6 | 85.6 | 85.7 | 85.6 |
|  | older (55-64)              | 12.0                          | 44.0 | 54.0 | 52.2 | 56.8 | 56.5 | 56.8 | 56.3 | 56.3 | 55.8 | 56.0 |
| Participation rate (20-64) - FEMALES                                 |                            | 5.3                           | 67.6 | 71.1 | 71.8 | 72.3 | 72.8 | 72.9 | 72.9 | 72.8 | 72.8 | 72.9 |
| Participation rate (15-64) - FEMALES                                 |                            | 4.1                           | 62.3 | 65.6 | 65.8 | 66.1 | 66.4 | 66.6 | 66.6 | 66.6 | 66.4 | 66.4 |
|  | young (15-24)              | 0.0                           | 28.6 | 29.4 | 28.4 | 28.9 | 29.0 | 29.0 | 28.8 | 28.6 | 28.6 |      |
|  | prime-age (25-54)          | 2.4                           | 79.7 | 81.4 | 81.8 | 82.0 | 81.9 | 82.0 | 82.1 | 82.1 | 82.1 | 82.1 |
|  | older (55-64)              | 16.7                          | 37.6 | 49.6 | 51.6 | 52.9 | 54.1 | 54.5 | 54.2 | 54.3 | 54.1 | 54.3 |
| Participation rate (20-64) - MALES                                   |                            | 0.1                           | 79.0 | 80.1 | 79.8 | 79.6 | 79.7 | 79.6 | 79.4 | 79.2 | 79.0 | 79.0 |
| Participation rate (15-64) - MALES                                   |                            | -0.6                          | 72.7 | 73.9 | 73.1 | 72.9 | 72.8 | 72.8 | 72.7 | 72.5 | 72.2 | 72.2 |
|  | young (15-24)              | -0.6                          | 33.7 | 33.9 | 32.8 | 33.4 | 33.3 | 33.4 | 33.5 | 33.3 | 33.0 | 33.1 |
|  | prime-age (25-54)          | -1.9                          | 90.9 | 90.6 | 90.1 | 89.6 | 89.3 | 89.0 | 89.0 | 89.1 | 89.1 | 89.0 |
|  | older (55-64)              | 7.2                           | 50.4 | 58.5 | 58.8 | 58.7 | 59.0 | 59.2 | 58.4 | 58.2 | 57.4 | 57.6 |
| Average effective exit age (TOTAL) (†)                               |                            | 0.2                           | 62.0 | 62.2 | 62.2 | 62.3 | 62.3 | 62.3 | 62.3 | 62.3 | 62.3 | 62.3 |
|  | Men                        | 0.2                           | 61.9 | 62.1 | 62.1 | 62.1 | 62.1 | 62.1 | 62.1 | 62.1 | 62.1 | 62.1 |
|  | Women                      | 0.3                           | 62.1 | 62.3 | 62.3 | 62.4 | 62.4 | 62.4 | 62.4 | 62.4 | 62.4 | 62.4 |
| Employment rate (15-64)  |                            | 2.4                           | 61.8 | 64.3 | 64.3 | 64.3 | 64.5 | 64.6 | 64.5 | 64.4 | 64.2 | 64.2 |
| Employment rate (20-64)  |                            | 3.3                           | 67.2 | 69.9 | 70.4 | 70.5 | 70.8 | 70.9 | 70.7 | 70.6 | 70.5 | 70.6 |
| Employment rate (15-74)  |                            | 0.6                           | 54.8 | 55.9 | 55.7 | 55.3 | 55.5 | 56.0 | 56.2 | 56.1 | 55.7 | 55.4 |
| Unemployment rate (15-64)  |                            | -1.1                          | 8.5  | 7.9  | 7.5  | 7.4  | 7.4  | 7.4  | 7.4  | 7.4  | 7.4  | 7.4  |
| Unemployment rate (20-64)  |                            | -1.1                          | 8.3  | 7.6  | 7.2  | 7.2  | 7.2  | 7.2  | 7.2  | 7.2  | 7.2  | 7.2  |
| Unemployment rate (15-74)  |                            | -1.2                          | 8.5  | 7.8  | 7.4  | 7.4  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  |
| Employment (20-64) (in millions)                                     |                            | 1.3                           | 4.5  | 4.8  | 4.9  | 5.1  | 5.2  | 5.4  | 5.6  | 5.7  | 5.8  | 5.8  |
| Employment (15-64) (in millions)                                     |                            | 1.4                           | 4.5  | 4.9  | 5.0  | 5.1  | 5.3  | 5.4  | 5.6  | 5.7  | 5.8  | 5.9  |
|  | share of young (15-24)     | 0%                            | 7%   | 7%   | 7%   | 7%   | 8%   | 8%   | 7%   | 7%   | 7%   | 7%   |
|  | share of prime-age (25-54) | -3%                           | 80%  | 77%  | 76%  | 77%  | 77%  | 77%  | 77%  | 77%  | 77%  | 77%  |
|  | share of older (55-64)     | 3%                            | 13%  | 16%  | 17%  | 16%  | 15%  | 15%  | 15%  | 16%  | 16%  | 16%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | -0.2                          | 19.0 | 20.5 | 20.3 | 19.3 | 18.4 | 18.2 | 18.6 | 19.1 | 19.1 | 18.8 |
| Old-age dependency ratio 15-64(3)                                    |                            | 13                            | 27   | 30   | 32   | 35   | 36   | 37   | 37   | 38   | 39   | 40   |
| Old-age dependency ratio 20-64(3)                                    |                            | 15                            | 30   | 32   | 35   | 38   | 40   | 41   | 41   | 42   | 43   | 44   |
| Total dependency ratio (4)   |                            | 15                            | 53   | 57   | 60   | 63   | 65   | 66   | 66   | 67   | 67   | 68   |
| Total economic dependency ratio (5)                                  |                            | 13                            | 146  | 142  | 146  | 150  | 152  | 153  | 154  | 155  | 157  | 159  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 18                            | 43   | 45   | 49   | 53   | 55   | 56   | 57   | 58   | 59   | 61   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 17                            | 43   | 45   | 48   | 52   | 54   | 56   | 56   | 57   | 58   | 60   |

| Belgium   |           |        |        |        |        |        |        |        |        |        |        |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| EC-EPC (AWG) 2015 projections   |           |        |        |        |        |        |        |        |        |        |        |
| Pension expenditure projections   |           |        |        |        |        |        |        |        |        |        |        |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross  | 3.3       | 11.8   | 12.7   | 13.8   | 14.7   | 15.2   | 15.2   | 15.1   | 15.0   | 15.1   | 15.1   |
| Earnings-related pensions, gross  | 3.4       | 11.6   | 12.5   | 13.6   | 14.5   | 15.0   | 15.0   | 14.9   | 14.8   | 14.9   | 15.0   |
| Of which: Old-age and early pensions  | 4.4       | 9.4    | 10.3   | 11.5   | 12.6   | 13.1   | 13.3   | 13.4   | 13.4   | 13.7   | 13.8   |
| Disability pensions   | -0.2      | 1.0    | 1.2    | 1.2    | 1.2    | 1.2    | 1.2    | 1.1    | 1.0    | 0.9    | 0.9    |
| Survivors pensions  | -0.9      | 1.1    | 0.9    | 0.8    | 0.7    | 0.6    | 0.5    | 0.4    | 0.4    | 0.3    | 0.3    |
| Other pensions  | .         | .      | .      | .      | .      | .      | .      | .      | .      | .      | .      |
| Non-earning-related pensions  | 0.0       | 0.2    | 0.2    | 0.2    | 0.2    | 0.2    | 0.2    | 0.2    | 0.2    | 0.2    | 0.2    |
| Private pensions, gross   | .         | .      | .      | .      | .      | .      | .      | .      | .      | .      | .      |
| New pensions, gross   | 0.0       | 0.9    | 1.0    | 1.0    | 1.0    | 0.9    | 0.9    | 0.9    | 0.9    | 0.9    | 0.8    |
| Public pensions, net  | 2.8       | 10.3   | 11.1   | 12.0   | 12.8   | 13.2   | 13.2   | 13.2   | 13.0   | 13.1   | 13.1   |
| Public pensions, contributors   | .         | .      | .      | .      | .      | .      | .      | .      | .      | .      | .      |
| Additional indicators   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, net/Public pensions, gross, %  | -0.8%     | 87.5%  | 87.4%  | 87.3%  | 87.2%  | 87.1%  | 87.0%  | 86.9%  | 86.8%  | 86.7%  | 86.7%  |
| Pensioners (Public, in 1000 persons)  | 1831      | 2655   | 2988   | 3267   | 3544   | 3779   | 3966   | 4092   | 4194   | 4325   | 4487   |
| Pensioners aged 65+ (1000 persons)  | 1840      | 1897   | 2183   | 2443   | 2733   | 2974   | 3164   | 3291   | 3422   | 3567   | 3737   |
| Share of pensioners below age 65 as % of all pensioners   | -11.8%    | 28.5%  | 26.9%  | 25.2%  | 22.9%  | 21.3%  | 20.5%  | 19.6%  | 18.4%  | 17.5%  | 16.7%  |
| Benefit ratio (Public pensions)   | -0.7      | 42.5   | 43.9   | 44.9   | 46.2   | 46.0   | 44.3   | 43.8   | 43.1   | 42.6   | 41.8   |
| Gross replacement rate at retirement (Old-age earnings-related pensions)                                    | -0.7      | 39.5   | 41.6   | 41.8   | 41.8   | 41.4   | 41.0   | 40.4   | 40.1   | 39.2   | 38.8   |
| Average accrual rates (new pensions, earnings-related)  | -0.1      | 1.5    | 1.5    | 1.4    | 1.4    | 1.4    | 1.4    | 1.4    | 1.4    | 1.4    | 1.4    |
| Average contributory period (new pensions, earnings-related)  | 1.7       | 37.2   | 38.2   | 38.1   | 38.4   | 38.6   | 38.8   | 38.9   | 38.8   | 38.9   | 38.9   |
| Contributors (Public pensions, in 1000 persons)   | 1507.7    | 4626.5 | 5024.7 | 5182.4 | 5322.0 | 5485.4 | 5660.8 | 5821.2 | 5950.6 | 6042.4 | 6134.2 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -37.5     | 174.2  | 168.2  | 168.6  | 150.2  | 145.2  | 142.7  | 142.2  | 141.9  | 139.7  | 136.7  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| High life expectancy (+2 years)   | 0.7       | 0.0    | 0.0    | 0.1    | 0.2    | 0.2    | 0.3    | 0.4    | 0.5    | 0.5    | 0.7    |
| High labour productivity (+0.25 p.p.)   | -0.9      | 0.0    | 0.0    | -0.1   | -0.3   | -0.4   | -0.5   | -0.6   | -0.7   | -0.8   | -0.9   |
| Lower labour productivity (-0.25 p.p.)  | 0.9       | 0.0    | 0.0    | 0.1    | 0.3    | 0.4    | 0.5    | 0.6    | 0.7    | 0.8    | 0.9    |
| High employment rate (+2 p.p.)  | -0.4      | 0.0    | -0.2   | -0.3   | -0.4   | -0.4   | -0.4   | -0.4   | -0.4   | -0.4   | -0.4   |
| High emp. of older workers (+10 p.p.)   | -1.0      | 0.0    | -0.5   | -1.0   | -1.1   | -1.1   | -1.0   | -1.0   | -1.0   | -1.0   | -1.0   |
| Lower migration (-20%)  | 0.5       | 0.0    | 0.1    | 0.2    | 0.3    | 0.5    | 0.5    | 0.6    | 0.6    | 0.6    | 0.5    |
| TFP risk scenario   | 1.0       | 0.0    | 0.0    | 0.1    | 0.2    | 0.3    | 0.5    | 0.6    | 0.7    | 0.9    | 1.0    |
| Policy scenario linking retirement age to increases in life expectancy                                      | -1.7      | 0.0    | 0.0    | -0.1   | -0.3   | -0.4   | -0.6   | -0.9   | -1.1   | -1.4   | -1.7   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | 3.3       | 0.9    | 2.0    | 2.9    | 3.4    | 3.4    | 3.3    | 3.2    | 3.3    | 3.3    | 3.3    |
| Dependency ratio  | 5.6       | 1.1    | 2.2    | 3.4    | 4.2    | 4.5    | 4.6    | 4.8    | 5.1    | 5.6    | 5.6    |
| Coverage ratio  | -1.3      | -0.1   | -0.2   | -0.5   | -0.7   | -0.8   | -0.9   | -1.0   | -1.1   | -1.3   | -1.3   |
| Of which: Old-age   | 0.9       | 0.2    | 0.3    | 0.4    | 0.5    | 0.6    | 0.7    | 0.8    | 0.8    | 0.9    | 0.9    |
| Early-age   | -3.0      | -0.1   | 0.2    | 0.3    | 0.1    | -0.2   | -1.1   | -2.1   | -2.6   | -3.0   | -3.0   |
| Cohort effect   | -5.5      | -0.7   | -1.9   | -3.5   | -4.6   | -4.9   | -4.7   | -4.8   | -5.2   | -5.5   | -5.5   |
| Benefit ratio   | -0.3      | 0.3    | 0.6    | 0.7    | 0.7    | 0.5    | 0.3    | 0.1    | 0.0    | -0.3   | -0.3   |
| Labour market ratio   | -0.6      | -0.4   | -0.6   | -0.6   | -0.7   | -0.7   | -0.6   | -0.6   | -0.6   | -0.6   | -0.6   |
| Of which: Employment rate   | -0.6      | -0.5   | -0.5   | -0.6   | -0.6   | -0.6   | -0.6   | -0.6   | -0.6   | -0.6   | -0.6   |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.1      | 0.0    | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   |
| Interaction effect (residual)   | -0.1      | 0.0    | 0.0    | 0.0    | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP  | 3.3       | 0.7    | 1.1    | 0.9    | 0.4    | 0.0    | -0.1   | -0.2   | 0.1    | 0.1    | 0.1    |
| Dependency ratio  | 5.6       | 0.8    | 1.1    | 1.2    | 0.8    | 0.3    | 0.1    | 0.2    | 0.3    | 0.5    | 0.5    |
| Coverage ratio  | -1.3      | -0.1   | -0.2   | -0.3   | -0.2   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   |
| Of which: Old-age   | 0.9       | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.0    |
| Early-age   | -3.0      | 0.0    | 0.3    | 0.1    | -0.2   | -0.3   | -0.9   | -1.0   | -0.5   | -0.5   | -0.5   |
| Cohort effect   | -5.5      | -0.6   | -1.2   | -1.6   | -1.1   | -0.3   | 0.2    | -0.1   | -0.3   | -0.4   | -0.4   |
| Benefit ratio   | -0.3      | 0.3    | 0.3    | 0.1    | -0.1   | -0.2   | -0.1   | -0.2   | -0.1   | -0.3   | -0.3   |
| Labour market ratio   | -0.6      | -0.3   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Of which: Employment rate   | -0.6      | -0.3   | -0.1   | 0.0    | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.1      | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Interaction effect (residual)   | -0.1      | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Health care   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Health care spending as % of GDP  | 0.1       | 6.0    | 5.9    | 5.9    | 5.9    | 6.0    | 6.1    | 6.1    | 6.1    | 6.1    | 6.1    |
| AWG reference scenario  | 0.5       | 6.0    | 6.0    | 6.1    | 6.1    | 6.2    | 6.3    | 6.4    | 6.4    | 6.5    | 6.5    |
| Demographic scenario  | 0.8       | 6.0    | 6.0    | 6.1    | 6.2    | 6.3    | 6.5    | 6.5    | 6.6    | 6.7    | 6.8    |
| High Life expectancy scenario   | -0.3      | 6.0    | 5.8    | 5.7    | 5.7    | 5.7    | 5.7    | 5.7    | 5.7    | 5.7    | 5.8    |
| Constant health scenario  | 0.4       | 6.0    | 5.9    | 6.0    | 6.1    | 6.2    | 6.3    | 6.3    | 6.3    | 6.4    | 6.4    |
| Death-related cost scenario   | 0.7       | 6.0    | 6.0    | 6.1    | 6.2    | 6.3    | 6.4    | 6.5    | 6.6    | 6.6    | 6.7    |
| Income elasticity scenario  | 0.7       | 6.0    | 6.0    | 6.1    | 6.2    | 6.3    | 6.4    | 6.5    | 6.5    | 6.6    | 6.7    |
| EU28 cost convergence scenario  | 1.0       | 6.0    | 6.0    | 6.1    | 6.2    | 6.3    | 6.4    | 6.5    | 6.6    | 6.7    | 6.8    |
| Labour intensity scenario   | 0.7       | 6.0    | 6.0    | 6.1    | 6.2    | 6.3    | 6.4    | 6.5    | 6.6    | 6.7    | 6.8    |
| Sector-specific composite indexation scenario   | 0.6       | 6.0    | 6.0    | 6.1    | 6.2    | 6.3    | 6.4    | 6.4    | 6.5    | 6.5    | 6.6    |
| Non-demographic determinants scenario   | 1.5       | 6.0    | 6.1    | 6.2    | 6.4    | 6.6    | 6.9    | 7.1    | 7.2    | 7.4    | 7.5    |
| AWG risk scenario   | 0.5       | 6.0    | 6.0    | 6.0    | 6.1    | 6.2    | 6.3    | 6.4    | 6.5    | 6.5    | 6.5    |
| TFP risk scenario   | 0.1       | 6.0    | 5.9    | 5.9    | 5.9    | 6.0    | 6.0    | 6.1    | 6.1    | 6.1    | 6.1    |

| Belgium  |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 1.6      | 2.1  | 2.3  | 2.4  | 2.6  | 2.8  | 3.0  | 3.3  | 3.5  | 3.6  | 3.7  |
| Demographic scenario   | 1.5      | 2.1  | 2.3  | 2.4  | 2.5  | 2.7  | 3.0  | 3.2  | 3.4  | 3.6  | 3.6  |
| High Life expectancy scenario  | 2.0      | 2.1  | 2.4  | 2.5  | 2.6  | 2.9  | 3.2  | 3.5  | 3.8  | 4.0  | 4.1  |
| Base case scenario   | 1.8      | 2.1  | 2.3  | 2.5  | 2.6  | 2.9  | 3.1  | 3.4  | 3.6  | 3.8  | 3.9  |
| Constant disability scenario   | 1.4      | 2.1  | 2.3  | 2.4  | 2.5  | 2.7  | 2.9  | 3.2  | 3.3  | 3.5  | 3.5  |
| Shift to formal care scenario  | 2.0      | 2.1  | 2.5  | 2.6  | 2.8  | 3.1  | 3.4  | 3.6  | 3.9  | 4.0  | 4.2  |
| Coverage convergence scenario  | 1.8      | 2.1  | 2.3  | 2.5  | 2.6  | 2.9  | 3.2  | 3.4  | 3.6  | 3.8  | 3.9  |
| Cost convergence scenario  | 2.8      | 2.1  | 2.4  | 2.6  | 2.8  | 3.2  | 3.6  | 4.0  | 4.3  | 4.6  | 4.9  |
| Cost and coverage convergence scenario   | 2.8      | 2.1  | 2.4  | 2.6  | 2.9  | 3.2  | 3.6  | 4.0  | 4.3  | 4.7  | 4.9  |
| AWG risk scenario  | 2.6      | 2.1  | 2.4  | 2.6  | 2.8  | 3.1  | 3.5  | 3.8  | 4.2  | 4.5  | 4.7  |
| TFP risk scenario  | 1.6      | 2.1  | 2.3  | 2.4  | 2.6  | 2.8  | 3.0  | 3.3  | 3.5  | 3.6  | 3.7  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 53.0%    | 863  | 921  | 966  | 1019 | 1088 | 1163 | 1211 | 1267 | 1291 | 1321 |
| of which: receiving institutional care   | 115.7%   | 143  | 159  | 168  | 181  | 209  | 236  | 263  | 285  | 298  | 308  |
| receiving home care  | 68.4%    | 728  | 785  | 829  | 890  | 968  | 1042 | 1108 | 1169 | 1194 | 1226 |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Demographic scenario   | 64.5%    | 863  | 932  | 987  | 1050 | 1130 | 1207 | 1276 | 1334 | 1378 | 1420 |
| of which: receiving institutional care   | 126.9%   | 143  | 160  | 170  | 186  | 215  | 244  | 273  | 298  | 313  | 324  |
| receiving home care  | 79.9%    | 728  | 794  | 846  | 915  | 1003 | 1087 | 1163 | 1224 | 1268 | 1310 |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Constant disability scenario   | 41.8%    | 863  | 909  | 945  | 988  | 1045 | 1100 | 1146 | 1181 | 1205 | 1224 |
| of which: receiving institutional care   | 104.5%   | 143  | 157  | 165  | 177  | 203  | 228  | 252  | 273  | 284  | 292  |
| receiving home care  | 57.1%    | 728  | 776  | 813  | 866  | 933  | 998  | 1054 | 1095 | 1122 | 1144 |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Shift 1% of dependents from informal to formal scenario  | 64.5%    | 863  | 932  | 987  | 1050 | 1130 | 1207 | 1276 | 1334 | 1378 | 1420 |
| of which: receiving institutional care   | 142.0%   | 143  | 168  | 183  | 199  | 230  | 261  | 291  | 317  | 333  | 346  |
| receiving home care  | 96.5%    | 728  | 851  | 932  | 1007 | 1101 | 1191 | 1272 | 1337 | 1385 | 1430 |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Coverage convergence scenario  | 64.5%    | 863  | 932  | 987  | 1050 | 1130 | 1207 | 1276 | 1334 | 1378 | 1420 |
| of which: receiving institutional care   | 126.9%   | 143  | 160  | 170  | 186  | 215  | 244  | 273  | 298  | 313  | 324  |
| receiving home care  | 83.8%    | 728  | 796  | 849  | 921  | 1011 | 1098 | 1178 | 1242 | 1291 | 1338 |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.3      | 5.8  | 5.7  | 5.9  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.1  | 6.1  |
| Expenditure decomposition (broadly constant) : Transfers (6%) - Capital (3%) - Staff (79%) - Other (12%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | 0.1      | 1.5  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.7  | 1.7  | 1.6  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (4%) - Staff (85%) - Other (10%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.0      | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Expenditure decomposition (broadly constant) : Transfers (-%) - Capital (-%) - Staff (-%) - Other (-%)                             |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | 0.2      | 2.7  | 2.7  | 2.8  | 2.9  | 2.9  | 2.9  | 2.9  | 2.9  | 2.9  | 2.9  |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (2%) - Staff (83%) - Other (11%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | 0.0      | 1.5  | 1.4  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| Expenditure decomposition (broadly constant) : Transfers (14%) - Capital (3%) - Staff (68%) - Other (15%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 935      | 2506 | 2660 | 2811 | 2943 | 3047 | 3136 | 3223 | 3306 | 3382 | 3441 |
| as % of population 5-24  | 0%       | 97%  | 97%  | 97%  | 97%  | 97%  | 97%  | 97%  | 97%  | 97%  | 97%  |
| Primary  | 303      | 757  | 843  | 879  | 915  | 938  | 965  | 1002 | 1034 | 1052 | 1060 |
| Low secondary  | 139      | 341  | 372  | 390  | 409  | 424  | 434  | 446  | 460  | 472  | 480  |
| Upper secondary  | 352      | 920  | 960  | 1035 | 1078 | 1123 | 1165 | 1181 | 1210 | 1244 | 1272 |
| Tertiary education   | 141      | 488  | 485  | 507  | 541  | 562  | 582  | 594  | 602  | 614  | 629  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 74       | 194  | 208  | 219  | 229  | 237  | 244  | 251  | 258  | 264  | 268  |
| Primary  | 24       | 61   | 68   | 71   | 74   | 76   | 78   | 81   | 83   | 85   | 85   |
| Low secondary  | 16       | 38   | 42   | 44   | 46   | 48   | 49   | 50   | 52   | 53   | 54   |
| Upper secondary  | 28       | 73   | 77   | 83   | 86   | 90   | 92   | 94   | 96   | 99   | 101  |
| Tertiary education   | 6        | 21   | 21   | 22   | 24   | 25   | 26   | 26   | 26   | 27   | 28   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.4      | 0.0  | 0.1  | 0.2  | 0.3  | 0.4  | 0.5  | 0.5  | 0.5  | 0.4  | 0.4  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.2     | 1.8  | 1.7  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  |
| <b>LEGENDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |      |      |      |      |

## 2. BULGARIA

| Bulgaria   |                            | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.3                           | 1.51 | 1.99 | 1.64 | 1.67 | 1.70 | 1.72 | 1.74 | 1.75 | 1.77 | 1.77 |
| Life expectancy at birth   |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 10.4                          | 71.1 | 72.9 | 74.1 | 75.3 | 76.5 | 77.6 | 78.6 | 79.6 | 80.6 | 81.6 |
|  | females                    | 8.4                           | 78.0 | 79.4 | 80.4 | 81.3 | 82.2 | 83.1 | 84.0 | 84.8 | 85.6 | 86.4 |
| Life expectancy at 65  |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 6.3                           | 14.0 | 15.0 | 15.7 | 16.4 | 17.1 | 17.7 | 18.4 | 19.1 | 19.7 | 20.3 |
|  | females                    | 6.1                           | 17.3 | 18.2 | 18.9 | 19.6 | 20.2 | 20.9 | 21.5 | 22.2 | 22.8 | 23.4 |
| Net migration (thous and)  |                            | 3.5                           | -2.9 | -5.8 | -8.8 | -5.8 | 4.6  | 5.3  | 4.2  | 3.7  | 3.1  | 0.6  |
| Net migration as % of population                                     |                            | 0.1                           | 0.0  | -0.1 | -0.1 | -0.1 | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.0  |
| Population (million)   |                            | -1.8                          | 7.3  | 7.0  | 6.7  | 6.5  | 6.2  | 6.1  | 5.9  | 5.8  | 5.6  | 5.5  |
| Children population (0-14) as % of total population                  |                            | 0.4                           | 13.7 | 14.3 | 13.9 | 13.4 | 13.1 | 13.3 | 13.7 | 14.1 | 14.1 | 14.1 |
| Prime age population (25-54) as % of total population                |                            | -8.4                          | 42.1 | 41.6 | 39.8 | 37.5 | 35.7 | 34.5 | 33.1 | 32.7 | 33.3 | 33.7 |
| Working age population (15-64) as % of total population              |                            | -12.7                         | 67.0 | 64.1 | 63.0 | 62.3 | 61.4 | 59.5 | 57.3 | 55.7 | 54.2 | 54.2 |
| Elderly population (65 and over) as % of total population            |                            | 12.3                          | 19.4 | 21.7 | 23.1 | 24.3 | 25.6 | 27.2 | 29.0 | 30.2 | 31.6 | 31.7 |
| Very elderly population (80 and over) as % of total population       |                            | 7.8                           | 4.4  | 4.9  | 5.4  | 6.7  | 7.7  | 8.3  | 8.8  | 9.6  | 10.8 | 12.2 |
| Very elderly population (80 and over) as % of elderly population     |                            | 15.9                          | 22.5 | 22.4 | 23.2 | 27.6 | 30.0 | 30.6 | 30.4 | 31.6 | 34.3 | 38.4 |
| Very elderly population (80 and over) as % of working age population |                            | 15.9                          | 6.5  | 7.6  | 8.5  | 10.8 | 12.5 | 14.0 | 15.4 | 17.2 | 20.0 | 22.5 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.5                           | 1.4  | 2.7  | 1.6  | 1.3  | 1.4  | 1.1  | 1.1  | 0.9  | 1.0  | 1.1  |
| Employment (growth rate)   |                            | -0.8                          | -0.8 | 0.0  | -0.9 | -0.9 | -0.9 | -1.1 | -1.2 | -1.1 | -0.7 | -0.5 |
| Labour input: hours worked (growth rate)                             |                            | -0.8                          | -0.8 | 0.0  | -0.9 | -0.9 | -0.9 | -1.1 | -1.2 | -1.1 | -0.8 | -0.5 |
| Labour productivity per hour (growth rate)                           |                            | 2.2                           | 2.2  | 2.6  | 2.5  | 2.2  | 2.3  | 2.3  | 2.3  | 2.0  | 1.8  | 1.5  |
| TFP (growth rate)  |                            | 1.3                           | 0.7  | 1.2  | 1.3  | 1.4  | 1.5  | 1.5  | 1.5  | 1.3  | 1.2  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.9                           | 1.5  | 1.4  | 1.2  | 0.8  | 0.8  | 0.8  | 0.8  | 0.7  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 2.1                           | 2.0  | 3.4  | 2.4  | 2.0  | 2.0  | 1.7  | 1.6  | 1.4  | 1.6  | 1.7  |
| Potential GDP per worker (growth rate)                               |                            | 2.2                           | 2.2  | 2.7  | 2.5  | 2.2  | 2.3  | 2.3  | 2.3  | 2.1  | 1.8  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thous ands)                        |                            | -1904                         | 4666 | 4463 | 4225 | 4021 | 3830 | 3613 | 3399 | 3212 | 3046 | 2962 |
| Population growth (working age:15-64)                                |                            | 1.1                           | -1.4 | -1.2 | -1.0 | -0.9 | -1.1 | -1.3 | -1.2 | -1.0 | -1.0 | -0.3 |
| Population (20-64) (n thous ands)                                    |                            | -1853                         | 4638 | 4137 | 3883 | 3692 | 3517 | 3326 | 3119 | 2941 | 2769 | 2685 |
| Population growth (20-64)  |                            | 0.8                           | -1.0 | -1.2 | -1.2 | -0.8 | -1.1 | -1.3 | -1.2 | -1.2 | -1.1 | -0.3 |
| Labour force 15-64 (thous ands)                                      |                            | -1285                         | 3336 | 3142 | 2967 | 2805 | 2641 | 2481 | 2330 | 2198 | 2095 | 2051 |
| Labour force 20-64 (thous ands)                                      |                            | -1280                         | 3313 | 3121 | 2946 | 2783 | 2620 | 2462 | 2313 | 2180 | 2077 | 2033 |
| Participation rate (20-64)   |                            | 2.7                           | 73.0 | 75.4 | 75.9 | 75.4 | 74.5 | 74.0 | 74.2 | 74.1 | 75.0 | 75.7 |
| Participation rate (15-64)   |                            | 0.7                           | 68.6 | 70.6 | 70.2 | 69.8 | 69.0 | 68.7 | 68.7 | 68.4 | 68.8 | 69.2 |
|  | young (15-24)              | -1.2                          | 30.2 | 28.8 | 27.7 | 29.1 | 29.7 | 30.3 | 29.9 | 29.2 | 28.8 | 29.0 |
|  | prime-age (25-54)          | 0.9                           | 83.1 | 83.9 | 84.3 | 84.3 | 83.8 | 83.6 | 83.6 | 83.8 | 84.0 | 83.9 |
|  | older (55-64)              | 6.6                           | 54.4 | 57.4 | 59.6 | 61.3 | 60.9 | 60.0 | 60.5 | 58.8 | 58.8 | 61.0 |
| Participation rate (20-64) - FEMALES                                 |                            | 1.5                           | 68.9 | 70.8 | 71.2 | 70.5 | 69.2 | 68.5 | 68.5 | 68.4 | 69.5 | 70.4 |
| Participation rate (15-64) - FEMALES                                 |                            | -0.3                          | 64.7 | 66.2 | 65.9 | 65.2 | 64.0 | 63.5 | 63.5 | 63.1 | 63.7 | 64.3 |
|  | young (15-24)              | -1.5                          | 25.5 | 23.7 | 22.8 | 24.0 | 24.5 | 25.0 | 24.7 | 24.1 | 23.7 | 24.0 |
|  | prime-age (25-54)          | 0.0                           | 80.2 | 80.8 | 81.2 | 81.1 | 80.4 | 79.9 | 79.7 | 79.9 | 80.2 | 80.2 |
|  | older (55-64)              | 3.3                           | 49.2 | 50.8 | 52.3 | 53.5 | 52.8 | 51.5 | 52.2 | 50.0 | 50.0 | 52.5 |
| Participation rate (20-64) - MALES                                   |                            | 3.7                           | 77.1 | 79.9 | 80.4 | 80.2 | 79.6 | 79.4 | 79.6 | 79.7 | 80.3 | 80.8 |
| Participation rate (15-64) - MALES                                   |                            | 1.6                           | 72.4 | 74.7 | 74.5 | 74.2 | 73.7 | 73.7 | 73.8 | 73.6 | 73.7 | 74.0 |
|  | young (15-24)              | -0.8                          | 34.7 | 33.5 | 32.4 | 34.0 | 34.6 | 35.2 | 34.9 | 34.0 | 33.6 | 33.9 |
|  | prime-age (25-54)          | 1.7                           | 85.8 | 86.9 | 87.2 | 87.3 | 87.1 | 87.1 | 87.3 | 87.5 | 87.6 | 87.5 |
|  | older (55-64)              | 9.3                           | 60.2 | 64.5 | 67.2 | 69.2 | 69.2 | 68.5 | 68.8 | 67.6 | 67.6 | 69.5 |
| Average effective exit age (TOTAL) (1)                               |                            | 0.8                           | 62.9 | 63.6 | 63.6 | 63.6 | 63.6 | 63.6 | 63.6 | 63.6 | 63.6 | 63.6 |
|  | Men                        | 1.0                           | 63.8 | 64.8 | 64.8 | 64.8 | 64.8 | 64.8 | 64.8 | 64.8 | 64.8 | 64.8 |
|  | Women                      | 0.5                           | 62.0 | 62.5 | 62.5 | 62.5 | 62.5 | 62.5 | 62.5 | 62.5 | 62.5 | 62.5 |
| Employment rate (15-64)  |                            | 4.4                           | 59.6 | 62.2 | 63.3 | 63.4 | 63.3 | 63.5 | 63.6 | 63.3 | 63.6 | 64.1 |
| Employment rate (20-64)  |                            | 6.5                           | 63.7 | 66.7 | 68.5 | 68.7 | 68.6 | 68.6 | 68.8 | 68.7 | 69.6 | 70.2 |
| Employment rate (15-74)  |                            | 2.2                           | 52.0 | 53.7 | 55.0 | 55.2 | 55.0 | 54.5 | 53.7 | 53.2 | 53.4 | 54.2 |
| Unemployment rate (15-64)  |                            | -5.6                          | 13.0 | 11.9 | 9.9  | 9.1  | 8.2  | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  |
| Unemployment rate (20-64)  |                            | -5.5                          | 12.7 | 11.6 | 9.7  | 8.8  | 8.0  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  |
| Unemployment rate (15-74)  |                            | -5.7                          | 12.9 | 11.7 | 9.7  | 8.9  | 8.0  | 7.3  | 7.2  | 7.3  | 7.2  | 7.3  |
| Employment (20-64) (in millions)                                     |                            | -1.0                          | 2.9  | 2.8  | 2.7  | 2.5  | 2.4  | 2.3  | 2.1  | 2.0  | 1.9  | 1.9  |
| Employment (15-64) (in millions)                                     |                            | -1.0                          | 2.9  | 2.8  | 2.7  | 2.6  | 2.4  | 2.3  | 2.2  | 2.0  | 1.9  | 1.9  |
|  | share of young (15-24)     | 1%                            | 6%   | 5%   | 5%   | 6%   | 6%   | 7%   | 7%   | 7%   | 7%   | 7%   |
|  | share of prime-age (25-54) | -1%                           | 77%  | 78%  | 77%  | 73%  | 71%  | 71%  | 71%  | 72%  | 78%  | 76%  |
|  | share of older (55-64)     | 0%                            | 17%  | 17%  | 18%  | 20%  | 22%  | 22%  | 23%  | 21%  | 18%  | 17%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | -2.2                          | 21.3 | 21.0 | 21.4 | 22.2 | 23.1 | 23.3 | 23.6 | 24.3 | 25.5 | 26.5 |
| Old-age dependency ratio 15-64(3)                                    |                            | 30                            | 29   | 34   | 37   | 39   | 42   | 46   | 51   | 54   | 58   | 58   |
| Old-age dependency ratio 20-64(3)                                    |                            | 33                            | 31   | 36   | 40   | 43   | 45   | 50   | 55   | 59   | 64   | 64   |
| Total dependency ratio (4)   |                            | 35                            | 40   | 56   | 59   | 61   | 63   | 68   | 75   | 80   | 84   | 84   |
| Total economic dependency ratio (5)                                  |                            | 27                            | 147  | 143  | 141  | 143  | 146  | 151  | 160  | 168  | 174  | 174  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 39                            | 47   | 51   | 54   | 57   | 61   | 67   | 74   | 80   | 86   | 86   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 36                            | 46   | 49   | 52   | 55   | 58   | 63   | 70   | 76   | 81   | 82   |

| Bulgaria  |           | EC-EPC (AWG) 2015 projections |        |        |        |        |        |        |        |        |        |
|---|-----------|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Pension expenditure projections</b>  |           |                               |        |        |        |        |        |        |        |        |        |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross  | -0.4      | 9.9                           | 8.4    | 8.2    | 8.1    | 8.2    | 8.4    | 8.7    | 9.2    | 9.4    | 9.4    |
| Earnings-related pensions, gross  | -0.6      | 9.5                           | 8.1    | 7.9    | 7.8    | 7.9    | 8.1    | 8.4    | 8.8    | 9.1    | 9.1    |
| Of which: Old-age and early pensions  | -0.6      | 7.9                           | 6.3    | 5.9    | 5.8    | 5.8    | 5.9    | 6.3    | 6.7    | 7.1    | 7.3    |
| Disability pensions   | 0.3       | 1.3                           | 1.5    | 1.6    | 1.7    | 1.8    | 1.9    | 1.9    | 1.8    | 1.7    | 1.6    |
| Survivors pensions  | -0.1      | 0.3                           | 0.4    | 0.4    | 0.3    | 0.3    | 0.3    | 0.2    | 0.2    | 0.2    | 0.2    |
| Other pensions  | :         | :                             | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Non-earning-related pensions  | 0.0       | 0.3                           | 0.3    | 0.3    | 0.3    | 0.3    | 0.3    | 0.3    | 0.4    | 0.4    | 0.4    |
| Private pensions, gross   | :         | :                             | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| New pensions, gross   | 0.0       | 0.2                           | 0.2    | 0.2    | 0.2    | 0.3    | 0.3    | 0.3    | 0.3    | 0.3    | 0.2    |
| Public pensions, net  | -0.4      | 9.9                           | 8.4    | 8.2    | 8.1    | 8.2    | 8.4    | 8.7    | 9.2    | 9.4    | 9.4    |
| Public pensions, contributors   | -0.1      | 7.3                           | 7.0    | 7.0    | 7.0    | 7.0    | 7.0    | 7.1    | 7.1    | 7.1    | 7.2    |
| Additional indicators   | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, net/Public pensions, gross, %  | 0.0%      | 100.0%                        | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Pensioners (Public, in 1000 persons)  | -315      | 2196                          | 2090   | 2046   | 1994   | 1940   | 1931   | 1928   | 1930   | 1917   | 1891   |
| Pensioners aged 65+ (1000 persons)  | 171       | 1445                          | 1528   | 1521   | 1476   | 1437   | 1448   | 1500   | 1553   | 1611   | 1616   |
| Share of pensioners below age 65 as % of all pensioners   | -20.1%    | 34.2%                         | 26.9%  | 25.7%  | 26.0%  | 26.2%  | 25.0%  | 22.2%  | 19.6%  | 16.0%  | 14.0%  |
| Benefit ratio (Public pensions)   | -6.7      | 34.2                          | 30.7   | 29.6   | 29.0   | 28.7   | 28.4   | 28.1   | 27.8   | 27.6   | 27.5   |
| Gross replacement rate at retirement (Public pensions)  | 2.4       | 29.5                          | 32.1   | 29.8   | 30.2   | 30.1   | 30.7   | 31.5   | 31.8   | 31.9   | 31.9   |
| Average accrual rates (new pensions, earnings-related)  | 0.1       | 1.1                           | 1.2    | 1.2    | 1.2    | 1.2    | 1.2    | 1.2    | 1.2    | 1.2    | 1.2    |
| Average contributory period (new pensions, earnings-related)  | 3.0       | 34.6                          | 36.6   | 37.8   | 38.3   | 38.1   | 38.0   | 37.9   | 37.8   | 37.7   | 37.6   |
| Contributors (Public pensions, in 1000 persons)   | -746.8    | 2729.8                        | 2700.6 | 2636.8 | 2533.4 | 2429.8 | 2327.7 | 2207.1 | 2090.7 | 2006.3 | 1994.0 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -18.8     | 124.3                         | 129.2  | 128.9  | 127.0  | 124.7  | 120.6  | 114.5  | 108.3  | 104.7  | 105.5  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| High life expectancy (+2 years)   | 0.6       | 0.0                           | 0.0    | 0.1    | 0.1    | 0.2    | 0.3    | 0.3    | 0.4    | 0.5    | 0.6    |
| High labour productivity (+0.25 p.p.)   | -0.2      | 0.0                           | 0.0    | -0.1   | -0.1   | -0.1   | -0.1   | -0.2   | -0.2   | -0.2   | -0.2   |
| Lower labour productivity (-0.25 p.p.)  | 0.2       | 0.0                           | 0.0    | 0.1    | 0.1    | 0.1    | 0.1    | 0.2    | 0.2    | 0.2    | 0.2    |
| High employment rate (+2 p.p.)  | -0.1      | 0.0                           | -0.1   | -0.2   | -0.2   | -0.2   | -0.2   | -0.1   | -0.1   | -0.1   | -0.1   |
| High emp. of older workers (+10 p.p.)   | -0.6      | 0.0                           | -0.5   | -0.8   | -0.7   | -0.7   | -0.7   | -0.7   | -0.7   | -0.6   | -0.6   |
| Lower migration (-20%)  | 0.1       | 0.0                           | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.1    |
| TFP risk scenario   | 0.3       | 0.0                           | 0.0    | 0.0    | 0.1    | 0.1    | 0.1    | 0.2    | 0.2    | 0.3    | 0.3    |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.8      | 0.0                           | 0.0    | -0.2   | -0.4   | -0.6   | -0.7   | -0.8   | -0.9   | -0.9   | -0.8   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -0.4      | -1.4                          | -1.7   | -1.7   | -1.7   | -1.7   | -1.5   | -1.1   | -0.7   | -0.4   | -0.4   |
| Dependency ratio  | 6.7       | 1.6                           | 2.4    | 3.0    | 3.5    | 4.3    | 5.2    | 5.9    | 6.6    | 6.7    | 6.7    |
| Coverage ratio  | -3.1      | -1.1                          | -1.5   | -1.8   | -2.2   | -2.5   | -2.8   | -2.9   | -3.2   | -3.1   | -3.1   |
| Of which: Old-age   | -0.7      | -0.1                          | -0.4   | -0.8   | -1.1   | -1.3   | -1.3   | -1.2   | -1.0   | -0.7   | -0.7   |
| Early-age   | -4.5      | -1.9                          | -2.5   | -2.7   | -2.7   | -2.9   | -3.0   | -2.8   | -3.4   | -4.5   | -4.5   |
| Cohort effect   | -6.3      | -1.4                          | -1.6   | -1.6   | -1.9   | -2.5   | -3.6   | -4.8   | -6.2   | -6.3   | -6.3   |
| Benefit ratio   | -2.5      | -1.2                          | -1.6   | -1.8   | -1.9   | -2.0   | -2.2   | -2.3   | -2.4   | -2.5   | -2.5   |
| Labour market ratio   | -1.2      | -0.6                          | -0.9   | -0.9   | -0.9   | -1.0   | -1.1   | -1.0   | -1.2   | -1.2   | -1.2   |
| Of which: Employment rate   | -0.9      | -0.4                          | -0.7   | -0.7   | -0.7   | -0.7   | -0.7   | -0.7   | -0.8   | -0.9   | -0.9   |
| Labour intensity  | 0.0       | 0.0                           | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.3      | -0.2                          | -0.2   | -0.2   | -0.3   | -0.3   | -0.4   | -0.4   | -0.4   | -0.3   | -0.3   |
| Interaction effect (residual)   | -0.3      | -0.1                          | -0.2   | -0.2   | -0.2   | -0.3   | -0.3   | -0.3   | -0.3   | -0.3   | -0.3   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2020                          | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |        |
| Public pensions, gross as % of GDP  | -0.4      | -1.2                          | -0.3   | 0.0    | 0.1    | 0.2    | 0.3    | 0.4    | 0.3    | 0.0    | 0.0    |
| Dependency ratio  | 6.7       | 1.1                           | 0.8    | 0.5    | 0.5    | 0.8    | 0.9    | 0.7    | 0.8    | 0.0    | 0.0    |
| Coverage ratio  | -3.1      | -0.7                          | -0.4   | -0.3   | -0.3   | -0.4   | -0.3   | -0.1   | -0.2   | 0.1    | 0.1    |
| Of which: Old-age   | -0.7      | -0.2                          | -0.3   | -0.4   | -0.3   | -0.2   | 0.0    | 0.2    | 0.2    | 0.3    | 0.3    |
| Early-age   | -4.5      | -1.1                          | -0.5   | -0.2   | 0.0    | -0.2   | -0.1   | 0.1    | -0.6   | -1.1   | -1.1   |
| Cohort effect   | -6.3      | -0.8                          | -0.2   | 0.0    | -0.3   | -0.6   | -1.1   | -1.3   | -1.4   | 0.0    | 0.0    |
| Benefit ratio   | -2.5      | -1.2                          | -0.3   | -0.2   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   |
| Labour market ratio   | -1.2      | -0.4                          | -0.3   | 0.0    | 0.0    | -0.1   | -0.1   | 0.0    | -0.1   | 0.0    | 0.0    |
| Of which: Employment rate   | -0.9      | -0.2                          | -0.2   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | -0.1   | -0.1   | -0.1   |
| Labour intensity  | 0.0       | 0.0                           | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.3      | -0.1                          | -0.1   | 0.0    | 0.0    | -0.1   | 0.0    | 0.0    | 0.0    | 0.1    | 0.1    |
| Interaction effect (residual)   | -0.3      | -0.1                          | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| <b>Health care</b>  |           |                               |        |        |        |        |        |        |        |        |        |
| Health care spending as % of GDP  | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| AWG reference scenario  | 0.4       | 4.0                           | 4.2    | 4.3    | 4.4    | 4.4    | 4.5    | 4.5    | 4.5    | 4.5    | 4.4    |
| Demographic scenario  | 0.4       | 4.0                           | 4.2    | 4.2    | 4.3    | 4.4    | 4.5    | 4.5    | 4.5    | 4.5    | 4.5    |
| High Life expectancy scenario   | 0.6       | 4.0                           | 4.2    | 4.3    | 4.4    | 4.5    | 4.5    | 4.6    | 4.6    | 4.6    | 4.6    |
| Constant health scenario  | -0.1      | 4.0                           | 4.1    | 4.1    | 4.1    | 4.1    | 4.1    | 4.1    | 4.1    | 4.0    | 3.9    |
| Death-related cost scenario   | 0.4       | 4.0                           | 4.2    | 4.2    | 4.3    | 4.4    | 4.5    | 4.5    | 4.5    | 4.5    | 4.5    |
| Income elasticity scenario  | 0.7       | 4.0                           | 4.2    | 4.4    | 4.5    | 4.6    | 4.7    | 4.8    | 4.8    | 4.8    | 4.7    |
| EU28 cost convergence scenario  | 3.1       | 4.0                           | 4.4    | 4.7    | 4.9    | 5.3    | 5.6    | 5.9    | 6.3    | 6.7    | 7.1    |
| Labour intensity scenario   | 0.7       | 4.0                           | 4.0    | 4.0    | 4.1    | 4.2    | 4.4    | 4.6    | 4.8    | 4.8    | 4.8    |
| Sector-specific composite indexation scenario   | -0.1      | 4.0                           | 4.0    | 4.0    | 4.0    | 4.0    | 4.0    | 4.1    | 4.1    | 4.0    | 4.0    |
| Non-demographic determinants scenario   | 1.9       | 4.0                           | 4.5    | 4.9    | 5.2    | 5.4    | 5.7    | 5.8    | 6.0    | 6.0    | 6.0    |
| AWG risk scenario   | 1.1       | 4.0                           | 4.5    | 4.7    | 4.9    | 5.1    | 5.2    | 5.3    | 5.3    | 5.3    | 5.2    |
| TFP risk scenario   | 0.3       | 4.0                           | 4.2    | 4.3    | 4.4    | 4.4    | 4.5    | 4.5    | 4.5    | 4.5    | 4.4    |

| Bulgaria   |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.2      | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Demographic scenario   | 0.2      | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| High Life expectancy scenario  | 0.2      | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Base case scenario   | 0.2      | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Constant disability scenario   | 0.1      | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Shift to formal care scenario  | 0.4      | 0.4  | 0.5  | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.8  |
| Coverage convergence scenario  | 1.5      | 0.4  | 0.5  | 0.6  | 0.7  | 0.8  | 0.9  | 1.1  | 1.3  | 1.5  | 1.9  |
| Cost convergence scenario  | 0.5      | 0.4  | 0.4  | 0.5  | 0.5  | 0.6  | 0.6  | 0.7  | 0.8  | 0.8  | 0.9  |
| Cost and coverage convergence scenario   | 2.7      | 0.4  | 0.5  | 0.6  | 0.7  | 0.9  | 1.1  | 1.4  | 1.8  | 2.4  | 3.1  |
| AWG risk scenario  | 2.5      | 0.4  | 0.5  | 0.6  | 0.7  | 0.8  | 1.0  | 1.3  | 1.7  | 2.2  | 2.9  |
| TFP risk scenario  | 0.2      | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 3.9%     | 280  | 284  | 284  | 286  | 289  | 291  | 291  | 291  | 292  | 291  |
| of which: receiving institutional care   | 24.9%    | 15   | 16   | 16   | 16   | 17   | 17   | 18   | 18   | 19   | 19   |
| receiving home care  | 7.1%     | 106  | 109  | 109  | 111  | 113  | 112  | 112  | 112  | 114  | 114  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Demographic scenario   | 15.6%    | 280  | 290  | 294  | 301  | 309  | 314  | 317  | 321  | 323  | 324  |
| of which: receiving institutional care   | 32.8%    | 15   | 16   | 17   | 17   | 17   | 18   | 19   | 19   | 20   | 20   |
| receiving home care  | 18.9%    | 106  | 111  | 113  | 117  | 120  | 120  | 121  | 123  | 126  | 126  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Constant disability scenario   | -6.3%    | 280  | 278  | 273  | 272  | 271  | 270  | 268  | 266  | 265  | 262  |
| of which: receiving institutional care   | 17.8%    | 15   | 16   | 16   | 16   | 16   | 17   | 17   | 17   | 18   | 18   |
| receiving home care  | -3.3%    | 106  | 106  | 106  | 106  | 107  | 106  | 104  | 103  | 104  | 103  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Shift 1% of dependents from informal to formal scenario  | 15.6%    | 280  | 290  | 294  | 301  | 309  | 314  | 317  | 321  | 323  | 324  |
| of which: receiving institutional care   | 64.0%    | 15   | 19   | 20   | 21   | 21   | 22   | 23   | 24   | 24   | 25   |
| receiving home care  | 44.8%    | 106  | 128  | 139  | 143  | 147  | 148  | 149  | 151  | 153  | 154  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Coverage convergence scenario  | 15.6%    | 280  | 290  | 294  | 301  | 309  | 314  | 317  | 321  | 323  | 324  |
| of which: receiving institutional care   | 459.8%   | 15   | 19   | 22   | 25   | 30   | 37   | 45   | 55   | 67   | 85   |
| receiving home care  | 255.7%   | 106  | 127  | 144  | 166  | 190  | 215  | 243  | 278  | 324  | 378  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.4      | 3.0  | 2.9  | 3.0  | 3.0  | 3.0  | 2.9  | 3.1  | 3.2  | 3.4  | 3.4  |
| Expenditure decomposition (broadly constant) : Transfers (18%) - Capital (4%) - Staff (57%) - Other (21%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | 0.1      | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  | 0.9  |
| Expenditure decomposition (broadly constant) : Transfers (20%) - Capital (3%) - Staff (55%) - Other (22%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.2      | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 1.0  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (17%) - Capital (3%) - Staff (57%) - Other (22%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | 0.2      | 0.8  | 0.8  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 1.0  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (21%) - Capital (3%) - Staff (56%) - Other (19%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | -0.1     | 0.6  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.6  |
| Expenditure decomposition (broadly constant) : Transfers (14%) - Capital (9%) - Staff (58%) - Other (19%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -247     | 1049 | 995  | 981  | 938  | 882  | 839  | 820  | 818  | 817  | 802  |
| as % of population 5-24  | 1%       | 74%  | 76%  | 76%  | 74%  | 74%  | 74%  | 74%  | 75%  | 75%  | 74%  |
| Primary  | -51      | 260  | 274  | 260  | 236  | 219  | 214  | 220  | 222  | 218  | 209  |
| Low secondary  | -38      | 232  | 246  | 239  | 226  | 207  | 195  | 194  | 198  | 199  | 193  |
| Upper secondary  | -46      | 280  | 271  | 290  | 277  | 262  | 242  | 230  | 230  | 235  | 234  |
| Tertiary education   | -111     | 278  | 203  | 193  | 198  | 194  | 188  | 176  | 168  | 166  | 166  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -16      | 70   | 67   | 66   | 63   | 59   | 56   | 55   | 55   | 55   | 54   |
| Primary  | -3       | 15   | 16   | 15   | 14   | 13   | 12   | 13   | 13   | 12   | 12   |
| Low secondary  | -3       | 18   | 19   | 18   | 17   | 16   | 15   | 15   | 15   | 15   | 15   |
| Upper secondary  | -4       | 22   | 21   | 22   | 21   | 20   | 19   | 18   | 18   | 18   | 18   |
| Tertiary education   | -6       | 15   | 11   | 11   | 11   | 11   | 10   | 10   | 9    | 9    | 9    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.8      | 0.1  | 0.3  | 0.4  | 0.5  | 0.7  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.2     | 0.5  | 0.4  | 0.3  | 0.3  | 0.3  | 0.3  | 0.3  | 0.3  | 0.3  | 0.3  |
| <b>LESDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations   |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |      |      |      |      |



# 3. THE CZECH REPUBLIC

| Czech Republik   |                            | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.3                           | 1.52 | 1.63 | 1.68 | 1.72 | 1.75 | 1.77 | 1.78 | 1.79 | 1.80 | 1.80 |
| Life expectancy at birth   |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 8.2                           | 75.1 | 76.5 | 77.4 | 78.3 | 79.2 | 80.1 | 80.9 | 81.7 | 82.5 | 83.3 |
|  | females                    | 8.7                           | 81.2 | 82.3 | 83.1 | 83.8 | 84.5 | 85.3 | 85.9 | 86.6 | 87.3 | 87.9 |
| Life expectancy at 65  |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 5.5                           | 15.7 | 16.6 | 17.2 | 17.8 | 18.4 | 19.0 | 19.6 | 20.1 | 20.7 | 21.2 |
|  | females                    | 5.3                           | 19.2 | 20.0 | 20.6 | 21.2 | 21.8 | 22.4 | 22.9 | 23.5 | 24.0 | 24.5 |
| Net migration (thous and)  |                            | 22.5                          | -1.3 | 28.0 | 31.5 | 35.8 | 37.8 | 40.7 | 33.9 | 25.5 | 23.1 | 21.2 |
| Net migration as % of population                                     |                            | 0.2                           | 0.0  | 0.3  | 0.3  | 0.3  | 0.3  | 0.4  | 0.3  | 0.2  | 0.2  | 0.2  |
| Population (million)   |                            | 0.6                           | 10.5 | 10.7 | 10.7 | 10.8 | 10.8 | 10.9 | 11.0 | 11.1 | 11.1 | 11.1 |
| Children population (0-14) as % of total population                  |                            | 0.5                           | 14.9 | 16.0 | 15.3 | 14.7 | 14.3 | 14.7 | 15.3 | 15.8 | 15.7 | 15.4 |
| Prime age population (25-54) as % of total population                |                            | -8.0                          | 43.3 | 42.5 | 40.7 | 38.0 | 36.1 | 35.5 | 35.0 | 34.6 | 35.0 | 35.3 |
| Working age population (15-64) as % of total population              |                            | -11.6                         | 68.0 | 63.8 | 63.3 | 63.0 | 62.7 | 60.6 | 58.0 | 56.7 | 56.2 | 56.4 |
| Elderly population (65 and over) as % of total population            |                            | 11.1                          | 17.1 | 20.2 | 21.4 | 22.3 | 23.0 | 24.7 | 26.7 | 27.5 | 28.1 | 28.2 |
| Very elderly population (80 and over) as % of total population       |                            | 7.6                           | 3.9  | 4.2  | 5.1  | 6.6  | 7.7  | 7.9  | 8.0  | 8.4  | 9.9  | 11.5 |
| Very elderly population (80 and over) as % of elderly population     |                            | 18.0                          | 22.8 | 20.7 | 23.8 | 29.7 | 33.4 | 31.8 | 30.1 | 30.7 | 35.3 | 40.8 |
| Very elderly population (80 and over) as % of working age population |                            | 14.7                          | 5.7  | 6.5  | 8.0  | 10.5 | 12.2 | 13.0 | 13.9 | 14.8 | 17.7 | 20.4 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.6                           | 0.5  | 1.6  | 1.7  | 1.9  | 1.6  | 1.8  | 1.6  | 1.5  | 1.6  | 1.7  |
| Employment (growth rate)   |                            | -0.1                          | -0.1 | -0.3 | -0.2 | -0.1 | -0.1 | -0.1 | -0.2 | -0.2 | 0.0  | 0.2  |
| Labour input: hours worked (growth rate)                             |                            | -0.1                          | -0.4 | -0.2 | -0.2 | 0.1  | -0.1 | -0.1 | -0.2 | -0.2 | 0.0  | 0.2  |
| Labour productivity per hour (growth rate)                           |                            | 1.7                           | 0.9  | 1.8  | 1.9  | 1.9  | 1.8  | 1.8  | 1.8  | 1.7  | 1.6  | 1.5  |
| TFP (growth rate)  |                            | 1.1                           | 0.4  | 1.2  | 1.3  | 1.2  | 1.1  | 1.1  | 1.1  | 1.1  | 1.0  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.6                           | 0.4  | 0.6  | 0.6  | 0.7  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 1.5                           | 0.4  | 1.4  | 1.6  | 1.8  | 1.5  | 1.4  | 1.4  | 1.4  | 1.6  | 1.8  |
| Potential GDP per worker (growth rate)                               |                            | 1.7                           | 0.6  | 1.9  | 1.9  | 1.9  | 1.8  | 1.7  | 1.8  | 1.7  | 1.6  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (in thousands)                        |                            | -902                          | 7149 | 6801 | 6797 | 6797 | 6788 | 6619 | 6388 | 6295 | 6235 | 6247 |
| Population growth (working age:15-64)                                |                            | 1.3                           | -1.1 | -0.5 | 0.3  | -0.1 | -0.1 | -0.8 | -0.6 | -0.3 | -0.1 | 0.3  |
| Population (20-64) (in thousands)                                    |                            | -1021                         | 6656 | 6314 | 6190 | 6209 | 6208 | 6063 | 5854 | 5734 | 5641 | 5634 |
| Population growth (20-64)  |                            | 0.9                           | -0.7 | -0.7 | -0.1 | 0.0  | -0.1 | -0.8 | -0.6 | -0.4 | -0.2 | 0.3  |
| Labour force 15-64 (thous and)                                       |                            | -535                          | 5215 | 5075 | 5002 | 4982 | 4940 | 4830 | 4748 | 4696 | 4655 | 4680 |
| Labour force 20-64 (thous and)                                       |                            | -539                          | 5188 | 5049 | 4971 | 4949 | 4908 | 4799 | 4719 | 4667 | 4623 | 4647 |
| Participation rate (20-64)   |                            | 4.6                           | 77.9 | 80.0 | 80.3 | 79.7 | 79.1 | 79.2 | 80.6 | 81.4 | 82.0 | 82.5 |
| Participation rate (15-64)   |                            | 2.0                           | 72.9 | 74.6 | 73.6 | 73.3 | 72.8 | 73.0 | 74.3 | 74.7 | 74.7 | 74.9 |
|  | young (15-24)              | -3.2                          | 31.7 | 28.5 | 26.4 | 29.4 | 29.5 | 29.9 | 29.9 | 28.8 | 28.1 | 28.6 |
|  | prime-age (25-54)          | -0.5                          | 89.0 | 89.3 | 89.4 | 89.1 | 88.5 | 88.0 | 87.8 | 88.1 | 88.4 | 88.5 |
|  | older (55-64)              | 23.3                          | 55.1 | 58.0 | 61.4 | 65.9 | 67.1 | 68.0 | 72.8 | 74.8 | 75.5 | 78.3 |
| Participation rate (20-64) - FEMALES                                 |                            | 6.5                           | 69.5 | 72.2 | 72.7 | 72.4 | 71.7 | 71.9 | 73.7 | 74.8 | 75.4 | 76.0 |
| Participation rate (15-64) - FEMALES                                 |                            | 3.9                           | 65.1 | 67.3 | 66.6 | 66.5 | 66.0 | 66.3 | 68.0 | 68.6 | 68.7 | 69.0 |
|  | young (15-24)              | -2.7                          | 26.3 | 23.6 | 21.8 | 24.3 | 24.4 | 24.8 | 24.8 | 23.9 | 23.3 | 23.7 |
|  | prime-age (25-54)          | -0.6                          | 81.9 | 82.4 | 82.6 | 82.3 | 81.2 | 80.3 | 79.9 | 80.2 | 80.9 | 81.2 |
|  | older (55-64)              | 31.6                          | 44.5 | 48.1 | 52.3 | 58.1 | 60.1 | 62.7 | 69.7 | 72.5 | 73.3 | 76.0 |
| Participation rate (20-64) - MALES                                   |                            | 2.6                           | 86.1 | 87.6 | 87.6 | 86.8 | 86.2 | 86.1 | 87.2 | 87.8 | 88.2 | 88.7 |
| Participation rate (15-64) - MALES                                   |                            | 0.0                           | 80.6 | 81.7 | 80.3 | 79.8 | 79.3 | 79.4 | 80.5 | 80.6 | 80.4 | 80.6 |
|  | young (15-24)              | -3.6                          | 36.9 | 33.2 | 30.8 | 34.2 | 34.3 | 34.8 | 34.8 | 33.6 | 32.7 | 33.2 |
|  | prime-age (25-54)          | -0.3                          | 95.8 | 95.9 | 95.9 | 95.6 | 95.4 | 95.4 | 95.4 | 95.5 | 95.6 | 95.5 |
|  | older (55-64)              | 14.2                          | 66.4 | 68.2 | 70.6 | 73.7 | 74.2 | 73.4 | 75.9 | 77.0 | 77.8 | 80.6 |
| Average effective exit age (TOTAL) (1)                               |                            | 4.4                           | 61.9 | 62.4 | 62.9 | 63.4 | 64.0 | 64.7 | 65.3 | 65.6 | 65.9 | 66.3 |
|  | Men                        | 3.2                           | 63.1 | 63.4 | 63.8 | 64.1 | 64.5 | 64.9 | 65.3 | 65.6 | 65.9 | 66.3 |
|  | Women                      | 5.6                           | 60.7 | 61.4 | 62.0 | 62.7 | 63.5 | 64.4 | 65.3 | 65.6 | 65.9 | 66.3 |
| Employment rate (15-64)  |                            | 2.6                           | 67.8 | 69.9 | 69.2 | 68.9 | 68.4 | 68.6 | 69.8 | 70.2 | 70.2 | 70.4 |
| Employment rate (20-64)  |                            | 5.1                           | 72.6 | 75.0 | 75.6 | 75.1 | 74.4 | 74.5 | 75.9 | 76.6 | 77.2 | 77.7 |
| Employment rate (15-74)  |                            | 2.7                           | 59.9 | 60.2 | 60.3 | 60.7 | 60.5 | 60.0 | 60.7 | 61.9 | 62.6 |      |
| Unemployment rate (15-64)  |                            | -1.0                          | 7.0  | 6.3  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  |
| Unemployment rate (20-64)  |                            | -1.0                          | 6.8  | 6.2  | 5.8  | 5.8  | 5.8  | 5.8  | 5.8  | 5.8  | 5.8  | 5.8  |
| Unemployment rate (15-74)  |                            | -1.2                          | 7.0  | 6.2  | 5.9  | 5.9  | 5.9  | 5.8  | 5.8  | 5.8  | 5.7  | 5.7  |
| Employment (20-64) (in millions)                                     |                            | -0.5                          | 4.8  | 4.7  | 4.7  | 4.7  | 4.6  | 4.5  | 4.4  | 4.4  | 4.4  | 4.4  |
| Employment (15-64) (in millions)                                     |                            | -0.4                          | 4.8  | 4.8  | 4.7  | 4.7  | 4.6  | 4.5  | 4.5  | 4.4  | 4.4  | 4.4  |
|  | share of young (15-24)     | 1%                            | 6%   | 5%   | 5%   | 6%   | 6%   | 6%   | 6%   | 6%   | 6%   | 7%   |
|  | share of prime-age (25-54) | -4%                           | 78%  | 80%  | 79%  | 74%  | 71%  | 71%  | 72%  | 72%  | 74%  | 74%  |
|  | share of older (55-64)     | 3%                            | 16%  | 15%  | 16%  | 20%  | 23%  | 23%  | 22%  | 22%  | 20%  | 19%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | -2.5                          | 20.3 | 19.1 | 19.2 | 21.7 | 24.6 | 23.8 | 22.1 | 21.3 | 19.0 | 17.8 |
| Old-age dependency ratio 15-64(3)                                    |                            | 26                            | 26   | 32   | 34   | 35   | 37   | 41   | 46   | 48   | 50   | 50   |
| Old-age dependency ratio 20-64(3)                                    |                            | 29                            | 27   | 34   | 37   | 39   | 40   | 44   | 50   | 53   | 55   | 56   |
| Total dependency ratio (4)   |                            | 30                            | 47   | 57   | 58   | 59   | 60   | 65   | 72   | 76   | 78   | 77   |
| Total economic dependency ratio (5)                                  |                            | 23                            | 113  | 119  | 122  | 123  | 125  | 128  | 132  | 136  | 137  | 138  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 29                            | 35   | 43   | 46   | 48   | 50   | 54   | 59   | 62   | 64   | 64   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 26                            | 35   | 42   | 45   | 47   | 48   | 51   | 56   | 59   | 60   | 60   |

| Czech Republic  |           | EC-EPC (AWG) 2015 projections |        |        |        |        |        |        |        |        |        |
|---|-----------|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Pension expenditure projections   |           |                               |        |        |        |        |        |        |        |        |        |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross  | 0.7       | 9.0                           | 9.0    | 9.1    | 9.0    | 8.8    | 9.0    | 9.3    | 9.6    | 9.8    | 9.7    |
| Earnings-related pensions, gross  | 0.7       | 9.0                           | 9.0    | 9.1    | 9.0    | 8.8    | 9.0    | 9.3    | 9.6    | 9.8    | 9.7    |
| Of which: Old-age and early pensions  | 0.8       | 7.3                           | 7.5    | 7.6    | 7.5    | 7.3    | 7.4    | 7.7    | 8.0    | 8.2    | 8.1    |
| Disability pensions   | -0.1      | 1.1                           | 0.9    | 0.8    | 0.8    | 0.8    | 0.9    | 0.9    | 0.9    | 0.9    | 0.9    |
| Survivors pensions  | 0.1       | 0.7                           | 0.6    | 0.7    | 0.7    | 0.7    | 0.7    | 0.7    | 0.7    | 0.7    | 0.7    |
| Other pensions  | :         | :                             | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Non-earning-related pensions  | :         | :                             | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Private pensions, gross   | :         | :                             | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| New pensions, gross   | 0.1       | 0.4                           | 0.5    | 0.5    | 0.5    | 0.5    | 0.6    | 0.6    | 0.6    | 0.6    | 0.5    |
| Public pensions, net  | 0.7       | 9.0                           | 9.0    | 9.1    | 9.0    | 8.8    | 9.0    | 9.3    | 9.6    | 9.8    | 9.7    |
| Public pensions, contributors   | 0.0       | 7.9                           | 7.9    | 7.9    | 7.9    | 7.9    | 7.9    | 7.9    | 7.9    | 7.9    | 7.9    |
| Additional indicators   | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, net/Public pensions, gross, %  | 0.0%      | 100.0%                        | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Pensioners (Public, in 1000 pers ons)   | 433       | 2882                          | 2876   | 2954   | 3023   | 3066   | 3162   | 3266   | 3311   | 3325   | 3315   |
| Pensioners aged 65+ (1000 pers ons)   | 998       | 1799                          | 2030   | 2163   | 2265   | 2314   | 2465   | 2543   | 2747   | 2803   | 2796   |
| Share of pensioners below age 65 as % of all pensioners   | -21.9%    | 37.6%                         | 29.4%  | 26.8%  | 25.4%  | 24.5%  | 22.1%  | 19.1%  | 17.0%  | 15.7%  | 15.7%  |
| Benefit ratio (Public pensions)   | -3.3      | 42.8                          | 43.8   | 42.4   | 41.0   | 39.7   | 38.9   | 38.7   | 39.1   | 39.3   | 39.5   |
| Gross replacement rate at retirement (Public pensions)  | 1.5       | 32.2                          | 35.6   | 34.0   | 32.5   | 31.8   | 32.8   | 35.1   | 34.5   | 33.3   | 33.7   |
| Average accrual rates (new pensions, earnings related)  | 0.1       | 1.8                           | 2.0    | 1.9    | 1.8    | 1.7    | 1.7    | 1.8    | 1.9    | 1.8    | 1.9    |
| Average contributory period (new pensions, earnings-related)  | 5.4       | 43.0                          | 44.5   | 46.0   | 46.5   | 46.0   | 46.4   | 47.4   | 47.4   | 47.4   | 48.4   |
| Contributors (Public pensions, in 1000 pers ons)  | -239.1    | 4934.8                        | 4875.0 | 4829.1 | 4826.6 | 4813.4 | 4777.6 | 4750.3 | 4698.5 | 4673.0 | 4656.7 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -29.6     | 171.2                         | 169.5  | 163.5  | 159.7  | 157.0  | 151.6  | 145.5  | 141.9  | 140.5  | 141.6  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| High life expectancy (+2 years)   | 0.6       | 0.0                           | 0.0    | 0.1    | 0.1    | 0.2    | 0.3    | 0.3    | 0.4    | 0.5    | 0.6    |
| High labour productivity (+0.25 p.p.)   | -0.3      | 0.0                           | 0.0    | -0.1   | -0.1   | -0.2   | -0.2   | -0.2   | -0.3   | -0.3   | -0.3   |
| Lower labour productivity (-0.25 p.p.)  | 0.3       | 0.0                           | 0.0    | 0.1    | 0.1    | 0.2    | 0.2    | 0.2    | 0.3    | 0.3    | 0.3    |
| High employment rate (+2 p.p.)  | -0.2      | 0.0                           | -0.1   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   |
| High emp. of older workers (+10 p.p.)   | 0.2       | 0.0                           | -0.6   | -1.0   | -0.8   | -0.6   | -0.4   | -0.2   | 0.0    | 0.2    | 0.2    |
| Lower migration (-20%)  | 0.3       | 0.0                           | 0.0    | 0.0    | 0.1    | 0.1    | 0.2    | 0.2    | 0.3    | 0.3    | 0.3    |
| TFP risk scenario   | 0.4       | 0.0                           | 0.0    | 0.0    | 0.1    | 0.1    | 0.2    | 0.2    | 0.3    | 0.3    | 0.4    |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.6      | 0.0                           | -0.2   | -0.4   | -0.6   | -0.6   | -0.6   | -0.7   | -0.6   | -0.6   | -0.6   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | 0.7       | 0.0                           | 0.1    | 0.0    | -0.2   | 0.0    | 0.3    | 0.6    | 0.8    | 0.8    | 0.7    |
| Dependency ratio  | 6.8       | 2.2                           | 3.0    | 3.4    | 3.7    | 4.7    | 5.8    | 6.4    | 6.8    | 6.8    | 6.8    |
| Coverage ratio  | -3.6      | -1.6                          | -1.9   | -2.1   | -2.3   | -2.7   | -3.2   | -3.4   | -3.6   | -3.6   | -3.6   |
| Of which: Old-age   | -1.0      | -0.5                          | -0.5   | -0.6   | -0.6   | -0.8   | -0.9   | -0.9   | -0.9   | -0.9   | -1.0   |
| Early-age   | -5.1      | -1.6                          | -2.9   | -3.9   | -4.3   | -4.5   | -4.7   | -4.7   | -4.8   | -4.8   | -5.1   |
| Cohort effect   | -5.8      | -1.9                          | -1.8   | -1.4   | -1.5   | -2.6   | -4.1   | -5.2   | -6.0   | -6.8   | -6.8   |
| Benefit ratio   | -1.0      | -0.1                          | -0.3   | -0.6   | -0.9   | -1.1   | -1.2   | -1.1   | -1.0   | -1.0   | -1.0   |
| Labour market ratio   | -1.0      | -0.4                          | -0.4   | -0.4   | -0.4   | -0.5   | -0.8   | -0.9   | -1.0   | -1.0   | -1.0   |
| Of which: Employment rate   | -0.6      | -0.3                          | -0.4   | -0.4   | -0.4   | -0.2   | -0.2   | -0.4   | -0.5   | -0.6   | -0.6   |
| Labour intensity  | 0.0       | 0.0                           | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.4      | -0.1                          | -0.1   | -0.1   | -0.2   | -0.3   | -0.4   | -0.4   | -0.4   | -0.4   | -0.4   |
| Interaction effect (residual)   | -0.5      | -0.2                          | -0.3   | -0.3   | -0.3   | -0.4   | -0.4   | -0.5   | -0.5   | -0.5   | -0.5   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2020                          | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |        |
| Public pensions, gross as % of GDP  | 0.7       | 0.2                           | 0.0    | -0.1   | -0.1   | 0.1    | 0.3    | 0.3    | 0.2    | 0.0    | 0.0    |
| Dependency ratio  | 6.8       | 1.6                           | 0.8    | 0.4    | 0.3    | 1.0    | 1.1    | 0.5    | 0.4    | 0.0    | 0.0    |
| Coverage ratio  | -3.6      | -0.7                          | -0.3   | -0.2   | -0.2   | -0.5   | -0.4   | -0.2   | -0.2   | -0.1   | -0.1   |
| Of which: Old-age   | -1.0      | -0.1                          | 0.0    | 0.0    | -0.1   | -0.2   | -0.1   | 0.0    | 0.0    | -0.1   | -0.1   |
| Early-age   | -5.1      | -0.6                          | -1.2   | -1.0   | -0.4   | -0.2   | -0.1   | 0.0    | -0.1   | -0.3   | -0.3   |
| Cohort effect   | -5.8      | -1.3                          | 0.2    | 0.4    | -0.1   | -1.1   | -1.5   | -1.1   | -0.8   | 0.2    | 0.2    |
| Benefit ratio   | -1.0      | -0.3                          | -0.3   | -0.3   | -0.3   | -0.2   | 0.0    | 0.1    | 0.1    | 0.0    | 0.0    |
| Labour market ratio   | -1.0      | -0.3                          | -0.1   | 0.0    | 0.0    | -0.1   | -0.3   | -0.1   | -0.1   | -0.1   | -0.1   |
| Of which: Employment rate   | -0.6      | -0.2                          | -0.1   | 0.1    | 0.1    | 0.0    | -0.2   | -0.1   | -0.1   | -0.1   | -0.1   |
| Labour intensity  | 0.0       | 0.0                           | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.4      | -0.1                          | 0.0    | 0.0    | -0.1   | -0.1   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    |
| Interaction effect (residual)   | -0.5      | -0.2                          | 0.0    | 0.0    | 0.0    | -0.1   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    |
| Health care   |           |                               |        |        |        |        |        |        |        |        |        |
| Health care spending as % of GDP  | Ch 13-60  | 2013                          | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| AWG reference scenario  | 1.0       | 5.7                           | 5.9    | 6.1    | 6.2    | 6.4    | 6.5    | 6.6    | 6.8    | 6.7    | 6.7    |
| Demographic scenario  | 1.2       | 5.7                           | 5.9    | 6.1    | 6.3    | 6.5    | 6.6    | 6.8    | 6.9    | 7.0    | 7.0    |
| High Life Expectancy scenario   | 1.6       | 5.7                           | 5.9    | 6.2    | 6.4    | 6.6    | 6.8    | 7.0    | 7.1    | 7.2    | 7.3    |
| Constant health scenario  | 0.3       | 5.7                           | 5.7    | 5.8    | 5.9    | 6.0    | 6.0    | 6.0    | 6.0    | 6.1    | 6.1    |
| Death-related cost scenario   | 0.8       | 5.7                           | 5.8    | 6.0    | 6.2    | 6.3    | 6.4    | 6.5    | 6.5    | 6.6    | 6.6    |
| Income elasticity scenario  | 1.5       | 5.7                           | 6.0    | 6.2    | 6.5    | 6.7    | 6.8    | 7.0    | 7.1    | 7.2    | 7.3    |
| EU28 cost convergence scenario  | 1.5       | 5.7                           | 5.9    | 6.2    | 6.4    | 6.6    | 6.8    | 6.9    | 7.1    | 7.2    | 7.2    |
| Labour intensity scenario   | 2.0       | 5.7                           | 6.0    | 6.4    | 6.6    | 6.9    | 7.1    | 7.4    | 7.6    | 7.8    | 7.8    |
| Sector-specific composite indexation scenario   | 1.1       | 5.7                           | 5.9    | 6.1    | 6.2    | 6.4    | 6.5    | 6.6    | 6.7    | 6.8    | 6.8    |
| Non-demographic determinants scenario   | 2.9       | 5.7                           | 6.2    | 6.6    | 7.0    | 7.4    | 7.7    | 8.0    | 8.3    | 8.5    | 8.6    |
| AWG risk scenario   | 1.7       | 5.7                           | 6.1    | 6.4    | 6.7    | 6.9    | 7.1    | 7.2    | 7.4    | 7.4    | 7.5    |
| TFP risk scenario   | 0.9       | 5.7                           | 5.9    | 6.1    | 6.2    | 6.4    | 6.5    | 6.5    | 6.6    | 6.7    | 6.7    |

| Czech Republik   |  | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|--|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| <b>Long-term care</b>  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   |  | 0.7                           | 0.7  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.2  | 1.2  | 1.3  | 1.4  |
| Demographic scenario   |  | 0.7                           | 0.7  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.2  | 1.3  | 1.3  | 1.5  |
| High Life expectancy scenario  |  | 0.8                           | 0.7  | 0.9  | 0.9  | 1.0  | 1.2  | 1.2  | 1.3  | 1.4  | 1.5  | 1.8  |
| Base case scenario   |  | 0.8                           | 0.7  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.3  | 1.4  | 1.5  |
| Constant disability scenario   |  | 0.6                           | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.1  | 1.1  | 1.2  | 1.2  | 1.3  |
| Shift to formal care scenario  |  | 0.8                           | 0.7  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.3  | 1.4  | 1.5  | 1.8  |
| Coverage convergence scenario  |  | 0.8                           | 0.7  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.3  | 1.4  | 1.5  |
| Cost convergence scenario  |  | 5.7                           | 0.7  | 1.0  | 1.3  | 1.6  | 2.0  | 2.5  | 3.1  | 3.9  | 5.0  | 6.4  |
| Cost and coverage convergence scenario   |  | 5.7                           | 0.7  | 1.0  | 1.3  | 1.6  | 2.0  | 2.5  | 3.1  | 3.9  | 5.0  | 6.4  |
| AWG risk scenario  |  | 5.2                           | 0.7  | 1.0  | 1.2  | 1.5  | 1.9  | 2.4  | 3.0  | 3.7  | 4.7  | 6.0  |
| TFP risk scenario  |  | 0.7                           | 0.7  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.2  | 1.2  | 1.3  | 1.4  |
| Number of dependent people (in thousands)  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   |  | 39.7%                         | 842  | 905  | 955  | 1009 | 1052 | 1077 | 1094 | 1116 | 1146 | 1177 |
| of which: receiving institutional care   |  | 49.9%                         | 345  | 375  | 394  | 417  | 440  | 459  | 473  | 484  | 500  | 517  |
| receiving home care  |  | 129.1%                        | 94   | 109  | 123  | 140  | 157  | 168  | 175  | 184  | 199  | 216  |
| receiving cash benefits  |  | 105.6%                        | 329  | 375  | 410  | 469  | 508  | 542  | 562  | 584  | 626  | 676  |
| Demographic scenario   |  | 52.0%                         | 842  | 919  | 981  | 1046 | 1099 | 1134 | 1161 | 1195 | 1237 | 1281 |
| of which: receiving institutional care   |  | 61.7%                         | 345  | 380  | 404  | 430  | 458  | 481  | 499  | 515  | 535  | 557  |
| receiving home care  |  | 145.2%                        | 94   | 110  | 125  | 144  | 162  | 175  | 184  | 195  | 212  | 231  |
| receiving cash benefits  |  | 119.4%                        | 329  | 380  | 419  | 471  | 525  | 564  | 589  | 616  | 664  | 722  |
| Constant disability scenario   |  | 28.8%                         | 842  | 892  | 930  | 973  | 1005 | 1022 | 1030 | 1042 | 1064 | 1085 |
| of which: receiving institutional care   |  | 39.5%                         | 345  | 370  | 385  | 404  | 423  | 438  | 448  | 455  | 468  | 481  |
| receiving home care  |  | 113.2%                        | 94   | 107  | 120  | 136  | 151  | 161  | 167  | 173  | 186  | 201  |
| receiving cash benefits  |  | 93.0%                         | 329  | 370  | 402  | 446  | 491  | 521  | 537  | 554  | 591  | 635  |
| Shift 1% of dependents from informal to formal scenario  |  | 52.0%                         | 842  | 919  | 981  | 1046 | 1099 | 1134 | 1161 | 1195 | 1237 | 1281 |
| of which: receiving institutional care   |  | 89.2%                         | 345  | 432  | 482  | 512  | 543  | 568  | 588  | 605  | 628  | 652  |
| receiving home care  |  | 180.3%                        | 94   | 123  | 146  | 167  | 187  | 201  | 211  | 223  | 243  | 264  |
| receiving cash benefits  |  | 119.4%                        | 329  | 380  | 419  | 471  | 525  | 564  | 589  | 616  | 664  | 722  |
| Coverage convergence scenario  |  | 52.0%                         | 842  | 919  | 981  | 1046 | 1099 | 1134 | 1161 | 1195 | 1237 | 1281 |
| of which: receiving institutional care   |  | 61.7%                         | 345  | 380  | 404  | 430  | 458  | 481  | 499  | 515  | 535  | 557  |
| receiving home care  |  | 145.2%                        | 94   | 110  | 125  | 144  | 162  | 175  | 184  | 195  | 212  | 231  |
| receiving cash benefits  |  | 119.4%                        | 329  | 380  | 419  | 471  | 525  | 564  | 589  | 616  | 664  | 722  |
| <b>Education</b>   |  |                               |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  |  | 0.7                           | 3.4  | 3.6  | 3.9  | 3.9  | 3.8  | 3.7  | 3.8  | 4.0  | 4.1  | 4.1  |
| Expenditure decomposition (broadly constant) : Transfers (3%) - Capital (10%) - Staff (50%) - Other (37%)                          |  |                               |      |      |      |      |      |      |      |      |      |      |
| Primary  |  | 0.2                           | 0.7  | 0.9  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  | 0.9  |
| Expenditure decomposition (broadly constant) : Transfers (3%) - Capital (10%) - Staff (55%) - Other (32%)                          |  |                               |      |      |      |      |      |      |      |      |      |      |
| Low secondary  |  | 0.3                           | 0.9  | 1.1  | 1.1  | 1.1  | 1.1  | 1.0  | 1.1  | 1.2  | 1.2  | 1.2  |
| Expenditure decomposition (broadly constant) : Transfers (3%) - Capital (10%) - Staff (55%) - Other (33%)                          |  |                               |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  |  | 0.2                           | 0.8  | 0.8  | 1.0  | 1.0  | 1.0  | 1.0  | 0.9  | 1.0  | 1.1  | 1.1  |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (7%) - Staff (51%) - Other (39%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   |  | 0.0                           | 1.0  | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 0.9  | 0.9  | 0.9  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (14%) - Staff (41%) - Other (43%)                          |  |                               |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Total  |  | 253                           | 1697 | 1786 | 1874 | 1875 | 1827 | 1794 | 1816 | 1880 | 1939 | 1950 |
| as % of population 5-24  |  | 2%                            | 70%  | 84%  | 83%  | 81%  | 81%  | 81%  | 81%  | 82%  | 82%  | 82%  |
| Primary  |  | 77                            | 497  | 581  | 562  | 540  | 513  | 518  | 500  | 503  | 502  | 574  |
| Low secondary  |  | 114                           | 362  | 453  | 461  | 454  | 436  | 416  | 423  | 455  | 478  | 476  |
| Upper secondary  |  | 89                            | 435  | 423  | 517  | 503  | 498  | 479  | 463  | 474  | 507  | 524  |
| Tertiary education   |  | -27                           | 404  | 329  | 334  | 378  | 380  | 380  | 370  | 358  | 361  | 377  |
| Number of teachers (in thousands)  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Total  |  | 20                            | 112  | 121  | 128  | 127  | 124  | 121  | 122  | 127  | 132  | 133  |
| Primary  |  | 4                             | 27   | 31   | 30   | 29   | 28   | 28   | 30   | 32   | 32   | 31   |
| Low secondary  |  | 10                            | 33   | 41   | 42   | 41   | 39   | 38   | 38   | 41   | 43   | 43   |
| Upper secondary  |  | 7                             | 35   | 34   | 42   | 41   | 40   | 39   | 38   | 39   | 41   | 43   |
| Tertiary education   |  | -1                            | 17   | 14   | 14   | 16   | 16   | 16   | 16   | 15   | 16   | 16   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  |  | 0.7                           | 0.1  | 0.2  | 0.4  | 0.5  | 0.6  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| <b>Unemployment benefit</b>  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  |  | 0.0                           | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  |
| <b>LEGENDA</b>   |  |                               |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |  |                               |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |  |                               |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |  |                               |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |  |                               |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |  |                               |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |  |                               |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |  |                               |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |  |                               |      |      |      |      |      |      |      |      |      |      |
| NB: - = data not provided  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Source: Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)   |  |                               |      |      |      |      |      |      |      |      |      |      |

# 4. DENMARK

| Denmark  |           | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |
|--|-----------|-------------------------------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |           |                               |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |           |                               |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60  | 2013                          | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   | 0.1       | 1.74                          | 1.78 | 1.80 | 1.81 | 1.82 | 1.83 | 1.84 | 1.85 | 1.85 | 1.86 |
| Life expectancy at birth   |           |                               |      |      |      |      |      |      |      |      |      |
| males  | 6.6       | 78.2                          | 79.3 | 80.0 | 80.8 | 81.5 | 82.2 | 82.9 | 83.5 | 84.2 | 84.8 |
| females  | 6.5       | 82.1                          | 83.2 | 84.0 | 84.7 | 85.5 | 86.2 | 86.8 | 87.5 | 88.1 | 88.7 |
| Life expectancy at 65  |           |                               |      |      |      |      |      |      |      |      |      |
| males  | 4.7       | 17.5                          | 18.3 | 18.8 | 19.3 | 19.8 | 20.3 | 20.8 | 21.3 | 21.8 | 22.2 |
| females  | 5.1       | 20.2                          | 21.1 | 21.6 | 22.2 | 22.8 | 23.3 | 23.8 | 24.3 | 24.8 | 25.3 |
| Net migration (thous and)  | -11.2     | 21.2                          | 18.9 | 19.4 | 19.9 | 18.0 | 16.3 | 13.7 | 10.5 | 10.1 | 10.0 |
| Net migration as % of population                                     | -0.2      | 0.4                           | 0.3  | 0.3  | 0.3  | 0.3  | 0.3  | 0.2  | 0.2  | 0.2  | 0.2  |
| Population (million)   | 0.9       | 5.6                           | 5.8  | 5.9  | 6.1  | 6.2  | 6.3  | 6.4  | 6.4  | 6.5  | 6.5  |
| Children population (0-14) as % of total population                  | -0.8      | 17.3                          | 16.6 | 16.4 | 16.9 | 17.2 | 17.1 | 16.7 | 16.5 | 16.4 | 16.5 |
| Prime age population (25-54) as % of total population                | -3.7      | 39.4                          | 38.4 | 37.5 | 36.8 | 36.9 | 37.2 | 36.9 | 36.4 | 36.0 | 35.8 |
| Working age population (15-64) as % of total population              | -5.7      | 64.6                          | 63.4 | 62.5 | 60.7 | 59.4 | 59.0 | 59.3 | 59.9 | 59.8 | 59.9 |
| Elderly population (65 and over) as % of total population            | 6.6       | 18.0                          | 20.0 | 21.1 | 22.4 | 23.4 | 24.0 | 24.0 | 23.6 | 23.8 | 24.6 |
| Very elderly population (80 and over) as % of total population       | 5.5       | 4.2                           | 4.8  | 5.9  | 7.0  | 7.5  | 7.9  | 8.7  | 9.3  | 9.7  | 9.7  |
| Very elderly population (80 and over) as % of elderly population     | 16.2      | 23.1                          | 23.8 | 27.8 | 31.5 | 32.2 | 33.1 | 36.1 | 39.5 | 40.8 | 39.2 |
| Very elderly population (80 and over) as % of working age population | 10.0      | 6.4                           | 7.5  | 9.4  | 11.6 | 12.7 | 13.4 | 14.6 | 15.6 | 16.3 | 16.4 |
| Macroeconomic assumptions*   |           |                               |      |      |      |      |      |      |      |      |      |
|  | AVG 13-60 | 2013                          | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  | 1.8       | 0.6                           | 2.1  | 2.0  | 1.7  | 1.7  | 1.8  | 1.9  | 1.9  | 1.8  | 1.7  |
| Employment (growth rate)   | 0.3       | -0.3                          | 0.7  | 0.4  | 0.1  | 0.1  | 0.2  | 0.4  | 0.3  | 0.3  | 0.1  |
| Labour input: hours worked (growth rate)                             | 0.3       | -0.4                          | 0.6  | 0.4  | 0.1  | 0.1  | 0.2  | 0.4  | 0.3  | 0.3  | 0.1  |
| Labour productivity per hour (growth rate)                           | 1.5       | 1.0                           | 1.4  | 1.6  | 1.6  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| TFP (growth rate)  | 1.0       | 0.7                           | 0.9  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       | 0.5       | 0.3                           | 0.5  | 0.6  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Potential GDP per capita (growth rate)                               | 1.4       | 0.2                           | 1.6  | 1.5  | 1.2  | 1.3  | 1.5  | 1.7  | 1.7  | 1.6  | 1.5  |
| Potential GDP per worker (growth rate)                               | 1.5       | 0.9                           | 1.4  | 1.6  | 1.6  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| Labour force assumptions   |           |                               |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60  | 2013                          | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thous ands)                        | 226       | 3629                          | 3670 | 3704 | 3686 | 3678 | 3706 | 3771 | 3840 | 3876 | 3854 |
| Population growth (working age:15-64)                                | -0.2      | 0.1                           | 0.2  | 0.1  | -0.2 | 0.2  | 0.2  | 0.4  | 0.3  | 0.0  | -0.2 |
| Population (20-64) (n thous ands)                                    | 223       | 3271                          | 3329 | 3357 | 3362 | 3340 | 3346 | 3399 | 3478 | 3509 | 3494 |
| Population growth (20-64)  | -0.3      | 0.1                           | 0.2  | 0.2  | -0.1 | 0.0  | 0.1  | 0.4  | 0.4  | 0.0  | -0.1 |
| Labour force 15-64 (thous ands)                                      | 262       | 2837                          | 2927 | 2963 | 2957 | 2957 | 2978 | 3030 | 3091 | 3140 | 3099 |
| Labour force 20-64 (thous ands)                                      | 260       | 2649                          | 2740 | 2781 | 2787 | 2780 | 2789 | 2835 | 2896 | 2918 | 2910 |
| Participation rate (20-64)   | 2.3       | 81.0                          | 82.6 | 82.8 | 82.9 | 83.2 | 83.4 | 83.4 | 83.3 | 83.2 | 83.3 |
| Participation rate (15-64)   | 2.2       | 78.2                          | 79.8 | 80.0 | 80.2 | 80.4 | 80.3 | 80.4 | 80.3 | 80.3 | 80.4 |
| young (15-24)  | 0.4       | 61.9                          | 62.4 | 62.2 | 62.7 | 62.0 | 61.9 | 62.1 | 62.2 | 62.3 | 62.3 |
| prime-age (25-54)  | -0.6      | 87.5                          | 87.1 | 87.1 | 87.0 | 87.0 | 87.0 | 87.0 | 86.9 | 86.9 | 86.9 |
| older (55-64)  | 12.7      | 66.3                          | 74.2 | 75.7 | 76.2 | 76.7 | 76.8 | 77.6 | 77.9 | 77.8 | 78.0 |
| Participation rate (20-64) - FEMALES                                 | 3.8       | 77.9                          | 80.3 | 80.8 | 80.9 | 81.3 | 81.5 | 81.7 | 81.6 | 81.5 | 81.7 |
| Participation rate (15-64) - FEMALES                                 | 3.5       | 75.7                          | 77.9 | 78.4 | 78.6 | 78.9 | 78.9 | 79.1 | 79.0 | 79.0 | 79.2 |
| young (15-24)  | 0.4       | 62.5                          | 62.9 | 62.8 | 63.2 | 62.6 | 62.5 | 62.7 | 62.8 | 62.8 | 62.8 |
| prime-age (25-54)  | 0.2       | 84.9                          | 84.8 | 85.0 | 85.0 | 85.1 | 85.2 | 85.2 | 85.1 | 85.1 | 85.1 |
| older (55-64)  | 16.6      | 60.1                          | 71.5 | 73.5 | 73.8 | 74.5 | 74.7 | 75.8 | 76.4 | 76.4 | 76.8 |
| Participation rate (20-64) - MALES                                   | 0.8       | 84.0                          | 84.8 | 84.9 | 84.9 | 85.1 | 85.1 | 85.0 | 84.8 | 84.7 | 84.8 |
| Participation rate (15-64) - MALES                                   | 0.9       | 80.7                          | 81.6 | 81.6 | 81.9 | 81.9 | 81.7 | 81.6 | 81.5 | 81.5 | 81.6 |
| young (15-24)  | 0.5       | 61.3                          | 61.9 | 61.7 | 62.2 | 61.4 | 61.3 | 61.5 | 61.7 | 61.7 | 61.7 |
| prime-age (25-54)  | -1.5      | 90.2                          | 89.4 | 89.2 | 89.0 | 88.8 | 88.8 | 88.7 | 88.6 | 88.6 | 88.7 |
| older (55-64)  | 8.7       | 70.6                          | 77.0 | 78.0 | 78.6 | 79.1 | 79.0 | 79.3 | 79.3 | 79.1 | 79.3 |
| Average effective exit age (TOTAL) (1)                               | 3.3       | 64.5                          | 65.7 | 66.1 | 66.3 | 66.5 | 66.7 | 67.0 | 67.2 | 67.5 | 67.8 |
| Men  | 2.3       | 66.6                          | 66.2 | 66.6 | 67.0 | 67.2 | 67.3 | 67.5 | 67.6 | 67.8 | 67.9 |
| Women  | 4.4       | 63.4                          | 65.3 | 65.5 | 65.5 | 65.8 | 66.1 | 66.5 | 66.9 | 67.3 | 67.7 |
| Employment rate (15-64)  | 3.9       | 72.6                          | 75.4 | 76.0 | 76.3 | 76.4 | 76.4 | 76.4 | 76.4 | 76.3 | 76.5 |
| Employment rate (20-64)  | 3.9       | 75.7                          | 78.4 | 79.1 | 79.1 | 79.5 | 79.6 | 79.7 | 79.5 | 79.4 | 79.5 |
| Employment rate (15-74)  | 6.1       | 63.8                          | 66.3 | 67.9 | 68.0 | 67.9 | 68.2 | 69.0 | 69.8 | 70.1 | 69.9 |
| Unemployment rate (15-64)  | -2.3      | 7.2                           | 5.5  | 5.0  | 4.9  | 4.9  | 4.9  | 4.9  | 4.9  | 4.9  | 4.9  |
| Unemployment rate (20-64)  | -2.1      | 6.5                           | 5.1  | 4.6  | 4.6  | 4.5  | 4.5  | 4.5  | 4.5  | 4.5  | 4.5  |
| Unemployment rate (15-74)  | -2.5      | 7.0                           | 5.4  | 4.8  | 4.7  | 4.7  | 4.6  | 4.6  | 4.6  | 4.6  | 4.5  |
| Employment (20-64) (in millions)                                     | 0.3       | 2.5                           | 2.6  | 2.7  | 2.7  | 2.7  | 2.7  | 2.7  | 2.8  | 2.8  | 2.8  |
| Employment (15-64) (in millions)                                     | 0.3       | 2.6                           | 2.8  | 2.8  | 2.8  | 2.8  | 2.8  | 2.9  | 2.9  | 3.0  | 2.9  |
| share of young (15-24)   | 0%        | 15%                           | 14%  | 14%  | 14%  | 14%  | 14%  | 15%  | 15%  | 14%  | 14%  |
| share of prime-age (25-54)   | -3%       | 69%                           | 67%  | 66%  | 66%  | 66%  | 66%  | 66%  | 66%  | 66%  | 66%  |
| share of older (55-64)   | 3%        | 16%                           | 19%  | 20%  | 20%  | 19%  | 17%  | 17%  | 19%  | 20%  | 20%  |
| Dependency ratios  |           |                               |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60  | 2013                          | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                | 1.0       | 19.1                          | 20.0 | 20.9 | 20.6 | 19.3 | 17.6 | 17.8 | 19.6 | 20.4 | 20.1 |
| Old-age dependency ratio 15-64(3)                                    | 14        | 28                            | 32   | 34   | 37   | 39   | 41   | 40   | 39   | 40   | 42   |
| Old-age dependency ratio 20-64(3)                                    | 15        | 31                            | 35   | 37   | 40   | 43   | 45   | 45   | 44   | 44   | 46   |
| Total dependency ratio (4)   | 15        | 55                            | 58   | 60   | 65   | 68   | 70   | 69   | 67   | 67   | 70   |
| Total economic dependency ratio (5)                                  | -3        | 108                           | 103  | 102  | 105  | 108  | 109  | 108  | 106  | 105  | 105  |
| Economic old-age dependency ratio (15-64) (6)                        | 10        | 36                            | 39   | 40   | 43   | 46   | 47   | 47   | 46   | 45   | 46   |
| Economic old-age dependency ratio (15-74) (7)                        | 8         | 35                            | 37   | 39   | 41   | 43   | 44   | 44   | 43   | 43   | 43   |

| Denmark   |           | EC-EPC (AWG) 2015 projections |           |           |           |           |           |           |           |           |       |
|---|-----------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| <b>Pension expenditure projections</b>  |           |                               |           |           |           |           |           |           |           |           |       |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, gross  | -3.1      | 10.3                          | 8.7       | 8.4       | 8.3       | 8.2       | 8.0       | 7.7       | 7.5       | 7.3       | 7.2   |
| Earnings-related pensions, gross  | -1.1      | 1.3                           | 1.1       | 1.0       | 0.8       | 0.7       | 0.5       | 0.4       | 0.3       | 0.2       | 0.2   |
| Of which: Old-age and early pensions  | -1.1      | 1.3                           | 1.1       | 1.0       | 0.8       | 0.7       | 0.5       | 0.4       | 0.3       | 0.2       | 0.2   |
| Disability pensions   | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Survivors pensions  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Other pensions  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Non-earning-related pensions  | -2.0      | 9.0                           | 7.6       | 7.4       | 7.5       | 7.5       | 7.4       | 7.3       | 7.2       | 7.0       | 7.0   |
| Private pensions, gross   | 1.2       | 4.6                           | 5.5       | 5.7       | 5.3       | 5.4       | 5.8       | 6.0       | 6.3       | 6.0       | 5.8   |
| New pensions, gross   | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Public pensions, net  | -2.1      | 7.4                           | 6.3       | 6.1       | 6.0       | 6.0       | 5.8       | 5.6       | 5.5       | 5.3       | 5.3   |
| Public pensions, contributors   | -0.1      | 0.2                           | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1   |
| Additional indicators   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, net/Public pensions, gross, %  | 1.4%      | 72.0%                         | 72.3%     | 72.5%     | 72.7%     | 72.9%     | 73.1%     | 73.3%     | 73.4%     | 73.4%     | 73.4% |
| Pensioners (Public, in 1000 persons)  | 42        | 1318                          | 1334      | 1355      | 1371      | 1398      | 1400      | 1391      | 1394      | 1372      | 1360  |
| Pensioners aged 65+ (1000 persons)  | 183       | 994                           | 1111      | 1151      | 1188      | 1223      | 1228      | 1215      | 1210      | 1185      | 1177  |
| Share of pensioners below age 65 as % of all pensioners   | -11.1%    | 24.6%                         | 16.7%     | 15.1%     | 13.4%     | 12.5%     | 12.3%     | 12.7%     | 13.2%     | 13.6%     | 13.5% |
| Benefit ratio (Public pensions)   | -7.4      | 42.5                          | 39.1      | 38.0      | 37.6      | 36.7      | 35.9      | 35.2      | 34.8      | 34.9      | 35.1  |
| Gross replacement rate at retirement (Public pensions)  | -6.9      | 39.7                          | 36.5      | 35.5      | 35.1      | 34.3      | 33.5      | 32.9      | 32.5      | 32.7      | 32.8  |
| Average accrual rates (new pensions, earnings-related)  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Average contributory period (new pensions, earnings-related)  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Contributors (Public pensions, in 1000 persons)   | -60.6     | 616.9                         | 480.3     | 466.0     | 484.0     | 508.8     | 536.6     | 549.1     | 554.6     | 554.2     | 556.3 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -5.9      | 48.8                          | 36.0      | 34.4      | 35.3      | 36.4      | 38.3      | 39.5      | 39.8      | 40.4      | 40.9  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| High life expectancy (+2 years)   | 0.2       | 0.0                           | 0.0       | 0.1       | 0.1       | 0.2       | 0.2       | 0.2       | 0.2       | 0.2       | 0.2   |
| High labour productivity (+0.25 p.p.)   | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Lower labour productivity (-0.25 p.p.)  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| High employment rate (+2 p.p.)  | -0.1      | 0.0                           | -0.1      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.1      | -0.1      | -0.1  |
| High emp. of older workers (+10 p.p.)   | -0.3      | 0.0                           | -0.2      | -0.3      | -0.4      | -0.4      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3  |
| Lower migration (-20%)  | 0.2       | 0.0                           | 0.0       | 0.1       | 0.1       | 0.1       | 0.1       | 0.2       | 0.2       | 0.1       | 0.2   |
| TFP risk scenario   | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Policy scenario linking retirement age to increases in life expectancy                                      | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -3.1      | -1.5                          | -1.9      | -2.0      | -2.0      | -2.3      | -2.3      | -2.6      | -2.8      | -3.0      | -3.1  |
| Dependency ratio  | 3.6       | 1.2                           | 1.8       | 2.5       | 3.1       | 3.5       | 3.4       | 3.2       | 3.3       | 3.3       | 3.6   |
| Coverage ratio  | -3.6      | -1.2                          | -1.7      | -2.3      | -2.6      | -2.9      | -3.1      | -3.0      | -3.3      | -3.3      | -3.6  |
| Of which: Old-age   | -2.4      | -0.2                          | -0.6      | -1.0      | -1.3      | -1.6      | -1.7      | -1.7      | -2.0      | -2.0      | -2.4  |
| Early-age   | -5.6      | -3.8                          | -4.7      | -5.2      | -5.0      | -5.0      | -5.3      | -5.5      | -5.5      | -5.6      | -5.6  |
| Cohort effect   | -3.1      | -0.8                          | -1.3      | -2.2      | -3.3      | -3.7      | -3.3      | -2.7      | -2.7      | -3.1      | -3.1  |
| Benefit ratio   | -2.0      | -1.1                          | -1.4      | -1.4      | -1.6      | -1.8      | -2.0      | -2.1      | -2.0      | -2.0      | -2.0  |
| Labour market ratio   | -0.9      | -0.4                          | -0.6      | -0.7      | -0.8      | -0.8      | -0.8      | -0.8      | -0.8      | -0.8      | -0.9  |
| Of which: Employment rate   | -0.5      | -0.3                          | -0.4      | -0.4      | -0.5      | -0.5      | -0.5      | -0.5      | -0.5      | -0.5      | -0.5  |
| Labour intensity  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Career shift  | -0.5      | -0.1                          | -0.2      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.4      | -0.5  |
| Interaction effect (residual)   | -0.2      | 0.0                           | -0.1      | -0.1      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2015-2020                     | 2020-2025 | 2025-2030 | 2030-2035 | 2035-2040 | 2040-2045 | 2045-2050 | 2050-2055 | 2055-2060 |       |
| Public pensions, gross as % of GDP  | -3.1      | -1.2                          | -0.3      | -0.1      | -0.1      | -0.3      | -0.3      | -0.2      | -0.2      | -0.1      | -0.1  |
| Dependency ratio  | 3.6       | 0.8                           | 0.6       | 0.7       | 0.6       | 0.3       | 0.0       | -0.2      | 0.1       | 0.3       |       |
| Coverage ratio  | -3.6      | -0.9                          | -0.5      | -0.6      | -0.4      | -0.3      | -0.1      | 0.1       | -0.2      | -0.4      |       |
| Of which: Old-age   | -2.4      | -0.2                          | -0.4      | -0.4      | -0.3      | -0.3      | -0.2      | 0.0       | -0.3      | -0.3      |       |
| Early-age   | -5.6      | -2.8                          | -0.9      | -0.5      | 0.2       | 0.0       | -0.3      | -0.2      | -0.1      | -0.1      |       |
| Cohort effect   | -3.1      | -0.5                          | -0.5      | -1.0      | -1.0      | -0.4      | 0.4       | 0.6       | 0.0       | -0.4      |       |
| Benefit ratio   | -2.0      | -0.8                          | -0.2      | -0.1      | -0.2      | -0.2      | -0.1      | -0.1      | 0.0       | 0.0       |       |
| Labour market ratio   | -0.9      | -0.3                          | -0.2      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | -0.1      | -0.1      |       |
| Of which: Employment rate   | -0.5      | -0.2                          | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |       |
| Labour intensity  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |       |
| Career shift  | -0.5      | -0.1                          | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | -0.1      | -0.1      |       |
| Interaction effect (residual)   | -0.2      | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |       |
| <b>Health care</b>  |           |                               |           |           |           |           |           |           |           |           |       |
| Health care spending as % of GDP  | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| AWG reference scenario  | 0.9       | 8.1                           | 8.5       | 8.7       | 8.8       | 8.9       | 8.9       | 9.0       | 9.0       | 9.0       | 9.0   |
| Demographic scenario  | 1.0       | 8.1                           | 8.5       | 8.7       | 8.8       | 8.9       | 8.9       | 9.0       | 9.1       | 9.1       | 9.2   |
| High Life expectancy scenario   | 1.4       | 8.1                           | 8.5       | 8.7       | 8.9       | 9.0       | 9.1       | 9.2       | 9.3       | 9.4       | 9.5   |
| Constant health scenario  | 0.1       | 8.1                           | 8.3       | 8.4       | 8.4       | 8.4       | 8.4       | 8.4       | 8.3       | 8.3       | 8.3   |
| Death-related cost scenario   | 0.7       | 8.1                           | 8.4       | 8.6       | 8.7       | 8.7       | 8.8       | 8.8       | 8.8       | 8.8       | 8.8   |
| Income elasticity scenario  | 1.3       | 8.1                           | 8.6       | 8.8       | 9.0       | 9.1       | 9.2       | 9.3       | 9.4       | 9.4       | 9.5   |
| EU28 cost convergence scenario  | 1.0       | 8.1                           | 8.5       | 8.7       | 8.8       | 8.9       | 9.0       | 9.0       | 9.1       | 9.1       | 9.2   |
| Labour intensity scenario   | 1.1       | 8.1                           | 8.4       | 8.6       | 8.9       | 9.1       | 9.2       | 9.2       | 9.2       | 9.2       | 9.2   |
| Sector-specific composite indexation scenario   | 0.6       | 8.1                           | 8.3       | 8.4       | 8.5       | 8.6       | 8.6       | 8.6       | 8.7       | 8.7       | 8.7   |
| Non-demographic determinants scenario   | 3.1       | 8.1                           | 8.9       | 9.4       | 9.7       | 10.1      | 10.3      | 10.6      | 10.9      | 11.1      | 11.3  |
| AWG risk scenario   | 1.9       | 8.1                           | 8.8       | 9.2       | 9.4       | 9.6       | 9.7       | 9.9       | 10.0      | 10.0      | 10.0  |
| TFP risk scenario   | 0.8       | 8.1                           | 8.5       | 8.7       | 8.8       | 8.9       | 8.9       | 8.9       | 9.0       | 9.0       | 9.0   |

| Denmark  |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 2.0      | 2.4  | 2.7  | 2.9  | 3.3  | 3.6  | 3.9  | 4.0  | 4.2  | 4.4  | 4.6  |
| Demographic scenario   | 2.2      | 2.4  | 2.7  | 3.0  | 3.3  | 3.7  | 3.9  | 4.1  | 4.3  | 4.5  | 4.7  |
| High Life expectancy scenario  | 2.8      | 2.4  | 2.7  | 3.0  | 3.4  | 3.8  | 4.1  | 4.4  | 4.7  | 5.0  | 5.2  |
| Base case scenario   | 2.2      | 2.4  | 2.7  | 3.0  | 3.3  | 3.7  | 4.0  | 4.1  | 4.4  | 4.6  | 4.7  |
| Constant disability scenario   | 1.9      | 2.4  | 2.7  | 2.9  | 3.2  | 3.6  | 3.8  | 3.9  | 4.1  | 4.2  | 4.3  |
| Shift to formal care scenario  | 3.0      | 2.4  | 3.2  | 3.6  | 4.1  | 4.5  | 4.7  | 4.9  | 5.1  | 5.4  | 5.5  |
| Coverage convergence scenario  | 2.3      | 2.4  | 2.7  | 3.0  | 3.4  | 3.7  | 4.0  | 4.1  | 4.4  | 4.6  | 4.7  |
| Cost convergence scenario  | 2.8      | 2.4  | 2.7  | 3.0  | 3.5  | 3.9  | 4.2  | 4.4  | 4.7  | 5.1  | 5.3  |
| Cost and coverage convergence scenario   | 2.9      | 2.4  | 2.7  | 3.0  | 3.5  | 3.9  | 4.2  | 4.4  | 4.7  | 5.1  | 5.3  |
| AWG risk scenario  | 2.6      | 2.4  | 2.7  | 3.0  | 3.4  | 3.8  | 4.1  | 4.3  | 4.6  | 4.9  | 5.1  |
| TFP risk scenario  | 2.0      | 2.4  | 2.7  | 2.9  | 3.3  | 3.6  | 3.9  | 4.0  | 4.2  | 4.4  | 4.5  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 26.8%    | 444  | 478  | 494  | 511  | 523  | 532  | 541  | 550  | 558  | 563  |
| of which: receiving institutional care   | 114.0%   | 44   | 51   | 57   | 65   | 73   | 78   | 82   | 87   | 92   | 95   |
| receiving home care  | 82.2%    | 101  | 116  | 128  | 142  | 153  | 160  | 168  | 175  | 182  | 185  |
| receiving cash benefits  | 82.4%    | 129  | 146  | 160  | 177  | 192  | 202  | 211  | 221  | 230  | 235  |
| Demographic scenario   | 35.9%    | 444  | 484  | 505  | 527  | 546  | 558  | 570  | 584  | 596  | 603  |
| of which: receiving institutional care   | 123.8%   | 44   | 51   | 58   | 66   | 74   | 80   | 85   | 90   | 96   | 99   |
| receiving home care  | 91.1%    | 101  | 117  | 130  | 146  | 157  | 165  | 174  | 183  | 190  | 194  |
| receiving cash benefits  | 90.7%    | 129  | 147  | 163  | 181  | 197  | 208  | 218  | 230  | 240  | 246  |
| Constant disability scenario   | 23.0%    | 444  | 472  | 483  | 497  | 507  | 516  | 525  | 536  | 544  | 546  |
| of which: receiving institutional care   | 106.6%   | 44   | 50   | 56   | 64   | 71   | 76   | 80   | 85   | 89   | 91   |
| receiving home care  | 76.7%    | 101  | 115  | 126  | 139  | 149  | 156  | 163  | 171  | 176  | 179  |
| receiving cash benefits  | 77.1%    | 129  | 145  | 158  | 174  | 188  | 197  | 206  | 215  | 224  | 228  |
| Shift 1% of dependents from informal to formal scenario  | 35.9%    | 444  | 484  | 505  | 527  | 546  | 558  | 570  | 584  | 596  | 603  |
| of which: receiving institutional care   | 160.6%   | 44   | 60   | 70   | 80   | 89   | 95   | 100  | 106  | 112  | 115  |
| receiving home care  | 134.6%   | 101  | 143  | 168  | 184  | 197  | 207  | 216  | 225  | 233  | 238  |
| receiving cash benefits  | 90.7%    | 129  | 147  | 163  | 181  | 197  | 208  | 218  | 230  | 240  | 246  |
| Coverage convergence scenario  | 35.9%    | 444  | 484  | 505  | 527  | 546  | 558  | 570  | 584  | 596  | 603  |
| of which: receiving institutional care   | 124.4%   | 44   | 51   | 58   | 66   | 74   | 80   | 85   | 91   | 96   | 99   |
| receiving home care  | 91.9%    | 101  | 117  | 131  | 146  | 157  | 166  | 174  | 183  | 191  | 194  |
| receiving cash benefits  | 90.7%    | 129  | 147  | 163  | 181  | 197  | 208  | 218  | 230  | 240  | 246  |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | -0.7     | 7.6  | 7.1  | 6.9  | 6.9  | 7.1  | 7.2  | 7.2  | 7.0  | 6.9  | 6.8  |
| Expenditure decomposition (broadly constant) : Transfers (15%) - Capital (5%) - Staff (60%) - Other (19%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | -0.2     | 1.9  | 1.7  | 1.6  | 1.8  | 1.9  | 1.9  | 1.8  | 1.8  | 1.7  | 1.7  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (8%) - Staff (73%) - Other (18%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | -0.1     | 1.1  | 1.0  | 0.9  | 0.9  | 1.0  | 1.0  | 1.0  | 1.0  | 0.9  | 0.9  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (12%) - Staff (52%) - Other (35%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | -0.2     | 1.9  | 1.8  | 1.8  | 1.7  | 1.7  | 1.8  | 1.8  | 1.8  | 1.7  | 1.7  |
| Expenditure decomposition (broadly constant) : Transfers (23%) - Capital (4%) - Staff (59%) - Other (16%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | -0.2     | 2.6  | 2.6  | 2.6  | 2.6  | 2.5  | 2.5  | 2.5  | 2.5  | 2.5  | 2.5  |
| Expenditure decomposition (broadly constant) : Transfers (26%) - Capital (2%) - Staff (56%) - Other (16%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 90       | 1281 | 1279 | 1270 | 1284 | 1321 | 1356 | 1376 | 1376 | 1370 | 1371 |
| as % of population 5-24  | 2%       | 92%  | 94%  | 95%  | 94%  | 95%  | 94%  | 94%  | 94%  | 94%  | 94%  |
| Primary  | 36       | 433  | 422  | 412  | 444  | 468  | 474  | 472  | 465  | 461  | 469  |
| Low secondary  | 8        | 240  | 236  | 232  | 224  | 240  | 253  | 257  | 255  | 251  | 249  |
| Upper secondary  | 13       | 332  | 327  | 331  | 319  | 323  | 338  | 349  | 351  | 349  | 348  |
| Tertiary education   | 32       | 276  | 294  | 295  | 298  | 290  | 290  | 299  | 305  | 308  | 308  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Primary  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Low secondary  | 2        | 50   | 50   | 49   | 47   | 50   | 53   | 54   | 54   | 53   | 52   |
| Upper secondary  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Tertiary education   | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.5      | 0.1  | 0.2  | 0.3  | 0.4  | 0.5  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.5     | 1.4  | 1.1  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  |
| <b>LEGENDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: : = data not provided  |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services (DG ECFIN), Eurostat (BROPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |      |      |      |      |

# 5. GERMANY

| Germany  |                            | EC-EPC (AWG) 2015 projections |         |       |       |       |       |       |       |       |       |       |
|--|----------------------------|-------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Main demographic and macroeconomic assumptions                       |                            |                               |         |       |       |       |       |       |       |       |       |       |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013    | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Fertility rate   |                            | 0.2                           | 1.40    | 1.45  | 1.48  | 1.51  | 1.53  | 1.56  | 1.58  | 1.60  | 1.61  | 1.63  |
| Life expectancy at birth   |                            |                               |         |       |       |       |       |       |       |       |       |       |
|  | males                      | 6.7                           | 78.5    | 79.6  | 80.4  | 81.1  | 81.9  | 82.6  | 83.2  | 83.9  | 84.5  | 85.2  |
|  | females                    | 5.9                           | 83.2    | 84.2  | 84.8  | 85.5  | 86.1  | 86.8  | 87.4  | 87.9  | 88.5  | 89.1  |
| Life expectancy at 65  |                            |                               |         |       |       |       |       |       |       |       |       |       |
|  | males                      | 4.7                           | 18.0    | 18.7  | 19.3  | 19.8  | 20.3  | 20.8  | 21.3  | 21.8  | 22.2  | 22.7  |
|  | females                    | 4.6                           | 21.0    | 21.7  | 22.2  | 22.7  | 23.2  | 23.7  | 24.2  | 24.7  | 25.1  | 25.6  |
| Net migration (thous and)  |                            | 1224.9                        | -1127.0 | 228.7 | 229.8 | 220.2 | 181.9 | 142.6 | 138.5 | 119.3 | 121.1 | 97.9  |
| Net migration as % of population                                     |                            | 1.5                           | -1.4    | 0.3   | 0.3   | 0.3   | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   | 0.1   |
| Population (million)   |                            | -10.5                         | 81.3    | 80.6  | 80.3  | 79.7  | 78.8  | 77.7  | 76.2  | 74.5  | 72.7  | 70.8  |
| Children population (0-14) as % of total population                  |                            | 0.2                           | 13.0    | 12.8  | 13.0  | 13.0  | 12.8  | 12.6  | 12.5  | 12.7  | 12.9  | 13.1  |
| Prime age population (25-54) as % of total population                |                            | -9.0                          | 42.1    | 38.7  | 36.2  | 35.6  | 35.1  | 34.3  | 33.4  | 33.3  | 33.1  | 33.1  |
| Working age population (15-64) as % of total population              |                            | -11.5                         | 66.1    | 64.0  | 61.9  | 60.0  | 58.7  | 58.2  | 56.0  | 55.5  | 54.7  | 54.6  |
| Elderly population (65 and over) as % of total population            |                            | 11.3                          | 21.0    | 23.2  | 25.2  | 28.1  | 30.6  | 31.2  | 31.5  | 31.8  | 32.4  | 32.3  |
| Very elderly population (80 and over) as % of total population       |                            | 7.9                           | 5.5     | 7.4   | 8.0   | 8.2   | 9.1   | 10.6  | 12.7  | 14.2  | 13.8  | 13.4  |
| Very elderly population (80 and over) as % of elderly population     |                            | 15.2                          | 26.3    | 32.0  | 31.8  | 29.2  | 29.8  | 33.9  | 40.4  | 44.5  | 42.8  | 41.5  |
| Very elderly population (80 and over) as % of working age population |                            | 16.2                          | 8.3     | 11.6  | 13.0  | 13.9  | 16.1  | 18.9  | 22.7  | 25.6  | 25.3  | 24.5  |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013    | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Potential GDP (growth rate)  |                            | 1.0                           | 1.4     | 1.2   | 1.0   | 0.7   | 0.8   | 1.0   | 1.0   | 0.9   | 0.9   | 0.9   |
| Employment (growth rate)   |                            | -0.5                          | 1.0     | -0.3  | -0.7  | -0.8  | -0.7  | -0.5  | -0.5  | -0.6  | -0.7  | -0.6  |
| Labour input: hours worked (growth rate)                             |                            | -0.6                          | 0.7     | -0.4  | -0.7  | -0.8  | -0.7  | -0.5  | -0.5  | -0.6  | -0.7  | -0.6  |
| Labour productivity per hour (growth rate)                           |                            | 1.5                           | 0.7     | 1.6   | 1.6   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   |
| TFP (growth rate)  |                            | 1.0                           | 0.7     | 0.9   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.5                           | 0.0     | 0.6   | 0.7   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   |
| Potential GDP per capita (growth rate)                               |                            | 1.3                           | 2.1     | 1.2   | 1.1   | 0.9   | 1.0   | 1.4   | 1.4   | 1.4   | 1.4   | 1.5   |
| Potential GDP per worker (growth rate)                               |                            | 1.5                           | 0.4     | 1.5   | 1.6   | 1.5   | 1.5   | 1.5   | 1.5   | 1.6   | 1.6   | 1.6   |
| Labour force assumptions   |                            | Ch 13-60                      | 2013    | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Working age population (15-64) (in thousands)                        |                            | -19068                        | 53732   | 51626 | 49665 | 49999 | 44687 | 43668 | 42704 | 41353 | 39773 | 38664 |
| Population growth (working age:15-64)                                |                            | 0.4                           | -0.9    | -0.6  | -0.9  | -1.1  | -0.8  | -0.3  | -0.6  | -0.7  | -0.8  | -0.5  |
| Population (20-64) (in thousands)                                    |                            | -14813                        | 40738   | 47960 | 46116 | 43407 | 41014 | 40066 | 39238 | 38008 | 36505 | 35424 |
| Population growth (20-64)  |                            | 0.3                           | -0.8    | -0.5  | -1.0  | -1.3  | -0.9  | -0.3  | -0.5  | -0.7  | -0.8  | -0.5  |
| Labour force 15-64 (thous and)                                       |                            | -10896                        | 41758   | 40665 | 39168 | 37190 | 35630 | 34918 | 34114 | 33005 | 31771 | 30860 |
| Labour force 20-64 (thous and)                                       |                            | -10694                        | 40594   | 39573 | 38128 | 36143 | 34552 | 33855 | 33090 | 32018 | 30810 | 29910 |
| Participation rate (20-64)   |                            | 2.8                           | 81.6    | 82.5  | 82.7  | 83.3  | 84.2  | 84.5  | 84.3  | 84.2  | 84.4  | 84.4  |
| Participation rate (15-64)   |                            | 2.1                           | 77.7    | 78.8  | 78.9  | 79.1  | 79.7  | 80.0  | 79.9  | 79.8  | 79.9  | 79.8  |
|  | young (15-24)              | -0.9                          | 51.0    | 51.1  | 50.5  | 50.0  | 49.9  | 50.3  | 50.5  | 50.5  | 50.3  | 50.1  |
|  | prime-age (25-54)          | 1.9                           | 87.7    | 88.5  | 88.9  | 89.3  | 89.6  | 89.6  | 89.6  | 89.5  | 89.5  | 89.6  |
|  | older (55-64)              | 8.5                           | 67.6    | 71.9  | 72.6  | 72.5  | 74.5  | 76.0  | 76.4  | 75.9  | 76.2  | 76.1  |
| Participation rate (20-64) - FEMALES                                 |                            | 5.1                           | 76.2    | 77.8  | 78.4  | 79.5  | 80.9  | 81.3  | 81.2  | 81.2  | 81.3  | 81.3  |
| Participation rate (15-64) - FEMALES                                 |                            | 4.2                           | 72.6    | 74.3  | 74.8  | 75.6  | 76.5  | 76.9  | 76.9  | 76.8  | 76.9  | 76.8  |
|  | young (15-24)              | -0.8                          | 48.9    | 49.1  | 48.5  | 47.9  | 47.9  | 48.3  | 48.5  | 48.4  | 48.3  | 48.1  |
|  | prime-age (25-54)          | 3.4                           | 82.4    | 83.9  | 84.7  | 85.4  | 85.8  | 85.9  | 85.8  | 85.8  | 85.8  | 85.8  |
|  | older (55-64)              | 13.6                          | 60.8    | 66.1  | 67.8  | 68.9  | 71.9  | 73.9  | 74.5  | 74.2  | 74.5  | 74.4  |
| Participation rate (20-64) - MALES                                   |                            | 0.5                           | 86.9    | 87.1  | 86.8  | 86.9  | 87.5  | 87.6  | 87.3  | 87.2  | 87.4  | 87.4  |
| Participation rate (15-64) - MALES                                   |                            | 0.0                           | 82.7    | 83.1  | 82.8  | 82.6  | 82.9  | 82.9  | 82.8  | 82.7  | 82.8  | 82.7  |
|  | young (15-24)              | -0.9                          | 53.0    | 53.0  | 52.5  | 51.9  | 51.8  | 52.2  | 52.5  | 52.4  | 52.2  | 52.0  |
|  | prime-age (25-54)          | 0.4                           | 92.7    | 92.9  | 93.0  | 93.1  | 93.2  | 93.2  | 93.1  | 93.1  | 93.1  | 93.2  |
|  | older (55-64)              | 3.1                           | 74.6    | 77.7  | 77.4  | 76.1  | 77.2  | 78.2  | 78.3  | 77.7  | 77.9  | 77.7  |
| Average effective exit age (TOTAL) (1)                               |                            | 0.8                           | 64.7    | 65.0  | 65.3  | 65.4  | 65.5  | 65.5  | 65.5  | 65.5  | 65.5  | 65.5  |
|  | Men                        | 0.6                           | 65.1    | 65.4  | 65.6  | 65.7  | 65.7  | 65.7  | 65.7  | 65.7  | 65.7  | 65.7  |
|  | Women                      | 1.0                           | 64.2    | 64.6  | 64.9  | 65.2  | 65.3  | 65.3  | 65.3  | 65.3  | 65.3  | 65.3  |
| Employment rate (15-64)  |                            | 2.0                           | 73.5    | 75.1  | 74.6  | 74.9  | 75.4  | 75.7  | 75.6  | 75.5  | 75.6  | 75.6  |
| Employment rate (20-64)  |                            | 2.7                           | 77.3    | 78.7  | 78.3  | 78.9  | 79.8  | 80.0  | 79.9  | 79.8  | 79.9  | 80.0  |
| Employment rate (15-74)  |                            | 0.1                           | 64.4    | 66.2  | 64.8  | 63.7  | 63.0  | 64.2  | 65.7  | 65.4  | 64.7  | 64.5  |
| Unemployment rate (15-64)  |                            | 0.0                           | 5.4     | 4.7   | 5.4   | 5.4   | 5.4   | 5.4   | 5.4   | 5.4   | 5.4   | 5.4   |
| Unemployment rate (20-64)  |                            | 0.0                           | 5.3     | 4.6   | 5.3   | 5.3   | 5.3   | 5.3   | 5.3   | 5.3   | 5.3   | 5.3   |
| Unemployment rate (15-74)  |                            | -0.2                          | 5.3     | 4.6   | 5.2   | 5.2   | 5.1   | 5.2   | 5.2   | 5.2   | 5.2   | 5.2   |
| Employment (20-64) (in millions)                                     |                            | -10.1                         | 38.4    | 37.7  | 36.1  | 34.2  | 32.7  | 32.1  | 31.3  | 30.3  | 29.2  | 28.3  |
| Employment (15-64) (in millions)                                     |                            | -10.3                         | 39.5    | 38.8  | 37.1  | 35.2  | 33.7  | 33.0  | 32.3  | 31.2  | 30.1  | 29.2  |
|  | share of young (15-24)     | 0%                            | 10%     | 10%   | 9%    | 10%   | 10%   | 10%   | 10%   | 10%   | 10%   | 10%   |
|  | share of prime-age (25-54) | -4%                           | 72%     | 68%   | 66%   | 66%   | 70%   | 69%   | 67%   | 68%   | 68%   | 68%   |
|  | share of older (55-64)     | 4%                            | 17%     | 22%   | 24%   | 22%   | 20%   | 21%   | 22%   | 22%   | 22%   | 21%   |
| Dependency ratios  |                            | Ch 13-60                      | 2013    | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Share of older population (55-64) (2)                                |                            | 2.1                           | 20.1    | 24.5  | 26.5  | 24.1  | 21.4  | 22.0  | 23.4  | 23.3  | 22.6  | 22.2  |
| Old-age dependency ratio 15-64(3)                                    |                            | 27                            | 32      | 36    | 41    | 48    | 54    | 56    | 56    | 57    | 59    | 59    |
| Old-age dependency ratio 20-64(3)                                    |                            | 30                            | 34      | 39    | 44    | 52    | 59    | 61    | 61    | 62    | 64    | 65    |
| Total dependency ratio (4)   |                            | 32                            | 51      | 56    | 62    | 70    | 76    | 78    | 79    | 80    | 83    | 83    |
| Total economic dependency ratio (5)                                  |                            | 28                            | 102     | 101   | 107   | 114   | 120   | 123   | 125   | 126   | 128   | 130   |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 31                            | 41      | 45    | 50    | 57    | 65    | 68    | 69    | 70    | 72    | 73    |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 28                            | 40      | 43    | 47    | 54    | 61    | 65    | 66    | 67    | 68    | 69    |

| Germany   |           | EC-EPC (AWG) 2015 projections |           |           |           |           |           |           |           |           |         |
|---|-----------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| Pension expenditure projections   |           |                               |           |           |           |           |           |           |           |           |         |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060    |
| Public pensions, gross  | 2.7       | 10.0                          | 10.3      | 10.9      | 11.6      | 12.1      | 12.2      | 12.3      | 12.5      | 12.6      | 12.7    |
| Earnings-related pensions, gross  | 2.7       | 10.0                          | 10.3      | 10.9      | 11.6      | 12.1      | 12.2      | 12.3      | 12.5      | 12.6      | 12.7    |
| Of which: Old-age and early pensions  | 3.2       | 7.8                           | 8.2       | 8.8       | 9.5       | 10.1      | 10.3      | 10.4      | 10.6      | 10.8      | 10.9    |
| Disability pensions   | -0.1      | 0.7                           | 0.7       | 0.7       | 0.6       | 0.6       | 0.6       | 0.6       | 0.6       | 0.6       | 0.6     |
| Survivors pensions  | -0.4      | 1.6                           | 1.5       | 1.5       | 1.4       | 1.4       | 1.3       | 1.3       | 1.3       | 1.3       | 1.2     |
| Other pensions  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :       |
| Non-earning-related pensions  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :       |
| Private pensions, gross   | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :       |
| New pensions, gross   | 0.0       | 0.2                           | 0.3       | 0.3       | 0.3       | 0.3       | 0.3       | 0.3       | 0.3       | 0.3       | 0.3     |
| Public pensions, net  | 1.8       | 8.4                           | 8.5       | 8.9       | 9.4       | 9.8       | 9.8       | 9.8       | 9.9       | 10.1      | 10.2    |
| Public pensions, contributors   | 2.6       | 10.5                          | 10.6      | 11.2      | 11.9      | 12.3      | 12.5      | 12.6      | 12.8      | 13.0      | 13.0    |
| Additional indicators   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060    |
| Public pensions, net/Public pensions, gross, %  | -3.8%     | 83.7%                         | 82.5%     | 81.8%     | 81.4%     | 80.8%     | 80.2%     | 79.8%     | 79.8%     | 79.8%     | 79.9%   |
| Pensioners (Public, in 1000 persons)  | 3883      | 20185                         | 21438     | 22812     | 24239     | 25512     | 25689     | 25405     | 25106     | 24716     | 24088   |
| Pensioners aged 65+ (1000 persons)  | 5195      | 16935                         | 18612     | 20017     | 21674     | 23274     | 23551     | 23218     | 22921     | 22662     | 22129   |
| Share of pensioners below age 65 as % of all pensioners   | -8.0%     | 16.1%                         | 13.2%     | 12.3%     | 10.6%     | 8.8%      | 8.3%      | 8.6%      | 8.7%      | 8.2%      | 8.1%    |
| Benefit ratio (Public pensions)   | -7.4      | 44.6                          | 44.0      | 42.3      | 40.6      | 38.6      | 37.7      | 37.5      | 37.3      | 37.2      | 37.3    |
| Gross replacement rate at retirement (Public pensions)  | -7.0      | 42.5                          | 41.9      | 40.3      | 38.7      | 36.8      | 35.9      | 35.7      | 35.5      | 35.4      | 35.5    |
| Average accrual rates (new pensions, earnings-related)  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :       |
| Average contributory period (new pensions, earnings-related)  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :       |
| Contributors (Public pensions, in 1000 persons)   | -8027.7   | 33910.2                       | 33807.7   | 32991.1   | 31428.2   | 30139.2   | 29203.1   | 28482.6   | 27643.7   | 26736.8   | 25882.5 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -60.5     | 168.0                         | 157.7     | 143.3     | 128.7     | 118.1     | 113.7     | 112.1     | 110.1     | 108.2     | 107.5   |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060    |
| High life expectancy (+2 years)   | 0.4       | 0.0                           | 0.0       | 0.0       | 0.1       | 0.1       | 0.2       | 0.2       | 0.3       | 0.4       | 0.4     |
| High labour productivity (+0.25 p.p.)   | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0     |
| Lower labour productivity (-0.25 p.p.)  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0     |
| High employment rate (+2 p.p.)  | -0.1      | 0.0                           | -0.1      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.1      | -0.1      | -0.1    |
| High emp. of older workers (+10 p.p.)   | -0.3      | 0.0                           | -0.2      | -0.4      | -0.4      | -0.4      | -0.4      | -0.3      | -0.3      | -0.3      | -0.3    |
| Lower migration (-20%)  | 0.2       | 0.0                           | 0.0       | 0.0       | 0.1       | 0.1       | 0.1       | 0.2       | 0.2       | 0.2       | 0.2     |
| TFP risk scenario   | 0.1       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.1     |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.6      | 0.0                           | 0.0       | 0.0       | 0.0       | -0.1      | -0.2      | -0.3      | -0.4      | -0.6      | -0.6    |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060    |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | 2.7       | 0.3                           | 0.9       | 1.6       | 2.1       | 2.2       | 2.3       | 2.5       | 2.6       | 2.7       | 2.7     |
| Dependency ratio  | 7.3       | 1.3                           | 2.6       | 4.5       | 6.2       | 6.5       | 6.6       | 6.9       | 7.3       | 7.3       | 7.3     |
| Coverage ratio  | -1.3      | -0.3                          | -0.5      | -0.9      | -1.2      | -1.2      | -1.2      | -1.2      | -1.3      | -1.3      | -1.3    |
| Of which: Old-age   | -0.3      | 0.0                           | 0.0       | -0.3      | -0.3      | -0.2      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3    |
| Early-age   | -1.7      | -2.2                          | -1.8      | -1.3      | -1.8      | -2.5      | -2.1      | -1.6      | -1.7      | -1.7      | -1.7    |
| Cohort effect   | -6.4      | 0.1                           | -1.2      | -3.4      | -5.3      | -5.2      | -5.2      | -5.5      | -6.2      | -6.4      | -6.4    |
| Benefit ratio   | -2.2      | -0.3                          | -0.7      | -1.2      | -1.8      | -2.1      | -2.1      | -2.2      | -2.3      | -2.2      | -2.2    |
| Labour market ratio   | -0.7      | -0.3                          | -0.4      | -0.6      | -0.7      | -0.7      | -0.6      | -0.6      | -0.7      | -0.7      | -0.7    |
| Of which: Employment rate   | -0.4      | -0.2                          | -0.1      | -0.2      | -0.3      | -0.4      | -0.4      | -0.3      | -0.4      | -0.4      | -0.4    |
| Labour intensity  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0     |
| Career shift  | -0.4      | -0.2                          | -0.3      | -0.4      | -0.4      | -0.3      | -0.3      | -0.3      | -0.4      | -0.4      | -0.4    |
| Interaction effect (residual)   | -0.4      | 0.0                           | -0.1      | -0.3      | -0.4      | -0.4      | -0.4      | -0.4      | -0.4      | -0.4      | -0.4    |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2015                          | 2020-2025 | 2025-2030 | 2030-2035 | 2035-2040 | 2040-2045 | 2045-2050 | 2050-2055 | 2055-2060 |         |
| Public pensions, gross as % of GDP  | 2.7       | 0.3                           | 0.6       | 0.7       | 0.5       | 0.2       | 0.1       | 0.1       | 0.2       | 0.1       |         |
| Dependency ratio  | 7.3       | 0.9                           | 1.3       | 1.9       | 1.6       | 0.4       | 0.1       | 0.3       | 0.4       | 0.0       |         |
| Coverage ratio  | -1.3      | -0.2                          | -0.2      | -0.4      | -0.3      | 0.0       | 0.0       | 0.0       | -0.1      | 0.0       |         |
| Of which: Old-age   | -0.3      | 0.0                           | -0.1      | -0.2      | 0.0       | 0.1       | 0.0       | 0.0       | 0.0       | 0.0       |         |
| Early-age   | -1.7      | -1.1                          | 0.5       | 0.4       | -0.5      | -0.7      | 0.4       | 0.4       | -0.1      | 0.0       |         |
| Cohort effect   | -6.4      | -0.1                          | -1.3      | -2.2      | -1.8      | 0.1       | 0.0       | -0.3      | -0.7      | -0.2      |         |
| Benefit ratio   | -2.2      | -0.2                          | -0.4      | -0.5      | -0.6      | -0.3      | -0.1      | -0.1      | 0.0       | 0.0       |         |
| Labour market ratio   | -0.7      | -0.2                          | -0.1      | -0.2      | -0.2      | 0.1       | 0.0       | 0.0       | -0.1      | 0.0       |         |
| Of which: Employment rate   | -0.4      | -0.1                          | 0.1       | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |         |
| Labour intensity  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |         |
| Career shift  | -0.4      | -0.1                          | -0.1      | -0.1      | 0.0       | 0.1       | 0.0       | 0.0       | -0.1      | 0.0       |         |
| Interaction effect (residual)   | -0.4      | 0.0                           | -0.1      | -0.2      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |         |
| Health care   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060    |
| Health care spending as % of GDP  | 0.6       | 7.6                           | 7.9       | 8.0       | 8.1       | 8.2       | 8.3       | 8.4       | 8.4       | 8.3       | 8.2     |
| AWG reference scenario  | 0.7       | 7.6                           | 7.9       | 8.0       | 8.1       | 8.3       | 8.4       | 8.5       | 8.5       | 8.5       | 8.4     |
| Demographic scenario  | 1.2       | 7.6                           | 7.9       | 8.1       | 8.2       | 8.4       | 8.6       | 8.8       | 8.8       | 8.8       | 8.8     |
| High Life expectancy scenario   | 0.0       | 7.6                           | 7.8       | 7.8       | 7.8       | 7.8       | 7.9       | 7.9       | 7.9       | 7.8       | 7.8     |
| Constant health scenario  | 0.5       | 7.6                           | 7.9       | 8.0       | 8.0       | 8.1       | 8.3       | 8.4       | 8.4       | 8.3       | 8.2     |
| Death-related cost scenario   | 1.0       | 7.6                           | 8.0       | 8.1       | 8.3       | 8.4       | 8.6       | 8.7       | 8.8       | 8.7       | 8.6     |
| Income elasticity scenario  | 0.8       | 7.6                           | 7.9       | 8.0       | 8.1       | 8.3       | 8.4       | 8.5       | 8.5       | 8.5       | 8.4     |
| EU28 cost convergence scenario  | 2.0       | 7.6                           | 7.9       | 8.3       | 8.6       | 9.0       | 9.4       | 9.6       | 9.6       | 9.6       | 9.6     |
| Labour intensity scenario   | 0.1       | 7.6                           | 7.7       | 7.7       | 7.7       | 7.8       | 7.9       | 7.9       | 7.9       | 7.8       | 7.7     |
| Sector-specific composite indexation scenario   | 2.2       | 7.6                           | 8.3       | 8.5       | 8.8       | 9.0       | 9.4       | 9.7       | 9.9       | 9.9       | 9.9     |
| Non-demographic determinants scenario   | 1.3       | 7.6                           | 8.2       | 8.4       | 8.5       | 8.7       | 8.9       | 9.1       | 9.1       | 9.1       | 8.9     |
| AWG risk scenario   | 0.5       | 7.6                           | 7.9       | 8.0       | 8.1       | 8.2       | 8.3       | 8.4       | 8.4       | 8.3       | 8.2     |
| TFP risk scenario   |           |                               |           |           |           |           |           |           |           |           |         |



| Germany  |          |       |       |       |       |       |       |       |       |       |       |
|--|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| EC-EPC (AWG) 2015 projections  |          |       |       |       |       |       |       |       |       |       |       |
| <b>Long-term care</b>  |          |       |       |       |       |       |       |       |       |       |       |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario   | 1.6      | 1.4   | 1.7   | 1.8   | 2.0   | 2.1   | 2.3   | 2.5   | 2.8   | 2.9   | 2.9   |
| Demographic scenario   | 1.4      | 1.4   | 1.7   | 1.9   | 2.0   | 2.1   | 2.3   | 2.5   | 2.7   | 2.8   | 2.8   |
| High Life expectancy scenario  | 1.8      | 1.4   | 1.7   | 1.9   | 2.0   | 2.2   | 2.4   | 2.7   | 2.9   | 3.1   | 3.2   |
| Base case scenario   | 1.6      | 1.4   | 1.7   | 1.9   | 2.0   | 2.2   | 2.4   | 2.7   | 2.9   | 3.0   | 3.0   |
| Constant disability scenario   | 1.3      | 1.4   | 1.7   | 1.8   | 1.9   | 2.0   | 2.2   | 2.4   | 2.6   | 2.7   | 2.7   |
| Shift to formal care scenario  | 2.7      | 1.4   | 2.3   | 2.7   | 2.9   | 3.1   | 3.4   | 3.7   | 3.9   | 4.1   | 4.1   |
| Coverage convergence scenario  | 2.6      | 1.4   | 1.8   | 2.0   | 2.2   | 2.5   | 2.8   | 3.2   | 3.6   | 3.9   | 4.0   |
| Cost convergence scenario  | 2.2      | 1.4   | 1.8   | 1.9   | 2.1   | 2.3   | 2.6   | 2.9   | 3.3   | 3.5   | 3.6   |
| Cost and coverage convergence scenario   | 3.4      | 1.4   | 1.8   | 2.1   | 2.4   | 2.7   | 3.1   | 3.6   | 4.1   | 4.5   | 4.8   |
| AWG risk scenario  | 3.1      | 1.4   | 1.8   | 2.0   | 2.3   | 2.6   | 2.9   | 3.4   | 3.9   | 4.3   | 4.5   |
| TFP risk scenario  | 1.5      | 1.4   | 1.7   | 1.8   | 2.0   | 2.1   | 2.3   | 2.5   | 2.8   | 2.9   | 2.9   |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario   | 2.3%     | 7395  | 7918  | 8066  | 8023  | 7966  | 8065  | 8195  | 8182  | 7946  | 7562  |
| of which: receiving institutional care   | 66.2%    | 740   | 836   | 905   | 956   | 979   | 1046  | 1148  | 1240  | 1276  | 1231  |
| receiving home care  | 38.4%    | 348   | 389   | 412   | 424   | 437   | 463   | 493   | 512   | 506   | 482   |
| receiving cash benefits  | 38.4%    | 1391  | 1577  | 1678  | 1693  | 1740  | 1862  | 1973  | 2048  | 2024  | 1926  |
| Demographic scenario   | 10.6%    | 7395  | 8043  | 8272  | 8303  | 8329  | 8510  | 8710  | 8739  | 8534  | 8184  |
| of which: receiving institutional care   | 74.8%    | 740   | 846   | 922   | 979   | 1011  | 1085  | 1197  | 1267  | 1337  | 1294  |
| receiving home care  | 46.5%    | 348   | 394   | 419   | 435   | 452   | 482   | 516   | 538   | 533   | 510   |
| receiving cash benefits  | 46.5%    | 1391  | 1577  | 1678  | 1740  | 1809  | 1928  | 2066  | 2160  | 2132  | 2039  |
| Constant disability scenario   | -4.3%    | 7395  | 7762  | 7860  | 7759  | 7637  | 7670  | 7737  | 7703  | 7462  | 7079  |
| of which: receiving institutional care   | 58.7%    | 740   | 825   | 888   | 933   | 948   | 1008  | 1101  | 1186  | 1220  | 1175  |
| receiving home care  | 31.8%    | 348   | 385   | 404   | 413   | 423   | 446   | 472   | 489   | 483   | 458   |
| receiving cash benefits  | 31.8%    | 1391  | 1539  | 1615  | 1663  | 1693  | 1782  | 1888  | 1966  | 1932  | 1833  |
| Shift 1% of dependents from informal to formal scenario  | 10.6%    | 7395  | 8043  | 8272  | 8303  | 8329  | 8510  | 8710  | 8739  | 8534  | 8184  |
| of which: receiving institutional care   | 148.4%   | 740   | 1208  | 1466  | 1516  | 1540  | 1639  | 1768  | 1875  | 1904  | 1839  |
| receiving home care  | 125.1%   | 348   | 595   | 713   | 729   | 747   | 790   | 816   | 834   | 818   | 783   |
| receiving cash benefits  | 46.5%    | 1391  | 1577  | 1678  | 1740  | 1809  | 1928  | 2066  | 2160  | 2132  | 2039  |
| Coverage convergence scenario  | 10.6%    | 7395  | 8043  | 8272  | 8303  | 8329  | 8510  | 8710  | 8739  | 8534  | 8184  |
| of which: receiving institutional care   | 148.8%   | 740   | 895   | 1012  | 1120  | 1203  | 1336  | 1521  | 1701  | 1822  | 1942  |
| receiving home care  | 114.4%   | 348   | 419   | 465   | 504   | 546   | 603   | 666   | 720   | 744   | 746   |
| receiving cash benefits  | 46.5%    | 1391  | 1577  | 1678  | 1740  | 1809  | 1928  | 2066  | 2160  | 2132  | 2039  |
| <b>Education</b>   |          |       |       |       |       |       |       |       |       |       |       |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Total  | 0.3      | 4.1   | 3.8   | 3.9   | 4.0   | 4.2   | 4.2   | 4.2   | 4.2   | 4.3   | 4.4   |
| Expenditure decomposition (broadly constant) : Transfers (13%) - Capital (9%) - Staff (61%) - Other (18%)                          |          |       |       |       |       |       |       |       |       |       |       |
| Primary  | 0.1      | 0.6   | 0.6   | 0.6   | 0.7   | 0.7   | 0.7   | 0.7   | 0.7   | 0.7   | 0.7   |
| Expenditure decomposition (broadly constant) : Transfers (0%) - Capital (10%) - Staff (74%) - Other (16%)                          |          |       |       |       |       |       |       |       |       |       |       |
| Low secondary  | 0.1      | 1.2   | 1.1   | 1.1   | 1.2   | 1.3   | 1.3   | 1.2   | 1.2   | 1.3   | 1.3   |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (8%) - Staff (76%) - Other (15%)                           |          |       |       |       |       |       |       |       |       |       |       |
| Upper secondary  | 0.0      | 1.0   | 0.9   | 0.9   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Expenditure decomposition (broadly constant) : Transfers (23%) - Capital (10%) - Staff (52%) - Other (15%)                         |          |       |       |       |       |       |       |       |       |       |       |
| Tertiary education   | 0.0      | 1.3   | 1.2   | 1.2   | 1.2   | 1.2   | 1.2   | 1.2   | 1.2   | 1.3   | 1.3   |
| Expenditure decomposition (broadly constant) : Transfers (21%) - Capital (9%) - Staff (47%) - Other (23%)                          |          |       |       |       |       |       |       |       |       |       |       |
| Number of students (in thousands)  |          |       |       |       |       |       |       |       |       |       |       |
| Total  | -2426    | 13287 | 12303 | 12165 | 12163 | 12070 | 11788 | 11444 | 11157 | 10980 | 10880 |
| as % of population 5-24  | 0%       | 84%   | 84%   | 84%   | 84%   | 84%   | 84%   | 84%   | 84%   | 84%   | 84%   |
| Primary  | -280     | 2894  | 2846  | 2934  | 2912  | 2815  | 2716  | 2648  | 2622  | 2623  | 2604  |
| Low secondary  | -775     | 4681  | 4286  | 4290  | 4393  | 4367  | 4223  | 4072  | 3965  | 3917  | 3906  |
| Upper secondary  | -679     | 3149  | 2862  | 2744  | 2741  | 2788  | 2768  | 2668  | 2573  | 2505  | 2470  |
| Tertiary education   | -692     | 2572  | 2310  | 2197  | 2118  | 2099  | 2091  | 2056  | 1998  | 1935  | 1880  |
| Number of teachers (in thousands)  |          |       |       |       |       |       |       |       |       |       |       |
| Total  | -163     | 873   | 807   | 797   | 796   | 789   | 771   | 740   | 730   | 719   | 710   |
| Primary  | -17      | 175   | 173   | 178   | 177   | 171   | 165   | 161   | 159   | 159   | 158   |
| Low secondary  | -53      | 323   | 295   | 296   | 303   | 301   | 291   | 281   | 273   | 270   | 269   |
| Upper secondary  | -35      | 162   | 148   | 142   | 141   | 144   | 142   | 138   | 133   | 129   | 127   |
| Tertiary education   | -57      | 213   | 191   | 182   | 175   | 174   | 173   | 170   | 165   | 160   | 156   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Total  | 0.6      | 0.1   | 0.2   | 0.3   | 0.4   | 0.5   | 0.6   | 0.6   | 0.6   | 0.7   | 0.7   |
| <b>Unemployment benefit</b>  |          |       |       |       |       |       |       |       |       |       |       |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Unemployment benefit spending as % of GDP  | 0.0      | 0.8   | 0.7   | 0.8   | 0.8   | 0.8   | 0.8   | 0.8   | 0.8   | 0.8   | 0.8   |
| <b>LEGENDA</b>   |          |       |       |       |       |       |       |       |       |       |       |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |       |       |       |       |       |       |       |       |       |       |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |       |       |       |       |       |       |       |       |       |       |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |       |       |       |       |       |       |       |       |       |       |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |       |       |       |       |       |       |       |       |       |       |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |       |       |       |       |       |       |       |       |       |       |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |       |       |       |       |       |       |       |       |       |       |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |       |       |       |       |       |       |       |       |       |       |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |       |       |       |       |       |       |       |       |       |       |
| NB: := data not provided   |          |       |       |       |       |       |       |       |       |       |       |
| Source : Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)  |          |       |       |       |       |       |       |       |       |       |       |

# 6. ESTONIA

| Estonia  |  | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|--|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions   |  |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT) |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate                                   |  | 0.3                           | 1.57 | 1.67 | 1.71 | 1.75 | 1.77 | 1.79 | 1.81 | 1.81 | 1.82 | 1.82 |
| Life expectancy at birth                         |  |                               |      |      |      |      |      |      |      |      |      |      |
|  | males  | 10.4                          | 71.6 | 73.3 | 74.5 | 75.7 | 76.9 | 77.9 | 79.0 | 80.0 | 81.0 | 81.9 |
|  | females  | 7.0                           | 81.3 | 82.5 | 83.3 | 84.1 | 84.9 | 85.6 | 86.3 | 87.0 | 87.6 | 88.3 |
| Life expectancy at 65                            |  |                               |      |      |      |      |      |      |      |      |      |      |
|  | males  | 6.1                           | 14.9 | 15.9 | 16.5 | 17.2 | 17.9 | 18.5 | 19.2 | 19.8 | 20.4 | 21.0 |
|  | females  | 5.0                           | 20.1 | 20.9 | 21.5 | 22.0 | 22.6 | 23.1 | 23.6 | 24.1 | 24.6 | 25.1 |
| Net migration (thous and)                        |  | 2.7                           | -2.7 | -3.7 | -3.6 | -2.2 | 0.6  | 0.6  | 0.6  | 0.6  | 0.4  | 0.0  |
| Net migration as % of population                 |  | 0.2                           | -0.2 | -0.3 | -0.3 | -0.2 | 0.1  | 0.1  | 0.1  | 0.1  | 0.0  | 0.0  |
| Population (million)                             |  | -0.2                          | 1.3  | 1.3  | 1.2  | 1.2  | 1.2  | 1.2  | 1.1  | 1.1  | 1.1  | 1.1  |
|  | Children population (0-14) as % of total population                  | -0.6                          | 15.8 | 16.6 | 16.6 | 14.7 | 14.1 | 14.3 | 15.0 | 15.6 | 15.6 | 15.2 |
|  | Prime age population (25-54) as % of total population                | -7.0                          | 41.6 | 40.1 | 38.0 | 36.1 | 35.5 | 34.6 | 33.1 | 33.1 | 34.1 | 34.5 |
|  | Working age population (15-64) as % of total population              | -11.1                         | 66.0 | 62.8 | 61.8 | 61.0 | 60.4 | 58.9 | 57.3 | 55.6 | 54.2 | 54.9 |
|  | Elderly population (65 and over) as % of total population            | 11.7                          | 18.2 | 20.6 | 22.6 | 24.3 | 25.5 | 26.8 | 27.7 | 28.8 | 30.2 | 29.9 |
|  | Very elderly population (80 and over) as % of total population       | 7.0                           | 4.8  | 6.1  | 6.3  | 7.2  | 8.2  | 9.3  | 10.0 | 10.4 | 11.1 | 11.8 |
|  | Very elderly population (80 and over) as % of elderly population     | 12.9                          | 26.4 | 29.4 | 28.1 | 29.5 | 32.3 | 34.7 | 36.2 | 36.8 | 36.8 | 39.4 |
|  | Very elderly population (80 and over) as % of working age population | 14.2                          | 7.3  | 9.6  | 10.2 | 11.7 | 13.6 | 15.8 | 17.5 | 18.7 | 20.5 | 21.5 |
| Macroeconomic assumptions*                       |  | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)                      |  | 1.5                           | 2.1  | 2.0  | 1.7  | 1.5  | 1.4  | 1.2  | 1.1  | 0.9  | 1.0  | 1.4  |
| Employment (growth rate)                         |  | -0.6                          | 0.4  | -0.7 | -0.8 | -0.5 | -0.5 | -0.6 | -0.8 | -0.9 | -0.6 | -0.2 |
| Labour input: hours worked (growth rate)         |  | -0.6                          | 0.3  | -0.7 | -0.8 | -0.5 | -0.5 | -0.6 | -0.8 | -0.9 | -0.6 | -0.2 |
| Labour productivity per hour (growth rate)       |  | 2.0                           | 1.9  | 2.7  | 2.5  | 2.0  | 1.9  | 1.9  | 1.9  | 1.8  | 1.7  | 1.5  |
|  | TFP (growth rate)  | 1.2                           | 0.6  | 1.3  | 1.4  | 1.3  | 1.2  | 1.2  | 1.2  | 1.2  | 1.1  | 1.0  |
|  | Capital deepening (contribution to labour productivity growth)       | 0.8                           | 1.3  | 1.4  | 1.1  | 0.7  | 0.7  | 0.7  | 0.7  | 0.6  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)           |  | 1.9                           | 2.5  | 2.5  | 2.3  | 2.1  | 1.7  | 1.5  | 1.4  | 1.2  | 1.4  | 1.8  |
| Potential GDP per worker (growth rate)           |  | 2.0                           | 1.8  | 2.7  | 2.5  | 2.1  | 1.9  | 1.9  | 1.9  | 1.8  | 1.7  | 1.5  |
| Labour force assumptions                         |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thousands)     |  | -272                          | 870  | 805  | 769  | 736  | 711  | 684  | 656  | 629  | 603  | 599  |
| Population growth (working age:15-64)            |  | 1.3                           | -1.1 | -1.1 | -0.9 | -0.8 | -0.7 | -0.8 | -0.8 | -0.8 | -0.7 | 0.2  |
| Population (20-64) (n thousands)                 |  | -270                          | 808  | 742  | 694  | 666  | 646  | 625  | 602  | 573  | 544  | 538  |
| Population growth (20-64)                        |  | 1.0                           | -0.8 | -1.4 | -1.2 | -0.6 | -0.7 | -0.7 | -0.8 | -1.0 | -1.0 | 0.2  |
| Labour force 15-64 (thous and)                   |  | -197                          | 655  | 613  | 580  | 559  | 542  | 523  | 503  | 480  | 460  | 458  |
| Labour force 20-64 (thous and)                   |  | -197                          | 649  | 607  | 573  | 553  | 536  | 517  | 498  | 475  | 454  | 452  |
| Participation rate (20-64)                       |  | 3.6                           | 80.3 | 81.8 | 82.6 | 82.9 | 82.9 | 82.8 | 82.7 | 82.8 | 83.6 | 84.0 |
| Participation rate (15-64)                       |  | 1.2                           | 75.3 | 76.1 | 75.5 | 76.1 | 76.3 | 76.5 | 76.7 | 76.4 | 76.3 | 76.4 |
|  | young (15-24)  | -4.0                          | 40.4 | 35.4 | 33.4 | 37.3 | 37.7 | 38.5 | 38.2 | 36.7 | 35.8 | 36.4 |
|  | prime-age (25-54)  | 2.1                           | 87.6 | 88.7 | 89.4 | 89.7 | 89.6 | 89.2 | 89.3 | 89.6 | 89.7 | 89.7 |
|  | older (55-64)  | 8.2                           | 66.6 | 67.4 | 70.0 | 73.5 | 73.8 | 74.2 | 74.2 | 72.6 | 72.8 | 74.8 |
| Participation rate (20-64) - FEMALES             |  | 4.8                           | 76.4 | 78.9 | 80.1 | 80.5 | 80.4 | 80.0 | 79.8 | 79.9 | 80.7 | 81.2 |
| Participation rate (15-64) - FEMALES             |  | 2.2                           | 71.8 | 73.6 | 73.4 | 74.1 | 74.2 | 74.1 | 74.1 | 73.8 | 73.8 | 74.0 |
|  | young (15-24)  | -3.9                          | 37.7 | 32.7 | 31.0 | 34.5 | 34.9 | 35.6 | 35.4 | 34.0 | 33.2 | 33.7 |
|  | prime-age (25-54)  | 3.6                           | 82.9 | 84.8 | 86.0 | 86.7 | 86.5 | 85.8 | 85.4 | 85.7 | 86.3 | 86.5 |
|  | older (55-64)  | 9.2                           | 66.3 | 68.7 | 71.7 | 74.3 | 74.0 | 74.5 | 74.7 | 73.2 | 73.2 | 75.4 |
| Participation rate (20-64) - MALES               |  | 2.2                           | 84.4 | 84.9 | 85.1 | 85.3 | 85.5 | 85.5 | 85.6 | 85.7 | 86.4 | 86.6 |
| Participation rate (15-64) - MALES               |  | -0.1                          | 78.8 | 78.7 | 77.5 | 78.0 | 78.4 | 78.8 | 79.2 | 78.9 | 78.8 | 78.7 |
|  | young (15-24)  | -4.0                          | 42.9 | 37.8 | 35.7 | 40.0 | 40.3 | 41.2 | 40.9 | 39.2 | 38.3 | 38.9 |
|  | prime-age (25-54)  | 0.5                           | 92.3 | 92.4 | 92.8 | 92.7 | 92.5 | 92.6 | 93.1 | 93.2 | 93.0 | 92.8 |
|  | older (55-64)  | 7.1                           | 67.0 | 65.8 | 68.0 | 72.5 | 73.6 | 73.9 | 73.8 | 72.1 | 72.2 | 74.2 |
| Average effective exit age (TOTAL) (†)           |  | 0.9                           | 64.3 | 64.7 | 65.1 | 65.2 | 65.2 | 65.2 | 65.2 | 65.2 | 65.2 | 65.2 |
|  | Men  | 1.0                           | 64.4 | 64.7 | 65.3 | 65.4 | 65.4 | 65.4 | 65.4 | 65.4 | 65.4 | 65.4 |
|  | Women  | 0.8                           | 64.2 | 64.6 | 65.0 | 65.0 | 65.0 | 65.0 | 65.0 | 65.0 | 65.0 | 65.0 |
| Employment rate (15-64)                          |  | 2.1                           | 68.6 | 70.2 | 69.2 | 70.0 | 70.4 | 70.8 | 70.9 | 70.7 | 70.6 | 70.7 |
| Employment rate (20-64)                          |  | 4.5                           | 73.4 | 75.7 | 75.9 | 76.5 | 76.7 | 76.8 | 76.7 | 76.8 | 77.6 | 77.9 |
| Employment rate (15-74)                          |  | -1.5                          | 62.5 | 62.4 | 60.8 | 61.1 | 61.7 | 61.9 | 61.5 | 61.0 | 60.4 | 61.0 |
| Unemployment rate (15-64)                        |  | -1.4                          | 8.8  | 7.8  | 8.3  | 8.0  | 7.7  | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  |
| Unemployment rate (20-64)                        |  | -1.4                          | 8.6  | 7.6  | 8.1  | 7.8  | 7.5  | 7.3  | 7.3  | 7.3  | 7.2  | 7.2  |
| Unemployment rate (15-74)                        |  | -1.4                          | 8.6  | 7.6  | 8.1  | 7.8  | 7.5  | 7.3  | 7.2  | 7.2  | 7.2  | 7.2  |
| Employment (20-64) (in millions)                 |  | -0.2                          | 0.6  | 0.6  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.4  | 0.4  | 0.4  |
| Employment (15-64) (in millions)                 |  | -0.2                          | 0.6  | 0.6  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.4  | 0.4  | 0.4  |
|  | share of young (15-24)   | 0%                            | 8%   | 6%   | 7%   | 9%   | 8%   | 8%   | 8%   | 8%   | 8%   | 9%   |
|  | share of prime-age (25-54)   | 1%                            | 74%  | 75%  | 73%  | 70%  | 69%  | 69%  | 68%  | 70%  | 74%  | 74%  |
|  | share of older (55-64)   | -1%                           | 18%  | 19%  | 20%  | 21%  | 22%  | 23%  | 25%  | 22%  | 18%  | 17%  |
| Dependency ratios                                |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)            |  | -2.7                          | 19.6 | 21.1 | 20.8 | 21.5 | 22.3 | 23.1 | 24.7 | 22.8 | 19.0 | 16.9 |
| Old-age dependency ratio 15-64(3)                |  | 27                            | 28   | 33   | 36   | 40   | 42   | 45   | 48   | 52   | 56   | 54   |
| Old-age dependency ratio 20-64(3)                |  | 31                            | 30   | 36   | 40   | 44   | 46   | 50   | 53   | 57   | 62   | 61   |
| Total dependency ratio (4)                       |  | 31                            | 51   | 59   | 62   | 64   | 66   | 70   | 75   | 80   | 84   | 82   |
| Total economic dependency ratio (5)              |  | 33                            | 112  | 117  | 123  | 123  | 124  | 127  | 133  | 140  | 145  | 145  |
| Economic old-age dependency ratio (15-64) (6)    |  | 36                            | 36   | 42   | 48   | 52   | 55   | 59   | 62   | 67   | 72   | 72   |
| Economic old-age dependency ratio (15-74) (7)    |  | 34                            | 34   | 41   | 46   | 50   | 52   | 55   | 59   | 63   | 68   | 68   |

| Estonia   |           | EC-EPC (AWG) 2015 projections |           |           |           |           |           |           |           |           |       |
|---|-----------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| <b>Pension expenditure projections</b>  |           |                               |           |           |           |           |           |           |           |           |       |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, gross  | -1.3      | 7.6                           | 7.6       | 7.3       | 7.1       | 7.0       | 6.9       | 6.8       | 6.7       | 6.6       | 6.3   |
| Earnings-related pensions, gross  | -1.3      | 7.6                           | 7.6       | 7.2       | 7.1       | 6.9       | 6.9       | 6.8       | 6.7       | 6.6       | 6.3   |
| Of which: Old-age and early pensions  | -0.9      | 6.3                           | 6.3       | 5.9       | 5.8       | 5.7       | 5.7       | 5.7       | 5.7       | 5.7       | 5.4   |
| Disability pensions   | -0.4      | 1.2                           | 1.2       | 1.2       | 1.1       | 1.1       | 1.1       | 1.0       | 0.9       | 0.8       | 0.8   |
| Survivors pensions  | 0.0       | 0.1                           | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1   |
| Other pensions  | 0.0       | 0.1                           | 0.1       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Non-earning-related pensions  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Private pensions, gross   | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| New pensions, gross   | -0.1      | 0.2                           | 0.2       | 0.2       | 0.3       | 0.3       | 0.3       | 0.2       | 0.2       | 0.2       | 0.2   |
| Public pensions, net  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Public pensions, contributors   | -0.9      | 5.9                           | 5.5       | 5.3       | 5.2       | 5.1       | 5.0       | 5.0       | 5.0       | 5.0       | 5.0   |
| Additional indicators   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, net/Public pensions, gross, %  | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Pensioners (Public, in 1000 persons)  | 12        | 413                           | 413       | 412       | 419       | 425       | 432       | 434       | 435       | 436       | 425   |
| Pensioners aged 65+ (1000 persons)  | 82        | 243                           | 268       | 279       | 290       | 297       | 308       | 315       | 322       | 332       | 325   |
| Share of pensioners below age 65 as % of all pensioners   | -17.7%    | 41.3%                         | 35.0%     | 32.4%     | 30.7%     | 30.0%     | 28.7%     | 27.5%     | 26.1%     | 23.8%     | 23.6% |
| Benefit ratio (Public pensions)   | -11.6     | 30.4                          | 30.9      | 27.9      | 25.9      | 24.5      | 23.3      | 22.0      | 20.7      | 19.6      | 18.8  |
| Gross replacement rate at retirement (Public pensions)  | -14.9     | 40.1                          | 40.6      | 36.7      | 34.5      | 32.6      | 31.2      | 29.9      | 27.3      | 25.9      | 25.2  |
| Average accrual rates (new pensions, earnings-related)  | -0.2      | 0.6                           | 0.6       | 0.5       | 0.5       | 0.5       | 0.4       | 0.4       | 0.4       | 0.4       | 0.3   |
| Average contributory period (new pensions, earnings-related)  | -7.8      | 40.6                          | 37.9      | 36.5      | 35.1      | 34.1      | 33.8      | 32.8      | 32.5      | 32.2      | 32.7  |
| Contributors (Public pensions, in 1000 persons)   | -176.4    | 622.4                         | 589.6     | 556.9     | 539.2     | 525.4     | 510.6     | 491.8     | 471.1     | 453.9     | 446.0 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -46.8     | 150.7                         | 142.8     | 135.0     | 128.7     | 123.6     | 118.3     | 113.3     | 108.3     | 104.1     | 104.9 |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| High life expectancy (+2 years)   | 0.4       | 0.0                           | 0.0       | 0.1       | 0.1       | 0.2       | 0.2       | 0.3       | 0.3       | 0.3       | 0.4   |
| High labour productivity (+0.25 p.p.)   | -0.1      | 0.0                           | 0.0       | 0.0       | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | -0.1  |
| Lower labour productivity (-0.25 p.p.)  | 0.1       | 0.0                           | 0.0       | 0.0       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1   |
| High employment rate (+2 p.p.)  | 0.0       | 0.0                           | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| High emp. of older workers (+10 p.p.)   | 0.0       | 0.0                           | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Lower migration (-20%)  | 0.1       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.1       | 0.1       | 0.1   |
| TFP risk scenario   | 0.1       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.1       | 0.1       | 0.1       | 0.1   |
| Policy scenario linking retirement age to increases in life expectancy                                      | -1.0      | 0.0                           | 0.0       | 0.0       | -0.2      | -0.4      | -0.6      | -0.7      | -1.0      | -1.2      | -1.0  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -1.3      | 0.0                           | -0.4      | -0.5      | -0.7      | -0.7      | -0.7      | -0.8      | -0.9      | -1.0      | -1.3  |
| Dependency ratio  | 5.4       | 1.5                           | 2.5       | 3.1       | 3.5       | 4.0       | 4.4       | 5.0       | 5.5       | 5.4       | 5.4   |
| Coverage ratio  | -2.0      | -0.7                          | -1.2      | -1.4      | -1.4      | -1.6      | -1.7      | -1.8      | -2.0      | -2.0      | -2.0  |
| Of which: Old-age   | -0.1      | 0.0                           | -0.1      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.1  |
| Early-age   | -0.7      | -0.9                          | -1.3      | -1.4      | -1.5      | -1.8      | -1.8      | -1.5      | -0.7      | -0.2      | -0.7  |
| Cohort effect   | -4.9      | -1.0                          | -1.6      | -2.1      | -2.2      | -2.4      | -3.1      | -4.2      | -5.4      | -4.9      | -4.9  |
| Benefit ratio   | -3.8      | -0.4                          | -1.2      | -1.7      | -2.1      | -2.4      | -2.8      | -3.2      | -3.6      | -3.8      | -3.8  |
| Labour market ratio   | -0.5      | -0.2                          | -0.3      | -0.3      | -0.4      | -0.4      | -0.4      | -0.5      | -0.6      | -0.6      | -0.5  |
| Of which: Employment rate   | -0.4      | -0.2                          | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.4      | -0.4  |
| Labour intensity  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Career shift  | -0.1      | 0.0                           | 0.0       | 0.0       | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | -0.2      | -0.1  |
| Interaction effect (residual)   | -0.4      | -0.1                          | -0.2      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.4      | -0.4      | -0.4  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2015-2020                     | 2020-2025 | 2025-2030 | 2030-2035 | 2035-2040 | 2040-2045 | 2045-2050 | 2050-2055 | 2055-2060 |       |
| Public pensions, gross as % of GDP  | -1.3      | 0.0                           | -0.4      | -0.2      | -0.1      | 0.0       | -0.1      | -0.1      | -0.1      | -0.1      | -0.3  |
| Dependency ratio  | 5.4       | 1.1                           | 1.0       | 0.6       | 0.4       | 0.5       | 0.4       | 0.5       | 0.6       | 0.6       | -0.1  |
| Coverage ratio  | -2.0      | -0.5                          | -0.5      | -0.2      | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | -0.2      | 0.0   |
| Of which: Old-age   | -0.1      | 0.0                           | -0.2      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Early-age   | -0.7      | -0.6                          | -0.4      | -0.1      | -0.1      | -0.3      | 0.3       | 0.8       | 0.5       | -0.5      | -0.5  |
| Cohort effect   | -4.9      | -0.7                          | -0.6      | -0.5      | -0.1      | -0.2      | -0.6      | -1.1      | -1.2      | 0.5       | 0.5   |
| Benefit ratio   | -3.8      | -0.4                          | -0.8      | -0.5      | -0.4      | -0.3      | -0.4      | -0.4      | -0.4      | -0.3      | -0.3  |
| Labour market ratio   | -0.5      | -0.1                          | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | -0.1      | 0.1       | 0.1   |
| Of which: Employment rate   | -0.4      | -0.1                          | 0.0       | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | -0.1      | 0.0       | 0.0   |
| Labour intensity  | 0.0       | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Career shift  | -0.1      | 0.0                           | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.1   |
| Interaction effect (residual)   | -0.4      | -0.1                          | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| <b>Health care</b>  |           |                               |           |           |           |           |           |           |           |           |       |
| Health care spending as % of GDP  | Ch 13-60  | 2013                          | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| AWG reference scenario  | 0.6       | 4.4                           | 4.6       | 4.7       | 4.8       | 4.9       | 5.0       | 5.0       | 5.0       | 5.0       | 5.0   |
| Demographic scenario  | 0.8       | 4.4                           | 4.6       | 4.7       | 4.8       | 5.0       | 5.1       | 5.1       | 5.1       | 5.1       | 5.1   |
| High Life expectancy scenario   | 1.0       | 4.4                           | 4.6       | 4.7       | 4.9       | 5.0       | 5.1       | 5.2       | 5.3       | 5.3       | 5.3   |
| Constant health scenario  | 0.1       | 4.4                           | 4.4       | 4.5       | 4.5       | 4.5       | 4.5       | 4.5       | 4.5       | 4.5       | 4.4   |
| Death-related cost scenario   | :         | :                             | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Income elasticity scenario  | 1.0       | 4.4                           | 4.7       | 4.8       | 5.0       | 5.2       | 5.3       | 5.3       | 5.4       | 5.4       | 5.4   |
| EU28 cost convergence scenario  | 2.6       | 4.4                           | 4.8       | 5.0       | 5.3       | 5.6       | 5.9       | 6.2       | 6.4       | 6.7       | 7.0   |
| Labour intensity scenario   | 1.2       | 4.4                           | 4.5       | 4.7       | 4.8       | 4.9       | 5.1       | 5.3       | 5.5       | 5.8       | 5.8   |
| Sector-specific composite indexation scenario   | 0.6       | 4.4                           | 4.5       | 4.6       | 4.7       | 4.8       | 4.9       | 4.9       | 4.9       | 4.9       | 4.9   |
| Non-demographic determinants scenario   | 2.3       | 4.4                           | 4.9       | 5.3       | 5.6       | 5.9       | 6.2       | 6.4       | 6.5       | 6.6       | 6.6   |
| AWG risk scenario   | 1.3       | 4.4                           | 4.8       | 5.1       | 5.3       | 5.5       | 5.6       | 5.7       | 5.7       | 5.7       | 5.7   |
| TFP risk scenario   | 0.6       | 4.4                           | 4.6       | 4.7       | 4.8       | 4.9       | 4.9       | 5.0       | 5.0       | 5.0       | 4.9   |

| Estonia  |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.7      | 0.6  | 0.7  | 0.8  | 0.8  | 0.9  | 1.0  | 1.0  | 1.1  | 1.2  | 1.2  |
| Demographic scenario   | 0.7      | 0.6  | 0.7  | 0.8  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.2  | 1.3  |
| High Life expectancy scenario  | 0.8      | 0.6  | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.3  | 1.4  |
| Base case scenario   | 0.7      | 0.6  | 0.7  | 0.8  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.3  |
| Constant disability scenario   | 0.6      | 0.6  | 0.7  | 0.7  | 0.8  | 0.8  | 0.9  | 1.0  | 1.1  | 1.1  | 1.2  |
| Shift to formal care scenario  | 0.9      | 0.6  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.4  | 1.4  | 1.5  |
| Coverage convergence scenario  | 0.9      | 0.6  | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.4  | 1.5  |
| Cost convergence scenario  | 2.7      | 0.6  | 0.8  | 0.9  | 1.1  | 1.3  | 1.6  | 1.9  | 2.3  | 2.7  | 3.3  |
| Cost and coverage convergence scenario   | 3.4      | 0.6  | 0.8  | 0.9  | 1.1  | 1.4  | 1.7  | 2.2  | 2.7  | 3.3  | 4.0  |
| AWG risk scenario  | 3.2      | 0.6  | 0.8  | 0.9  | 1.1  | 1.3  | 1.7  | 2.1  | 2.5  | 3.1  | 3.7  |
| TFP risk scenario  | 0.7      | 0.6  | 0.7  | 0.8  | 0.8  | 0.9  | 1.0  | 1.0  | 1.1  | 1.2  | 1.2  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 13.7%    | 113  | 120  | 121  | 123  | 126  | 129  | 130  | 129  | 129  | 128  |
| of which: receiving institutional care   | 91.9%    | 15   | 18   | 19   | 20   | 22   | 24   | 26   | 27   | 28   | 29   |
| receiving home care  | 78.1%    | 6    | 7    | 8    | 9    | 9    | 10   | 10   | 11   | 11   | 11   |
| receiving cash benefits  | 54.0%    | 15   | 17   | 18   | 18   | 19   | 20   | 21   | 22   | 22   | 23   |
| Demographic scenario   | 25.6%    | 113  | 122  | 125  | 128  | 133  | 138  | 140  | 140  | 141  | 142  |
| of which: receiving institutional care   | 103.3%   | 15   | 18   | 20   | 21   | 23   | 25   | 27   | 28   | 30   | 31   |
| receiving home care  | 88.7%    | 6    | 8    | 8    | 9    | 9    | 10   | 11   | 11   | 12   | 12   |
| receiving cash benefits  | 64.1%    | 15   | 17   | 18   | 19   | 19   | 21   | 22   | 23   | 24   | 24   |
| Constant disability scenario   | 3.6%     | 113  | 117  | 117  | 117  | 119  | 121  | 122  | 120  | 118  | 117  |
| of which: receiving institutional care   | 80.8%    | 15   | 18   | 19   | 20   | 21   | 24   | 25   | 26   | 27   | 27   |
| receiving home care  | 68.5%    | 6    | 7    | 8    | 8    | 9    | 9    | 10   | 10   | 10   | 11   |
| receiving cash benefits  | 45.1%    | 15   | 17   | 17   | 18   | 18   | 19   | 20   | 21   | 21   | 22   |
| Shift 1% of dependents from informal to formal scenario  | 25.6%    | 113  | 122  | 125  | 128  | 133  | 138  | 140  | 140  | 141  | 142  |
| of which: receiving institutional care   | 163.5%   | 15   | 23   | 27   | 29   | 31   | 34   | 36   | 37   | 38   | 40   |
| receiving home care  | 166.0%   | 6    | 11   | 13   | 14   | 14   | 15   | 16   | 16   | 16   | 17   |
| receiving cash benefits  | 64.1%    | 15   | 17   | 18   | 19   | 19   | 21   | 22   | 23   | 24   | 24   |
| Coverage convergence scenario  | 25.6%    | 113  | 122  | 125  | 128  | 133  | 138  | 140  | 140  | 141  | 142  |
| of which: receiving institutional care   | 157.5%   | 15   | 19   | 21   | 23   | 26   | 30   | 32   | 34   | 37   | 39   |
| receiving home care  | 152.9%   | 6    | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   |
| receiving cash benefits  | 64.1%    | 15   | 17   | 18   | 19   | 19   | 21   | 22   | 23   | 24   | 24   |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.8      | 4.4  | 4.6  | 4.8  | 4.8  | 4.6  | 4.4  | 4.5  | 4.8  | 5.1  | 5.1  |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (8%) - Staff (67%) - Other (20%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | 0.3      | 1.3  | 1.6  | 1.5  | 1.4  | 1.3  | 1.3  | 1.4  | 1.6  | 1.6  | 1.6  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (7%) - Staff (72%) - Other (19%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.3      | 0.7  | 0.9  | 1.0  | 0.9  | 0.9  | 0.8  | 0.8  | 0.9  | 1.0  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (8%) - Staff (74%) - Other (17%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | 0.3      | 1.2  | 1.2  | 1.5  | 1.4  | 1.4  | 1.3  | 1.3  | 1.3  | 1.5  | 1.5  |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (8%) - Staff (68%) - Other (19%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | -0.1     | 1.1  | 0.9  | 0.9  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (11%) - Capital (10%) - Staff (56%) - Other (23%)                         |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -37      | 233  | 231  | 230  | 219  | 204  | 194  | 190  | 193  | 197  | 196  |
| as % of population 5-24  | 2%       | 82%  | 86%  | 85%  | 82%  | 83%  | 83%  | 84%  | 84%  | 84%  | 83%  |
| Primary  | -10      | 77   | 87   | 79   | 73   | 65   | 63   | 67   | 70   | 70   | 67   |
| Low secondary  | 0        | 38   | 44   | 46   | 42   | 39   | 35   | 34   | 36   | 38   | 38   |
| Upper secondary  | -6       | 53   | 50   | 57   | 54   | 51   | 47   | 44   | 44   | 47   | 48   |
| Tertiary education   | -21      | 65   | 49   | 48   | 50   | 49   | 48   | 45   | 43   | 43   | 44   |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Primary  | -1       | 5    | 5    | 5    | 4    | 4    | 4    | 4    | 4    | 4    | 4    |
| Low secondary  | 0        | 3    | 3    | 3    | 3    | 3    | 2    | 2    | 2    | 3    | 3    |
| Upper secondary  | 0        | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| Tertiary education   | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.7      | 0.0  | 0.2  | 0.3  | 0.4  | 0.5  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | 0.0      | 0.2  | 0.1  | 0.2  | 0.2  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  |
| <b>LESDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: : = data not provided  |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services (DG ECFIN), Eurostat (BJROPOP2013), EPC (AWG)   |          |      |      |      |      |      |      |      |      |      |      |

# 7. IRELAND

| Ireland  |                            | EC-EPC (AWG) 2015 projections |       |       |       |       |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|-------|-------|-------|-------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |       |       |       |       |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.0                           | 2.01  | 2.01  | 2.00  | 2.00  | 2.00 | 1.99 | 1.99 | 1.99 | 1.98 | 1.98 |
| Life expectancy at birth   |                            |                               |       |       |       |       |      |      |      |      |      |      |
|  | males                      | 6.4                           | 78.7  | 79.8  | 80.5  | 81.3  | 82.0 | 82.6 | 83.3 | 83.9 | 84.6 | 85.2 |
|  | females                    | 6.2                           | 83.0  | 84.1  | 84.8  | 85.5  | 86.2 | 86.8 | 87.5 | 88.1 | 88.7 | 89.2 |
| Life expectancy at 65  |                            |                               |       |       |       |       |      |      |      |      |      |      |
|  | males                      | 4.5                           | 18.1  | 18.8  | 19.3  | 19.8  | 20.3 | 20.8 | 21.3 | 21.7 | 22.2 | 22.6 |
|  | females                    | 4.8                           | 21.0  | 21.8  | 22.3  | 22.9  | 23.4 | 23.9 | 24.4 | 24.9 | 25.4 | 25.8 |
| Net migration (thous and)  |                            | 47.5                          | -32.4 | -30.3 | -21.7 | -12.1 | -3.0 | 4.8  | 11.3 | 16.7 | 15.9 | 15.1 |
| Net migration as % of population                                     |                            | 1.0                           | -0.7  | -0.7  | -0.5  | -0.3  | -0.1 | 0.1  | 0.2  | 0.3  | 0.3  | 0.3  |
| Population (million)   |                            | 0.7                           | 4.6   | 4.6   | 4.6   | 4.6   | 4.6  | 4.7  | 4.8  | 5.0  | 5.1  | 5.3  |
| Children population (0-14) as % of total population                  |                            | -3.4                          | 21.9  | 21.6  | 19.6  | 17.5  | 16.8 | 17.5 | 18.8 | 19.4 | 19.2 | 18.5 |
| Prime age population (25-54) as % of total population                |                            | -6.0                          | 43.6  | 39.1  | 36.9  | 35.1  | 34.2 | 34.2 | 35.6 | 36.9 | 37.2 | 37.6 |
| Working age population (15-64) as % of total population              |                            | -5.6                          | 66.7  | 63.4  | 63.3  | 63.1  | 61.9 | 59.3 | 56.7 | 55.7 | 57.4 | 60.1 |
| Elderly population (65 and over) as % of total population            |                            | 9.0                           | 12.4  | 15.0  | 17.1  | 19.4  | 21.4 | 23.1 | 24.5 | 24.9 | 23.4 | 21.4 |
| Very elderly population (80 and over) as % of total population       |                            | 7.3                           | 2.9   | 3.5   | 4.2   | 5.3   | 6.2  | 7.1  | 7.9  | 8.7  | 9.5  | 10.2 |
| Very elderly population (80 and over) as % of elderly population     |                            | 24.2                          | 23.7  | 23.6  | 24.7  | 27.2  | 29.1 | 30.6 | 32.5 | 34.9 | 40.6 | 47.8 |
| Very elderly population (80 and over) as % of working age population |                            | 12.6                          | 4.5   | 5.6   | 6.7   | 8.4   | 10.1 | 11.9 | 14.0 | 15.6 | 16.6 | 17.0 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.7                           | 0.5   | 1.4   | 1.4   | 1.8   | 1.7  | 1.4  | 1.4  | 1.9  | 2.5  | 2.7  |
| Employment (growth rate)   |                            | 0.3                           | 0.2   | 0.0   | 0.0   | 0.3   | 0.2  | -0.2 | -0.2 | 0.3  | 0.9  | 1.2  |
| Labour input: hours worked (growth rate)                             |                            | 0.3                           | 0.6   | 0.0   | -0.1  | 0.3   | 0.2  | -0.2 | -0.1 | 0.4  | 0.9  | 1.2  |
| Labour productivity per hour (growth rate)                           |                            | 1.4                           | -0.1  | 1.4   | 1.4   | 1.6   | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| TFP (growth rate)  |                            | 0.9                           | 0.0   | 0.8   | 1.0   | 1.0   | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.5                           | -0.1  | 0.6   | 0.4   | 0.5   | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 1.4                           | 0.4   | 1.5   | 1.5   | 1.8   | 1.4  | 0.9  | 0.8  | 1.3  | 1.9  | 2.2  |
| Potential GDP per worker (growth rate)                               |                            | 1.4                           | 0.3   | 1.4   | 1.4   | 1.6   | 1.5  | 1.6  | 1.6  | 1.6  | 1.5  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (in thousands)                        |                            | 139                           | 3017  | 2923  | 2893  | 2876  | 2844 | 2784 | 2739 | 2775 | 2943 | 3156 |
| Population growth (working age:15-64)                                |                            | 1.9                           | -0.6  | -0.5  | -0.1  | -0.2  | -0.3 | -0.4 | -0.3 | 0.7  | 1.4  | 1.3  |
| Population (20-64) (in thousands)                                    |                            | 71                            | 2737  | 2616  | 2551  | 2535  | 2541 | 2522 | 2481 | 2486 | 2618 | 2808 |
| Population growth (20-64)  |                            | 2.2                           | -0.8  | -0.6  | -0.5  | 0.1   | 0.0  | -0.2 | -0.4 | 0.4  | 1.3  | 1.3  |
| Labour force 15-64 (thous and)                                       |                            | 47                            | 2104  | 2009  | 1958  | 1943  | 1940 | 1915 | 1885 | 1908 | 2016 | 2151 |
| Labour force 20-64 (thous and)                                       |                            | 33                            | 2059  | 1957  | 1902  | 1883  | 1866 | 1869 | 1841 | 1859 | 1962 | 2092 |
| Participation rate (20-64)   |                            | -0.7                          | 75.2  | 74.8  | 74.6  | 74.3  | 74.2 | 74.1 | 74.2 | 74.8 | 74.9 | 74.5 |
| Participation rate (15-64)   |                            | -1.6                          | 69.7  | 68.8  | 67.7  | 67.6  | 68.2 | 68.8 | 68.8 | 68.7 | 68.5 | 68.2 |
|  | young (15-24)              | 1.5                           | 39.9  | 40.4  | 39.4  | 41.5  | 43.7 | 44.2 | 42.6 | 40.9 | 40.8 | 41.4 |
|  | prime-age (25-54)          | -2.2                          | 80.7  | 80.2  | 80.0  | 79.6  | 78.9 | 78.7 | 78.8 | 78.6 | 78.5 | 78.5 |
|  | older (55-64)              | 7.3                           | 57.3  | 61.8  | 63.2  | 65.3  | 66.9 | 66.0 | 62.7 | 62.7 | 65.0 | 64.6 |
| Participation rate (20-64) - FEMALES                                 |                            | 1.6                           | 67.2  | 68.2  | 68.7  | 68.9  | 69.1 | 68.8 | 68.4 | 68.8 | 69.1 | 68.8 |
| Participation rate (15-64) - FEMALES                                 |                            | 0.5                           | 62.7  | 63.1  | 62.7  | 63.1  | 63.8 | 64.1 | 63.7 | 63.4 | 63.3 | 63.1 |
|  | young (15-24)              | 1.2                           | 38.7  | 38.9  | 38.0  | 40.1  | 42.1 | 42.6 | 41.0 | 39.4 | 39.3 | 39.9 |
|  | prime-age (25-54)          | -0.6                          | 72.5  | 73.1  | 73.7  | 73.7  | 72.8 | 72.0 | 71.8 | 71.7 | 71.8 | 71.9 |
|  | older (55-64)              | 14.1                          | 47.0  | 54.6  | 56.6  | 59.9  | 62.9 | 63.5 | 60.4 | 59.4 | 61.4 | 61.1 |
| Participation rate (20-64) - MALES                                   |                            | -3.6                          | 83.4  | 81.6  | 80.6  | 79.7  | 79.4 | 79.5 | 79.9 | 80.6 | 80.5 | 79.8 |
| Participation rate (15-64) - MALES                                   |                            | -4.0                          | 76.9  | 74.5  | 72.7  | 72.1  | 72.6 | 73.5 | 73.8 | 73.9 | 73.4 | 72.9 |
|  | young (15-24)              | 1.7                           | 41.0  | 41.7  | 40.8  | 42.8  | 45.1 | 45.8 | 44.1 | 42.3 | 42.1 | 42.8 |
|  | prime-age (25-54)          | -4.5                          | 89.2  | 87.6  | 86.5  | 85.6  | 85.0 | 85.1 | 85.2 | 85.0 | 84.8 | 84.7 |
|  | older (55-64)              | 0.3                           | 67.7  | 69.3  | 70.0  | 71.1  | 71.1 | 69.0 | 65.6 | 66.3 | 68.5 | 68.0 |
| Average effective exit age (TOTAL) (†)                               |                            | 1.2                           | 64.9  | 65.3  | 65.8  | 66.0  | 66.0 | 66.0 | 66.0 | 66.0 | 66.0 | 66.0 |
|  | Men                        | 1.2                           | 64.9  | 65.3  | 65.8  | 66.0  | 66.0 | 66.0 | 66.0 | 66.0 | 66.0 | 66.0 |
|  | Women                      | 1.2                           | 64.8  | 65.4  | 65.8  | 66.1  | 66.1 | 66.1 | 66.1 | 66.1 | 66.1 | 66.1 |
| Employment rate (15-64)  |                            | 3.1                           | 60.4  | 61.8  | 61.6  | 62.0  | 63.1 | 64.1 | 64.1 | 64.1 | 63.8 | 63.5 |
| Employment rate (20-64)  |                            | 4.1                           | 65.6  | 67.6  | 68.2  | 68.5  | 68.9 | 69.3 | 69.3 | 69.9 | 70.0 | 69.6 |
| Employment rate (15-74)  |                            | 3.4                           | 55.8  | 56.3  | 56.1  | 56.3  | 56.9 | 57.4 | 57.0 | 56.9 | 57.9 | 59.3 |
| Unemployment rate (15-64)  |                            | -6.5                          | 13.3  | 10.2  | 9.0   | 8.2   | 7.4  | 6.8  | 6.8  | 6.8  | 6.8  | 6.8  |
| Unemployment rate (20-64)  |                            | -6.3                          | 12.8  | 9.7   | 8.6   | 7.8   | 7.1  | 6.6  | 6.6  | 6.5  | 6.5  | 6.5  |
| Unemployment rate (15-74)  |                            | -6.4                          | 13.1  | 9.9   | 8.7   | 7.9   | 7.1  | 6.5  | 6.5  | 6.5  | 6.6  | 6.6  |
| Employment (20-64) (in millions)                                     |                            | 0.2                           | 1.8   | 1.8   | 1.7   | 1.7   | 1.8  | 1.7  | 1.7  | 1.7  | 1.8  | 2.0  |
| Employment (15-64) (in millions)                                     |                            | 0.2                           | 1.8   | 1.8   | 1.8   | 1.8   | 1.8  | 1.8  | 1.8  | 1.8  | 1.9  | 2.0  |
|  | share of young (15-24)     | 4%                            | 9%    | 11%   | 12%   | 13%   | 14%  | 13%  | 11%  | 11%  | 12%  | 13%  |
|  | share of prime-age (25-54) | -5%                           | 73%   | 73%   | 70%   | 66%   | 65%  | 66%  | 72%  | 76%  | 75%  | 73%  |
|  | share of older (55-64)     | 2%                            | 13%   | 17%   | 18%   | 20%   | 22%  | 21%  | 16%  | 12%  | 13%  | 15%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | -0.4                          | 15.8  | 19.0  | 19.3  | 20.5  | 21.7 | 21.5 | 17.6 | 13.2 | 13.4 | 15.4 |
| Old-age dependency ratio 15-64(3)                                    |                            | 17                            | 19    | 24    | 27    | 31    | 35   | 39   | 43   | 45   | 41   | 36   |
| Old-age dependency ratio 20-64(3)                                    |                            | 19                            | 21    | 26    | 31    | 35    | 39   | 43   | 48   | 50   | 46   | 40   |
| Total dependency ratio (4)   |                            | 14                            | 52    | 58    | 58    | 58    | 62   | 69   | 76   | 79   | 74   | 66   |
| Total economic dependency ratio (5)                                  |                            | 7                             | 146   | 146   | 145   | 142   | 141  | 146  | 156  | 163  | 181  | 153  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 24                            | 29    | 35    | 39    | 44    | 48   | 54   | 60   | 63   | 59   | 53   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 23                            | 28    | 33    | 37    | 42    | 46   | 50   | 56   | 59   | 57   | 51   |

| Ireland   |           |        |        |        |        |        |        |        |        |        |        |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| EC-EPC (AWG) 2015 projections   |           |        |        |        |        |        |        |        |        |        |        |
| Pension expenditure projections   |           |        |        |        |        |        |        |        |        |        |        |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross  | 1.1       | 7.4    | 8.0    | 8.7    | 9.1    | 9.6    | 10.0   | 10.2   | 10.0   | 9.3    | 8.4    |
| Earnings-related pensions, gross  | 1.9       | 3.9    | 4.1    | 4.6    | 5.0    | 5.5    | 6.0    | 6.5    | 6.8    | 6.5    | 5.8    |
| Of which: Old-age and early pensions  | 2.3       | 2.4    | 2.6    | 2.9    | 3.2    | 3.8    | 4.4    | 4.9    | 5.4    | 5.3    | 4.7    |
| Disability pensions   | 0.1       | 0.4    | 0.4    | 0.5    | 0.6    | 0.6    | 0.7    | 0.6    | 0.6    | 0.4    | 0.4    |
| Survivors pensions  | -0.4      | 0.8    | 0.7    | 0.7    | 0.7    | 0.7    | 0.6    | 0.6    | 0.5    | 0.5    | 0.4    |
| Other pensions  | -0.1      | 0.4    | 0.4    | 0.4    | 0.4    | 0.4    | 0.4    | 0.3    | 0.3    | 0.3    | 0.3    |
| Non-earning-related pensions  | -0.4      | 1.6    | 1.5    | 1.5    | 1.4    | 1.4    | 1.4    | 1.3    | 1.2    | 1.2    | 1.2    |
| Private pensions, gross   | -0.4      | 1.8    | 2.5    | 2.7    | 2.7    | 2.7    | 2.8    | 2.4    | 2.0    | 1.7    | 1.4    |
| New pensions, gross   | -0.2      | 0.7    | 0.5    | 0.6    | 0.6    | 0.6    | 0.7    | 0.6    | 0.6    | 0.5    | 0.5    |
| Public pensions, net  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Public pensions, contributors   | 1.5       | 5.5    | 5.5    | 6.0    | 6.4    | 6.9    | 7.4    | 7.8    | 8.0    | 7.7    | 7.0    |
| Additional indicators   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, net/Public pensions, gross, %  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Pensioners (Public, in 1000 persons)  | 496       | 846    | 934    | 1008   | 1090   | 1190   | 1286   | 1390   | 1395   | 1390   | 1342   |
| Pensioners aged 65+ (1000 persons)  | 516       | 548    | 644    | 720    | 803    | 902    | 1007   | 1091   | 1167   | 1140   | 1064   |
| Share of pensioners below age 65 as % of all pensioners   | -14.6%    | 35.3%  | 31.1%  | 28.5%  | 26.4%  | 24.2%  | 21.7%  | 19.1%  | 17.1%  | 18.0%  | 20.7%  |
| Benefit ratio (Public pensions)   | -1.8      | 27.9   | 26.5   | 26.6   | 26.6   | 26.6   | 26.5   | 26.4   | 26.2   | 26.1   | 26.1   |
| Gross replacement rate at retirement (Public pensions)  | -2.4      | 31.2   | 29.3   | 29.3   | 29.3   | 29.3   | 29.3   | 29.2   | 29.1   | 28.9   | 28.7   |
| Average accrual rates (new pensions, earnings-related)  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Average contributory period (new pensions, earnings-related)  | 5.1       | 38.5   | 39.8   | 40.6   | 41.3   | 41.8   | 42.3   | 42.7   | 43.0   | 43.3   | 43.6   |
| Contributors (Public pensions, in 1000 persons)   | 311.8     | 2300.5 | 2354.0 | 2346.5 | 2370.6 | 2399.3 | 2401.2 | 2376.5 | 2388.0 | 2471.8 | 2612.2 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -77.2     | 271.9  | 252.1  | 232.8  | 217.5  | 201.7  | 186.7  | 176.1  | 171.2  | 177.8  | 194.7  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| High life expectancy (+2 years)   | 0.4       | 0.0    | 0.0    | 0.0    | 0.1    | 0.1    | 0.2    | 0.2    | 0.3    | 0.3    | 0.4    |
| High labour productivity (+0.25 p.p.)   | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Lower labour productivity (-0.25 p.p.)  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| High employment rate (+2 p.p.)  | -0.2      | 0.0    | -0.1   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   |
| High emp. of older workers (+10 p.p.)   | -0.3      | 0.0    | -0.1   | -0.3   | -0.3   | -0.4   | -0.4   | -0.4   | -0.4   | -0.3   | -0.3   |
| Lower migration (-20%)  | 0.3       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.1    | 0.2    | 0.3    |
| TFP risk scenario   | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.4      | 0.0    | 0.0    | 0.0    | -0.2   | -0.3   | -0.3   | -0.5   | -0.5   | -0.5   | -0.4   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | 1.1       | 0.6    | 1.4    | 1.8    | 2.2    | 2.7    | 2.9    | 2.6    | 2.0    | 1.1    | 1.1    |
| Dependency ratio  | 6.0       | 1.9    | 3.2    | 4.4    | 5.3    | 6.4    | 7.5    | 8.0    | 7.2    | 6.0    | 6.0    |
| Coverage ratio  | -1.7      | -0.7   | -1.0   | -1.4   | -1.8   | -1.8   | -2.2   | -2.3   | -2.0   | -1.7   | -1.7   |
| Of which: Old-age   | 0.0       | -0.2   | -0.3   | -0.4   | -0.3   | -0.2   | -0.3   | -0.2   | 0.0    | 0.0    | 0.0    |
| Early-age   | -0.7      | -0.8   | -1.3   | -1.7   | -1.7   | -1.7   | -1.7   | -1.7   | -1.7   | -1.7   | -1.7   |
| Cohort effect   | -4.3      | -0.7   | -1.3   | -1.9   | -2.9   | -4.8   | -7.3   | -8.7   | -7.2   | -4.3   | -4.3   |
| Benefit ratio   | -2.1      | -0.2   | -0.1   | -0.4   | -0.6   | -0.8   | -1.2   | -1.7   | -2.0   | -2.1   | -2.1   |
| Labour market ratio   | -0.6      | -0.3   | -0.4   | -0.5   | -0.6   | -0.8   | -0.8   | -0.9   | -0.7   | -0.6   | -0.6   |
| Of which: Employment rate   | -0.5      | -0.2   | -0.3   | -0.3   | -0.4   | -0.4   | -0.4   | -0.4   | -0.5   | -0.5   | -0.5   |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | 0.0       | -0.1   | -0.2   | -0.2   | -0.3   | -0.3   | -0.4   | -0.4   | -0.3   | -0.1   | 0.0    |
| Interaction effect (residual)   | -0.5      | -0.1   | -0.2   | -0.3   | -0.3   | -0.4   | -0.4   | -0.5   | -0.5   | -0.5   | -0.5   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP  | 1.1       | 0.6    | 0.7    | 0.4    | 0.5    | 0.4    | 0.2    | -0.2   | -0.7   | -0.9   | -0.9   |
| Dependency ratio  | 6.0       | 1.3    | 1.3    | 1.2    | 1.0    | 1.1    | 1.1    | 0.5    | -0.8   | -1.2   | -1.2   |
| Coverage ratio  | -1.7      | -0.4   | -0.4   | -0.4   | -0.2   | -0.2   | -0.4   | -0.1   | 0.3    | 0.3    | 0.3    |
| Of which: Old-age   | 0.0       | 0.0    | -0.1   | -0.1   | 0.1    | 0.1    | 0.0    | 0.1    | 0.2    | 0.0    | 0.0    |
| Early-age   | -0.7      | -0.5   | -0.5   | -0.4   | 0.0    | 1.0    | 1.3    | 0.2    | -0.5   | -0.9   | -0.9   |
| Cohort effect   | -4.3      | -0.5   | -0.5   | -0.7   | -0.9   | -2.0   | -2.5   | -1.4   | 1.5    | 2.9    | 2.9    |
| Benefit ratio   | -2.1      | -0.2   | 0.0    | -0.2   | -0.2   | -0.3   | -0.4   | -0.5   | -0.3   | -0.1   | -0.1   |
| Labour market ratio   | -0.6      | 0.0    | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | 0.0    | 0.2    | 0.1    |
| Of which: Employment rate   | -0.5      | 0.0    | -0.1   | 0.0    | -0.1   | 0.0    | 0.0    | 0.0    | -0.1   | 0.0    | 0.1    |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | 0.0       | -0.1   | -0.1   | -0.1   | 0.0    | -0.1   | -0.1   | 0.1    | 0.2    | 0.1    | 0.1    |
| Interaction effect (residual)   | -0.5      | -0.1   | -0.1   | -0.1   | 0.0    | -0.1   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    |
| Health care   |           |        |        |        |        |        |        |        |        |        |        |
| Health care spending as % of GDP  | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| AWG reference scenario  | 1.2       | 6.0    | 6.3    | 6.6    | 6.9    | 7.2    | 7.3    | 7.3    | 7.3    | 7.3    | 7.2    |
| Demographic scenario  | 1.3       | 6.0    | 6.3    | 6.6    | 6.9    | 7.2    | 7.3    | 7.4    | 7.4    | 7.4    | 7.3    |
| High Life Expectancy scenario   | 1.6       | 6.0    | 6.3    | 6.6    | 7.0    | 7.3    | 7.5    | 7.6    | 7.6    | 7.6    | 7.6    |
| Constant health scenario  | 0.6       | 6.0    | 6.2    | 6.4    | 6.6    | 6.8    | 6.9    | 6.9    | 6.8    | 6.7    | 6.6    |
| Death-related cost scenario   | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Income elasticity scenario  | 1.6       | 6.0    | 6.4    | 6.7    | 7.1    | 7.4    | 7.5    | 7.6    | 7.6    | 7.6    | 7.6    |
| EU28 cost convergence scenario  | 1.3       | 6.0    | 6.3    | 6.6    | 6.9    | 7.2    | 7.3    | 7.4    | 7.4    | 7.4    | 7.3    |
| Labour intensity scenario   | 1.1       | 6.0    | 6.0    | 6.3    | 6.5    | 6.7    | 7.0    | 7.3    | 7.5    | 7.4    | 7.1    |
| Sector-specific composite indexation scenario   | 0.6       | 6.0    | 6.1    | 6.3    | 6.4    | 6.6    | 6.7    | 6.7    | 6.7    | 6.7    | 6.6    |
| Non-demographic determinants scenario   | 2.8       | 6.0    | 6.6    | 7.1    | 7.6    | 8.1    | 8.5    | 8.6    | 8.8    | 8.8    | 8.8    |
| AWG risk scenario   | 1.9       | 6.0    | 6.5    | 6.9    | 7.4    | 7.7    | 8.0    | 8.1    | 8.1    | 8.0    | 7.9    |
| TFP risk scenario   | 1.2       | 6.0    | 6.3    | 6.6    | 6.9    | 7.1    | 7.3    | 7.3    | 7.3    | 7.2    | 7.2    |

| Ireland  |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.7      | 0.7  | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.4  | 1.4  |
| Demographic scenario   | 0.9      | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.4  | 1.5  | 1.5  |
| High Life expectancy scenario  | 1.0      | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.4  | 1.5  | 1.6  | 1.7  |
| Base case scenario   | 0.8      | 0.7  | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.3  | 1.4  | 1.5  | 1.5  |
| Constant disability scenario   | 0.7      | 0.7  | 0.7  | 0.8  | 0.9  | 0.9  | 1.1  | 1.2  | 1.3  | 1.3  | 1.3  |
| Shift to formal care scenario  | 1.1      | 0.7  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.5  | 1.6  | 1.7  | 1.7  |
| Coverage convergence scenario  | 1.7      | 0.7  | 0.8  | 0.9  | 1.1  | 1.3  | 1.5  | 1.8  | 2.0  | 2.2  | 2.4  |
| Cost convergence scenario  | 1.3      | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.3  | 1.5  | 1.7  | 1.9  | 2.0  |
| Cost and coverage convergence scenario   | 2.5      | 0.7  | 0.8  | 1.0  | 1.2  | 1.4  | 1.8  | 2.1  | 2.5  | 2.9  | 3.2  |
| AWG risk scenario  | 2.3      | 0.7  | 0.8  | 1.0  | 1.2  | 1.4  | 1.7  | 2.0  | 2.4  | 2.7  | 3.0  |
| TFP risk scenario  | 0.7      | 0.7  | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  | 1.4  | 1.4  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 60.3%    | 218  | 239  | 251  | 266  | 283  | 300  | 313  | 327  | 339  | 349  |
| of which: receiving institutional care   | 173.7%   | 27   | 32   | 35   | 40   | 45   | 51   | 58   | 64   | 70   | 75   |
| receiving home care  | 120.1%   | 65   | 75   | 81   | 90   | 99   | 109  | 119  | 128  | 137  | 144  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Demographic scenario   | 73.9%    | 218  | 243  | 258  | 277  | 298  | 317  | 334  | 349  | 365  | 379  |
| of which: receiving institutional care   | 189.6%   | 27   | 32   | 36   | 41   | 47   | 54   | 60   | 67   | 74   | 79   |
| receiving home care  | 135.2%   | 65   | 75   | 83   | 93   | 103  | 114  | 125  | 136  | 146  | 154  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Constant disability scenario   | 50.7%    | 218  | 235  | 244  | 256  | 272  | 286  | 299  | 311  | 321  | 328  |
| of which: receiving institutional care   | 160.0%   | 27   | 31   | 35   | 39   | 44   | 50   | 55   | 61   | 67   | 71   |
| receiving home care  | 107.9%   | 65   | 74   | 79   | 87   | 96   | 105  | 114  | 122  | 130  | 136  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Shift 1% of dependents from informal to formal scenario  | 73.9%    | 218  | 243  | 258  | 277  | 298  | 317  | 334  | 349  | 365  | 379  |
| of which: receiving institutional care   | 231.3%   | 27   | 37   | 43   | 48   | 55   | 63   | 70   | 77   | 85   | 91   |
| receiving home care  | 175.7%   | 65   | 88   | 102  | 113  | 125  | 137  | 149  | 160  | 171  | 180  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Coverage convergence scenario  | 73.9%    | 218  | 243  | 258  | 277  | 298  | 317  | 334  | 349  | 365  | 379  |
| of which: receiving institutional care   | 357.4%   | 27   | 35   | 41   | 49   | 59   | 70   | 83   | 97   | 111  | 125  |
| receiving home care  | 281.3%   | 65   | 82   | 95   | 112  | 131  | 153  | 176  | 200  | 226  | 249  |
| receiving cash benefits  | :        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.0      | 6.0  | 6.4  | 6.3  | 5.8  | 5.3  | 5.2  | 5.6  | 6.0  | 6.2  | 5.9  |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (7%) - Staff (66%) - Other (18%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | -0.3     | 2.2  | 2.4  | 2.1  | 1.7  | 1.6  | 1.8  | 2.0  | 2.2  | 2.1  | 2.0  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (9%) - Staff (79%) - Other (11%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.0      | 1.1  | 1.1  | 1.2  | 1.1  | 0.9  | 0.8  | 0.9  | 1.1  | 1.1  | 1.1  |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (6%) - Staff (72%) - Other (19%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | 0.1      | 1.4  | 1.5  | 1.6  | 1.6  | 1.4  | 1.3  | 1.3  | 1.4  | 1.5  | 1.5  |
| Expenditure decomposition (broadly constant) : Transfers (19%) - Capital (6%) - Staff (53%) - Other (24%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | 0.1      | 1.3  | 1.3  | 1.4  | 1.4  | 1.4  | 1.3  | 1.3  | 1.3  | 1.4  | 1.4  |
| Expenditure decomposition (broadly constant) : Transfers (13%) - Capital (8%) - Staff (56%) - Other (24%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 117      | 1097 | 1170 | 1156 | 1082 | 1001 | 982  | 1035 | 1122 | 1189 | 1214 |
| as % of population 5-24  | -4%      | 93%  | 91%  | 90%  | 87%  | 87%  | 89%  | 92%  | 92%  | 91%  | 89%  |
| Primary  | -1       | 527  | 562  | 498  | 427  | 399  | 431  | 485  | 528  | 537  | 528  |
| Low secondary  | 28       | 189  | 203  | 221  | 200  | 172  | 158  | 170  | 192  | 211  | 217  |
| Upper secondary  | 47       | 212  | 225  | 249  | 249  | 229  | 204  | 200  | 219  | 242  | 259  |
| Tertiary education   | 44       | 169  | 180  | 188  | 205  | 202  | 189  | 180  | 185  | 199  | 213  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Primary  | 0        | 34   | 36   | 32   | 28   | 26   | 28   | 31   | 34   | 35   | 34   |
| Low secondary  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Upper secondary  | 6        | 26   | 27   | 30   | 30   | 28   | 25   | 24   | 27   | 29   | 32   |
| Tertiary education   | 3        | 11   | 12   | 12   | 14   | 13   | 13   | 12   | 12   | 13   | 14   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.8      | 0.1  | 0.3  | 0.4  | 0.6  | 0.8  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -1.1     | 2.1  | 1.5  | 1.3  | 1.2  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| <b>LEGENDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services ( DG ECFIN), Eurostat ( BJRPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |      |      |      |      |

# 8. GREECE

| Greece   |                            | EC-EPC (AWG) 2015 projections |       |       |       |       |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|-------|-------|-------|-------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |       |       |       |       |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.2                           | 1.34  | 1.39  | 1.42  | 1.45  | 1.47 | 1.49 | 1.52 | 1.54 | 1.56 | 1.58 |
| Life expectancy at birth   |                            |                               |       |       |       |       |      |      |      |      |      |      |
|  | males                      | 6.9                           | 78.0  | 79.2  | 80.0  | 80.8  | 81.5 | 82.2 | 82.9 | 83.6 | 84.3 | 84.9 |
|  | females                    | 5.7                           | 83.3  | 84.2  | 84.9  | 85.5  | 86.1 | 86.7 | 87.3 | 87.9 | 88.5 | 89.0 |
| Life expectancy at 65  |                            |                               |       |       |       |       |      |      |      |      |      |      |
|  | males                      | 4.7                           | 18.0  | 18.8  | 19.3  | 19.8  | 20.3 | 20.8 | 21.3 | 21.8 | 22.2 | 22.7 |
|  | females                    | 4.6                           | 20.8  | 21.5  | 22.0  | 22.6  | 23.1 | 23.6 | 24.0 | 24.5 | 25.0 | 25.4 |
| Net migration (thous and)  |                            | 20.6                          | -15.9 | -22.3 | -17.1 | -10.0 | -3.3 | 1.3  | 6.0  | 7.3  | 5.9  | 4.7  |
| Net migration as % of population                                     |                            | 0.2                           | -0.1  | -0.2  | -0.2  | -0.1  | 0.0  | 0.0  | 0.1  | 0.1  | 0.1  | 0.1  |
| Population (million)   |                            | -2.5                          | 11.0  | 10.7  | 10.4  | 10.1  | 9.8  | 9.6  | 9.3  | 9.1  | 8.8  | 8.6  |
| Children population (0-14) as % of total population                  |                            | -1.8                          | 14.6  | 14.0  | 13.0  | 12.3  | 12.1 | 12.3 | 12.7 | 12.9 | 12.9 | 12.9 |
| Prime age population (25-54) as % of total population                |                            | -9.3                          | 42.6  | 40.6  | 38.3  | 36.2  | 34.6 | 33.3 | 32.9 | 32.8 | 33.1 | 33.3 |
| Working age population (15-64) as % of total population              |                            | -10.9                         | 65.1  | 63.9  | 63.2  | 61.9  | 59.6 | 57.0 | 54.6 | 53.2 | 53.4 | 54.2 |
| Elderly population (65 and over) as % of total population            |                            | 12.7                          | 20.3  | 22.1  | 23.8  | 25.8  | 28.4 | 30.7 | 32.7 | 33.9 | 33.7 | 33.0 |
| Very elderly population (80 and over) as % of total population       |                            | 9.5                           | 5.8   | 7.1   | 7.3   | 8.1   | 8.9  | 10.1 | 11.3 | 12.9 | 14.2 | 15.3 |
| Very elderly population (80 and over) as % of elderly population     |                            | 17.8                          | 28.7  | 31.9  | 30.6  | 31.5  | 31.5 | 32.9 | 34.5 | 38.1 | 42.1 | 46.5 |
| Very elderly population (80 and over) as % of working age population |                            | 19.3                          | 9.9   | 11.0  | 11.5  | 13.1  | 15.0 | 17.7 | 20.7 | 24.3 | 26.6 | 28.3 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 0.7                           | -3.5  | 0.1   | 0.6   | 1.5   | 2.0  | 1.1  | 1.0  | 0.9  | 1.1  | 1.1  |
| Employment (growth rate)   |                            | -0.4                          | -2.3  | 1.0   | 0.4   | 0.2   | 0.0  | -0.9 | -1.0 | -0.9 | -0.6 | -0.5 |
| Labour input: hours worked (growth rate)                             |                            | -0.3                          | -1.7  | 1.0   | 0.4   | 0.2   | 0.0  | -0.9 | -1.0 | -0.9 | -0.6 | -0.5 |
| Labour productivity per hour (growth rate)                           |                            | 1.0                           | -1.8  | -0.9  | 0.2   | 1.3   | 2.0  | 2.0  | 1.9  | 1.7  | 1.7  | 1.5  |
| TFP (growth rate)  |                            | 0.7                           | -1.4  | -0.2  | 0.3   | 0.8   | 1.3  | 1.3  | 1.2  | 1.1  | 1.0  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.3                           | -0.4  | -0.8  | -0.1  | 0.4   | 0.7  | 0.7  | 0.7  | 0.6  | 0.5  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 1.2                           | -3.1  | 0.6   | 1.2   | 2.0   | 2.5  | 1.6  | 1.5  | 1.5  | 1.7  | 1.8  |
| Potential GDP per worker (growth rate)                               |                            | 1.1                           | -1.3  | -0.9  | 0.2   | 1.3   | 2.0  | 2.0  | 1.9  | 1.7  | 1.7  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thous ands)                        |                            | -2551                         | 7190  | 6818  | 6648  | 6233  | 6040 | 5480 | 5107 | 4849 | 4723 | 4639 |
| Population growth (working age:15-64)                                |                            | 0.6                           | -0.9  | -0.8  | -0.8  | -1.1  | -1.4 | -1.3 | -1.3 | -0.7 | -0.5 | -0.3 |
| Population (20-64) (n thous ands)                                    |                            | -2419                         | 6646  | 6286  | 5988  | 5732  | 5388 | 5044 | 4703 | 4441 | 4306 | 4226 |
| Population growth (20-64)  |                            | 0.6                           | -0.9  | -0.9  | -1.0  | -0.8  | -1.3 | -1.3 | -1.4 | -0.8 | -0.5 | -0.3 |
| Labour force 15-64 (thous ands)                                      |                            | -1371                         | 4871  | 4901  | 4761  | 4679  | 4355 | 4120 | 3876 | 3685 | 3574 | 3500 |
| Labour force 20-64 (thous ands)                                      |                            | -1361                         | 4827  | 4898  | 4718  | 4637  | 4318 | 4086 | 3844 | 3652 | 3541 | 3467 |
| Participation rate (20-64)   |                            | 9.4                           | 72.6  | 77.3  | 78.8  | 79.1  | 80.1 | 81.0 | 81.7 | 82.2 | 82.2 | 82.0 |
| Participation rate (15-64)   |                            | 7.7                           | 67.7  | 71.9  | 72.7  | 73.5  | 74.6 | 75.5 | 75.9 | 76.0 | 75.7 | 75.4 |
|  | young (15-24)              | -0.3                          | 30.8  | 30.0  | 29.3  | 31.2  | 31.8 | 31.4 | 30.9 | 30.4 | 30.2 | 30.6 |
|  | prime-age (25-54)          | 4.1                           | 84.0  | 86.4  | 87.1  | 87.6  | 87.9 | 88.2 | 88.3 | 88.4 | 88.3 | 88.1 |
|  | older (55-64)              | 35.5                          | 42.4  | 59.4  | 66.4  | 69.4  | 72.0 | 74.5 | 75.9 | 77.2 | 77.7 | 78.0 |
| Participation rate (20-64) - FEMALES                                 |                            | 13.3                          | 62.8  | 68.7  | 71.1  | 72.0  | 73.5 | 74.6 | 75.6 | 76.3 | 76.3 | 76.1 |
| Participation rate (15-64) - FEMALES                                 |                            | 11.3                          | 58.7  | 64.0  | 65.7  | 66.9  | 68.4 | 69.5 | 70.2 | 70.5 | 70.2 | 69.9 |
|  | young (15-24)              | -0.1                          | 27.6  | 27.0  | 26.3  | 28.1  | 28.7 | 28.3 | 27.9 | 27.4 | 27.2 | 27.6 |
|  | prime-age (25-54)          | 8.0                           | 74.4  | 78.9  | 80.5  | 81.7  | 82.3 | 82.4 | 82.6 | 82.7 | 82.6 | 82.4 |
|  | older (55-64)              | 39.9                          | 30.8  | 46.9  | 55.5  | 59.1  | 62.6 | 66.2 | 68.3 | 69.9 | 70.4 | 70.7 |
| Participation rate (20-64) - MALES                                   |                            | 5.2                           | 82.6  | 85.9  | 86.5  | 86.2  | 86.6 | 87.2 | 87.6 | 88.0 | 87.9 | 87.7 |
| Participation rate (15-64) - MALES                                   |                            | 3.9                           | 76.9  | 79.8  | 79.7  | 79.9  | 80.6 | 81.2 | 81.4 | 81.3 | 81.0 | 80.7 |
|  | young (15-24)              | -0.4                          | 33.9  | 32.8  | 32.0  | 34.1  | 34.6 | 34.3 | 33.8 | 33.2 | 33.0 | 33.4 |
|  | prime-age (25-54)          | -0.1                          | 93.5  | 93.7  | 93.6  | 93.4  | 93.4 | 93.6 | 93.8 | 93.8 | 93.7 | 93.5 |
|  | older (55-64)              | 30.1                          | 55.1  | 73.2  | 78.3  | 80.3  | 81.8 | 83.0 | 83.5 | 84.6 | 85.0 | 85.2 |
| Average effective exit age (TOTAL) (1)                               |                            | 2.9                           | 64.4  | 64.9  | 65.3  | 65.7  | 66.1 | 66.6 | 66.9 | 67.3 | 67.3 | 67.3 |
|  | Men                        | 3.1                           | 64.4  | 64.9  | 65.4  | 65.9  | 66.4 | 66.9 | 67.2 | 67.5 | 67.5 | 67.5 |
|  | Women                      | 2.6                           | 64.5  | 64.8  | 65.1  | 65.5  | 65.9 | 66.3 | 66.7 | 67.1 | 67.1 | 67.1 |
| Employment rate (15-64)  |                            | 21.1                          | 48.7  | 56.0  | 60.2  | 63.4  | 66.9 | 69.8 | 70.2 | 70.3 | 70.0 | 69.8 |
| Employment rate (20-64)  |                            | 23.4                          | 52.6  | 60.5  | 65.4  | 68.4  | 72.0 | 75.0 | 75.7 | 76.2 | 76.2 | 76.0 |
| Employment rate (15-74)  |                            | 19.2                          | 42.9  | 48.8  | 52.4  | 54.9  | 57.5 | 59.5 | 60.0 | 60.3 | 61.1 | 62.1 |
| Unemployment rate (15-64)  |                            | -20.6                         | 28.0  | 22.1  | 17.2  | 13.7  | 10.3 | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  |
| Unemployment rate (20-64)  |                            | -20.3                         | 27.7  | 21.7  | 17.0  | 13.5  | 10.1 | 7.4  | 7.4  | 7.4  | 7.4  | 7.4  |
| Unemployment rate (15-74)  |                            | -20.7                         | 27.9  | 21.8  | 16.9  | 13.4  | 9.9  | 7.2  | 7.1  | 7.1  | 7.1  | 7.2  |
| Employment (20-64) (in millions)                                     |                            | -0.3                          | 3.5   | 3.8   | 3.9   | 3.9   | 3.9  | 3.8  | 3.6  | 3.4  | 3.3  | 3.2  |
| Employment (15-64) (in millions)                                     |                            | -0.3                          | 3.5   | 3.8   | 3.9   | 3.9   | 3.9  | 3.8  | 3.6  | 3.4  | 3.3  | 3.2  |
|  | share of young (15-24)     | 2%                            | 4%    | 4%    | 5%    | 6%    | 6%   | 6%   | 6%   | 6%   | 7%   | 7%   |
|  | share of prime-age (25-54) | -11%                          | 82%   | 77%   | 73%   | 70%   | 68%  | 66%  | 70%  | 72%  | 72%  | 72%  |
|  | share of older (55-64)     | 8%                            | 13%   | 19%   | 22%   | 24%   | 26%  | 26%  | 24%  | 22%  | 21%  | 22%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | 1.7                           | 18.5  | 20.6  | 22.6  | 24.4  | 25.3 | 25.4 | 23.3 | 21.0 | 20.0 | 20.2 |
| Old-age dependency ratio 15-64(3)                                    |                            | 30                            | 31    | 35    | 38    | 42    | 48   | 54   | 60   | 64   | 63   | 61   |
| Old-age dependency ratio 20-64(3)                                    |                            | 33                            | 34    | 37    | 41    | 45    | 52   | 58   | 65   | 70   | 69   | 67   |
| Total dependency ratio (4)   |                            | 31                            | 54    | 57    | 58    | 61    | 68   | 75   | 83   | 88   | 87   | 85   |
| Total economic dependency ratio (5)                                  |                            | -64                           | 211   | 174   | 155   | 144   | 137  | 135  | 141  | 148  | 148  | 147  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 17                            | 82    | 60    | 59    | 61    | 65   | 70   | 77   | 82   | 82   | 80   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 13                            | 82    | 58    | 57    | 59    | 61   | 65   | 71   | 75   | 76   | 74   |



| Greece  |           |        |        |        |        |        |        |        |        |        | EC-EPC (AWG) 2015 projections |  |  |  |  |  |  |  |  |  |  |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------------------|--|--|--|--|--|--|--|--|--|--|
| Pension expenditure projections   |           |        |        |        |        |        |        |        |        |        |                               |  |  |  |  |  |  |  |  |  |  |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060                          |  |  |  |  |  |  |  |  |  |  |
| Public pensions, gross  | -1.9      | 16.2   | 15.5   | 15.0   | 14.4   | 14.1   | 14.1   | 14.1   | 14.4   | 14.2   | 14.3                          |  |  |  |  |  |  |  |  |  |  |
| Earnings-related pensions, gross  | -2.2      | 12.4   | 12.4   | 12.1   | 11.5   | 11.0   | 10.7   | 10.4   | 10.4   | 10.1   | 10.2                          |  |  |  |  |  |  |  |  |  |  |
| Of which: Old-age and early pensions  | -1.2      | 9.7    | 9.8    | 9.6    | 9.0    | 8.7    | 8.5    | 8.3    | 8.5    | 8.3    | 8.4                           |  |  |  |  |  |  |  |  |  |  |
| Disability pensions   | -0.1      | 0.7    | 0.7    | 0.7    | 0.7    | 0.7    | 0.6    | 0.6    | 0.6    | 0.6    | 0.6                           |  |  |  |  |  |  |  |  |  |  |
| Survivors pensions  | -0.8      | 1.9    | 1.8    | 1.8    | 1.8    | 1.7    | 1.6    | 1.5    | 1.4    | 1.2    | 1.1                           |  |  |  |  |  |  |  |  |  |  |
| Other pensions  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :                             |  |  |  |  |  |  |  |  |  |  |
| Non-earning-related pensions  | 0.5       | 2.3    | 1.7    | 1.6    | 1.5    | 1.7    | 2.0    | 2.3    | 2.7    | 2.8    | 2.8                           |  |  |  |  |  |  |  |  |  |  |
| Private pensions, gross   | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :                             |  |  |  |  |  |  |  |  |  |  |
| New pensions, gross   | :         | :      | 0.6    | 0.6    | 0.5    | 0.7    | 0.7    | 0.7    | 0.7    | 0.7    | 0.7                           |  |  |  |  |  |  |  |  |  |  |
| Public pensions, net  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :                             |  |  |  |  |  |  |  |  |  |  |
| Public pensions, contributors   | 1.0       | 10.2   | 10.2   | 10.2   | 10.3   | 9.5    | 10.0   | 10.4   | 10.9   | 11.1   | 11.2                          |  |  |  |  |  |  |  |  |  |  |
| Additional indicators   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060                          |  |  |  |  |  |  |  |  |  |  |
| Public pensions, net/Public pensions, gross, %  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :                             |  |  |  |  |  |  |  |  |  |  |
| Pensioners (Public, in 1000 persons)  | 51        | 2633   | 2535   | 2467   | 2446   | 2539   | 2684   | 2710   | 2768   | 2718   | 2684                          |  |  |  |  |  |  |  |  |  |  |
| Pensioners aged 65+ (1000 persons)  | 554       | 2028   | 2041   | 2100   | 2198   | 2341   | 2501   | 2588   | 2643   | 2611   | 2582                          |  |  |  |  |  |  |  |  |  |  |
| Share of pensioners below age 65 as % of all pensioners   | -19.2%    | 23.0%  | 19.5%  | 14.9%  | 10.1%  | 7.8%   | 6.8%   | 5.2%   | 4.5%   | 3.9%   | 3.8%                          |  |  |  |  |  |  |  |  |  |  |
| Benefit ratio (Public pensions)   | -14.0     | 65.6   | 67.4   | 70.1   | 68.4   | 64.4   | 60.0   | 56.4   | 54.1   | 52.2   | 51.7                          |  |  |  |  |  |  |  |  |  |  |
| Gross replacement rate at retirement (Public pensions)  | :         | :      | 32.8   | 30.7   | 30.4   | 27.6   | 25.3   | 23.6   | 22.3   | 21.8   | 22.3                          |  |  |  |  |  |  |  |  |  |  |
| Average accrual rates (new pensions, earnings-related)  | :         | :      | 2.0    | 1.9    | 1.8    | 1.6    | 1.4    | 1.4    | 1.4    | 1.4    | 1.4                           |  |  |  |  |  |  |  |  |  |  |
| Average contributory period (new pensions, earnings-related)  | :         | :      | 30.6   | 31.5   | 33.8   | 34.3   | 35.1   | 36.0   | 36.3   | 36.9   | 37.6                          |  |  |  |  |  |  |  |  |  |  |
| Contributors (Public pensions, in 1000 persons)   | -74.9     | 4188.2 | 4603.4 | 4813.6 | 4882.4 | 4905.3 | 4831.3 | 4604.6 | 4389.0 | 4223.6 | 4113.4                        |  |  |  |  |  |  |  |  |  |  |
| Support ratio (contributors/100 pensioners, Public pensions)  | -5.8      | 159.1  | 181.6  | 195.1  | 199.6  | 193.2  | 180.0  | 169.9  | 156.6  | 155.4  | 153.3                         |  |  |  |  |  |  |  |  |  |  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060                          |  |  |  |  |  |  |  |  |  |  |
| High life expectancy (+2 years)   | 0.2       | 0.0    | 0.0    | 0.1    | 0.1    | 0.2    | -0.1   | 0.0    | 0.2    | 0.4    | 0.2                           |  |  |  |  |  |  |  |  |  |  |
| High labour productivity (+0.25 p.p.)   | -0.7      | 0.0    | -0.1   | -0.2   | -0.3   | -0.4   | -0.5   | -0.6   | -0.6   | -0.7   | -0.7                          |  |  |  |  |  |  |  |  |  |  |
| Lower labour productivity (-0.25 p.p.)  | 0.6       | 0.0    | 0.0    | 0.2    | 0.3    | 0.4    | 0.4    | 0.5    | 0.6    | 0.6    | 0.6                           |  |  |  |  |  |  |  |  |  |  |
| High employment rate (+2 p.p.)  | -0.1      | 0.0    | -0.2   | -0.3   | -0.3   | -0.3   | -0.2   | -0.2   | -0.2   | -0.2   | -0.1                          |  |  |  |  |  |  |  |  |  |  |
| High emp. of older workers (+10 p.p.)   | -0.1      | 0.0    | -0.1   | -0.3   | 0.0    | -0.1   | 0.0    | -0.1   | -0.2   | -0.3   | -0.1                          |  |  |  |  |  |  |  |  |  |  |
| Lower migration (-20%)  | 0.1       | 0.0    | 0.0    | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | 0.0    | 0.1                           |  |  |  |  |  |  |  |  |  |  |
| TFP risk scenario   | 0.9       | 0.0    | 0.0    | 0.1    | 0.2    | 0.4    | 0.5    | 0.7    | 0.9    | 0.9    | 0.9                           |  |  |  |  |  |  |  |  |  |  |
| Policy scenario linking retirement age to increases in life expectancy                                      | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :                             |  |  |  |  |  |  |  |  |  |  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060                          |  |  |  |  |  |  |  |  |  |  |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -1.9      | -0.7   | -1.2   | -1.2   | -1.8   | -2.1   | -2.1   | -2.1   | -1.8   | -2.0   | -1.9                          |  |  |  |  |  |  |  |  |  |  |
| Dependency ratio  | 10.6      | 1.7    | 3.3    | 4.8    | 6.8    | 8.6    | 8.6    | 10.2   | 11.2   | 11.1   | 10.6                          |  |  |  |  |  |  |  |  |  |  |
| Coverage ratio  | -3.2      | -1.4   | -2.5   | -3.3   | -3.8   | -3.8   | -4.2   | -4.0   | -3.8   | -3.8   | -3.2                          |  |  |  |  |  |  |  |  |  |  |
| Of which: Old-age   | 0.1       | -0.7   | -1.0   | -1.0   | -1.1   | -1.0   | -1.2   | -0.9   | -0.6   | 0.1    | 0.1                           |  |  |  |  |  |  |  |  |  |  |
| Early-age   | -19.0     | -3.9   | -8.1   | -13.0  | -15.3  | -14.8  | -16.4  | -16.5  | -18.1  | -19.0  | -19.0                         |  |  |  |  |  |  |  |  |  |  |
| Cohort effect   | -7.5      | 0.2    | -0.2   | -0.8   | -2.5   | -4.5   | -6.8   | -8.6   | -8.7   | -7.5   | -7.5                          |  |  |  |  |  |  |  |  |  |  |
| Benefit ratio   | -2.1      | 1.3    | 2.0    | 1.6    | 0.9    | -0.1   | -0.9   | -1.5   | -2.0   | -2.1   | -2.1                          |  |  |  |  |  |  |  |  |  |  |
| Labour market ratio   | -6.2      | -2.3   | -3.6   | -4.4   | -5.3   | -6.0   | -6.3   | -6.5   | -6.3   | -6.2   | -6.2                          |  |  |  |  |  |  |  |  |  |  |
| Of which: Employment rate   | -5.5      | -2.2   | -3.3   | -4.0   | -4.7   | -5.3   | -5.4   | -5.5   | -5.5   | -5.5   | -5.5                          |  |  |  |  |  |  |  |  |  |  |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0                           |  |  |  |  |  |  |  |  |  |  |
| Career shift  | -0.8      | -0.1   | -0.3   | -0.4   | -0.7   | -0.8   | -1.0   | -1.0   | -0.9   | -0.8   | -0.8                          |  |  |  |  |  |  |  |  |  |  |
| Interaction effect (residual)   | -1.0      | -0.2   | -0.4   | -0.5   | -0.7   | -0.8   | -0.9   | -1.0   | -1.0   | -1.0   | -1.0                          |  |  |  |  |  |  |  |  |  |  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2015   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060                          |  |  |  |  |  |  |  |  |  |  |
| Public pensions, gross as % of GDP  | -1.9      | -0.2   | -0.4   | -0.6   | -0.3   | 0.0    | 0.0    | 0.4    | -0.2   | 0.1    | 0.1                           |  |  |  |  |  |  |  |  |  |  |
| Dependency ratio  | 10.6      | 1.2    | 1.5    | 1.5    | 2.0    | 1.8    | 1.6    | 1.0    | -0.1   | -0.5   | -0.5                          |  |  |  |  |  |  |  |  |  |  |
| Coverage ratio  | -3.2      | -0.9   | -1.1   | -0.9   | -0.5   | 0.0    | -0.4   | 0.2    | 0.2    | 0.6    | 0.6                           |  |  |  |  |  |  |  |  |  |  |
| Of which: Old-age   | 0.1       | -0.4   | -0.3   | -0.1   | -0.1   | 0.2    | -0.2   | 0.3    | 0.3    | 0.6    | 0.6                           |  |  |  |  |  |  |  |  |  |  |
| Early-age   | -19.0     | -2.9   | -4.2   | -4.9   | -2.3   | 0.5    | -1.6   | -0.1   | -1.7   | -0.9   | -0.9                          |  |  |  |  |  |  |  |  |  |  |
| Cohort effect   | -7.5      | 0.3    | -0.4   | -0.6   | -1.7   | -2.1   | -2.3   | -1.7   | -0.1   | 1.2    | 1.2                           |  |  |  |  |  |  |  |  |  |  |
| Benefit ratio   | -2.1      | 0.6    | 0.6    | -0.3   | -0.8   | -0.9   | -0.8   | -0.6   | -0.5   | -0.1   | -0.1                          |  |  |  |  |  |  |  |  |  |  |
| Labour market ratio   | -6.2      | -1.0   | -1.3   | -0.8   | -0.9   | -0.7   | -0.3   | -0.1   | 0.1    | 0.1    | 0.1                           |  |  |  |  |  |  |  |  |  |  |
| Of which: Employment rate   | -5.5      | -1.0   | -1.2   | -0.7   | -0.7   | -0.6   | -0.1   | -0.1   | 0.0    | 0.0    | 0.0                           |  |  |  |  |  |  |  |  |  |  |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0                           |  |  |  |  |  |  |  |  |  |  |
| Career shift  | -0.8      | -0.1   | -0.2   | -0.2   | -0.2   | -0.1   | -0.2   | 0.0    | 0.1    | 0.1    | 0.1                           |  |  |  |  |  |  |  |  |  |  |
| Interaction effect (residual)   | -1.0      | -0.1   | -0.2   | -0.1   | -0.2   | -0.2   | -0.2   | -0.1   | 0.0    | 0.0    | 0.0                           |  |  |  |  |  |  |  |  |  |  |
| Health care   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060                          |  |  |  |  |  |  |  |  |  |  |
| Health care spending as % of GDP  | 1.3       | 6.6    | 6.6    | 6.8    | 7.0    | 7.3    | 7.5    | 7.7    | 7.8    | 7.9    | 7.9                           |  |  |  |  |  |  |  |  |  |  |
| AWG reference scenario  | 1.4       | 6.6    | 6.6    | 6.9    | 7.1    | 7.4    | 7.6    | 7.8    | 7.9    | 8.0    | 8.0                           |  |  |  |  |  |  |  |  |  |  |
| Demographic scenario  | 1.8       | 6.6    | 6.7    | 6.9    | 7.2    | 7.5    | 7.7    | 8.0    | 8.2    | 8.3    | 8.4                           |  |  |  |  |  |  |  |  |  |  |
| Constant health scenario  | 0.6       | 6.6    | 6.6    | 6.7    | 6.8    | 6.9    | 7.1    | 7.2    | 7.3    | 7.3    | 7.2                           |  |  |  |  |  |  |  |  |  |  |
| Death-related cost scenario   | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :                             |  |  |  |  |  |  |  |  |  |  |
| Income elasticity scenario  | 1.7       | 6.6    | 6.7    | 6.9    | 7.2    | 7.5    | 7.8    | 8.0    | 8.2    | 8.3    | 8.3                           |  |  |  |  |  |  |  |  |  |  |
| EU28 cost convergence scenario  | 1.4       | 6.6    | 6.6    | 6.9    | 7.1    | 7.4    | 7.6    | 7.8    | 7.9    | 8.0    | 8.0                           |  |  |  |  |  |  |  |  |  |  |
| Labour intensity scenario   | 0.5       | 6.6    | 6.6    | 6.3    | 6.3    | 6.3    | 6.5    | 6.8    | 7.1    | 7.2    | 7.2                           |  |  |  |  |  |  |  |  |  |  |
| Sector-specific composite indexation scenario   | 0.9       | 6.6    | 6.6    | 6.7    | 6.9    | 7.0    | 7.2    | 7.3    | 7.4    | 7.5    | 7.5                           |  |  |  |  |  |  |  |  |  |  |
| Non-demographic determinants scenario   | 3.2       | 6.6    | 6.8    | 7.2    | 7.6    | 8.2    | 8.8    | 9.2    | 9.5    | 9.7    | 9.8                           |  |  |  |  |  |  |  |  |  |  |
| AWG risk scenario   | 2.1       | 6.6    | 6.7    | 7.0    | 7.4    | 7.8    | 8.2    | 8.4    | 8.6    | 8.7    | 8.7                           |  |  |  |  |  |  |  |  |  |  |
| TFP risk scenario   | 1.2       | 6.6    | 6.6    | 6.8    | 7.0    | 7.3    | 7.5    | 7.7    | 7.8    | 7.8    | 7.8                           |  |  |  |  |  |  |  |  |  |  |

| Greece   |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.4      | 0.5  | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.9  | 0.9  |
| Demographic scenario   | 0.5      | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.9  | 0.9  | 1.0  |
| High Life expectancy scenario  | 0.6      | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.8  | 0.8  | 0.9  | 1.0  | 1.1  |
| Base case scenario   | 0.5      | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.8  | 0.9  | 1.0  |
| Constant disability scenario   | 0.4      | 0.5  | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.8  | 0.9  |
| Shift to formal care scenario  | 0.8      | 0.5  | 0.7  | 0.8  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.2  | 1.3  |
| Coverage convergence scenario  | 0.5      | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.9  | 1.0  | 1.0  |
| Cost convergence scenario  | 0.8      | 0.5  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  |
| Cost and coverage convergence scenario   | 0.9      | 0.5  | 0.6  | 0.6  | 0.7  | 0.8  | 0.9  | 1.0  | 1.1  | 1.2  | 1.3  |
| AWG risk scenario  | 0.8      | 0.5  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.9  | 1.0  | 1.2  | 1.3  |
| TFP risk scenario  | 0.4      | 0.5  | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.8  | 0.9  | 0.9  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 14.5%    | 866  | 901  | 919  | 936  | 965  | 992  | 1016 | 1025 | 1019 | 992  |
| of which: receiving institutional care   | 75.7%    | 4    | 5    | 5    | 5    | 6    | 6    | 7    | 7    | 8    | 8    |
| receiving home care  | 46.4%    | 10   | 11   | 12   | 12   | 13   | 13   | 14   | 15   | 15   | 15   |
| receiving cash benefits  | 46.4%    | 288  | 316  | 323  | 331  | 343  | 361  | 379  | 398  | 413  | 419  |
| Demographic scenario   | 23.8%    | 866  | 916  | 944  | 972  | 1012 | 1050 | 1083 | 1098 | 1098 | 1072 |
| of which: receiving institutional care   | 83.0%    | 4    | 5    | 5    | 6    | 6    | 6    | 7    | 7    | 8    | 8    |
| receiving home care  | 53.4%    | 10   | 12   | 12   | 12   | 13   | 14   | 15   | 15   | 16   | 16   |
| receiving cash benefits  | 52.9%    | 288  | 319  | 330  | 340  | 355  | 375  | 396  | 417  | 433  | 440  |
| Constant disability scenario   | 5.8%     | 866  | 887  | 894  | 901  | 919  | 937  | 952  | 957  | 946  | 917  |
| of which: receiving institutional care   | 69.0%    | 4    | 5    | 5    | 5    | 6    | 6    | 6    | 7    | 7    | 8    |
| receiving home care  | 38.2%    | 10   | 11   | 12   | 12   | 12   | 13   | 13   | 14   | 14   | 14   |
| receiving cash benefits  | 38.6%    | 288  | 312  | 318  | 323  | 332  | 347  | 364  | 381  | 394  | 400  |
| Shift 1% of dependents from informal to formal scenario  | 23.8%    | 866  | 916  | 944  | 972  | 1012 | 1050 | 1083 | 1098 | 1098 | 1072 |
| of which: receiving institutional care   | 813.0%   | 4    | 23   | 31   | 33   | 34   | 36   | 38   | 40   | 41   | 41   |
| receiving home care  | 768.4%   | 10   | 58   | 80   | 83   | 86   | 89   | 92   | 93   | 93   | 91   |
| receiving cash benefits  | 52.9%    | 288  | 319  | 330  | 340  | 355  | 375  | 396  | 417  | 433  | 440  |
| Coverage convergence scenario  | 23.8%    | 866  | 916  | 944  | 972  | 1012 | 1050 | 1083 | 1098 | 1098 | 1072 |
| of which: receiving institutional care   | 240.6%   | 4    | 6    | 6    | 7    | 8    | 9    | 11   | 12   | 14   | 15   |
| receiving home care  | 185.8%   | 10   | 13   | 14   | 16   | 17   | 20   | 22   | 25   | 28   | 30   |
| receiving cash benefits  | 52.9%    | 288  | 319  | 330  | 340  | 355  | 375  | 396  | 417  | 433  | 440  |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | -1.1     | 4.1  | 3.5  | 3.2  | 3.0  | 2.8  | 2.7  | 2.7  | 2.9  | 2.9  | 3.0  |
| Expenditure decomposition (broadly constant) : Transfers (8%) - Capital (8%) - Staff (62%) - Other (19%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | -0.3     | 1.0  | 0.9  | 0.7  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  | 0.7  | 0.7  |
| Expenditure decomposition (broadly constant) : Transfers (0%) - Capital (7%) - Staff (73%) - Other (19%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | -0.3     | 1.0  | 0.9  | 0.8  | 0.7  | 0.7  | 0.6  | 0.7  | 0.7  | 0.7  | 0.7  |
| Expenditure decomposition (broadly constant) : Transfers (0%) - Capital (8%) - Staff (75%) - Other (17%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | -0.2     | 1.0  | 0.9  | 0.9  | 0.8  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (12%) - Capital (8%) - Staff (62%) - Other (18%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | -0.3     | 1.1  | 0.9  | 0.8  | 0.8  | 0.8  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (18%) - Capital (9%) - Staff (51%) - Other (21%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -565     | 1944 | 1852 | 1754 | 1631 | 1526 | 1454 | 1423 | 1419 | 1408 | 1379 |
| as % of population 5-24  | -1%      | 87%  | 87%  | 86%  | 85%  | 86%  | 87%  | 87%  | 86%  | 86%  | 86%  |
| Primary  | -198     | 641  | 630  | 546  | 498  | 471  | 468  | 478  | 480  | 464  | 444  |
| Low secondary  | -90      | 338  | 344  | 326  | 289  | 263  | 251  | 251  | 257  | 257  | 248  |
| Upper secondary  | -92      | 367  | 354  | 372  | 331  | 300  | 278  | 269  | 272  | 277  | 275  |
| Tertiary education   | -185     | 597  | 524  | 509  | 514  | 492  | 458  | 426  | 411  | 409  | 412  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Primary  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Low secondary  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Upper secondary  | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Tertiary education   | :        | :    | :    | :    | :    | :    | :    | :    | :    | :    | :    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.5      | 0.1  | 0.2  | 0.3  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.6  | 0.6  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.9     | 1.2  | 0.8  | 0.6  | 0.5  | 0.3  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  |
| <b>LEBUDA</b>  |          |      |      |      |      |      |      |      |      |      |      |
| The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations   |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services (DG ECFIN), Eurostat (BJROPOP2013), EPC (AWG)   |          |      |      |      |      |      |      |      |      |      |      |

# 9. SPAIN

| Spain  |                            | EC-EPC (AWG) 2015 projections |        |       |       |       |       |       |       |       |       |       |
|--|----------------------------|-------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Main demographic and macroeconomic assumptions                       |                            |                               |        |       |       |       |       |       |       |       |       |       |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013   | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Fertility rate   |                            | 0.2                           | 1.32   | 1.36  | 1.39  | 1.42  | 1.44  | 1.46  | 1.48  | 1.51  | 1.53  | 1.55  |
| Life expectancy at birth   |                            |                               |        |       |       |       |       |       |       |       |       |       |
|  | males                      | 6.0                           | 79.5   | 80.5  | 81.2  | 81.9  | 82.5  | 83.2  | 83.8  | 84.4  | 85.0  | 85.5  |
|  | females                    | 4.8                           | 85.2   | 86.0  | 86.6  | 87.1  | 87.6  | 88.1  | 88.6  | 89.1  | 89.6  | 90.0  |
| Life expectancy at 65  |                            |                               |        |       |       |       |       |       |       |       |       |       |
|  | males                      | 4.3                           | 18.6   | 19.3  | 19.7  | 20.2  | 20.7  | 21.1  | 21.6  | 22.0  | 22.4  | 22.9  |
|  | females                    | 3.8                           | 22.5   | 23.1  | 23.5  | 24.0  | 24.4  | 24.8  | 25.2  | 25.6  | 26.0  | 26.3  |
| Net migration (thous and)  |                            | 585.9                         | -310.9 | -79.0 | 6.4   | 87.5  | 159.7 | 225.2 | 269.0 | 305.6 | 290.3 | 275.0 |
| Net migration as % of population                                     |                            | 1.3                           | -0.7   | -0.2  | 0.0   | 0.2   | 0.4   | 0.5   | 0.6   | 0.7   | 0.6   | 0.6   |
| Population (million)   |                            | -0.5                          | 46.6   | 46.7  | 46.0  | 44.5  | 44.4  | 44.7  | 45.1  | 45.6  | 45.9  | 46.1  |
| Children population (0-14) as % of total population                  |                            | -1.8                          | 15.2   | 14.4  | 12.9  | 11.7  | 11.4  | 11.9  | 12.7  | 13.3  | 13.4  | 13.4  |
| Prime age population (25-54) as % of total population                |                            | -9.9                          | 46.7   | 41.9  | 38.8  | 36.0  | 33.9  | 33.3  | 33.8  | 34.6  | 35.4  | 35.8  |
| Working age population (15-64) as % of total population              |                            | -10.4                         | 66.9   | 65.4  | 64.7  | 63.0  | 60.3  | 57.1  | 54.2  | 53.4  | 54.6  | 55.5  |
| Elderly population (65 and over) as % of total population            |                            | 12.1                          | 17.9   | 20.1  | 22.4  | 25.3  | 28.2  | 31.0  | 33.1  | 33.3  | 32.0  | 30.0  |
| Very elderly population (80 and over) as % of total population       |                            | 9.4                           | 5.6    | 6.2   | 6.8   | 7.7   | 8.5   | 9.8   | 11.3  | 12.7  | 14.0  | 14.9  |
| Very elderly population (80 and over) as % of elderly population     |                            | 18.6                          | 31.1   | 30.8  | 30.1  | 30.3  | 30.2  | 31.6  | 34.1  | 38.2  | 43.8  | 49.7  |
| Very elderly population (80 and over) as % of working age population |                            | 18.1                          | 8.3    | 9.5   | 10.5  | 12.2  | 14.1  | 17.2  | 20.8  | 23.8  | 25.7  | 26.4  |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013   | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Potential GDP (growth rate)  |                            | 1.4                           | -0.4   | 1.7   | 1.7   | 1.7   | 1.6   | 0.8   | 0.9   | 1.5   | 2.0   | 2.2   |
| Employment (growth rate)   |                            | 0.0                           | -1.9   | 0.9   | 0.5   | 0.3   | 0.0   | -0.7  | -0.6  | -0.1  | 0.4   | 0.7   |
| Labour input: hours worked (growth rate)                             |                            | 0.0                           | -1.8   | 0.9   | 0.5   | 0.3   | 0.0   | -0.7  | -0.6  | -0.1  | 0.4   | 0.7   |
| Labour productivity per hour (growth rate)                           |                            | 1.4                           | 1.4    | 0.7   | 1.2   | 1.4   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   |
| TFP (growth rate)  |                            | 0.9                           | 0.6    | 0.7   | 0.8   | 0.9   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.5                           | 0.8    | 0.0   | 0.4   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   |
| Potential GDP per capita (growth rate)                               |                            | 1.4                           | -0.1   | 2.0   | 2.0   | 1.9   | 1.5   | 0.6   | 0.7   | 1.2   | 1.8   | 2.1   |
| Potential GDP per worker (growth rate)                               |                            | 1.4                           | 1.4    | 0.8   | 1.1   | 1.4   | 1.5   | 1.6   | 1.6   | 1.5   | 1.5   | 1.5   |
| Labour force assumptions   |                            | Ch 13-60                      | 2013   | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Working age population (15-64) (in thousands)                        |                            | -5095                         | 31166  | 29918 | 29075 | 28016 | 26782 | 25488 | 24444 | 24366 | 25085 | 26089 |
| Population growth (working age: 15-64)                               |                            | 1.8                           | -1.0   | -0.5  | -0.6  | -0.9  | -0.9  | -1.0  | -0.6  | 0.3   | 0.7   | 0.8   |
| Population (20-64) (in thousands)                                    |                            | -5220                         | 29013  | 27597 | 26888 | 25741 | 24776 | 23651 | 22613 | 22393 | 22922 | 23792 |
| Population growth (20-64)  |                            | 1.8                           | -1.0   | -0.7  | -0.7  | -0.7  | -0.8  | -1.0  | -0.7  | 0.1   | 0.8   | 0.8   |
| Labour force 15-64 (thous and)                                       |                            | -2547                         | 23112  | 22898 | 22437 | 21918 | 21195 | 20284 | 19488 | 19371 | 19945 | 20564 |
| Labour force 20-64 (thous and)                                       |                            | -2564                         | 22825  | 22599 | 22109 | 21604 | 20919 | 20034 | 19244 | 19111 | 19560 | 20261 |
| Participation rate (20-64)   |                            | 6.5                           | 78.7   | 81.9  | 83.2  | 83.9  | 84.4  | 84.7  | 85.1  | 85.3  | 85.3  | 85.2  |
| Participation rate (15-64)   |                            | 4.7                           | 74.2   | 76.5  | 77.2  | 78.2  | 79.1  | 79.6  | 79.7  | 79.5  | 79.1  | 78.9  |
|  | young (15-24)              | -0.4                          | 37.9   | 35.6  | 35.9  | 38.5  | 39.5  | 39.3  | 38.5  | 37.5  | 37.1  | 37.5  |
|  | prime-age (25-54)          | 2.7                           | 86.9   | 89.0  | 89.7  | 89.8  | 89.6  | 89.5  | 89.6  | 89.7  | 89.7  | 89.6  |
|  | older (55-64)              | 28.2                          | 54.2   | 67.8  | 74.5  | 79.4  | 81.6  | 81.8  | 81.8  | 81.8  | 82.1  | 82.5  |
| Participation rate (20-64) - FEMALES                                 |                            | 12.4                          | 72.4   | 78.6  | 81.2  | 82.8  | 83.9  | 84.4  | 84.7  | 84.9  | 84.9  | 84.8  |
| Participation rate (15-64) - FEMALES                                 |                            | 10.0                          | 68.4   | 73.5  | 75.4  | 77.2  | 78.7  | 79.3  | 79.3  | 78.9  | 78.6  | 78.4  |
|  | young (15-24)              | -0.6                          | 36.1   | 33.6  | 33.8  | 36.3  | 37.3  | 37.1  | 36.3  | 35.4  | 35.1  | 35.4  |
|  | prime-age (25-54)          | 7.4                           | 81.3   | 86.1  | 88.1  | 88.8  | 88.6  | 88.3  | 88.4  | 88.6  | 88.7  | 88.7  |
|  | older (55-64)              | 40.5                          | 46.0   | 63.2  | 71.9  | 78.4  | 82.7  | 84.4  | 84.7  | 84.7  | 85.1  | 85.5  |
| Participation rate (20-64) - MALES                                   |                            | 0.6                           | 84.8   | 85.2  | 85.1  | 85.0  | 84.9  | 85.0  | 85.5  | 85.8  | 85.7  | 85.5  |
| Participation rate (15-64) - MALES                                   |                            | -0.5                          | 79.9   | 79.5  | 78.9  | 79.2  | 79.6  | 79.9  | 80.2  | 80.1  | 79.6  | 79.3  |
|  | young (15-24)              | -0.1                          | 39.6   | 37.6  | 37.8  | 40.5  | 41.5  | 41.4  | 40.5  | 39.4  | 39.1  | 39.5  |
|  | prime-age (25-54)          | -2.0                          | 92.5   | 91.8  | 91.3  | 90.8  | 90.6  | 90.7  | 90.8  | 90.7  | 90.6  | 90.5  |
|  | older (55-64)              | 15.7                          | 63.9   | 72.5  | 77.1  | 80.4  | 80.5  | 79.2  | 78.6  | 78.8  | 79.1  | 79.6  |
| Average effective exit age (TOTAL) (1)                               |                            | 3.0                           | 63.4   | 65.3  | 66.0  | 66.3  | 66.3  | 66.3  | 66.4  | 66.4  | 66.4  | 66.4  |
|  | Men                        | 3.4                           | 62.8   | 64.8  | 65.7  | 66.0  | 66.0  | 66.1  | 66.1  | 66.1  | 66.2  | 66.2  |
|  | Women                      | 2.6                           | 64.1   | 65.8  | 66.3  | 66.5  | 66.5  | 66.6  | 66.6  | 66.6  | 66.6  | 66.7  |
| Employment rate (15-64)  |                            | 18.5                          | 54.5   | 61.6  | 65.5  | 68.6  | 71.5  | 73.6  | 73.8  | 73.6  | 73.2  | 73.0  |
| Employment rate (20-64)  |                            | 20.7                          | 58.3   | 66.3  | 71.0  | 73.9  | 76.5  | 78.5  | 78.9  | 79.1  | 79.1  | 79.0  |
| Employment rate (15-74)  |                            | 16.9                          | 48.6   | 54.5  | 57.9  | 59.9  | 61.6  | 62.6  | 62.1  | 62.5  | 64.1  | 65.5  |
| Unemployment rate (15-64)  |                            | -19.0                         | 26.5   | 19.5  | 15.0  | 12.3  | 9.6   | 7.5   | 7.5   | 7.5   | 7.5   | 7.5   |
| Unemployment rate (20-64)  |                            | -18.6                         | 25.9   | 19.0  | 14.6  | 12.0  | 9.4   | 7.3   | 7.3   | 7.3   | 7.3   | 7.3   |
| Unemployment rate (15-74)  |                            | -19.1                         | 26.4   | 19.3  | 14.7  | 11.9  | 9.2   | 7.1   | 7.1   | 7.2   | 7.2   | 7.2   |
| Employment (20-64) (in millions)                                     |                            | 1.9                           | 16.9   | 18.3  | 18.9  | 19.0  | 19.0  | 18.6  | 17.8  | 17.7  | 18.1  | 18.8  |
| Employment (15-64) (in millions)                                     |                            | 2.0                           | 17.0   | 18.4  | 19.1  | 19.2  | 19.2  | 18.8  | 18.0  | 17.9  | 18.4  | 19.0  |
|  | share of young (15-24)     | 3%                            | 5%     | 5%    | 6%    | 7%    | 7%    | 7%    | 7%    | 7%    | 8%    | 8%    |
|  | share of prime-age (25-54) | -10%                          | 82%    | 75%   | 70%   | 66%   | 64%   | 66%   | 70%   | 73%   | 74%   | 72%   |
|  | share of older (55-64)     | 8%                            | 14%    | 20%   | 23%   | 27%   | 29%   | 27%   | 23%   | 20%   | 19%   | 20%   |
| Dependency ratios  |                            | Ch 13-60                      | 2013   | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Share of older population (55-64) (2)                                |                            | 1.6                           | 17.1   | 20.9  | 23.3  | 25.5  | 27.2  | 25.7  | 21.7  | 18.6  | 17.6  | 18.7  |
| Old-age dependency ratio 15-64(3)                                    |                            | 26                            | 27     | 31    | 35    | 40    | 47    | 54    | 61    | 62    | 59    | 53    |
| Old-age dependency ratio 20-64(3)                                    |                            | 29                            | 29     | 33    | 38    | 44    | 51    | 59    | 66    | 68    | 64    | 58    |
| Total dependency ratio (4)   |                            | 27                            | 50     | 53    | 55    | 59    | 66    | 75    | 85    | 87    | 83    | 77    |
| Total economic dependency ratio (5)                                  |                            | -41                           | 172    | 143   | 127   | 120   | 118   | 122   | 132   | 139   | 138   | 132   |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 20                            | 48     | 48    | 49    | 53    | 59    | 66    | 75    | 78    | 75    | 69    |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 17                            | 48     | 47    | 47    | 50    | 55    | 62    | 69    | 73    | 71    | 65    |

| Spain   |           |         |         |         |         |         |         |         |         |         |         |
|---|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| EC-EPC (AWG) 2015 projections   |           |         |         |         |         |         |         |         |         |         |         |
| Pension expenditure projections   |           |         |         |         |         |         |         |         |         |         |         |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross  | -0.8      | 11.8    | 11.8    | 11.4    | 11.2    | 11.5    | 11.9    | 12.5    | 12.3    | 11.4    | 11.0    |
| Earnings-related pensions, gross  | -0.8      | 11.8    | 11.8    | 11.4    | 11.2    | 11.5    | 11.9    | 12.5    | 12.3    | 11.4    | 11.0    |
| Of which: Old-age and early pensions  | 0.0       | 8.3     | 8.6     | 8.4     | 8.3     | 8.6     | 9.1     | 9.7     | 9.6     | 8.8     | 8.3     |
| Disability pensions   | -0.4      | 1.2     | 1.1     | 1.0     | 1.0     | 1.0     | 1.0     | 0.9     | 0.8     | 0.8     | 0.9     |
| Survivors pensions  | -0.5      | 2.3     | 2.1     | 2.0     | 1.9     | 1.9     | 1.9     | 1.9     | 1.9     | 1.8     | 1.8     |
| Other pensions  | .         | .       | .       | .       | .       | .       | .       | .       | .       | .       | .       |
| Non-earning-related pensions  | 0.0       | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     | 0.2     | 0.2     | 0.1     | 0.1     |
| Private pensions, gross   | 0.1       | 0.3     | 0.3     | 0.4     | 0.4     | 0.5     | 0.5     | 0.5     | 0.5     | 0.4     | 0.4     |
| New pensions, gross   | -0.2      | 0.4     | 0.4     | 0.4     | 0.4     | 0.4     | 0.4     | 0.4     | 0.4     | 0.3     | 0.3     |
| Public pensions, net  | -0.8      | 11.0    | 10.9    | 10.6    | 10.4    | 10.6    | 11.1    | 11.6    | 11.5    | 10.6    | 10.2    |
| Public pensions, contributors   | -0.7      | 12.1    | 12.2    | 12.2    | 12.2    | 12.1    | 12.0    | 11.9    | 11.8    | 11.6    | 11.4    |
| Additional indicators   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, net/Public pensions, gross, %  | 0.0%      | 92.8%   | 92.8%   | 92.8%   | 92.8%   | 92.8%   | 92.8%   | 92.8%   | 92.8%   | 92.8%   | 92.8%   |
| Pensioners (Public, in 1000 persons)  | 5170      | 8992    | 9819    | 10653   | 11433   | 12616   | 13787   | 14757   | 15133   | 14843   | 14162   |
| Pensioners aged 65+ (1000 persons)  | 5990      | 7044    | 7903    | 8652    | 9565    | 10765   | 12009   | 13189   | 13726   | 13468   | 12735   |
| Share of pensioners below age 65 as % of all pensioners   | -11.6%    | 21.7%   | 19.5%   | 18.0%   | 16.3%   | 14.7%   | 12.9%   | 10.6%   | 9.3%    | 9.3%    | 10.1%   |
| Benefit ratio (Public pensions)   | -19.9     | 59.7    | 58.3    | 56.2    | 51.3    | 47.8    | 45.0    | 42.5    | 40.2    | 38.5    | 39.8    |
| Gross replacement rate at retirement (Public pensions)  | -30.4     | 79.0    | 73.6    | 66.1    | 60.6    | 58.3    | 56.1    | 53.6    | 51.7    | 49.9    | 48.6    |
| Average accrual rates (new pensions, earnings-related)  | -0.7      | 2.3     | 2.1     | 1.9     | 1.7     | 1.7     | 1.7     | 1.6     | 1.6     | 1.6     | 1.6     |
| Average contributory period (new pensions, earnings-related)  | 3.2       | 36.6    | 37.7    | 38.5    | 38.9    | 39.0    | 39.1    | 39.2    | 39.4    | 39.6    | 39.7    |
| Contributors (Public pensions, in 1000 persons)   | 1732.2    | 17185.5 | 18603.4 | 19367.5 | 19662.0 | 19688.8 | 19328.8 | 18560.7 | 18176.9 | 18371.3 | 18917.7 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -57.5     | 191.1   | 189.5   | 183.5   | 172.0   | 155.9   | 140.2   | 125.7   | 120.1   | 123.6   | 133.6   |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| High life expectancy (+2 years)   | 0.1       | 0.0     | 0.0     | 0.0     | 0.0     | 0.1     | 0.2     | 0.2     | 0.3     | 0.2     | 0.1     |
| High labour productivity (+0.25 p.p.)   | -0.7      | 0.0     | -0.4    | -0.1    | 0.0     | -0.1    | -0.6    | -1.0    | -1.0    | -0.4    | -0.7    |
| Lower labour productivity (-0.25 p.p.)  | 0.2       | 0.0     | 0.0     | 0.1     | 0.1     | 0.2     | 0.3     | 0.4     | 0.5     | 0.4     | 0.2     |
| High employment rate (+2 p.p.)  | -0.1      | 0.0     | -0.2    | -0.1    | 0.0     | -0.1    | -0.1    | -0.2    | -0.2    | -0.1    | -0.1    |
| High emp. of older workers (+10 p.p.)   | -0.1      | 0.0     | -0.5    | -0.2    | 0.0     | -0.2    | -0.3    | -0.3    | -0.2    | -0.1    | -0.1    |
| Lower migration (-20%)  | 0.2       | 0.0     | 0.0     | 0.0     | 0.0     | 0.1     | 0.2     | 0.3     | 0.5     | 0.4     | 0.2     |
| TFP risk scenario   | 0.2       | 0.0     | 0.0     | 0.0     | 0.1     | 0.2     | 0.3     | 0.4     | 0.4     | 0.4     | 0.2     |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.7      | 0.0     | 0.0     | 0.0     | 0.0     | -0.1    | -0.3    | -0.7    | -0.9    | -0.4    | -0.7    |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -0.8      | 0.0     | -0.4    | -0.6    | -0.3    | 0.1     | 0.7     | 0.5     | 0.0     | -0.4    | -0.8    |
| Dependency ratio  | 8.9       | 1.8     | 3.5     | 5.2     | 7.0     | 8.8     | 10.3    | 10.6    | 10.0    | 8.9     |         |
| Coverage ratio  | -0.6      | -0.1    | -0.3    | -0.7    | -0.8    | -0.9    | -1.0    | -0.9    | -0.7    | -0.6    |         |
| Of which: Old-age   | 1.0       | 0.2     | 0.2     | 0.1     | 0.2     | 0.3     | 0.5     | 0.8     | 1.0     | 1.0     |         |
| Early-age   | -2.4      | -1.7    | -2.6    | -3.1    | -2.5    | -1.4    | -0.7    | -0.9    | -1.6    | -2.4    |         |
| Cohort effect   | -5.9      | 0.5     | 0.1     | -0.7    | -2.4    | -4.8    | -7.5    | -8.9    | -8.0    | -5.9    |         |
| Benefit ratio   | -4.4      | 0.0     | -0.7    | -1.5    | -2.2    | -2.9    | -3.6    | -4.3    | -4.8    | -4.4    |         |
| Labour market ratio   | -3.8      | -1.6    | -2.6    | -3.2    | -3.6    | -4.0    | -4.2    | -4.1    | -3.9    | -3.8    |         |
| Of which: Employment rate   | -3.5      | -1.5    | -2.3    | -2.7    | -3.1    | -3.4    | -3.4    | -3.5    | -3.5    | -3.5    |         |
| Labour intensity  | 0.0       | 0.0     | 0.0     | 0.1     | 0.1     | 0.1     | 0.1     | 0.0     | 0.0     | 0.0     |         |
| Career shift  | -0.4      | -0.2    | -0.4    | -0.5    | -0.6    | -0.8    | -0.8    | -0.7    | -0.5    | -0.4    |         |
| Interaction effect (residual)   | -0.9      | -0.1    | -0.3    | -0.5    | -0.6    | -0.8    | -0.9    | -0.9    | -0.9    | -0.9    |         |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross as % of GDP  | -0.8      | -0.2    | -0.4    | -0.2    | 0.2     | 0.5     | 0.6     | -0.2    | -0.9    | -0.5    |         |
| Dependency ratio  | 8.9       | 1.3     | 1.6     | 1.7     | 1.8     | 1.8     | 1.5     | 0.3     | -0.7    | -1.0    |         |
| Coverage ratio  | -0.6      | 0.0     | -0.2    | -0.3    | -0.1    | -0.1    | -0.1    | 0.1     | 0.2     | 0.1     |         |
| Of which: Old-age   | 1.0       | 0.2     | 0.0     | -0.1    | 0.1     | 0.1     | 0.2     | 0.3     | 0.2     | 0.0     |         |
| Early-age   | -2.4      | -1.2    | -0.8    | -0.5    | 0.5     | 1.2     | 0.7     | -0.2    | -0.7    | -0.8    |         |
| Cohort effect   | -5.9      | 0.4     | -0.3    | -0.9    | -1.7    | -2.4    | -2.7    | -1.3    | 0.9     | 2.1     |         |
| Benefit ratio   | -4.4      | -0.3    | -0.6    | -0.8    | -0.8    | -0.7    | -0.6    | -0.7    | -0.5    | 0.4     |         |
| Labour market ratio   | -3.8      | -1.1    | -1.0    | -0.6    | -0.5    | -0.4    | -0.1    | 0.1     | 0.1     | 0.1     |         |
| Of which: Employment rate   | -3.5      | -1.0    | -0.8    | -0.4    | -0.4    | -0.3    | -0.1    | 0.0     | 0.0     | 0.0     |         |
| Labour intensity  | 0.0       | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |         |
| Career shift  | -0.4      | -0.1    | -0.2    | -0.2    | -0.1    | -0.1    | 0.0     | 0.1     | 0.2     | 0.1     |         |
| Interaction effect (residual)   | -0.9      | -0.1    | -0.2    | -0.2    | -0.2    | -0.1    | -0.1    | 0.0     | 0.0     | 0.0     |         |
| Health care   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Health care spending as % of GDP  | 1.1       | 5.9     | 6.2     | 6.4     | 6.6     | 6.9     | 7.0     | 7.1     | 7.1     | 7.0     | 6.9     |
| AWG reference scenario  | 1.0       | 5.9     | 6.1     | 6.3     | 6.6     | 6.8     | 6.9     | 7.0     | 7.1     | 7.0     | 6.9     |
| Demographic scenario  | 1.3       | 5.9     | 6.2     | 6.4     | 6.6     | 6.9     | 7.1     | 7.2     | 7.3     | 7.2     | 7.2     |
| High Life expectancy scenario   | 0.6       | 5.9     | 6.1     | 6.2     | 6.4     | 6.5     | 6.6     | 6.7     | 6.8     | 6.8     | 6.4     |
| Constant health scenario  | 0.9       | 5.9     | 6.1     | 6.3     | 6.5     | 6.7     | 6.9     | 7.0     | 7.0     | 6.9     | 6.8     |
| Death-related cost scenario   | 1.3       | 5.9     | 6.2     | 6.5     | 6.8     | 7.0     | 7.2     | 7.3     | 7.3     | 7.3     | 7.2     |
| Income elasticity scenario  | 1.6       | 5.9     | 6.2     | 6.4     | 6.7     | 7.0     | 7.2     | 7.4     | 7.5     | 7.5     | 7.5     |
| EU28 cost convergence scenario  | 0.8       | 5.9     | 6.2     | 6.0     | 6.0     | 6.1     | 6.4     | 6.8     | 7.0     | 6.9     | 6.8     |
| Labour intensity scenario   | 1.1       | 5.9     | 6.2     | 6.4     | 6.6     | 6.8     | 7.0     | 7.1     | 7.1     | 7.0     | 6.9     |
| Sector-specific composite indexation scenario   | 2.7       | 5.9     | 6.5     | 7.0     | 7.5     | 7.9     | 8.3     | 8.5     | 8.6     | 8.6     | 8.6     |
| Non-demographic determinants scenario   | 1.9       | 5.9     | 6.4     | 6.8     | 7.2     | 7.6     | 7.8     | 7.9     | 8.0     | 7.9     | 7.8     |
| AWG risk scenario   | 1.0       | 5.9     | 6.2     | 6.4     | 6.6     | 6.8     | 7.0     | 7.1     | 7.1     | 7.0     | 6.9     |
| TFP risk scenario   |           |         |         |         |         |         |         |         |         |         |         |

| Spain  |  | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|--|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| <b>Long-term care</b>  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   |  | 1.4                           | 1.0  | 1.2  | 1.2  | 1.3  | 1.4  | 1.6  | 1.8  | 2.1  | 2.3  | 2.4  |
| Demographic scenario   |  | 1.6                           | 1.0  | 1.2  | 1.3  | 1.4  | 1.5  | 1.7  | 1.9  | 2.2  | 2.4  | 2.6  |
| High Life expectancy scenario  |  | 2.2                           | 1.1  | 1.3  | 1.4  | 1.5  | 1.7  | 2.0  | 2.2  | 2.6  | 3.0  | 3.3  |
| Base case scenario   |  | 1.6                           | 1.0  | 1.2  | 1.3  | 1.3  | 1.4  | 1.6  | 1.9  | 2.1  | 2.4  | 2.6  |
| Constant disability scenario   |  | 1.3                           | 1.0  | 1.2  | 1.2  | 1.2  | 1.4  | 1.5  | 1.7  | 2.0  | 2.2  | 2.3  |
| Shift to formal care scenario  |  | 1.8                           | 1.0  | 1.3  | 1.5  | 1.5  | 1.7  | 1.9  | 2.1  | 2.4  | 2.7  | 2.8  |
| Coverage convergence scenario  |  | 2.1                           | 1.0  | 1.2  | 1.3  | 1.4  | 1.6  | 1.9  | 2.2  | 2.6  | 2.9  | 3.1  |
| Cost convergence scenario  |  | 2.3                           | 1.0  | 1.2  | 1.3  | 1.4  | 1.6  | 1.8  | 2.2  | 2.6  | 3.0  | 3.3  |
| Cost and coverage convergence scenario   |  | 3.1                           | 1.0  | 1.3  | 1.4  | 1.6  | 1.8  | 2.2  | 2.6  | 3.2  | 3.7  | 4.1  |
| AWG risk scenario  |  | 2.9                           | 1.0  | 1.3  | 1.4  | 1.5  | 1.8  | 2.1  | 2.5  | 3.0  | 3.5  | 3.9  |
| TFP risk scenario  |  | 1.4                           | 1.0  | 1.2  | 1.2  | 1.3  | 1.4  | 1.6  | 1.8  | 2.1  | 2.3  | 2.4  |
| Number of dependent people (in thousands)  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   |  | 51.1%                         | 2462 | 2627 | 2729 | 2855 | 3022 | 3201 | 3379 | 3546 | 3662 | 3708 |
| of which: receiving institutional care   |  | 133.6%                        | 307  | 364  | 376  | 387  | 423  | 470  | 519  | 589  | 659  | 718  |
| receiving home care  |  | 175.9%                        | 693  | 826  | 893  | 946  | 1062 | 1202 | 1358 | 1560 | 1755 | 1910 |
| receiving cash benefits  |  | 149.4%                        | 490  | 574  | 618  | 644  | 712  | 797  | 885  | 1007 | 1125 | 1223 |
| Demographic scenario   |  | 61.9%                         | 2462 | 2659 | 2786 | 2940 | 3136 | 3346 | 3557 | 3755 | 3903 | 3970 |
| of which: receiving institutional care   |  | 145.7%                        | 307  | 368  | 383  | 396  | 435  | 486  | 540  | 615  | 692  | 755  |
| receiving home care  |  | 189.4%                        | 693  | 833  | 905  | 964  | 1088 | 1240 | 1408 | 1625 | 1836 | 2004 |
| receiving cash benefits  |  | 161.5%                        | 490  | 579  | 627  | 658  | 730  | 822  | 918  | 1048 | 1177 | 1282 |
| Constant disability scenario   |  | 40.8%                         | 2462 | 2595 | 2671 | 2772 | 2912 | 3099 | 3206 | 3341 | 3429 | 3463 |
| of which: receiving institutional care   |  | 121.8%                        | 307  | 350  | 370  | 379  | 412  | 464  | 499  | 564  | 628  | 682  |
| receiving home care  |  | 162.4%                        | 693  | 819  | 880  | 926  | 1036 | 1165 | 1308 | 1496 | 1674 | 1817 |
| receiving cash benefits  |  | 137.6%                        | 490  | 569  | 610  | 632  | 694  | 772  | 853  | 966  | 1075 | 1165 |
| Shift 1% of dependents from informal to formal scenario  |  | 61.9%                         | 2462 | 2659 | 2786 | 2940 | 3136 | 3346 | 3557 | 3755 | 3903 | 3970 |
| of which: receiving institutional care   |  | 187.7%                        | 307  | 430  | 489  | 505  | 548  | 603  | 660  | 739  | 818  | 884  |
| receiving home care  |  | 228.1%                        | 693  | 947  | 1077 | 1149 | 1289 | 1468 | 1644 | 1877 | 2100 | 2272 |
| receiving cash benefits  |  | 161.5%                        | 490  | 579  | 627  | 658  | 730  | 822  | 918  | 1048 | 1177 | 1282 |
| Coverage convergence scenario  |  | 61.9%                         | 2462 | 2659 | 2786 | 2940 | 3136 | 3346 | 3557 | 3755 | 3903 | 3970 |
| of which: receiving institutional care   |  | 235.2%                        | 307  | 382  | 426  | 464  | 531  | 615  | 706  | 818  | 932  | 1030 |
| receiving home care  |  | 274.6%                        | 693  | 874  | 983  | 1091 | 1275 | 1502 | 1759 | 2067 | 2364 | 2594 |
| receiving cash benefits  |  | 161.5%                        | 490  | 579  | 627  | 658  | 730  | 822  | 918  | 1048 | 1177 | 1282 |
| <b>Education</b>   |  |                               |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  |  | -0.8                          | 4.6  | 4.1  | 3.8  | 3.4  | 3.2  | 3.1  | 3.4  | 3.8  | 3.8  | 3.7  |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (9%) - Staff (69%) - Other (18%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Primary  |  | -0.3                          | 1.4  | 1.2  | 1.0  | 0.9  | 0.8  | 0.9  | 1.0  | 1.1  | 1.1  | 1.1  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (6%) - Staff (74%) - Other (18%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Low secondary  |  | -0.2                          | 1.2  | 1.2  | 1.1  | 0.9  | 0.8  | 0.8  | 0.9  | 1.0  | 1.0  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (9%) - Staff (81%) - Other (14%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  |  | -0.1                          | 0.8  | 0.7  | 0.7  | 0.7  | 0.6  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (9%) - Staff (68%) - Other (20%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   |  | -0.2                          | 1.2  | 1.0  | 1.0  | 1.0  | 0.9  | 0.9  | 0.9  | 0.9  | 1.0  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (16%) - Staff (56%) - Other (19%)                          |  |                               |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Total  |  | -37.2                         | 8085 | 8074 | 7776 | 7235 | 6746 | 6578 | 6777 | 7174 | 7529 | 7713 |
| as % of population 5-24  |  | -1%                           | 87%  | 86%  | 86%  | 85%  | 86%  | 87%  | 88%  | 88%  | 87%  | 86%  |
| Primary  |  | -33.7                         | 2959 | 2903 | 2514 | 2222 | 2109 | 2198 | 2405 | 2581 | 2637 | 2622 |
| Low secondary  |  | 22                            | 2031 | 2223 | 2171 | 1933 | 1732 | 1649 | 1709 | 1862 | 2002 | 2053 |
| Upper secondary  |  | 30                            | 1214 | 1290 | 1329 | 1246 | 1128 | 1047 | 1037 | 1097 | 1185 | 1244 |
| Tertiary education   |  | -87                           | 1881 | 1698 | 1762 | 1835 | 1776 | 1684 | 1625 | 1634 | 1705 | 1794 |
| Number of teachers (in thousands)  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Total  |  | -26                           | 625  | 629  | 607  | 582  | 522  | 508  | 524  | 556  | 585  | 599  |
| Primary  |  | -25                           | 217  | 213  | 185  | 163  | 155  | 161  | 177  | 189  | 194  | 192  |
| Low secondary  |  | 2                             | 179  | 196  | 192  | 171  | 153  | 146  | 151  | 164  | 177  | 181  |
| Upper secondary  |  | 2                             | 102  | 105  | 112  | 105  | 95   | 88   | 87   | 92   | 100  | 105  |
| Tertiary education   |  | -6                            | 127  | 114  | 119  | 123  | 120  | 113  | 109  | 110  | 115  | 121  |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  |  | 0.7                           | 0.1  | 0.3  | 0.4  | 0.5  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| <b>Unemployment benefit</b>  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  |  | -1.7                          | 2.2  | 1.8  | 1.1  | 0.9  | 0.7  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| <b>LESDIA</b>  |  |                               |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |  |                               |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |  |                               |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |  |                               |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |  |                               |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |  |                               |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |  |                               |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |  |                               |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |  |                               |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |  |                               |      |      |      |      |      |      |      |      |      |      |
| Source: Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)   |  |                               |      |      |      |      |      |      |      |      |      |      |

# 10. FRANCE

| France   |  | EC-EPC (AWG) 2015 projections |       |       |       |       |       |       |       |       |       |       |
|--|--|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Main demographic and macroeconomic assumptions   |  |                               |       |       |       |       |       |       |       |       |       |       |
| Demographic projections - EUROPOP2013 (EUROSTAT) |  | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Fertility rate                                   |  | 0.0                           | 2.02  | 2.01  | 2.00  | 2.00  | 1.99  | 1.99  | 1.99  | 1.98  | 1.98  | 1.98  |
| Life expectancy at birth                         |  |                               |       |       |       |       |       |       |       |       |       |       |
|  | males  | 6.6                           | 78.6  | 79.8  | 80.5  | 81.3  | 82.0  | 82.7  | 83.4  | 84.0  | 84.6  | 85.2  |
|  | females  | 5.1                           | 85.0  | 85.8  | 86.4  | 87.0  | 87.5  | 88.1  | 88.6  | 89.1  | 89.6  | 90.0  |
| Life expectancy at 65                            |  |                               |       |       |       |       |       |       |       |       |       |       |
|  | males  | 4.1                           | 18.9  | 19.6  | 20.0  | 20.5  | 20.9  | 21.4  | 21.8  | 22.2  | 22.6  | 23.0  |
|  | females  | 3.7                           | 22.9  | 23.5  | 23.9  | 24.3  | 24.7  | 25.1  | 25.5  | 25.9  | 26.2  | 26.6  |
| Net migration (thous and)                        |  | 14.0                          | 52.8  | 90.2  | 91.2  | 91.2  | 89.0  | 84.0  | 79.7  | 74.2  | 70.5  | 66.8  |
| Net migration as % of population                 |  | 0.0                           | 0.1   | 0.1   | 0.1   | 0.1   | 0.1   | 0.1   | 0.1   | 0.1   | 0.1   | 0.1   |
| Population (million)                             |  | 9.9                           | 66.7  | 67.8  | 69.2  | 70.5  | 71.8  | 72.9  | 73.7  | 74.4  | 75.0  | 75.7  |
|  | Children population (0-14) as % of total population                  | -1.3                          | 18.5  | 18.1  | 17.8  | 17.7  | 17.8  | 17.6  | 17.5  | 17.4  | 17.3  | 17.2  |
|  | Prime age population (25-54) as % of total population                | -3.9                          | 39.0  | 36.9  | 35.8  | 35.0  | 34.9  | 34.9  | 35.1  | 35.3  | 35.2  | 35.1  |
|  | Working age population (15-64) as % of total population              | -5.7                          | 63.7  | 61.6  | 60.4  | 59.1  | 58.0  | 57.2  | 57.3  | 57.4  | 57.8  | 57.9  |
|  | Elderly population (65 and over) as % of total population            | 7.1                           | 17.8  | 20.3  | 21.8  | 23.2  | 24.4  | 25.2  | 25.2  | 25.1  | 24.9  | 24.8  |
|  | Very elderly population (80 and over) as % of total population       | 4.9                           | 5.7   | 6.0   | 6.1   | 7.5   | 8.6   | 9.4   | 10.0  | 10.4  | 10.8  | 10.6  |
|  | Very elderly population (80 and over) as % of elderly population     | 10.7                          | 32.0  | 29.7  | 28.2  | 32.1  | 35.1  | 37.1  | 39.7  | 41.5  | 43.1  | 42.6  |
|  | Very elderly population (80 and over) as % of working age population | 9.4                           | 8.9   | 9.8   | 10.2  | 12.6  | 14.7  | 16.4  | 17.5  | 18.1  | 18.6  | 18.3  |
| Macroeconomic assumptions*                       |  | AVG 13-60                     | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Potential GDP (growth rate)                      |  | 1.6                           | 1.0   | 1.2   | 1.4   | 1.5   | 1.8   | 1.7   | 1.8   | 1.8   | 1.8   | 1.7   |
| Employment (growth rate)                         |  | 0.3                           | 0.3   | 0.4   | 0.5   | 0.2   | 0.2   | 0.2   | 0.2   | 0.3   | 0.3   | 0.2   |
| Labour input: hours worked (growth rate)         |  | 0.3                           | 0.3   | 0.4   | 0.5   | 0.2   | 0.2   | 0.2   | 0.2   | 0.3   | 0.3   | 0.2   |
| Labour productivity per hour (growth rate)       |  | 1.3                           | 0.7   | 0.9   | 0.9   | 1.3   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   |
|  | TFP (growth rate)  | 0.8                           | 0.3   | 0.5   | 0.6   | 0.8   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
|  | Capital deepening (contribution to labour productivity growth)       | 0.5                           | 0.4   | 0.4   | 0.3   | 0.4   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   |
| Potential GDP per capita (growth rate)           |  | 1.3                           | 0.6   | 0.8   | 1.0   | 1.1   | 1.4   | 1.4   | 1.6   | 1.6   | 1.6   | 1.6   |
| Potential GDP per worker (growth rate)           |  | 1.3                           | 0.7   | 0.8   | 0.9   | 1.3   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   |
| Labour force assumptions                         |  | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Working age population (15-64) (n. thousands)    |  | 1987                          | 41844 | 41748 | 41775 | 41668 | 41646 | 41677 | 42197 | 42719 | 43318 | 43831 |
| Population growth (working age:15-64)            |  | 0.4                           | -0.2  | 0.0   | 0.0   | 0.0   | 0.0   | 0.2   | 0.2   | 0.3   | 0.3   | 0.2   |
| Population (20-64) (n. thousands)                |  | 1572                          | 37866 | 37605 | 37990 | 37510 | 37440 | 37466 | 37903 | 38356 | 38925 | 39437 |
| Population growth (20-64)                        |  | 0.5                           | -0.3  | 0.0   | 0.0   | -0.1  | 0.0   | 0.2   | 0.2   | 0.3   | 0.3   | 0.2   |
| Labour force 15-64 (thous and)                   |  | 2524                          | 29729 | 30026 | 30472 | 30507 | 30515 | 30700 | 31055 | 31471 | 31910 | 32253 |
| Labour force 20-64 (thous and)                   |  | 2465                          | 29137 | 29400 | 29842 | 29885 | 29881 | 30067 | 30412 | 30816 | 31250 | 31592 |
| Participation rate (20-64)                       |  | 3.2                           | 76.9  | 78.2  | 79.4  | 79.7  | 79.8  | 80.3  | 80.2  | 80.3  | 80.3  | 80.1  |
| Participation rate (15-64)                       |  | 2.5                           | 71.0  | 71.9  | 72.9  | 73.2  | 73.3  | 73.7  | 73.6  | 73.7  | 73.7  | 73.6  |
|  | young (15-24)  | 0.9                           | 37.7  | 38.4  | 38.6  | 38.7  | 38.5  | 38.6  | 38.4  | 38.4  | 38.5  | 38.6  |
|  | prime-age (25-54)  | 0.1                           | 88.4  | 88.6  | 88.6  | 88.5  | 88.5  | 88.5  | 88.5  | 88.5  | 88.5  | 88.5  |
|  | older (55-64)  | 14.2                          | 49.2  | 55.4  | 61.5  | 63.0  | 62.4  | 63.6  | 63.0  | 63.4  | 63.7  | 63.4  |
| Participation rate (20-64) - FEMALES             |  | 3.9                           | 72.4  | 74.1  | 75.5  | 75.8  | 76.0  | 76.4  | 76.4  | 76.5  | 76.5  | 76.3  |
| Participation rate (15-64) - FEMALES             |  | 3.1                           | 66.9  | 68.2  | 69.3  | 69.6  | 69.7  | 70.0  | 69.9  | 70.0  | 70.0  | 69.9  |
|  | young (15-24)  | 0.6                           | 34.1  | 34.5  | 34.7  | 34.9  | 34.7  | 34.7  | 34.5  | 34.5  | 34.6  | 34.7  |
|  | prime-age (25-54)  | 0.7                           | 83.5  | 84.3  | 84.4  | 84.4  | 84.3  | 84.2  | 84.2  | 84.2  | 84.2  | 84.2  |
|  | older (55-64)  | 15.6                          | 46.3  | 52.9  | 59.0  | 60.9  | 60.6  | 62.3  | 61.5  | 61.7  | 62.1  | 61.9  |
| Participation rate (20-64) - MALES               |  | 2.1                           | 81.6  | 82.3  | 83.4  | 83.5  | 83.6  | 84.1  | 84.1  | 84.1  | 84.0  | 83.7  |
| Participation rate (15-64) - MALES               |  | 1.8                           | 75.3  | 75.7  | 76.6  | 76.8  | 76.8  | 77.2  | 77.2  | 77.3  | 77.2  | 77.1  |
|  | young (15-24)  | 1.1                           | 41.2  | 42.2  | 42.3  | 42.4  | 42.1  | 42.3  | 42.1  | 42.1  | 42.2  | 42.3  |
|  | prime-age (25-54)  | -0.8                          | 93.3  | 93.0  | 92.8  | 92.7  | 92.6  | 92.6  | 92.6  | 92.6  | 92.5  | 92.5  |
|  | older (55-64)  | 12.5                          | 52.4  | 58.2  | 64.1  | 65.3  | 64.3  | 65.1  | 64.6  | 65.2  | 65.4  | 64.9  |
| Average effective exit age (TOTAL) (1)           |  | 2.3                           | 60.9  | 62.3  | 63.0  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  |
|  | Men  | 2.3                           | 60.8  | 62.3  | 63.0  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  |
|  | Women  | 2.2                           | 60.9  | 62.3  | 63.0  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  | 63.1  |
| Employment rate (15-64)                          |  | 4.1                           | 63.9  | 65.0  | 66.1  | 66.8  | 67.4  | 68.2  | 68.1  | 68.2  | 68.2  | 68.1  |
| Employment rate (20-64)                          |  | 4.8                           | 69.6  | 71.0  | 72.3  | 73.0  | 73.7  | 74.5  | 74.5  | 74.6  | 74.6  | 74.4  |
| Employment rate (15-74)                          |  | 2.9                           | 56.7  | 55.8  | 56.8  | 57.6  | 58.0  | 58.7  | 59.1  | 59.6  | 59.6  | 59.6  |
| Unemployment rate (15-64)                        |  | -2.5                          | 10.0  | 9.6   | 9.4   | 8.7   | 8.0   | 7.5   | 7.5   | 7.5   | 7.5   | 7.5   |
| Unemployment rate (20-64)                        |  | -2.4                          | 9.6   | 9.2   | 9.0   | 8.3   | 7.7   | 7.1   | 7.1   | 7.1   | 7.1   | 7.1   |
| Unemployment rate (15-74)                        |  | -2.6                          | 10.0  | 9.6   | 9.3   | 8.6   | 7.9   | 7.4   | 7.4   | 7.4   | 7.4   | 7.4   |
| Employment (20-64) (in millions)                 |  | 3.0                           | 26.4  | 26.7  | 27.2  | 27.4  | 27.6  | 27.9  | 28.2  | 28.6  | 29.0  | 29.3  |
| Employment (15-64) (in millions)                 |  | 3.1                           | 26.8  | 27.1  | 27.6  | 27.8  | 28.1  | 28.4  | 28.7  | 29.1  | 29.5  | 29.8  |
|  | share of young (15-24)   | 1%                            | 9%    | 9%    | 9%    | 9%    | 9%    | 9%    | 9%    | 10%   | 10%   | 9%    |
|  | share of prime-age (25-54)   | -4%                           | 77%   | 75%   | 73%   | 73%   | 74%   | 74%   | 74%   | 74%   | 74%   | 74%   |
|  | share of older (55-64)   | 3%                            | 14%   | 16%   | 18%   | 18%   | 17%   | 16%   | 16%   | 16%   | 17%   | 17%   |
| Dependency ratios                                |  | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Share of older population (55-64) (2)            |  | -0.7                          | 19.8  | 20.2  | 20.5  | 20.4  | 19.4  | 18.5  | 18.3  | 18.1  | 18.6  | 18.1  |
| Old-age dependency ratio 15-64(3)                |  | 15                            | 28    | 33    | 36    | 39    | 42    | 44    | 44    | 44    | 43    | 43    |
| Old-age dependency ratio 20-64(3)                |  | 17                            | 31    | 37    | 40    | 44    | 47    | 49    | 49    | 49    | 48    | 48    |
| Total dependency ratio (4)                       |  | 16                            | 57    | 62    | 66    | 69    | 72    | 75    | 75    | 74    | 73    | 73    |
| Total economic dependency ratio (5)              |  | 4                             | 144   | 147   | 147   | 148   | 150   | 150   | 151   | 150   | 149   | 148   |
| Economic old-age dependency ratio (15-64) (6)    |  | 18                            | 43    | 50    | 53    | 57    | 60    | 62    | 62    | 62    | 61    | 61    |
| Economic old-age dependency ratio (15-74) (7)    |  | 17                            | 42    | 49    | 52    | 55    | 58    | 61    | 61    | 60    | 60    | 59    |

| France  |           |         |         |         |         |         |         |         |         |         |         |
|---|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| EC-EPC (AWG) 2015 projections   |           |         |         |         |         |         |         |         |         |         |         |
| Pension expenditure projections   |           |         |         |         |         |         |         |         |         |         |         |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross  | -2.8      | 14.9    | 14.6    | 14.9    | 14.7    | 14.2    | 13.8    | 13.3    | 12.8    | 12.3    | 12.1    |
| Earnings-related pensions, gross  | -2.6      | 14.4    | 14.1    | 14.3    | 14.1    | 13.7    | 13.3    | 12.8    | 12.4    | 12.0    | 11.8    |
| Of which: Old-age and early pensions  | -1.9      | 12.0    | 11.8    | 12.2    | 12.0    | 11.7    | 11.3    | 11.0    | 10.6    | 10.3    | 10.1    |
| Disability pensions   | 0.0       | 0.8     | 0.8     | 0.8     | 0.8     | 0.8     | 0.8     | 0.8     | 0.8     | 0.8     | 0.8     |
| Survivors pensions  | -0.7      | 1.6     | 1.5     | 1.4     | 1.3     | 1.2     | 1.1     | 1.1     | 1.0     | 0.9     | 0.9     |
| Other pensions  | :         | :       | :       | :       | :       | :       | :       | :       | :       | :       | :       |
| Non-earning-related pensions  | -0.2      | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.4     | 0.4     | 0.3     |
| Private pensions, gross   | :         | :       | :       | :       | :       | :       | :       | :       | :       | :       | :       |
| New pensions, gross   | -0.1      | 0.5     | 0.4     | 0.5     | 0.4     | 0.4     | 0.4     | 0.4     | 0.4     | 0.3     | 0.4     |
| Public pensions, net  | -2.5      | 13.3    | 13.0    | 13.3    | 13.1    | 12.6    | 12.3    | 11.8    | 11.4    | 11.0    | 10.8    |
| Public pensions, contributors   | -0.7      | 10.6    | 10.4    | 10.0    | 10.0    | 10.0    | 10.1    | 10.0    | 9.9     | 9.9     | 9.9     |
| Additional indicators   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, net/Public pensions, gross, %  | 0.0%      | 89.1%   | 89.1%   | 89.1%   | 89.1%   | 89.1%   | 89.1%   | 89.1%   | 89.1%   | 89.1%   | 89.1%   |
| Pensioners (Public, in 1000 persons)  | 5369      | 18390   | 19772   | 20996   | 22011   | 22723   | 23215   | 23427   | 23525   | 23508   | 23759   |
| Pensioners aged 65+ (1000 persons)  | 7064      | 12266   | 14315   | 15672   | 17024   | 18106   | 18889   | 19107   | 19206   | 19175   | 19320   |
| Share of pensioners below age 65 as % of all pensioners   | -14.7%    | 33.4%   | 27.6%   | 25.4%   | 22.7%   | 20.3%   | 18.6%   | 18.4%   | 18.4%   | 18.4%   | 18.7%   |
| Benefit ratio (Public pensions)   | -12.4     | 51.3    | 50.8    | 49.7    | 47.4    | 44.9    | 43.2    | 41.7    | 40.5    | 39.6    | 38.9    |
| Gross replacement rate at retirement (Public pensions)  | -11.4     | 50.6    | 50.3    | 48.8    | 47.2    | 44.4    | 42.9    | 41.2    | 40.5    | 40.6    | 39.2    |
| Average accrual rates (new pensions, earnings-related)  | 0.0       | 1.7     | 1.7     | 1.8     | 1.7     | 1.8     | 1.7     | 1.8     | 1.7     | 1.8     | 1.7     |
| Average contributory period (new pensions, earnings-related)  | -1.5      | 35.6    | 34.6    | 34.0    | 32.9    | 32.8    | 33.7    | 32.2    | 33.3    | 32.5    | 34.1    |
| Contributors (Public pensions, in 1000 persons)   | 3055.5    | 26387.6 | 26621.1 | 26752.2 | 27171.4 | 27646.0 | 28124.7 | 28289.0 | 28760.6 | 29155.0 | 29443.1 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -19.6     | 143.5   | 135.7   | 127.4   | 123.4   | 121.7   | 121.2   | 120.8   | 122.3   | 124.0   | 123.9   |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| High life expectancy (+2 years)   | 0.5       | -0.1    | 0.0     | 0.1     | 0.0     | 0.2     | 0.2     | 0.3     | 0.3     | 0.3     | 0.3     |
| High labour productivity (+0.25 p.p.)   | -0.5      | 0.0     | 0.0     | -0.2    | -0.3    | -0.4    | -0.5    | -0.5    | -0.5    | -0.5    | -0.5    |
| Lower labour productivity (-0.25 p.p.)  | 0.8       | 0.0     | 0.1     | 0.2     | 0.3     | 0.5     | 0.6     | 0.6     | 0.7     | 0.7     | 0.8     |
| High employment rate (+2 p.p.)  | -0.2      | -0.1    | -0.3    | -0.4    | -0.4    | -0.4    | -0.4    | -0.3    | -0.3    | -0.3    | -0.3    |
| High emp. of older workers (+10 p.p.)   | 0.7       | 0.0     | -0.3    | -0.5    | -0.4    | -0.2    | 0.0     | 0.2     | 0.5     | 0.6     | 0.7     |
| Lower migration (-20%)  | 0.2       | -0.1    | -0.1    | 0.0     | -0.1    | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     |
| TFP risk scenario   | 0.8       | 0.0     | 0.0     | 0.1     | 0.2     | 0.4     | 0.5     | 0.6     | 0.7     | 0.8     | 0.8     |
| Policy scenario linking retirement age to increases in life expectancy                                      | -1.2      | 0.1     | 0.0     | -0.2    | -0.4    | -0.5    | -0.7    | -0.7    | -0.9    | -0.9    | -1.1    |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -2.8      | -0.3    | 0.0     | -0.2    | -0.7    | -1.1    | -1.6    | -2.1    | -2.5    | -2.8    | -2.8    |
| Dependency ratio  | 6.7       | 2.7     | 4.1     | 5.4     | 6.4     | 7.1     | 7.1     | 7.0     | 6.8     | 6.7     | 6.7     |
| Coverage ratio  | -3.2      | -1.3    | -1.8    | -2.3    | -2.8    | -3.2    | -3.2    | -3.2    | -3.2    | -3.2    | -3.2    |
| Of which: Old-age   | -0.3      | -0.1    | -0.1    | -0.1    | -0.2    | -0.3    | -0.3    | -0.3    | -0.3    | -0.3    | -0.3    |
| Early-age   | -4.6      | -1.9    | -2.4    | -2.7    | -3.4    | -3.8    | -3.9    | -4.2    | -4.6    | -4.6    | -4.6    |
| Cohort effect   | -6.7      | -2.1    | -3.3    | -5.0    | -6.4    | -7.5    | -7.6    | -7.4    | -7.0    | -6.7    | -6.7    |
| Benefit ratio   | -4.7      | -1.1    | -1.4    | -2.1    | -2.9    | -3.4    | -3.9    | -4.2    | -4.5    | -4.7    | -4.7    |
| Labour market ratio   | -1.2      | -0.3    | -0.6    | -0.9    | -1.1    | -1.2    | -1.2    | -1.2    | -1.2    | -1.2    | -1.2    |
| Of which: Employment rate   | -1.0      | -0.3    | -0.5    | -0.7    | -0.8    | -1.0    | -1.0    | -1.0    | -1.0    | -1.0    | -1.0    |
| Labour intensity  | 0.0       | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Career shift  | -0.2      | 0.0     | -0.1    | -0.2    | -0.2    | -0.2    | -0.2    | -0.2    | -0.2    | -0.2    | -0.2    |
| Interaction effect (residual)   | -0.4      | -0.2    | -0.3    | -0.3    | -0.4    | -0.4    | -0.4    | -0.4    | -0.4    | -0.4    | -0.4    |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross as % of GDP  | -2.8      | -0.3    | 0.3     | -0.2    | -0.5    | -0.4    | -0.5    | -0.5    | -0.5    | -0.5    | -0.2    |
| Dependency ratio  | 6.7       | 1.7     | 1.4     | 1.3     | 1.0     | 0.7     | 0.0     | -0.1    | -0.2    | -0.1    | -0.1    |
| Coverage ratio  | -3.2      | -0.8    | -0.4    | -0.5    | -0.5    | -0.4    | 0.0     | 0.0     | 0.0     | 0.0     | 0.1     |
| Of which: Old-age   | -0.3      | -0.2    | 0.0     | 0.0     | -0.1    | -0.1    | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Early-age   | -4.6      | -0.9    | -0.5    | -0.4    | -0.6    | -0.4    | -0.1    | -0.3    | -0.4    | -0.4    | 0.0     |
| Cohort effect   | -6.7      | -1.4    | -1.2    | -1.7    | -1.4    | -1.1    | 0.0     | 0.2     | 0.4     | 0.3     | 0.3     |
| Benefit ratio   | -4.7      | -0.8    | -0.3    | -0.7    | -0.8    | -0.5    | -0.4    | -0.4    | -0.3    | -0.2    | -0.2    |
| Labour market ratio   | -1.2      | -0.3    | -0.3    | -0.3    | -0.2    | -0.2    | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Of which: Employment rate   | -1.0      | -0.3    | -0.3    | -0.2    | -0.1    | -0.2    | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Labour intensity  | 0.0       | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Career shift  | -0.2      | 0.0     | -0.1    | -0.1    | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Interaction effect (residual)   | -0.4      | -0.1    | -0.1    | -0.1    | -0.1    | -0.1    | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Health care   |           |         |         |         |         |         |         |         |         |         |         |
| Health care spending as % of GDP  | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| AWG reference scenario  | 0.9       | 7.7     | 8.0     | 8.2     | 8.3     | 8.5     | 8.6     | 8.7     | 8.7     | 8.6     | 8.6     |
| Demographic scenario  | 1.1       | 7.7     | 8.0     | 8.2     | 8.4     | 8.6     | 8.7     | 8.8     | 8.8     | 8.8     | 8.8     |
| High Life Expectancy scenario   | 1.5       | 7.7     | 8.0     | 8.3     | 8.5     | 8.7     | 8.9     | 9.0     | 9.1     | 9.1     | 9.2     |
| Constant health scenario  | 0.3       | 7.7     | 7.9     | 8.0     | 8.1     | 8.1     | 8.2     | 8.2     | 8.1     | 8.1     | 8.0     |
| Death-related cost scenario   | 0.8       | 7.7     | 8.0     | 8.1     | 8.3     | 8.5     | 8.6     | 8.6     | 8.6     | 8.6     | 8.6     |
| Income elasticity scenario  | 1.3       | 7.7     | 8.1     | 8.3     | 8.5     | 8.7     | 8.9     | 9.0     | 9.0     | 9.1     | 9.1     |
| EU28 cost convergence scenario  | 1.1       | 7.7     | 8.0     | 8.2     | 8.4     | 8.6     | 8.7     | 8.8     | 8.8     | 8.8     | 8.9     |
| Labour intensity scenario   | 1.2       | 7.7     | 8.0     | 8.2     | 8.5     | 8.7     | 8.9     | 8.9     | 8.9     | 8.9     | 8.9     |
| Sector-specific composite indexation scenario   | 0.6       | 7.7     | 7.9     | 8.0     | 8.1     | 8.3     | 8.3     | 8.3     | 8.3     | 8.3     | 8.3     |
| Non-demographic determinants scenario   | 2.7       | 7.7     | 8.3     | 8.6     | 9.0     | 9.4     | 9.7     | 10.0    | 10.2    | 10.4    | 10.4    |
| AWG risk scenario   | 1.6       | 7.7     | 8.2     | 8.4     | 8.7     | 9.0     | 9.2     | 9.3     | 9.4     | 9.4     | 9.4     |
| TFP risk scenario   | 0.8       | 7.7     | 8.0     | 8.2     | 8.3     | 8.5     | 8.6     | 8.6     | 8.6     | 8.6     | 8.6     |

| France   |          |       |       |       |       |       |       |       |       |       |       |
|--|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| EC-EPC (AWG) 2015 projections  |          |       |       |       |       |       |       |       |       |       |       |
| <b>Long-term care</b>  |          |       |       |       |       |       |       |       |       |       |       |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario   | 0.8      | 2.0   | 2.1   | 2.1   | 2.2   | 2.4   | 2.6   | 2.7   | 2.7   | 2.8   | 2.8   |
| Demographic scenario   | 0.9      | 2.0   | 2.1   | 2.2   | 2.3   | 2.4   | 2.6   | 2.7   | 2.8   | 2.9   | 2.9   |
| High Life expectancy scenario  | 1.1      | 2.0   | 2.1   | 2.2   | 2.3   | 2.5   | 2.7   | 2.8   | 3.0   | 3.0   | 3.1   |
| Base case scenario   | 0.9      | 2.0   | 2.1   | 2.2   | 2.3   | 2.5   | 2.6   | 2.8   | 2.8   | 2.9   | 2.9   |
| Constant disability scenario   | 0.7      | 2.0   | 2.1   | 2.1   | 2.2   | 2.4   | 2.5   | 2.6   | 2.7   | 2.7   | 2.7   |
| Shift to formal care scenario  | 1.6      | 2.0   | 2.5   | 2.7   | 2.8   | 3.1   | 3.3   | 3.4   | 3.5   | 3.5   | 3.6   |
| Coverage convergence scenario  | 2.9      | 2.0   | 2.3   | 2.4   | 2.7   | 3.1   | 3.5   | 3.9   | 4.2   | 4.5   | 4.8   |
| Cost convergence scenario  | 1.0      | 2.0   | 2.1   | 2.2   | 2.3   | 2.5   | 2.7   | 2.8   | 2.9   | 2.9   | 2.9   |
| Cost and coverage convergence scenario   | 2.9      | 2.0   | 2.3   | 2.4   | 2.7   | 3.1   | 3.5   | 3.9   | 4.3   | 4.6   | 4.9   |
| AWG risk scenario  | 2.7      | 2.0   | 2.2   | 2.4   | 2.6   | 3.0   | 3.4   | 3.8   | 4.1   | 4.4   | 4.7   |
| TFP risk scenario  | 0.8      | 2.0   | 2.1   | 2.1   | 2.2   | 2.4   | 2.6   | 2.7   | 2.7   | 2.8   | 2.8   |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario   | 39.4%    | 5826  | 6320  | 6608  | 6963  | 7366  | 7667  | 7870  | 7967  | 8084  | 8120  |
| of which: receiving institutional care   | 74.2%    | 854   | 953   | 1003  | 1073  | 1191  | 1304  | 1377  | 1429  | 1467  | 1488  |
| receiving home care  | 64.7%    | 1089  | 1203  | 1261  | 1346  | 1481  | 1600  | 1677  | 1731  | 1772  | 1793  |
| receiving cash benefits  | 3.5%     | 428   | 436   | 433   | 431   | 430   | 433   | 437   | 439   | 442   | 443   |
| Demographic scenario   | 47.8%    | 5826  | 6399  | 6731  | 7146  | 7597  | 7962  | 8219  | 8394  | 8527  | 8608  |
| of which: receiving institutional care   | 80.6%    | 854   | 960   | 1016  | 1092  | 1216  | 1336  | 1416  | 1473  | 1516  | 1543  |
| receiving home care  | 72.7%    | 1089  | 1215  | 1282  | 1377  | 1524  | 1652  | 1739  | 1802  | 1851  | 1880  |
| receiving cash benefits  | 7.8%     | 428   | 440   | 439   | 439   | 440   | 445   | 450   | 454   | 459   | 461   |
| Constant disability scenario   | 32.0%    | 5826  | 6251  | 6487  | 6788  | 7134  | 7404  | 7581  | 7647  | 7695  | 7693  |
| of which: receiving institutional care   | 68.1%    | 854   | 946   | 992   | 1056  | 1167  | 1275  | 1342  | 1388  | 1421  | 1437  |
| receiving home care  | 57.6%    | 1089  | 1191  | 1241  | 1316  | 1443  | 1554  | 1622  | 1669  | 1702  | 1715  |
| receiving cash benefits  | -0.1%    | 428   | 433   | 428   | 424   | 422   | 424   | 426   | 427   | 428   | 427   |
| Shift 1% of dependents from informal to formal scenario  | 47.8%    | 5826  | 6399  | 6731  | 7146  | 7597  | 7962  | 8219  | 8394  | 8527  | 8608  |
| of which: receiving institutional care   | 123.0%   | 854   | 1142  | 1291  | 1386  | 1532  | 1669  | 1761  | 1827  | 1876  | 1905  |
| receiving home care  | 118.5%   | 1089  | 1481  | 1680  | 1797  | 1968  | 2115  | 2215  | 2288  | 2344  | 2378  |
| receiving cash benefits  | 7.8%     | 428   | 440   | 439   | 439   | 440   | 445   | 450   | 454   | 459   | 461   |
| Coverage convergence scenario  | 47.8%    | 5826  | 6399  | 6731  | 7146  | 7597  | 7962  | 8219  | 8394  | 8527  | 8608  |
| of which: receiving institutional care   | 218.9%   | 854   | 1033  | 1157  | 1324  | 1564  | 1832  | 2069  | 2282  | 2514  | 2725  |
| receiving home care  | 210.5%   | 1089  | 1313  | 1472  | 1667  | 1984  | 2296  | 2578  | 2847  | 3118  | 3380  |
| receiving cash benefits  | 7.8%     | 428   | 440   | 439   | 439   | 440   | 445   | 450   | 454   | 459   | 461   |
| <b>Education</b>   |          |       |       |       |       |       |       |       |       |       |       |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Total  | -0.2     | 5.0   | 5.0   | 4.9   | 4.9   | 4.9   | 4.9   | 4.9   | 4.9   | 4.8   | 4.8   |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (9%) - Staff (70%) - Other (17%)                           |          |       |       |       |       |       |       |       |       |       |       |
| Primary  | -0.1     | 1.2   | 1.1   | 1.1   | 1.1   | 1.1   | 1.1   | 1.1   | 1.1   | 1.1   | 1.1   |
| Expenditure decomposition (broadly constant) : Transfers (3%) - Capital (8%) - Staff (69%) - Other (20%)                           |          |       |       |       |       |       |       |       |       |       |       |
| Low secondary  | -0.1     | 1.3   | 1.3   | 1.2   | 1.2   | 1.2   | 1.2   | 1.3   | 1.2   | 1.2   | 1.2   |
| Expenditure decomposition (broadly constant) : Transfers (3%) - Capital (9%) - Staff (73%) - Other (15%)                           |          |       |       |       |       |       |       |       |       |       |       |
| Upper secondary  | 0.0      | 1.3   | 1.3   | 1.3   | 1.2   | 1.2   | 1.2   | 1.2   | 1.2   | 1.2   | 1.2   |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (9%) - Staff (71%) - Other (16%)                           |          |       |       |       |       |       |       |       |       |       |       |
| Tertiary education   | 0.0      | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   |
| Expenditure decomposition (broadly constant) : Transfers (8%) - Capital (9%) - Staff (68%) - Other (15%)                           |          |       |       |       |       |       |       |       |       |       |       |
| Number of students (in thousands)  |          |       |       |       |       |       |       |       |       |       |       |
| Total  | 1033     | 12483 | 12693 | 12795 | 12865 | 12982 | 13145 | 13312 | 13492 | 13486 | 13516 |
| as % of population 5-24  | -1%      | 78%   | 77%   | 77%   | 77%   | 77%   | 77%   | 77%   | 77%   | 77%   | 77%   |
| Primary  | 282      | 4194  | 4181  | 4250  | 4254  | 4322  | 4402  | 4444  | 4451  | 4453  | 4466  |
| Low secondary  | 220      | 3346  | 3388  | 3348  | 3407  | 3414  | 3470  | 3531  | 3561  | 3565  | 3566  |
| Upper secondary  | 270      | 2688  | 2778  | 2813  | 2795  | 2830  | 2844  | 2892  | 2937  | 2956  | 2958  |
| Tertiary education   | 261      | 2265  | 2346  | 2383  | 2409  | 2416  | 2430  | 2446  | 2483  | 2512  | 2526  |
| Number of teachers (in thousands)  |          |       |       |       |       |       |       |       |       |       |       |
| Total  | 65       | 779   | 793   | 799   | 802   | 810   | 820   | 831   | 839   | 842   | 844   |
| Primary  | 15       | 223   | 223   | 226   | 226   | 230   | 234   | 236   | 237   | 237   | 238   |
| Low secondary  | 14       | 220   | 222   | 220   | 224   | 224   | 228   | 232   | 234   | 234   | 234   |
| Upper secondary  | 22       | 223   | 231   | 234   | 232   | 235   | 236   | 240   | 244   | 245   | 246   |
| Tertiary education   | 13       | 113   | 117   | 119   | 120   | 121   | 121   | 122   | 124   | 126   | 126   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Total  | 0.6      | 0.0   | 0.2   | 0.3   | 0.5   | 0.6   | 0.7   | 0.7   | 0.7   | 0.7   | 0.7   |
| <b>Unemployment benefit</b>  |          |       |       |       |       |       |       |       |       |       |       |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Unemployment benefit spending as % of GDP  | -0.4     | 1.5   | 1.5   | 1.4   | 1.3   | 1.2   | 1.1   | 1.1   | 1.1   | 1.1   | 1.1   |
| <b>LEBUDA</b>  |          |       |       |       |       |       |       |       |       |       |       |
| The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations   |          |       |       |       |       |       |       |       |       |       |       |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |       |       |       |       |       |       |       |       |       |       |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |       |       |       |       |       |       |       |       |       |       |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |       |       |       |       |       |       |       |       |       |       |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |       |       |       |       |       |       |       |       |       |       |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |       |       |       |       |       |       |       |       |       |       |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |       |       |       |       |       |       |       |       |       |       |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |       |       |       |       |       |       |       |       |       |       |
| NB: := data not provided   |          |       |       |       |       |       |       |       |       |       |       |
| Source : Commission Services (DG ECFIN), Eurostat (BJRDP02013), EPC (AWG)  |          |       |       |       |       |       |       |       |       |       |       |



# 11. CROATIA

| Croatia  |  | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|--|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions   |  |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT) |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate                                   |  | 0.1                           | 1.53 | 1.56 | 1.57 | 1.59 | 1.61 | 1.62 | 1.63 | 1.65 | 1.66 | 1.67 |
| Life expectancy at birth                         |  |                               |      |      |      |      |      |      |      |      |      |      |
|  | males  | 8.7                           | 74.0 | 75.4 | 76.4 | 77.4 | 78.3 | 79.3 | 80.2 | 81.0 | 81.9 | 82.7 |
|  | females  | 6.9                           | 80.7 | 81.8 | 82.6 | 83.4 | 84.1 | 84.8 | 85.6 | 86.2 | 86.9 | 87.6 |
| Life expectancy at 65                            |  |                               |      |      |      |      |      |      |      |      |      |      |
|  | males  | 5.8                           | 15.0 | 15.9 | 16.6 | 17.2 | 17.8 | 18.5 | 19.1 | 19.7 | 20.3 | 20.8 |
|  | females  | 5.5                           | 18.7 | 19.6 | 20.2 | 20.8 | 21.4 | 22.0 | 22.5 | 23.1 | 23.6 | 24.2 |
| Net migration (thous and)                        |  | 2.5                           | 2.3  | 2.4  | 2.9  | 3.5  | 3.5  | 4.6  | 5.5  | 5.7  | 5.1  | 4.8  |
| Net migration as % of population                 |  | 0.1                           | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  |
| Population (million)                             |  | -0.6                          | 4.3  | 4.2  | 4.1  | 4.1  | 4.0  | 4.0  | 3.9  | 3.8  | 3.8  | 3.7  |
|  | Children population (0-14) as % of total population                  | -0.9                          | 14.9 | 14.9 | 14.7 | 14.3 | 13.9 | 13.7 | 13.7 | 13.9 | 14.0 | 13.9 |
|  | Prime age population (25-54) as % of total population                | -6.6                          | 41.1 | 39.5 | 38.9 | 37.9 | 36.8 | 35.8 | 35.3 | 34.9 | 34.4 | 34.5 |
|  | Working age population (15-64) as % of total population              | -10.4                         | 66.9 | 64.4 | 62.7 | 61.4 | 60.6 | 59.9 | 58.9 | 57.7 | 56.9 | 56.5 |
|  | Elderly population (65 and over) as % of total population            | 11.3                          | 18.3 | 20.7 | 22.6 | 24.2 | 25.4 | 26.3 | 27.4 | 28.4 | 29.1 | 29.6 |
|  | Very elderly population (80 and over) as % of total population       | 6.7                           | 4.4  | 5.3  | 5.5  | 6.2  | 7.4  | 8.7  | 9.5  | 9.9  | 10.3 | 11.1 |
|  | Very elderly population (80 and over) as % of elderly population     | 13.7                          | 23.9 | 25.8 | 24.2 | 25.5 | 29.3 | 32.9 | 34.5 | 34.8 | 35.4 | 37.5 |
|  | Very elderly population (80 and over) as % of working age population | 13.1                          | 6.5  | 8.3  | 8.7  | 10.1 | 12.3 | 14.5 | 16.1 | 17.2 | 18.1 | 19.6 |
| Macroeconomic assumptions*                       |  | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)                      |  | 1.4                           | -0.3 | 1.5  | 1.1  | 1.5  | 2.1  | 1.8  | 1.6  | 1.4  | 1.2  | 1.0  |
| Employment (growth rate)                         |  | -0.4                          | -0.8 | 0.1  | -0.3 | -0.3 | -0.1 | -0.4 | -0.6 | -0.6 | -0.6 | -0.5 |
| Labour input: hours worked (growth rate)         |  | -0.4                          | -0.8 | 0.1  | -0.3 | -0.3 | -0.1 | -0.4 | -0.6 | -0.6 | -0.6 | -0.5 |
| Labour productivity per hour (growth rate)       |  | 1.7                           | 0.5  | 1.4  | 1.5  | 1.8  | 2.2  | 2.2  | 2.2  | 2.0  | 1.8  | 1.5  |
|  | TFP (growth rate)  | 1.1                           | -0.1 | 0.7  | 0.9  | 1.2  | 1.4  | 1.4  | 1.4  | 1.3  | 1.1  | 1.0  |
|  | Capital deepening (contribution to labour productivity growth)       | 0.7                           | 0.6  | 0.8  | 0.6  | 0.6  | 0.8  | 0.8  | 0.8  | 0.7  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)           |  | 1.7                           | 0.1  | 1.8  | 1.3  | 1.6  | 2.0  | 1.8  | 1.9  | 1.9  | 2.0  | 1.8  |
| Potential GDP per worker (growth rate)           |  | 1.7                           | 0.5  | 1.4  | 1.4  | 1.6  | 1.7  | 1.9  | 2.1  | 2.2  | 2.2  | 2.0  |
| Labour force assumptions                         |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thous ands)    |  | -757                          | 2847 | 2700 | 2596 | 2507 | 2435 | 2399 | 2288 | 2204 | 2141 | 2090 |
| Population growth (working age:15-64)            |  | -0.1                          | -0.4 | -0.9 | -0.7 | -0.6 | -0.5 | -0.6 | -0.8 | -0.7 | -0.5 | -0.5 |
| Population (20-64) (n thous ands)                |  | -692                          | 2600 | 2494 | 2380 | 2296 | 2228 | 2170 | 2098 | 2021 | 1959 | 1908 |
| Population growth (20-64)                        |  | 0.0                           | -0.5 | -0.9 | -0.9 | -0.6 | -0.4 | -0.6 | -0.8 | -0.7 | -0.6 | -0.5 |
| Labour force 15-64 (thous ands)                  |  | -446                          | 1809 | 1744 | 1675 | 1619 | 1581 | 1543 | 1491 | 1438 | 1398 | 1363 |
| Labour force 20-64 (thous ands)                  |  | -438                          | 1780 | 1719 | 1650 | 1594 | 1556 | 1520 | 1468 | 1417 | 1377 | 1342 |
| Participation rate (20-64)                       |  | 1.9                           | 66.5 | 68.9 | 69.3 | 69.4 | 69.8 | 70.0 | 70.0 | 70.1 | 70.3 | 70.3 |
| Participation rate (15-64)                       |  | 1.7                           | 63.5 | 64.6 | 64.5 | 64.6 | 64.9 | 65.2 | 65.2 | 65.3 | 65.3 | 65.2 |
|  | young (15-24)  | 3.6                           | 28.7 | 33.8 | 31.6 | 32.3 | 32.4 | 32.7 | 32.8 | 32.7 | 32.4 | 32.3 |
|  | prime-age (25-54)  | -1.3                          | 81.0 | 80.1 | 80.1 | 80.1 | 79.7 | 79.5 | 79.6 | 79.7 | 79.9 | 79.8 |
|  | older (55-64)  | 9.5                           | 41.4 | 44.5 | 44.6 | 46.8 | 49.4 | 52.5 | 51.7 | 51.0 | 51.4 | 50.9 |
| Participation rate (20-64) - FEMALES             |  | 4.0                           | 63.4 | 65.0 | 66.0 | 66.5 | 67.2 | 67.3 | 67.2 | 67.1 | 67.3 | 67.3 |
| Participation rate (15-64) - FEMALES             |  | 3.6                           | 58.9 | 60.9 | 61.4 | 61.9 | 62.4 | 62.6 | 62.5 | 62.5 | 62.5 | 62.5 |
|  | young (15-24)  | 2.2                           | 24.0 | 27.4 | 25.7 | 26.3 | 26.3 | 26.6 | 26.6 | 26.6 | 26.3 | 26.2 |
|  | prime-age (25-54)  | -0.7                          | 77.9 | 77.8 | 78.1 | 78.1 | 77.7 | 77.1 | 77.1 | 77.1 | 77.3 | 77.2 |
|  | older (55-64)  | 17.4                          | 32.7 | 39.9 | 41.4 | 44.0 | 48.7 | 52.4 | 51.6 | 50.5 | 50.7 | 50.2 |
| Participation rate (20-64) - MALES               |  | -0.4                          | 73.6 | 72.9 | 72.7 | 72.4 | 72.5 | 72.7 | 72.7 | 73.0 | 73.2 | 73.2 |
| Participation rate (15-64) - MALES               |  | -0.3                          | 68.2 | 68.2 | 67.6 | 67.3 | 67.3 | 67.6 | 67.7 | 67.9 | 68.0 | 67.9 |
|  | young (15-24)  | 4.8                           | 33.2 | 39.8 | 37.2 | 38.1 | 38.2 | 38.6 | 38.6 | 38.5 | 38.1 | 38.0 |
|  | prime-age (25-54)  | -1.9                          | 84.1 | 82.4 | 82.2 | 82.0 | 81.7 | 81.8 | 82.0 | 82.2 | 82.4 | 82.2 |
|  | older (55-64)  | 1.0                           | 50.7 | 49.6 | 48.1 | 47.6 | 50.2 | 52.5 | 51.9 | 51.6 | 52.0 | 51.6 |
| Average effective exit age (TOTAL) (†)           |  | 2.0                           | 61.9 | 62.3 | 62.6 | 62.9 | 63.5 | 63.9 | 63.9 | 63.9 | 63.9 | 63.9 |
|  | Men  | 1.6                           | 62.4 | 62.6 | 62.8 | 62.9 | 63.6 | 64.0 | 64.0 | 64.0 | 64.0 | 64.0 |
|  | Women  | 2.3                           | 61.4 | 61.9 | 62.4 | 62.9 | 63.4 | 63.7 | 63.7 | 63.7 | 63.7 | 63.7 |
| Employment rate (15-64)                          |  | 8.1                           | 52.3 | 55.9 | 56.9 | 57.9 | 59.2 | 60.3 | 60.3 | 60.4 | 60.4 | 60.4 |
| Employment rate (20-64)                          |  | 0.5                           | 58.5 | 60.0 | 61.0 | 61.7 | 62.5 | 62.5 | 61.4 | 60.4 | 59.7 | 59.0 |
| Employment rate (15-74)                          |  | -0.2                          | 47.7 | 48.3 | 48.5 | 48.9 | 49.7 | 50.2 | 49.4 | 48.4 | 47.7 | 47.5 |
| Unemployment rate (15-64)                        |  | -10.3                         | 17.8 | 13.5 | 11.9 | 10.3 | 8.7  | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  |
| Unemployment rate (20-64)                        |  | 1.6                           | 14.5 | 13.0 | 12.0 | 11.1 | 10.6 | 10.7 | 12.2 | 13.8 | 15.1 | 16.1 |
| Unemployment rate (15-74)                        |  | 0.0                           | 15.2 | 13.7 | 12.3 | 11.4 | 10.6 | 10.7 | 12.1 | 13.4 | 14.4 | 15.2 |
| Employment (20-64) (in millions)                 |  | -0.4                          | 1.5  | 1.5  | 1.5  | 1.4  | 1.4  | 1.4  | 1.3  | 1.2  | 1.2  | 1.1  |
| Employment (15-64) (in millions)                 |  | -0.2                          | 1.5  | 1.5  | 1.5  | 1.5  | 1.4  | 1.4  | 1.4  | 1.3  | 1.3  | 1.3  |
|  | share of young (15-24)   | 3%                            | 5%   | 6%   | 6%   | 7%   | 7%   | 7%   | 7%   | 7%   | 7%   | 7%   |
|  | share of prime-age (25-54)   | -5%                           | 80%  | 77%  | 78%  | 77%  | 75%  | 73%  | 74%  | 75%  | 75%  | 75%  |
|  | share of older (55-64)   | 2%                            | 15%  | 16%  | 16%  | 16%  | 17%  | 19%  | 19%  | 18%  | 18%  | 17%  |
| Dependency ratios                                |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)            |  | 0.2                           | 21.0 | 21.9 | 21.5 | 21.2 | 21.9 | 23.0 | 22.9 | 22.2 | 22.2 | 21.3 |
| Old-age dependency ratio 15-64(3)                |  | 26                            | 27   | 32   | 36   | 39   | 42   | 44   | 47   | 49   | 51   | 52   |
| Old-age dependency ratio 20-64(3)                |  | 27                            | 30   | 35   | 39   | 43   | 46   | 48   | 51   | 54   | 56   | 57   |
| Total dependency ratio (4)                       |  | 27                            | 50   | 55   | 59   | 63   | 65   | 67   | 70   | 73   | 76   | 77   |
| Total economic dependency ratio (5)              |  | -2                            | 182  | 171  | 171  | 171  | 169  | 168  | 169  | 172  | 176  | 179  |
| Economic old-age dependency ratio (15-64) (6)    |  | 31                            | 51   | 55   | 60   | 64   | 67   | 69   | 72   | 76   | 79   | 82   |
| Economic old-age dependency ratio (15-74) (7)    |  | 28                            | 50   | 53   | 58   | 62   | 65   | 66   | 69   | 72   | 75   | 78   |

| Croatia   |           |        |        |        |        |        |        |        |        |        |        |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| EC-EPC (AWG) 2015 projections   |           |        |        |        |        |        |        |        |        |        |        |
| Pension expenditure projections   |           |        |        |        |        |        |        |        |        |        |        |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross  | -3.9      | 10.8   | 10.3   | 10.1   | 9.5    | 8.6    | 7.8    | 7.4    | 7.2    | 7.0    | 6.9    |
| Earnings-related pensions, gross  | -3.9      | 10.8   | 10.3   | 10.1   | 9.5    | 8.6    | 7.8    | 7.4    | 7.2    | 7.0    | 6.9    |
| Of which: Old-age and early pensions  | -1.5      | 5.1    | 5.8    | 5.9    | 5.6    | 4.9    | 4.3    | 4.0    | 3.8    | 3.7    | 3.6    |
| Disability pensions   | -2.0      | 2.5    | 1.3    | 0.9    | 0.7    | 0.6    | 0.6    | 0.5    | 0.5    | 0.5    | 0.5    |
| Survivors pensions  | -0.7      | 1.6    | 1.3    | 1.2    | 1.1    | 1.1    | 1.0    | 1.0    | 1.0    | 0.9    | 0.9    |
| Other pensions  | 0.2       | 1.7    | 1.9    | 2.1    | 2.2    | 2.1    | 2.0    | 1.9    | 1.9    | 1.9    | 1.9    |
| Non-earning-related pensions  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Private pensions, gross   | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| New pensions, gross   | -0.1      | 0.2    | 0.2    | 0.2    | 0.2    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    |
| Public pensions, net  | -3.9      | 10.7   | 10.1   | 10.0   | 9.4    | 8.5    | 7.7    | 7.3    | 7.1    | 6.9    | 6.8    |
| Public pensions, contributors   | -0.3      | 5.8    | 5.9    | 5.7    | 5.6    | 5.6    | 5.6    | 5.6    | 5.6    | 5.6    | 5.6    |
| Additional indicators   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, net/Public pensions, gross, %  | 0.0%      | 98.6%  | 98.6%  | 98.6%  | 98.6%  | 98.6%  | 98.6%  | 98.6%  | 98.6%  | 98.6%  | 98.6%  |
| Pensioners (Public, in 1000 persons)  | -5        | 1218   | 1241   | 1257   | 1266   | 1229   | 1205   | 1210   | 1216   | 1215   | 1213   |
| Pensioners aged 65+ (1000 persons)  | 228       | 812    | 902    | 962    | 1007   | 1013   | 1000   | 1011   | 1029   | 1036   | 1040   |
| Share of pensioners below age 65 as % of all pensioners   | -19.1%    | 33.4%  | 27.3%  | 23.5%  | 20.5%  | 17.6%  | 17.0%  | 16.5%  | 15.4%  | 14.7%  | 14.3%  |
| Benefit ratio (Public pensions)   | -13.2     | 30.8   | 29.9   | 28.6   | 26.3   | 24.3   | 22.4   | 20.7   | 19.3   | 18.4   | 17.6   |
| Gross replacement rate at retirement (Public pensions)  | -11.4     | 27.9   | 27.6   | 24.5   | 21.3   | 20.4   | 18.8   | 17.9   | 17.4   | 16.9   | 16.5   |
| Average accrual rates (new pensions, earnings-related)  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Average contributory period (new pensions, earnings-related)  | 3.8       | 35.3   | 35.8   | 36.2   | 36.7   | 37.6   | 38.2   | 38.5   | 38.8   | 38.9   | 39.1   |
| Contributors (Public pensions, in 1000 persons)   | -180.5    | 1462.9 | 1489.1 | 1488.6 | 1447.1 | 1435.0 | 1426.3 | 1390.3 | 1348.4 | 1307.4 | 1272.4 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -14.4     | 119.3  | 120.0  | 116.8  | 114.3  | 116.8  | 118.4  | 114.9  | 110.9  | 107.6  | 104.9  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| High life expectancy (+2 years)   | 0.5       | 0.0    | 0.0    | 0.1    | 0.2    | 0.2    | 0.3    | 0.4    | 0.4    | 0.4    | 0.5    |
| High labour productivity (+0.25 p.p.)   | -0.2      | 0.0    | 0.0    | 0.0    | -0.1   | -0.1   | -0.1   | -0.1   | -0.2   | -0.2   | -0.2   |
| Lower labour productivity (-0.25 p.p.)  | 0.2       | 0.0    | 0.0    | 0.0    | 0.1    | 0.1    | 0.1    | 0.1    | 0.2    | 0.2    | 0.2    |
| High employment rate (+2 p.p.)  | -0.2      | 0.0    | -0.2   | -0.3   | -0.3   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   |
| High emp. of older workers (+10 p.p.)   | -0.4      | 0.0    | -0.3   | -0.7   | -0.6   | -0.5   | -0.5   | -0.5   | -0.5   | -0.4   | -0.4   |
| Lower migration (-20%)  | 0.1       | 0.0    | 0.0    | 0.0    | 0.0    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    |
| TFP risk scenario   | 0.3       | 0.0    | 0.0    | 0.0    | 0.0    | 0.1    | 0.1    | 0.2    | 0.2    | 0.2    | 0.3    |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.8      | 0.0    | -0.1   | -0.2   | -0.2   | -0.3   | -0.3   | -0.4   | -0.6   | -0.7   | -0.8   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -3.9      | -0.8   | -0.7   | -1.3   | -2.2   | -3.0   | -3.4   | -3.7   | -3.8   | -3.9   | -3.9   |
| Dependency ratio  | 6.4       | 1.7    | 3.1    | 4.0    | 4.6    | 5.0    | 5.5    | 5.9    | 6.2    | 6.4    | 6.4    |
| Coverage ratio  | -3.3      | -1.0   | -1.6   | -2.1   | -2.6   | -3.0   | -3.1   | -3.2   | -3.3   | -3.3   | -3.3   |
| Of which: Old-age   | -0.9      | -0.1   | -0.2   | -0.3   | -0.5   | -0.8   | -0.9   | -0.9   | -0.9   | -0.9   | -0.9   |
| Early-age   | -5.1      | -1.4   | -2.3   | -3.3   | -4.9   | -5.3   | -5.1   | -5.2   | -5.1   | -5.1   | -5.1   |
| Cohort effect   | -5.8      | -1.5   | -2.8   | -3.5   | -3.8   | -4.1   | -4.6   | -5.1   | -5.6   | -5.6   | -5.6   |
| Benefit ratio   | -5.0      | -0.5   | -1.0   | -1.8   | -2.5   | -3.2   | -3.8   | -4.3   | -4.7   | -5.0   | -5.0   |
| Labour market ratio   | -1.7      | -0.7   | -1.0   | -1.2   | -1.4   | -1.5   | -1.6   | -1.7   | -1.7   | -1.7   | -1.7   |
| Of which: Employment rate   | -1.4      | -0.6   | -0.8   | -1.0   | -1.2   | -1.3   | -1.3   | -1.3   | -1.3   | -1.4   | -1.4   |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.3      | -0.1   | -0.2   | -0.2   | -0.2   | -0.2   | -0.3   | -0.3   | -0.3   | -0.3   | -0.3   |
| Interaction effect (residual)   | -0.4      | -0.1   | -0.2   | -0.3   | -0.3   | -0.3   | -0.4   | -0.4   | -0.4   | -0.4   | -0.4   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |        |
| Public pensions, gross as % of GDP  | -3.9      | -0.5   | -0.2   | -0.6   | -0.9   | -0.8   | -0.4   | -0.2   | -0.2   | -0.1   |        |
| Dependency ratio  | 6.4       | 1.3    | 1.3    | 1.0    | 0.6    | 0.4    | 0.5    | 0.5    | 0.3    | 0.2    |        |
| Coverage ratio  | -3.3      | -0.7   | -0.6   | -0.5   | -0.6   | -0.3   | -0.1   | -0.1   | -0.1   | 0.0    |        |
| Of which: Old-age   | -0.9      | 0.0    | -0.1   | -0.1   | -0.3   | -0.3   | -0.1   | 0.0    | 0.0    | 0.0    |        |
| Early-age   | -5.1      | -1.1   | -0.8   | -1.0   | -1.6   | -0.4   | 0.1    | -0.1   | 0.1    | 0.0    |        |
| Cohort effect   | -5.8      | -1.2   | -1.3   | -0.7   | -0.3   | -0.3   | -0.5   | -0.5   | -0.5   | -0.2   |        |
| Benefit ratio   | -5.0      | -0.3   | -0.5   | -0.8   | -0.7   | -0.7   | -0.6   | -0.5   | -0.4   | -0.3   |        |
| Labour market ratio   | -1.7      | -0.6   | -0.3   | -0.2   | -0.2   | -0.2   | -0.1   | -0.1   | 0.0    | 0.0    |        |
| Of which: Employment rate   | -1.4      | -0.6   | -0.2   | -0.2   | -0.2   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    |        |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |        |
| Career shift  | -0.3      | -0.1   | -0.1   | 0.0    | 0.0    | 0.0    | -0.1   | 0.0    | 0.0    | 0.0    |        |
| Interaction effect (residual)   | -0.4      | -0.1   | -0.1   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |        |
| Health care   |           |        |        |        |        |        |        |        |        |        |        |
| Health care spending as % of GDP  | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| AWG reference scenario  | 1.7       | 5.7    | 6.8    | 6.9    | 7.1    | 7.2    | 7.3    | 7.4    | 7.4    | 7.5    | 7.5    |
| Demographic scenario  | 2.0       | 5.7    | 6.8    | 7.0    | 7.2    | 7.3    | 7.4    | 7.5    | 7.8    | 7.6    | 7.7    |
| High Life Expectancy scenario   | 2.3       | 5.7    | 6.8    | 7.0    | 7.2    | 7.4    | 7.6    | 7.7    | 7.8    | 7.9    | 8.0    |
| Constant health scenario  | 1.0       | 5.7    | 6.6    | 6.7    | 6.7    | 6.8    | 6.8    | 6.8    | 6.8    | 6.7    | 6.7    |
| Death-related cost scenario   | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Income elasticity scenario  | 2.3       | 5.7    | 6.9    | 7.1    | 7.3    | 7.5    | 7.7    | 7.8    | 7.9    | 8.0    | 8.0    |
| EU28 cost convergence scenario  | 2.9       | 5.7    | 6.9    | 7.2    | 7.4    | 7.7    | 7.9    | 8.1    | 8.3    | 8.5    | 8.6    |
| Labour intensity scenario   | 2.2       | 5.7    | 6.8    | 6.9    | 7.1    | 7.2    | 7.3    | 7.4    | 7.6    | 7.8    | 7.9    |
| Sector-specific composite indexation scenario   | 1.7       | 5.7    | 6.7    | 6.9    | 7.0    | 7.1    | 7.2    | 7.3    | 7.4    | 7.4    | 7.4    |
| Non-demographic determinants scenario   | 4.0       | 5.7    | 7.1    | 7.5    | 7.9    | 8.4    | 8.8    | 9.2    | 9.4    | 9.6    | 9.7    |
| AWG risk scenario   | 2.7       | 5.7    | 7.0    | 7.3    | 7.6    | 7.8    | 8.1    | 8.3    | 8.4    | 8.4    | 8.4    |
| TFP risk scenario   | 1.7       | 5.7    | 6.8    | 6.9    | 7.1    | 7.2    | 7.3    | 7.4    | 7.4    | 7.4    | 7.4    |

| Croatia  |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  |          |      |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.1      | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Demographic scenario   | 0.1      | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| High life expectancy scenario  | 0.1      | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Base case scenario   | 0.1      | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Constant disability scenario   | 0.0      | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  |
| Shift to formal care scenario  | 0.5      | 0.4  | 0.7  | 0.8  | 0.8  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 1.0  |
| Coverage convergence scenario  | 0.4      | 0.4  | 0.5  | 0.5  | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.8  | 0.8  |
| Cost convergence scenario  | 0.9      | 0.4  | 0.5  | 0.5  | 0.6  | 0.7  | 0.7  | 0.8  | 1.0  | 1.1  | 1.3  |
| Cost and coverage convergence scenario   | 1.3      | 0.4  | 0.5  | 0.6  | 0.6  | 0.7  | 0.9  | 1.0  | 1.2  | 1.4  | 1.7  |
| AWG risk scenario  | 1.1      | 0.4  | 0.5  | 0.5  | 0.6  | 0.7  | 0.8  | 0.9  | 1.1  | 1.3  | 1.6  |
| TFP risk scenario  | 0.1      | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Number of dependent people (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 7.9%     | 274  | 287  | 290  | 294  | 299  | 302  | 302  | 300  | 297  | 296  |
| of which: receiving institutional care   | 6.2%     | 16   | 16   | 16   | 17   | 17   | 17   | 17   | 17   | 17   | 17   |
| receiving home care  | 6.2%     | 17   | 18   | 18   | 18   | 18   | 19   | 19   | 18   | 18   | 18   |
| receiving cash benefits  | 6.2%     | 108  | 112  | 113  | 115  | 117  | 118  | 118  | 116  | 115  | 114  |
| Demographic scenario   | 18.8%    | 274  | 292  | 300  | 308  | 316  | 323  | 325  | 326  | 325  | 326  |
| of which: receiving institutional care   | 17.5%    | 16   | 17   | 17   | 17   | 18   | 18   | 18   | 18   | 18   | 18   |
| receiving home care  | 17.5%    | 17   | 18   | 19   | 19   | 20   | 20   | 20   | 20   | 20   | 20   |
| receiving cash benefits  | 17.5%    | 108  | 114  | 117  | 120  | 124  | 126  | 127  | 127  | 126  | 126  |
| Constant disability scenario   | -1.2%    | 274  | 282  | 281  | 281  | 284  | 286  | 284  | 280  | 275  | 271  |
| of which: receiving institutional care   | -3.1%    | 16   | 16   | 16   | 16   | 16   | 16   | 16   | 16   | 15   | 15   |
| receiving home care  | -3.1%    | 17   | 17   | 17   | 17   | 18   | 18   | 17   | 17   | 17   | 16   |
| receiving cash benefits  | -3.1%    | 108  | 110  | 110  | 110  | 111  | 111  | 110  | 108  | 106  | 104  |
| Shift 1% of dependents from informal to formal scenario  | 18.8%    | 274  | 292  | 300  | 308  | 316  | 323  | 325  | 326  | 325  | 326  |
| of which: receiving institutional care   | 117.4%   | 16   | 26   | 31   | 32   | 33   | 34   | 34   | 34   | 34   | 34   |
| receiving home care  | 117.4%   | 17   | 29   | 34   | 35   | 36   | 37   | 37   | 37   | 37   | 37   |
| receiving cash benefits  | 17.5%    | 108  | 114  | 117  | 120  | 124  | 126  | 127  | 127  | 126  | 126  |
| Coverage convergence scenario  | 18.8%    | 274  | 292  | 300  | 308  | 316  | 323  | 325  | 326  | 325  | 326  |
| of which: receiving institutional care   | 102.9%   | 16   | 17   | 18   | 20   | 21   | 23   | 25   | 27   | 29   | 32   |
| receiving home care  | 102.9%   | 17   | 19   | 20   | 22   | 23   | 25   | 27   | 30   | 32   | 34   |
| receiving cash benefits  | 17.5%    | 108  | 114  | 117  | 120  | 124  | 126  | 127  | 127  | 126  | 126  |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  |          |      |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | -0.4     | 3.7  | 3.5  | 3.5  | 3.4  | 3.4  | 3.2  | 3.2  | 3.3  | 3.3  | 3.4  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (9%) - Staff (73%) - Other (21%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | -0.1     | 1.8  | 1.8  | 1.8  | 1.8  | 1.7  | 1.7  | 1.7  | 1.7  | 1.8  | 1.8  |
| Expenditure decomposition (broadly constant) : Transfers (0%) - Capital (4%) - Staff (76%) - Other (21%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.0      | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Expenditure decomposition (broadly constant) : Transfers (-%) - Capital (-%) - Staff (-%) - Other (-%)                             |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | -0.2     | 1.0  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (0%) - Capital (6%) - Staff (77%) - Other (18%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | -0.1     | 0.9  | 0.9  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (5%) - Capital (10%) - Staff (62%) - Other (23%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -143     | 680  | 648  | 638  | 621  | 601  | 577  | 560  | 549  | 543  | 537  |
| as % of population 5-24  | 1%       | 74%  | 74%  | 76%  | 75%  | 75%  | 74%  | 74%  | 75%  | 75%  | 75%  |
| Primary  | -24      | 158  | 162  | 159  | 152  | 146  | 140  | 137  | 137  | 136  | 134  |
| Low secondary  | -31      | 178  | 176  | 172  | 170  | 162  | 155  | 150  | 148  | 148  | 147  |
| Upper secondary  | -48      | 183  | 154  | 162  | 156  | 154  | 147  | 141  | 137  | 135  | 135  |
| Tertiary education   | -40      | 162  | 156  | 145  | 143  | 140  | 136  | 132  | 127  | 124  | 122  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -13      | 62   | 59   | 58   | 56   | 55   | 53   | 51   | 50   | 49   | 49   |
| Primary  | -2       | 11   | 12   | 11   | 11   | 10   | 10   | 10   | 10   | 10   | 10   |
| Low secondary  | -3       | 17   | 17   | 17   | 16   | 16   | 15   | 15   | 14   | 14   | 14   |
| Upper secondary  | -5       | 18   | 15   | 16   | 16   | 15   | 15   | 14   | 14   | 13   | 13   |
| Tertiary education   | -4       | 15   | 15   | 14   | 13   | 13   | 13   | 12   | 12   | 12   | 12   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  |          |      |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.5      | 0.0  | 0.2  | 0.3  | 0.4  | 0.5  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  |          |      |      |      |      |      |      |      |      |      |      |
|  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.3     | 0.5  | 0.4  | 0.3  | 0.3  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  |
| <b>LEGENDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |      |      |      |      |

| Italy   |           |         |         |         |         |         |         |         |         |         |         |
|---|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| EC-EPC (AWG) 2015 projections   |           |         |         |         |         |         |         |         |         |         |         |
| Pension expenditure projections   |           |         |         |         |         |         |         |         |         |         |         |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross  | -1.9      | 15.7    | 15.3    | 15.5    | 15.7    | 15.8    | 15.8    | 15.5    | 14.8    | 14.2    | 13.8    |
| Earnings-related pensions, gross  | -2.0      | 15.5    | 15.1    | 15.2    | 15.4    | 15.5    | 15.5    | 15.1    | 14.5    | 13.9    | 13.4    |
| Of which: Old-age and early pensions  | -1.3      | 12.6    | 12.2    | 12.4    | 12.6    | 12.8    | 12.9    | 12.7    | 12.2    | 11.6    | 11.4    |
| Disability pensions   | 0.0       | 0.3     | 0.4     | 0.4     | 0.4     | 0.4     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     |
| Survivors pensions  | -0.7      | 2.5     | 2.5     | 2.4     | 2.4     | 2.3     | 2.2     | 2.1     | 2.0     | 1.9     | 1.8     |
| Other pensions  | :         | :       | :       | :       | :       | :       | :       | :       | :       | :       | :       |
| Non-earning-related pensions  | 0.1       | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.4     | 0.4     |
| Private pensions, gross   | :         | :       | :       | :       | :       | :       | :       | :       | :       | :       | :       |
| New pensions, gross   | 0.2       | 0.6     | 0.8     | 0.8     | 0.9     | 0.8     | 0.9     | 0.7     | 0.7     | 0.7     | 0.7     |
| Public pensions, net  | -1.6      | 12.9    | 12.5    | 12.7    | 12.8    | 12.9    | 12.9    | 12.7    | 12.1    | 11.6    | 11.3    |
| Public pensions, contributors   | 0.2       | 10.5    | 10.6    | 10.5    | 10.5    | 10.5    | 10.5    | 10.6    | 10.7    | 10.7    | 10.6    |
| Additional indicators   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, net/Public pensions, gross, %  | -0.2%     | 82.0%   | 81.8%   | 81.8%   | 81.8%   | 81.8%   | 81.8%   | 81.8%   | 81.8%   | 81.8%   | 81.8%   |
| Pensioners (Public, in 1000 persons)  | 1885      | 15440   | 15046   | 15356   | 16024   | 16925   | 17735   | 18078   | 18074   | 17748   | 17325   |
| Pensioners aged 65+ (1000 persons)  | 3932      | 12484   | 13054   | 13421   | 14255   | 15410   | 16485   | 16993   | 17074   | 16784   | 16415   |
| Share of pensioners below age 65 as % of all pensioners   | -13.9%    | 19.2%   | 13.2%   | 12.6%   | 11.0%   | 8.9%    | 7.0%    | 6.0%    | 5.5%    | 5.4%    | 5.3%    |
| Benefit ratio (Public pensions)   | -8.1      | 58.8    | 63.1    | 65.2    | 64.1    | 61.0    | 57.7    | 54.8    | 52.4    | 51.0    | 50.7    |
| Gross replacement rate at retirement (Old-age earnings-related pensions)                                    | -8.0      | 59.9    | 61.2    | 59.1    | 57.8    | 54.3    | 52.3    | 49.7    | 50.2    | 50.9    | 51.8    |
| Average accrual rates (new pensions, earnings-related)  | -0.2      | 1.9     | 1.8     | 1.7     | 1.7     | 1.7     | 1.7     | 1.7     | 1.7     | 1.7     | 1.7     |
| Average contributory period (new pensions, earnings-related)  | 4.5       | 32.9    | 35.5    | 34.8    | 35.4    | 35.0    | 35.4    | 35.1    | 35.5    | 36.2    | 37.3    |
| Contributors (Public pensions, in 1000 persons)   | 2568.2    | 23300.1 | 25102.6 | 26196.8 | 26554.4 | 26696.8 | 26382.2 | 26218.4 | 26087.8 | 26027.8 | 25877.3 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -1.6      | 151.0   | 166.8   | 170.6   | 165.7   | 157.1   | 148.8   | 145.0   | 144.3   | 146.7   | 149.4   |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| High life expectancy (+2 years)   | 0.4       | 0.0     | 0.0     | 0.0     | -0.1    | -0.1    | -0.1    | 0.2     | 0.2     | 0.2     | 0.4     |
| High labour productivity (+0.25 p.p.)   | -0.5      | 0.0     | -0.1    | -0.2    | -0.3    | -0.4    | -0.5    | -0.5    | -0.5    | -0.5    | -0.5    |
| Lower labour productivity (-0.25 p.p.)  | 0.5       | 0.0     | 0.1     | 0.2     | 0.3     | 0.4     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     |
| High employment rate (+2 p.p.)  | -0.1      | 0.0     | -0.2    | -0.4    | -0.3    | -0.3    | -0.3    | -0.2    | -0.2    | -0.2    | -0.1    |
| High emp. of older workers (+10 p.p.)   | 0.1       | 0.0     | -0.6    | -1.8    | -1.4    | -1.0    | -0.6    | -0.3    | 0.0     | 0.1     | 0.1     |
| Lower migration (-20%)  | 0.4       | 0.0     | 0.1     | 0.2     | 0.3     | 0.4     | 0.5     | 0.5     | 0.5     | 0.5     | 0.4     |
| TFP risk scenario   | 0.7       | 0.0     | 0.0     | 0.1     | 0.2     | 0.4     | 0.6     | 0.7     | 0.8     | 0.8     | 0.7     |
| Policy scenario linking retirement age to increase in life expectancy                                       | :         | :       | :       | :       | :       | :       | :       | :       | :       | :       | :       |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -1.9      | -0.4    | -0.2    | 0.0     | 0.1     | 0.1     | -0.3    | -0.9    | -1.5    | -1.9    | -1.9    |
| Dependency ratio  | 8.0       | 1.2     | 2.2     | 3.8     | 5.6     | 7.1     | 7.8     | 8.0     | 8.0     | 8.0     | 8.0     |
| Coverage ratio  | -5.0      | -1.7    | -2.4    | -3.1    | -3.7    | -4.1    | -4.4    | -4.5    | -4.7    | -5.0    | -5.0    |
| Of which: Old-age   | -2.5      | -0.6    | -1.2    | -1.7    | -1.9    | -2.0    | -2.1    | -2.1    | -2.3    | -2.5    | -2.5    |
| Early-age   | -17.4     | -7.2    | -8.5    | -9.5    | -10.8   | -12.7   | -14.5   | -15.7   | -16.4   | -17.4   | -17.4   |
| Cohort effect   | -6.0      | 0.7     | 0.5     | -1.1    | -3.4    | -5.4    | -6.3    | -6.4    | -6.2    | -6.0    | -6.0    |
| Benefit ratio   | -2.1      | 1.2     | 1.7     | 1.4     | 0.7     | -0.2    | -1.0    | -1.7    | -2.1    | -2.1    | -2.1    |
| Labour market ratio   | -2.3      | -0.9    | -1.5    | -1.9    | -2.1    | -2.2    | -2.2    | -2.2    | -2.2    | -2.3    | -2.3    |
| Of which: Employment rate   | -1.4      | -0.8    | -1.2    | -1.2    | -1.3    | -1.4    | -1.4    | -1.4    | -1.4    | -1.4    | -1.4    |
| Labour intensity  | 0.1       | 0.0     | 0.0     | 0.0     | 0.0     | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     |
| Career shift  | -1.0      | -0.2    | -0.4    | -0.7    | -0.8    | -0.9    | -0.8    | -0.8    | -0.9    | -1.0    | -1.0    |
| Interaction effect (residual)   | -0.5      | -0.1    | -0.2    | -0.3    | -0.4    | -0.5    | -0.6    | -0.6    | -0.6    | -0.5    | -0.5    |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| Public pensions, gross as % of GDP  | -1.9      | -0.3    | 0.2     | 0.2     | 0.1     | 0.0     | -0.3    | -0.6    | -0.6    | -0.6    | -0.4    |
| Dependency ratio  | 8.0       | 0.8     | 1.0     | 1.6     | 1.8     | 1.5     | 0.7     | 0.2     | 0.0     | 0.0     | 0.0     |
| Coverage ratio  | -5.0      | -1.0    | -0.7    | -0.7    | -0.6    | -0.4    | -0.3    | -0.1    | -0.2    | -0.2    | -0.3    |
| Of which: Old-age   | -2.5      | -0.6    | -0.6    | -0.5    | -0.2    | -0.1    | -0.1    | 0.0     | -0.2    | -0.2    | -0.2    |
| Early-age   | -17.4     | -3.9    | -1.3    | -1.0    | -1.3    | -1.9    | -1.8    | -1.3    | -0.7    | -0.9    | -0.9    |
| Cohort effect   | -6.0      | 0.6     | -0.1    | -1.6    | -2.3    | -2.1    | -0.9    | -0.1    | 0.2     | 0.2     | 0.2     |
| Benefit ratio   | -2.1      | 0.9     | 0.6     | -0.3    | -0.8    | -0.9    | -0.8    | -0.7    | -0.4    | -0.1    | -0.1    |
| Labour market ratio   | -2.3      | -0.8    | -0.6    | -0.3    | -0.2    | -0.2    | 0.0     | 0.0     | -0.1    | -0.1    | -0.1    |
| Of which: Employment rate   | -1.4      | -0.7    | -0.3    | -0.1    | -0.1    | -0.1    | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Labour intensity  | 0.1       | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Career shift  | -1.0      | -0.2    | -0.3    | -0.2    | -0.1    | -0.1    | 0.1     | 0.0     | -0.1    | -0.1    | -0.1    |
| Interaction effect (residual)   | -0.5      | -0.1    | -0.1    | -0.1    | -0.1    | -0.1    | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Health care   |           |         |         |         |         |         |         |         |         |         |         |
| Health care spending as % of GDP  | Ch 13-60  | 2013    | 2020    | 2025    | 2030    | 2035    | 2040    | 2045    | 2050    | 2055    | 2060    |
| AWG reference scenario  | 0.7       | 6.1     | 6.2     | 6.3     | 6.4     | 6.5     | 6.6     | 6.7     | 6.8     | 6.8     | 6.7     |
| Demographic scenario  | 0.8       | 6.1     | 6.2     | 6.3     | 6.5     | 6.6     | 6.7     | 6.8     | 6.9     | 6.9     | 6.9     |
| High Life expectancy scenario   | 1.1       | 6.1     | 6.2     | 6.3     | 6.5     | 6.7     | 6.8     | 7.0     | 7.1     | 7.1     | 7.2     |
| Constant health scenario  | 0.2       | 6.1     | 6.1     | 6.1     | 6.2     | 6.3     | 6.4     | 6.4     | 6.4     | 6.4     | 6.3     |
| Death-related cost scenario   | 0.7       | 6.1     | 6.1     | 6.3     | 6.4     | 6.5     | 6.6     | 6.7     | 6.7     | 6.7     | 6.7     |
| Income elasticity scenario  | 1.0       | 6.1     | 6.2     | 6.4     | 6.5     | 6.7     | 6.8     | 7.0     | 7.0     | 7.0     | 7.0     |
| EU28 cost convergence scenario  | 1.2       | 6.1     | 6.2     | 6.4     | 6.5     | 6.7     | 6.9     | 7.0     | 7.1     | 7.2     | 7.2     |
| Labour intensity scenario   | 1.0       | 6.1     | 6.1     | 6.1     | 6.3     | 6.6     | 6.8     | 7.1     | 7.2     | 7.2     | 7.1     |
| Sector-specific composite indexation scenario   | 0.1       | 6.1     | 6.0     | 6.0     | 6.1     | 6.1     | 6.2     | 6.2     | 6.2     | 6.2     | 6.2     |
| Non-demographic determinants scenario   | 1.9       | 6.1     | 6.3     | 6.5     | 6.8     | 7.1     | 7.4     | 7.6     | 7.8     | 7.9     | 8.0     |
| AWG risk scenario   | 1.2       | 6.1     | 6.2     | 6.4     | 6.6     | 6.8     | 7.0     | 7.1     | 7.2     | 7.3     | 7.2     |
| TFP risk scenario   | 0.6       | 6.1     | 6.2     | 6.3     | 6.4     | 6.5     | 6.6     | 6.7     | 6.7     | 6.7     | 6.7     |

| Italy  |          |      |      |      |      |      |      |       |       |       |       |
|--|----------|------|------|------|------|------|------|-------|-------|-------|-------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |       |       |       |       |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |       |       |       |       |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario   | 0.9      | 1.8  | 1.9  | 1.9  | 2.0  | 2.1  | 2.2  | 2.4   | 2.5   | 2.5   | 2.7   |
| Demographic scenario   | 1.0      | 1.8  | 1.9  | 2.0  | 2.1  | 2.1  | 2.3  | 2.4   | 2.6   | 2.7   | 2.8   |
| High Life expectancy scenario  | 1.2      | 1.8  | 1.9  | 2.0  | 2.1  | 2.2  | 2.4  | 2.5   | 2.7   | 2.9   | 3.0   |
| Base case scenario   | 1.0      | 1.8  | 1.9  | 1.9  | 2.0  | 2.1  | 2.3  | 2.5   | 2.6   | 2.8   | 2.8   |
| Constant disability scenario   | 0.8      | 1.8  | 1.9  | 1.9  | 1.9  | 2.0  | 2.1  | 2.3   | 2.4   | 2.5   | 2.5   |
| Shift to formal care scenario  | 1.6      | 1.8  | 2.2  | 2.4  | 2.5  | 2.6  | 2.8  | 3.0   | 3.2   | 3.4   | 3.4   |
| Coverage convergence scenario  | 1.3      | 1.8  | 1.9  | 2.0  | 2.1  | 2.2  | 2.4  | 2.5   | 2.8   | 3.0   | 3.1   |
| Cost convergence scenario  | 1.1      | 1.8  | 1.9  | 1.9  | 2.0  | 2.1  | 2.3  | 2.5   | 2.6   | 2.8   | 2.8   |
| Cost and coverage convergence scenario   | 1.3      | 1.8  | 1.9  | 2.0  | 2.1  | 2.2  | 2.4  | 2.5   | 2.8   | 3.0   | 3.1   |
| AWG risk scenario  | 1.1      | 1.8  | 1.9  | 2.0  | 2.0  | 2.2  | 2.3  | 2.5   | 2.7   | 2.8   | 2.9   |
| TFP risk scenario  | 0.9      | 1.8  | 1.9  | 1.9  | 2.0  | 2.1  | 2.2  | 2.4   | 2.5   | 2.5   | 2.7   |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario   | 41.0%    | 4666 | 4894 | 5117 | 5366 | 5624 | 5897 | 6165  | 6379  | 6476  | 6437  |
| of which: receiving institutional care   | 71.5%    | 294  | 319  | 336  | 354  | 379  | 404  | 436   | 471   | 497   | 504   |
| receiving home care  | 67.0%    | 754  | 822  | 868  | 916  | 978  | 1043 | 1120  | 1197  | 1248  | 1258  |
| receiving cash benefits  | 75.0%    | 1823 | 2002 | 2121 | 2237 | 2402 | 2567 | 2770  | 2990  | 3146  | 3189  |
| Demographic scenario   | 50.8%    | 4666 | 4956 | 5226 | 5517 | 5840 | 6169 | 6494  | 6757  | 6890  | 6886  |
| of which: receiving institutional care   | 80.4%    | 294  | 323  | 342  | 362  | 391  | 419  | 455   | 493   | 521   | 530   |
| receiving home care  | 75.9%    | 754  | 831  | 883  | 938  | 1008 | 1082 | 1168  | 1264  | 1310  | 1326  |
| receiving cash benefits  | 83.8%    | 1823 | 2021 | 2155 | 2288 | 2473 | 2657 | 2883  | 3123  | 3293  | 3350  |
| Constant disability scenario   | 31.3%    | 4666 | 4833 | 5000 | 5199 | 5410 | 5627 | 5839  | 6004  | 6065  | 5993  |
| of which: receiving institutional care   | 62.7%    | 294  | 316  | 330  | 345  | 368  | 390  | 418   | 450   | 473   | 478   |
| receiving home care  | 58.1%    | 754  | 814  | 854  | 894  | 948  | 1005 | 1072  | 1141  | 1186  | 1192  |
| receiving cash benefits  | 66.3%    | 1823 | 1982 | 2086 | 2187 | 2332 | 2477 | 2658  | 2857  | 2998  | 3031  |
| Shift 1% of dependents from informal to formal scenario  | 50.8%    | 4666 | 4956 | 5226 | 5517 | 5840 | 6169 | 6494  | 6757  | 6890  | 6886  |
| of which: receiving institutional care   | 146.1%   | 294  | 418  | 485  | 513  | 550  | 588  | 633   | 681   | 714   | 723   |
| receiving home care  | 141.7%   | 754  | 1082 | 1263 | 1339 | 1433 | 1530 | 1639  | 1742  | 1806  | 1821  |
| receiving cash benefits  | 83.8%    | 1823 | 2021 | 2155 | 2288 | 2473 | 2657 | 2883  | 3123  | 3293  | 3350  |
| Coverage convergence scenario  | 50.8%    | 4666 | 4956 | 5226 | 5517 | 5840 | 6169 | 6494  | 6757  | 6890  | 6886  |
| of which: receiving institutional care   | 109.8%   | 294  | 329  | 354  | 382  | 417  | 456  | 501   | 550   | 592   | 616   |
| receiving home care  | 106.1%   | 754  | 850  | 919  | 994  | 1085 | 1185 | 1297  | 1410  | 1501  | 1553  |
| receiving cash benefits  | 83.8%    | 1823 | 2021 | 2155 | 2288 | 2473 | 2657 | 2883  | 3123  | 3293  | 3350  |
| <b>Education</b>   |          |      |      |      |      |      |      |       |       |       |       |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045  | 2050  | 2055  | 2060  |
| Total  | -0.2     | 3.7  | 3.5  | 3.4  | 3.3  | 3.3  | 3.4  | 3.5   | 3.6   | 3.6   | 3.5   |
| Expenditure decomposition (broadly constant) : Transfers (7%) - Capital (4%) - Staff (63%) - Other (26%)                           |          |      |      |      |      |      |      |       |       |       |       |
| Primary  | -0.1     | 1.0  | 1.0  | 0.9  | 0.9  | 0.9  | 0.9  | 1.0   | 1.0   | 1.0   | 1.0   |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (3%) - Staff (77%) - Other (18%)                           |          |      |      |      |      |      |      |       |       |       |       |
| Low secondary  | 0.0      | 0.7  | 0.7  | 0.6  | 0.6  | 0.6  | 0.6  | 0.7   | 0.7   | 0.7   | 0.7   |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (3%) - Staff (77%) - Other (18%)                           |          |      |      |      |      |      |      |       |       |       |       |
| Upper secondary  | 0.0      | 1.2  | 1.1  | 1.1  | 1.1  | 1.1  | 1.1  | 1.1   | 1.1   | 1.1   | 1.1   |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (4%) - Staff (73%) - Other (14%)                           |          |      |      |      |      |      |      |       |       |       |       |
| Tertiary education   | -0.1     | 0.8  | 0.8  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8   | 0.8   | 0.8   | 0.8   |
| Expenditure decomposition (broadly constant) : Transfers (22%) - Capital (7%) - Staff (49%) - Other (22%)                          |          |      |      |      |      |      |      |       |       |       |       |
| Number of students (in thousands)  |          |      |      |      |      |      |      |       |       |       |       |
| Total  | 735      | 9431 | 9773 | 9841 | 9830 | 9865 | 9988 | 10147 | 10250 | 10251 | 10166 |
| as % of population 5-24  | 0%       | 81%  | 81%  | 81%  | 80%  | 81%  | 81%  | 81%   | 81%   | 81%   | 81%   |
| Primary  | 152      | 2914 | 2978 | 2914 | 2914 | 2978 | 3063 | 3139  | 3161  | 3121  | 3066  |
| Low secondary  | 162      | 1852 | 1974 | 1941 | 1911 | 1921 | 1961 | 2008  | 2044  | 2045  | 2014  |
| Upper secondary  | 321      | 2777 | 2920 | 3035 | 2988 | 2946 | 2965 | 3015  | 3069  | 3107  | 3097  |
| Tertiary education   | 101      | 1888 | 1901 | 1951 | 2018 | 2020 | 1999 | 1985  | 1975  | 1978  | 1989  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |       |       |       |       |
| Total  | 55       | 699  | 726  | 729  | 727  | 730  | 741  | 753   | 762   | 761   | 754   |
| Primary  | 12       | 232  | 237  | 232  | 232  | 237  | 244  | 250   | 252   | 249   | 244   |
| Low secondary  | 13       | 154  | 165  | 162  | 159  | 160  | 163  | 167   | 170   | 170   | 168   |
| Upper secondary  | 23       | 203  | 214  | 222  | 219  | 216  | 217  | 221   | 225   | 228   | 227   |
| Tertiary education   | 6        | 109  | 110  | 113  | 117  | 117  | 116  | 115   | 114   | 115   | 115   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045  | 2050  | 2055  | 2060  |
| Total  | 0.8      | 0.1  | 0.2  | 0.4  | 0.5  | 0.7  | 0.8  | 0.8   | 0.8   | 0.8   | 0.8   |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |       |       |       |       |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045  | 2050  | 2055  | 2060  |
| Unemployment benefit spending as % of GDP  | -0.3     | 0.9  | 0.9  | 0.7  | 0.7  | 0.6  | 0.6  | 0.6   | 0.6   | 0.6   | 0.6   |
| <b>LEBDA</b>   |          |      |      |      |      |      |      |       |       |       |       |
| The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations   |          |      |      |      |      |      |      |       |       |       |       |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |       |       |       |       |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |       |       |       |       |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |       |       |       |       |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |       |       |       |       |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |       |       |       |       |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |       |       |       |       |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |       |       |       |       |
| NB: := data not provided   |          |      |      |      |      |      |      |       |       |       |       |
| Source : Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |       |       |       |       |

# 13. CYPRUS

| Cyprus   |                            | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.2                           | 1.40 | 1.44 | 1.47 | 1.50 | 1.52 | 1.54 | 1.56 | 1.58 | 1.60 | 1.62 |
| Life expectancy at birth   |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 6.1                           | 79.1 | 80.1 | 80.9 | 81.5 | 82.2 | 82.8 | 83.5 | 84.1 | 84.6 | 85.2 |
|  | females                    | 5.6                           | 83.3 | 84.3 | 84.9 | 85.5 | 86.1 | 86.7 | 87.3 | 87.8 | 88.4 | 88.9 |
| Life expectancy at 65  |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 4.2                           | 18.3 | 18.9 | 19.4 | 19.9 | 20.3 | 20.8 | 21.2 | 21.7 | 22.1 | 22.5 |
|  | females                    | 4.4                           | 20.8 | 21.4 | 21.9 | 22.4 | 22.9 | 23.4 | 23.8 | 24.3 | 24.7 | 25.2 |
| Net migration (thous and)  |                            | 8.5                           | -0.6 | -0.6 | 1.1  | 2.8  | 4.5  | 6.0  | 7.5  | 8.8  | 8.4  | 7.9  |
| Net migration as % of population                                     |                            | 0.8                           | -0.1 | -0.1 | 0.1  | 0.3  | 0.5  | 0.6  | 0.7  | 0.8  | 0.8  | 0.7  |
| Population (million)   |                            | 0.3                           | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 1.0  | 1.0  | 1.0  | 1.1  | 1.1  |
| Children population (0-14) as % of total population                  |                            | -0.9                          | 16.3 | 16.6 | 16.3 | 15.4 | 14.4 | 13.9 | 14.2 | 14.8 | 15.3 | 15.4 |
| Prime age population (25-54) as % of total population                |                            | -7.1                          | 44.3 | 43.9 | 42.5 | 40.8 | 39.5 | 37.9 | 36.9 | 36.4 | 36.7 | 37.1 |
| Working age population (15-64) as % of total population              |                            | -12.5                         | 70.2 | 67.0 | 65.2 | 64.0 | 63.7 | 63.0 | 61.7 | 59.7 | 58.2 | 57.7 |
| Elderly population (65 and over) as % of total population            |                            | 13.4                          | 13.4 | 16.3 | 18.5 | 20.5 | 21.9 | 23.1 | 24.1 | 25.5 | 26.4 | 26.8 |
| Very elderly population (80 and over) as % of total population       |                            | 6.5                           | 3.0  | 3.8  | 4.5  | 5.6  | 6.5  | 7.4  | 8.1  | 8.5  | 8.9  | 9.5  |
| Very elderly population (80 and over) as % of elderly population     |                            | 13.1                          | 22.2 | 23.2 | 24.1 | 27.2 | 29.6 | 32.1 | 33.7 | 33.3 | 33.6 | 35.3 |
| Very elderly population (80 and over) as % of working age population |                            | 12.2                          | 4.2  | 5.6  | 6.8  | 8.7  | 10.2 | 11.8 | 13.2 | 14.2 | 15.2 | 16.4 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.9                           | -2.0 | 2.8  | 1.5  | 1.9  | 2.8  | 2.5  | 2.4  | 2.2  | 2.0  | 2.1  |
| Employment (growth rate)   |                            | 0.5                           | -2.6 | 2.0  | 0.5  | 0.7  | 0.9  | 0.6  | 0.5  | 0.4  | 0.4  | 0.5  |
| Labour input: hours worked (growth rate)                             |                            | 0.5                           | -2.4 | 2.0  | 0.5  | 0.7  | 0.9  | 0.6  | 0.5  | 0.4  | 0.4  | 0.5  |
| Labour productivity per hour (growth rate)                           |                            | 1.4                           | 0.5  | 0.8  | 0.9  | 1.3  | 1.9  | 1.9  | 1.9  | 1.8  | 1.7  | 1.5  |
| TFP (growth rate)  |                            | 0.8                           | -0.3 | 0.1  | 0.3  | 0.8  | 1.2  | 1.2  | 1.2  | 1.2  | 1.1  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.6                           | 0.8  | 0.7  | 0.6  | 0.4  | 0.7  | 0.7  | 0.7  | 0.6  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 1.3                           | -2.4 | 2.5  | 1.1  | 1.6  | 2.3  | 1.9  | 1.6  | 1.3  | 1.2  | 1.4  |
| Potential GDP per worker (growth rate)                               |                            | 1.4                           | 0.6  | 0.8  | 0.9  | 1.3  | 1.9  | 1.9  | 1.9  | 1.8  | 1.6  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (in thousands)                        |                            | 39                            | 609  | 598  | 592  | 591  | 600  | 609  | 616  | 621  | 631  | 648  |
| Population growth (working age:15-64)                                |                            | 0.7                           | 0.0  | -0.3 | -0.1 | 0.2  | 0.3  | 0.4  | 0.1  | 0.2  | 0.4  | 0.7  |
| Population (20-64) (in thousands)                                    |                            | 38                            | 552  | 553  | 543  | 539  | 546  | 557  | 567  | 572  | 578  | 590  |
| Population growth (20-64)  |                            | 0.0                           | 0.6  | -0.3 | -0.4 | 0.1  | 0.4  | 0.5  | 0.2  | 0.2  | 0.3  | 0.6  |
| Labour force 15-64 (thous and)                                       |                            | 65                            | 444  | 464  | 460  | 459  | 464  | 474  | 483  | 489  | 497  | 509  |
| Labour force 20-64 (thous and)                                       |                            | 66                            | 438  | 459  | 455  | 453  | 458  | 468  | 478  | 484  | 491  | 503  |
| Participation rate (20-64)   |                            | 6.0                           | 79.2 | 83.0 | 83.8 | 84.0 | 84.0 | 84.1 | 84.2 | 84.6 | 84.9 | 85.2 |
| Participation rate (15-64)   |                            | 5.7                           | 72.9 | 77.6 | 77.7 | 77.7 | 77.5 | 77.9 | 78.4 | 78.8 | 78.7 | 78.6 |
|  | young (15-24)              | -1.2                          | 40.6 | 41.6 | 38.3 | 38.8 | 39.5 | 41.0 | 41.6 | 41.1 | 39.9 | 39.3 |
|  | prime-age (25-54)          | 2.0                           | 87.7 | 89.2 | 89.3 | 89.5 | 89.5 | 89.5 | 89.6 | 89.8 | 89.8 | 89.7 |
|  | older (55-64)              | 21.4                          | 57.0 | 68.2 | 71.6 | 73.7 | 74.7 | 76.4 | 76.8 | 77.2 | 77.4 | 78.4 |
| Participation rate (20-64) - FEMALES                                 |                            | 8.0                           | 72.7 | 77.3 | 78.4 | 78.8 | 78.8 | 79.1 | 79.3 | 79.9 | 80.3 | 80.7 |
| Participation rate (15-64) - FEMALES                                 |                            | 7.1                           | 66.9 | 72.3 | 72.8 | 72.9 | 72.7 | 73.1 | 73.7 | 74.1 | 74.1 | 74.1 |
|  | young (15-24)              | -2.0                          | 37.3 | 37.4 | 34.1 | 34.4 | 35.2 | 36.7 | 37.4 | 36.9 | 35.8 | 35.3 |
|  | prime-age (25-54)          | 3.5                           | 82.0 | 84.5 | 84.7 | 85.1 | 85.2 | 85.3 | 85.4 | 85.6 | 85.6 | 85.5 |
|  | older (55-64)              | 30.1                          | 42.8 | 57.8 | 63.6 | 66.7 | 68.0 | 70.0 | 70.8 | 71.5 | 71.8 | 73.0 |
| Participation rate (20-64) - MALES                                   |                            | 3.4                           | 86.3 | 89.1 | 89.5 | 89.5 | 89.3 | 89.1 | 89.0 | 89.1 | 89.4 | 89.7 |
| Participation rate (15-64) - MALES                                   |                            | 3.8                           | 79.3 | 83.2 | 82.9 | 82.7 | 82.4 | 82.7 | 83.1 | 83.3 | 83.2 | 83.0 |
|  | young (15-24)              | -0.3                          | 43.7 | 45.7 | 42.4 | 43.1 | 43.7 | 45.3 | 45.9 | 45.3 | 44.0 | 43.4 |
|  | prime-age (25-54)          | -0.2                          | 94.0 | 94.2 | 94.1 | 94.0 | 93.8 | 93.6 | 93.7 | 93.8 | 93.9 | 93.9 |
|  | older (55-64)              | 12.1                          | 71.5 | 79.3 | 80.8 | 82.2 | 82.7 | 83.5 | 83.0 | 82.8 | 82.8 | 83.6 |
| Average effective exit age (TOTAL) (1)                               |                            | 3.7                           | 63.9 | 66.0 | 66.1 | 66.3 | 66.5 | 66.7 | 66.9 | 67.1 | 67.3 | 67.5 |
|  | Men                        | 2.7                           | 64.9 | 66.4 | 66.5 | 66.7 | 66.9 | 67.0 | 67.2 | 67.3 | 67.5 | 67.7 |
|  | Women                      | 4.5                           | 62.8 | 65.6 | 65.7 | 65.9 | 66.1 | 66.4 | 66.6 | 66.9 | 67.1 | 67.4 |
| Employment rate (15-64)  |                            | 13.2                          | 60.6 | 64.7 | 68.2 | 69.9 | 71.4 | 73.2 | 73.6 | 74.0 | 73.9 | 73.8 |
| Employment rate (20-64)  |                            | 13.9                          | 66.3 | 69.6 | 73.8 | 75.8 | 77.6 | 79.1 | 79.2 | 79.6 | 79.9 | 80.2 |
| Employment rate (15-74)  |                            | 10.5                          | 55.6 | 58.5 | 61.7 | 62.8 | 64.3 | 66.0 | 66.3 | 66.3 | 65.9 | 66.1 |
| Unemployment rate (15-64)  |                            | -10.8                         | 16.9 | 16.6 | 12.3 | 10.1 | 7.8  | 6.1  | 6.1  | 6.1  | 6.1  | 6.1  |
| Unemployment rate (20-64)  |                            | -10.4                         | 16.3 | 16.2 | 11.9 | 9.7  | 7.6  | 5.9  | 5.9  | 5.9  | 5.9  | 5.9  |
| Unemployment rate (15-74)  |                            | -10.9                         | 16.7 | 16.4 | 12.0 | 9.8  | 7.6  | 5.9  | 5.9  | 5.8  | 5.8  | 5.8  |
| Employment (20-64) (in millions)                                     |                            | 0.1                           | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  |
| Employment (15-64) (in millions)                                     |                            | 0.1                           | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  |
|  | share of young (15-24)     | 0%                            | 8%   | 6%   | 6%   | 7%   | 8%   | 9%   | 8%   | 8%   | 8%   | 8%   |
|  | share of prime-age (25-54) | -4%                           | 79%  | 77%  | 76%  | 74%  | 72%  | 70%  | 69%  | 70%  | 73%  | 74%  |
|  | share of older (55-64)     | 5%                            | 13%  | 17%  | 18%  | 18%  | 20%  | 22%  | 23%  | 22%  | 20%  | 18%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | 1.4                           | 16.0 | 18.1 | 18.5 | 18.9 | 19.9 | 21.7 | 22.9 | 22.1 | 19.7 | 17.5 |
| Old-age dependency ratio 15-64(3)                                    |                            | 27                            | 19   | 24   | 28   | 32   | 34   | 37   | 39   | 43   | 45   | 47   |
| Old-age dependency ratio 20-64(3)                                    |                            | 30                            | 21   | 26   | 31   | 35   | 38   | 40   | 42   | 46   | 50   | 51   |
| Total dependency ratio (4)   |                            | 31                            | 42   | 49   | 53   | 58   | 57   | 59   | 62   | 67   | 72   | 73   |
| Total economic dependency ratio (5)                                  |                            | -13                           | 130  | 124  | 115  | 113  | 108  | 105  | 106  | 110  | 115  | 118  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 26                            | 29   | 34   | 37   | 41   | 43   | 44   | 46   | 50   | 53   | 55   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 22                            | 29   | 33   | 35   | 39   | 40   | 42   | 43   | 46   | 49   | 51   |

| Cyprus  |           |       |       |       |       |       |       |       |       |       |       |
|---|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| EC-EPC (AWG) 2015 projections   |           |       |       |       |       |       |       |       |       |       |       |
| Pension expenditure projections   |           |       |       |       |       |       |       |       |       |       |       |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross  | -0.1      | 9.5   | 9.0   | 9.3   | 9.7   | 9.6   | 9.4   | 9.3   | 9.2   | 9.4   | 9.3   |
| Earnings-related pensions, gross  | -0.1      | 9.2   | 8.7   | 9.0   | 9.4   | 9.3   | 9.1   | 9.0   | 8.9   | 9.2   | 9.1   |
| Of which: Old-age and early pensions  | -0.3      | 7.7   | 6.8   | 6.9   | 7.2   | 7.2   | 7.0   | 7.1   | 7.1   | 7.4   | 7.4   |
| Disability pensions   | 0.1       | 0.3   | 0.3   | 0.4   | 0.4   | 0.4   | 0.4   | 0.4   | 0.4   | 0.4   | 0.4   |
| Survivors pensions  | 0.1       | 1.2   | 1.6   | 1.7   | 1.8   | 1.7   | 1.6   | 1.5   | 1.5   | 1.4   | 1.4   |
| Other pensions  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Non-earning-related pensions  | 0.0       | 0.2   | 0.3   | 0.3   | 0.3   | 0.3   | 0.3   | 0.3   | 0.3   | 0.2   | 0.2   |
| Private pensions, gross   | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| New pensions, gross   | :         | :     | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.4   |
| Public pensions, net  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Public pensions, contributors   | 2.5       | 6.4   | 7.6   | 8.0   | 8.3   | 8.7   | 9.1   | 9.1   | 9.0   | 9.0   | 8.9   |
| Additional indicators   | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, net/Public pensions, gross, %  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Pensioners (Public, in 1000 pers on)  | 148       | 142   | 164   | 184   | 205   | 226   | 242   | 259   | 270   | 288   | 290   |
| Pensioners aged 65+ (1000 pers on)  | 149       | 122   | 146   | 166   | 188   | 208   | 223   | 240   | 251   | 270   | 271   |
| Share of pensioners below age 65 as % of all pensioners   | -7.7%     | 14.4% | 10.7% | 9.7%  | 8.4%  | 8.0%  | 7.7%  | 7.5%  | 7.0%  | 6.3%  | 6.7%  |
| Benefit ratio (Public pensions)   | -20.9     | 64.4  | 57.3  | 55.8  | 53.7  | 50.6  | 48.0  | 45.5  | 44.1  | 43.3  | 43.5  |
| Gross replacement rate at retirement (Old-age earnings-related pensions)                                    | :         | :     | 48.2  | 50.5  | 48.3  | 46.5  | 45.9  | 44.2  | 43.8  | 44.5  | 49.2  |
| Average accrual rates (new pensions, earnings-related)  | :         | :     | 1.3   | 1.4   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   |
| Average contributory period (new pensions, earnings-related)  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Contributors (Public pensions, in 1000 pers on)   | 174.9     | 418.7 | 445.1 | 468.9 | 482.9 | 504.0 | 528.5 | 545.0 | 560.9 | 575.7 | 593.6 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -90.0     | 294.4 | 271.4 | 254.9 | 235.7 | 223.1 | 218.4 | 210.4 | 208.1 | 199.7 | 204.4 |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| High life expectancy (+2 years)   | 0.0       | 0.0   | 0.0   | 0.0   | 0.0   | -0.2  | -0.1  | -0.4  | -0.1  | -0.3  | 0.0   |
| High labour productivity (+0.25 p.p.)   | -0.3      | 0.0   | 0.0   | -0.1  | -0.1  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.3  |
| Lower labour productivity (-0.25 p.p.)  | 0.3       | 0.0   | 0.0   | 0.1   | 0.1   | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   | 0.3   |
| High employment rate (+2 p.p.)  | -0.1      | 0.0   | -0.1  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.1  |
| High emp. of older workers (+10 p.p.)   | -0.3      | 0.0   | -0.2  | -0.4  | -0.4  | -0.4  | -0.4  | -0.4  | -0.4  | -0.4  | -0.3  |
| Lower migration (-20%)  | 0.6       | 0.0   | 0.0   | 0.0   | 0.0   | 0.1   | 0.1   | 0.2   | 0.3   | 0.5   | 0.6   |
| TFP risk scenario   | 0.3       | 0.0   | 0.0   | 0.0   | 0.1   | 0.1   | 0.2   | 0.2   | 0.2   | 0.3   | 0.3   |
| Policy scenario linking retirement age to increase in life expectancy                                       | 0.1       | -9.5  | -9.0  | -9.3  | -9.7  | -9.6  | -9.4  | -9.3  | -9.2  | -9.4  | -9.3  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -0.1      | -0.5  | -0.2  | 0.2   | 0.2   | 0.1   | -0.1  | -0.2  | -0.3  | 0.0   | -0.1  |
| Dependency ratio  | 8.7       | 2.2   | 3.8   | 5.0   | 5.7   | 6.3   | 6.9   | 7.7   | 8.4   | 8.7   |       |
| Coverage ratio  | -2.1      | -0.7  | -1.0  | -1.1  | -1.0  | -1.1  | -1.1  | -1.1  | -1.6  | -1.7  | -2.1  |
| Of which: Old-age   | -1.4      | -0.3  | -0.5  | -0.5  | -0.3  | -0.4  | -0.4  | -0.9  | -0.9  | -1.4  |       |
| Early-age   | -1.6      | -1.8  | -2.0  | -2.6  | -2.9  | -3.2  | -3.1  | -2.7  | -2.3  | -1.6  |       |
| Cohort effect   | -7.1      | -1.5  | -2.5  | -3.2  | -3.2  | -3.3  | -3.8  | -5.2  | -6.5  | -7.1  |       |
| Benefit ratio   | -3.8      | -1.2  | -1.5  | -1.8  | -2.4  | -2.9  | -3.4  | -3.7  | -3.8  | -3.8  |       |
| Labour market ratio   | -2.2      | -0.5  | -1.1  | -1.4  | -1.7  | -1.9  | -2.0  | -2.1  | -2.2  | -2.2  |       |
| Of which: Employment rate   | -1.7      | -0.4  | -0.9  | -1.2  | -1.4  | -1.6  | -1.6  | -1.6  | -1.7  | -1.7  |       |
| Labour intensity  | 0.0       | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |       |
| Career shift  | -0.5      | -0.1  | -0.2  | -0.3  | -0.3  | -0.3  | -0.4  | -0.5  | -0.5  | -0.5  |       |
| Interaction effect (residual)   | -0.6      | -0.2  | -0.4  | -0.4  | -0.5  | -0.5  | -0.5  | -0.6  | -0.6  | -0.6  |       |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross as % of GDP  | -0.1      | -0.3  | 0.3   | 0.4   | 0.0   | 0.2   | -0.1  | -0.1  | 0.3   | 0.3   | -0.1  |
| Dependency ratio  | 8.7       | 1.5   | 1.6   | 1.3   | 0.7   | 0.6   | 0.6   | 0.8   | 0.6   | 0.3   |       |
| Coverage ratio  | -2.1      | -0.5  | -0.2  | -0.1  | 0.1   | -0.1  | -0.1  | -0.5  | -0.1  | -0.4  |       |
| Of which: Old-age   | -1.4      | -0.3  | -0.1  | 0.0   | 0.2   | -0.1  | -0.1  | -0.4  | 0.0   | -0.4  |       |
| Early-age   | -1.6      | -0.5  | -0.1  | -0.6  | -0.3  | -0.3  | 0.2   | 0.3   | 0.4   | 0.7   |       |
| Cohort effect   | -7.1      | -1.0  | -1.0  | -0.7  | 0.0   | -0.1  | -0.5  | -1.4  | -1.3  | -0.6  |       |
| Benefit ratio   | -3.8      | -0.6  | -0.3  | -0.3  | -0.6  | -0.5  | -0.5  | -0.3  | -0.2  | 0.0   |       |
| Labour market ratio   | -2.2      | -0.5  | -0.6  | -0.3  | -0.3  | -0.2  | -0.1  | -0.1  | -0.1  | 0.0   |       |
| Of which: Employment rate   | -1.7      | -0.4  | -0.5  | -0.3  | -0.2  | -0.2  | -0.2  | 0.0   | 0.0   | 0.0   |       |
| Labour intensity  | 0.0       | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |       |
| Career shift  | -0.5      | -0.1  | -0.1  | -0.1  | 0.0   | 0.0   | -0.1  | -0.1  | -0.1  | 0.0   |       |
| Interaction effect (residual)   | -0.6      | -0.2  | -0.1  | -0.1  | 0.0   | 0.0   | 0.0   | -0.1  | 0.0   | 0.0   |       |
| Health care   |           |       |       |       |       |       |       |       |       |       |       |
| Health care spending as % of GDP  | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario  | 0.3       | 3.0   | 3.1   | 3.1   | 3.1   | 3.2   | 3.3   | 3.3   | 3.3   | 3.3   | 3.3   |
| Demographic scenario  | 0.3       | 3.0   | 3.1   | 3.1   | 3.1   | 3.2   | 3.2   | 3.2   | 3.3   | 3.2   | 3.3   |
| High Life Expectancy scenario   | 0.3       | 3.0   | 3.1   | 3.1   | 3.2   | 3.2   | 3.3   | 3.3   | 3.3   | 3.3   | 3.3   |
| Constant health scenario  | 0.1       | 3.0   | 3.0   | 3.0   | 3.1   | 3.1   | 3.1   | 3.1   | 3.1   | 3.1   | 3.1   |
| Death-related cost scenario   | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Income elasticity scenario  | 0.4       | 3.0   | 3.1   | 3.1   | 3.2   | 3.3   | 3.3   | 3.3   | 3.4   | 3.4   | 3.4   |
| EU28 cost convergence scenario  | 3.5       | 3.0   | 3.3   | 3.6   | 3.9   | 4.2   | 4.6   | 5.1   | 5.5   | 6.0   | 6.5   |
| Labour intensity scenario   | 0.2       | 3.0   | 3.1   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.1   | 3.1   | 3.2   |
| Sector-specific composite indexation scenario   | 0.2       | 3.0   | 3.1   | 3.1   | 3.1   | 3.2   | 3.2   | 3.2   | 3.2   | 3.2   | 3.2   |
| Non-demographic determinants scenario   | 1.0       | 3.0   | 3.1   | 3.2   | 3.4   | 3.5   | 3.7   | 3.8   | 3.9   | 3.9   | 4.0   |
| AWG risk scenario   | 0.6       | 3.0   | 3.1   | 3.2   | 3.3   | 3.4   | 3.5   | 3.6   | 3.6   | 3.6   | 3.6   |
| TFP risk scenario   | 0.3       | 3.0   | 3.1   | 3.1   | 3.1   | 3.2   | 3.2   | 3.3   | 3.3   | 3.3   | 3.3   |

| Cyprus   |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.2      | 0.3  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  |
| Demographic scenario   | 0.3      | 0.3  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  |
| High Life expectancy scenario  | 0.3      | 0.3  | 0.3  | 0.3  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Base case scenario   | 0.3      | 0.3  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  |
| Constant disability scenario   | 0.2      | 0.3  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  |
| Shift to formal care scenario  | 0.4      | 0.3  | 0.4  | 0.5  | 0.5  | 0.5  | 0.6  | 0.6  | 0.6  | 0.7  | 0.7  |
| Coverage convergence scenario  | 0.5      | 0.3  | 0.3  | 0.4  | 0.4  | 0.5  | 0.5  | 0.6  | 0.7  | 0.7  | 0.8  |
| Cost convergence scenario  | 0.9      | 0.3  | 0.3  | 0.4  | 0.4  | 0.5  | 0.6  | 0.7  | 0.8  | 0.9  | 1.2  |
| Cost and coverage convergence scenario   | 1.9      | 0.3  | 0.3  | 0.4  | 0.5  | 0.6  | 0.7  | 0.9  | 1.2  | 1.5  | 2.1  |
| AWG risk scenario  | 1.8      | 0.3  | 0.3  | 0.4  | 0.5  | 0.6  | 0.7  | 0.9  | 1.1  | 1.5  | 2.0  |
| TFP risk scenario  | 0.2      | 0.3  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  | 0.5  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 90.1%    | 63   | 71   | 77   | 84   | 91   | 97   | 103  | 109  | 114  | 119  |
| of which: receiving institutional care   | 136.7%   | 3    | 4    | 4    | 4    | 5    | 5    | 6    | 6    | 7    | 7    |
| receiving home care  | 167.1%   | 3    | 4    | 4    | 5    | 6    | 6    | 7    | 7    | 8    | 9    |
| receiving cash benefits  | 127.0%   | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   | 17   |
| Demographic scenario   | 104.8%   | 63   | 72   | 79   | 87   | 94   | 102  | 109  | 116  | 122  | 128  |
| of which: receiving institutional care   | 150.0%   | 3    | 4    | 4    | 5    | 5    | 6    | 6    | 7    | 7    | 8    |
| receiving home care  | 181.4%   | 3    | 4    | 4    | 5    | 6    | 6    | 7    | 8    | 8    | 9    |
| receiving cash benefits  | 140.0%   | 8    | 9    | 10   | 11   | 12   | 13   | 15   | 16   | 17   | 18   |
| Constant disability scenario   | 75.6%    | 63   | 70   | 76   | 81   | 87   | 93   | 98   | 102  | 106  | 110  |
| of which: receiving institutional care   | 123.5%   | 3    | 4    | 4    | 4    | 5    | 5    | 6    | 6    | 7    | 7    |
| receiving home care  | 153.0%   | 3    | 4    | 4    | 5    | 5    | 6    | 7    | 7    | 8    | 8    |
| receiving cash benefits  | 114.1%   | 8    | 9    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   |
| Shift 1% of dependents from informal to formal scenario  | 104.8%   | 63   | 72   | 79   | 87   | 94   | 102  | 109  | 116  | 122  | 128  |
| of which: receiving institutional care   | 347.4%   | 3    | 6    | 8    | 9    | 10   | 11   | 12   | 12   | 13   | 14   |
| receiving home care  | 386.3%   | 3    | 6    | 8    | 9    | 11   | 12   | 13   | 14   | 15   | 16   |
| receiving cash benefits  | 140.0%   | 8    | 9    | 10   | 11   | 12   | 13   | 15   | 16   | 17   | 18   |
| Coverage convergence scenario  | 104.8%   | 63   | 72   | 79   | 87   | 94   | 102  | 109  | 116  | 122  | 128  |
| of which: receiving institutional care   | 468.9%   | 3    | 4    | 5    | 6    | 7    | 9    | 11   | 13   | 15   | 18   |
| receiving home care  | 545.7%   | 3    | 4    | 5    | 7    | 8    | 10   | 12   | 15   | 18   | 21   |
| receiving cash benefits  | 140.0%   | 8    | 9    | 10   | 11   | 12   | 13   | 15   | 16   | 17   | 18   |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | -1.2     | 7.3  | 6.5  | 6.4  | 6.2  | 5.9  | 5.5  | 5.3  | 5.5  | 5.8  | 6.1  |
| Expenditure decomposition (broadly constant) : Transfers (16%) - Capital (8%) - Staff (64%) - Other (12%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | -0.1     | 2.3  | 2.4  | 2.4  | 2.2  | 2.0  | 1.8  | 1.9  | 2.0  | 2.2  | 2.2  |
| Expenditure decomposition (broadly constant) : Transfers (0%) - Capital (12%) - Staff (77%) - Other (11%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | -0.1     | 1.3  | 1.3  | 1.3  | 1.3  | 1.2  | 1.1  | 1.0  | 1.1  | 1.2  | 1.2  |
| Expenditure decomposition (broadly constant) : Transfers (3%) - Capital (9%) - Staff (80%) - Other (8%)                            |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | -0.3     | 1.5  | 1.2  | 1.2  | 1.2  | 1.2  | 1.1  | 1.0  | 1.0  | 1.1  | 1.2  |
| Expenditure decomposition (broadly constant) : Transfers (3%) - Capital (7%) - Staff (83%) - Other (7%)                            |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | -0.8     | 2.2  | 1.6  | 1.4  | 1.5  | 1.5  | 1.4  | 1.4  | 1.4  | 1.4  | 1.4  |
| Expenditure decomposition (broadly constant) : Transfers (52%) - Capital (4%) - Staff (23%) - Other (21%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 20       | 146  | 137  | 141  | 143  | 140  | 136  | 136  | 144  | 156  | 166  |
| as % of population 5-24  | 4%       | 66%  | 70%  | 72%  | 70%  | 69%  | 68%  | 68%  | 70%  | 71%  | 71%  |
| Primary  | 16       | 54   | 60   | 61   | 59   | 55   | 53   | 56   | 62   | 67   | 71   |
| Low secondary  | 7        | 28   | 27   | 29   | 31   | 30   | 28   | 27   | 29   | 32   | 35   |
| Upper secondary  | 1        | 31   | 25   | 27   | 28   | 29   | 28   | 27   | 27   | 29   | 32   |
| Tertiary education   | -4       | 33   | 25   | 24   | 25   | 26   | 27   | 27   | 27   | 27   | 29   |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 2        | 12   | 11   | 11   | 12   | 11   | 11   | 11   | 12   | 13   | 13   |
| Primary  | 1        | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 5    | 5    | 5    |
| Low secondary  | 1        | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| Upper secondary  | 0        | 3    | 2    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| Tertiary education   | 0        | 2    | 1    | 1    | 1    | 1    | 2    | 2    | 2    | 2    | 2    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 2.1      | 0.2  | 0.8  | 1.1  | 1.5  | 1.9  | 2.2  | 2.2  | 2.2  | 2.3  | 2.3  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.6     | 0.8  | 0.8  | 0.6  | 0.5  | 0.4  | 0.3  | 0.3  | 0.3  | 0.3  | 0.3  |
| <b>LEBDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services (DG ECFIN), Eurostat (BJROPOP2013), EPC (AWG)   |          |      |      |      |      |      |      |      |      |      |      |



# 14. LATVIA

| Latvia   |                            | EC-EPC (AWG) 2015 projections |       |       |       |      |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|-------|-------|-------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |       |       |       |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.3                           | 1.50  | 1.60  | 1.65  | 1.68 | 1.71 | 1.73 | 1.75 | 1.76 | 1.77 | 1.78 |
| Life expectancy at birth   |                            |                               |       |       |       |      |      |      |      |      |      |      |
|  | males                      | 11.8                          | 69.1  | 71.1  | 72.5  | 73.8 | 75.1 | 76.4 | 77.6 | 78.7 | 79.8 | 80.9 |
|  | females                    | 8.2                           | 78.9  | 80.3  | 81.2  | 82.2 | 83.1 | 83.9 | 84.7 | 85.5 | 86.3 | 87.0 |
| Life expectancy at 65  |                            |                               |       |       |       |      |      |      |      |      |      |      |
|  | males                      | 6.6                           | 13.8  | 14.8  | 15.5  | 16.3 | 17.0 | 17.7 | 18.4 | 19.1 | 19.7 | 20.4 |
|  | females                    | 5.8                           | 18.4  | 19.4  | 20.0  | 20.6 | 21.3 | 21.9 | 22.5 | 23.1 | 23.6 | 24.2 |
| Net migration (thous and)  |                            | 10.1                          | -10.1 | -14.3 | -14.5 | -9.9 | 0.9  | 0.9  | 0.8  | 0.7  | 0.4  | 0.0  |
| Net migration as % of population                                     |                            | 0.5                           | -0.5  | -0.8  | -0.8  | -0.6 | 0.1  | 0.1  | 0.1  | 0.1  | 0.0  | 0.0  |
| Population (million)   |                            | -0.6                          | 2.0   | 1.9   | 1.7   | 1.6  | 1.5  | 1.5  | 1.5  | 1.5  | 1.4  | 1.4  |
| Children population (0-14) as % of total population                  |                            | 1.7                           | 14.6  | 15.5  | 14.9  | 14.1 | 13.5 | 13.9 | 15.0 | 16.0 | 16.4 | 16.3 |
| Prime age population (25-54) as % of total population                |                            | -5.9                          | 41.9  | 40.1  | 37.4  | 35.1 | 34.5 | 33.8 | 32.9 | 33.1 | 35.0 | 36.1 |
| Working age population (15-64) as % of total population              |                            | -10.9                         | 66.6  | 63.8  | 62.0  | 60.4 | 59.5 | 58.3 | 57.1 | 55.7 | 54.7 | 55.7 |
| Elderly population (65 and over) as % of total population            |                            | 9.2                           | 18.9  | 20.7  | 23.1  | 25.5 | 27.0 | 27.9 | 28.0 | 28.3 | 28.9 | 28.0 |
| Very elderly population (80 and over) as % of total population       |                            | 6.3                           | 4.7   | 5.9   | 6.5   | 7.1  | 8.0  | 9.2  | 10.2 | 10.6 | 10.9 | 11.0 |
| Very elderly population (80 and over) as % of elderly population     |                            | 14.2                          | 24.9  | 28.6  | 28.1  | 27.8 | 29.5 | 33.1 | 36.5 | 37.4 | 37.9 | 39.1 |
| Very elderly population (80 and over) as % of working age population |                            | 12.6                          | 7.1   | 9.3   | 10.5  | 11.8 | 13.4 | 15.8 | 17.9 | 18.9 | 20.0 | 19.7 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013  | 2020  | 2025  | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.6                           | 1.9   | 2.6   | 1.8   | 1.1  | 1.4  | 1.3  | 1.1  | 0.9  | 1.2  | 1.8  |
| Employment (growth rate)   |                            | -0.9                          | -0.6  | -1.3  | -1.6  | -1.3 | -0.6 | -0.7 | -0.9 | -0.9 | -0.5 | 0.1  |
| Labour input: hours worked (growth rate)                             |                            | -0.9                          | -0.5  | -1.4  | -1.6  | -1.3 | -0.6 | -0.7 | -0.8 | -0.9 | -0.5 | 0.1  |
| Labour productivity per hour (growth rate)                           |                            | 2.4                           | 2.4   | 4.0   | 3.4   | 2.4  | 1.9  | 1.9  | 2.0  | 1.8  | 1.7  | 1.5  |
| TFP (growth rate)  |                            | 1.4                           | 0.9   | 1.8   | 1.9   | 1.6  | 1.3  | 1.3  | 1.3  | 1.2  | 1.1  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 1.0                           | 1.5   | 2.2   | 1.5   | 0.9  | 0.7  | 0.7  | 0.7  | 0.6  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 2.4                           | 2.9   | 3.9   | 3.3   | 2.4  | 2.0  | 1.7  | 1.5  | 1.3  | 1.6  | 2.0  |
| Potential GDP per worker (growth rate)                               |                            | 2.4                           | 2.4   | 4.0   | 3.4   | 2.5  | 2.0  | 2.0  | 2.0  | 1.8  | 1.7  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thousands)                         |                            | -563                          | 1341  | 1191  | 1081  | 980  | 921  | 879  | 844  | 809  | 779  | 778  |
| Population growth (working age:15-64)                                |                            | 2.0                           | -1.6  | -1.8  | -2.1  | -1.6 | -0.9 | -0.9 | -0.8 | -0.9 | -0.6 | 0.4  |
| Population (20-64) (n thousands)                                     |                            | -549                          | 1244  | 1100  | 981   | 890  | 834  | 802  | 773  | 737  | 701  | 695  |
| Population growth (20-64)  |                            | 1.5                           | -1.0  | -2.0  | -2.3  | -1.7 | -0.9 | -0.8 | -0.7 | -1.1 | -0.8 | 0.4  |
| Labour force 15-64 (thous and)                                       |                            | -408                          | 996   | 896   | 806   | 734  | 686  | 662  | 639  | 609  | 595  | 588  |
| Labour force 20-64 (thous and)                                       |                            | -406                          | 987   | 888   | 798   | 727  | 679  | 656  | 633  | 603  | 579  | 581  |
| Participation rate (20-64)   |                            | 4.2                           | 79.3  | 80.8  | 81.3  | 81.6 | 81.4 | 81.7 | 81.8 | 81.8 | 82.6 | 83.6 |
| Participation rate (15-64)   |                            | 1.3                           | 74.3  | 75.2  | 74.6  | 74.9 | 74.5 | 75.3 | 75.7 | 75.3 | 75.1 | 75.6 |
|  | young (15-24)              | -4.3                          | 40.7  | 35.1  | 33.9  | 37.1 | 37.0 | 39.1 | 39.0 | 37.3 | 36.0 | 36.3 |
|  | prime-age (25-54)          | 1.5                           | 87.6  | 88.7  | 88.8  | 89.0 | 88.9 | 88.9 | 89.0 | 89.1 | 89.2 | 89.1 |
|  | older (55-64)              | 11.6                          | 61.5  | 63.9  | 67.6  | 70.7 | 69.9 | 71.4 | 71.9 | 69.8 | 68.1 | 73.1 |
| Participation rate (20-64) - FEMALES                                 |                            | 4.4                           | 76.2  | 77.6  | 78.2  | 78.6 | 78.3 | 78.5 | 78.7 | 78.8 | 79.6 | 80.6 |
| Participation rate (15-64) - FEMALES                                 |                            | 1.3                           | 71.6  | 72.6  | 72.1  | 72.5 | 72.0 | 72.5 | 72.9 | 72.5 | 72.4 | 72.9 |
|  | young (15-24)              | -4.3                          | 36.6  | 31.1  | 30.0  | 33.0 | 32.7 | 34.7 | 34.6 | 33.1 | 32.0 | 32.3 |
|  | prime-age (25-54)          | 1.9                           | 84.7  | 85.7  | 86.1  | 86.5 | 86.5 | 86.3 | 86.2 | 86.5 | 86.7 | 86.7 |
|  | older (55-64)              | 10.9                          | 60.5  | 62.6  | 66.8  | 68.6 | 67.9 | 69.3 | 70.1 | 68.2 | 66.6 | 71.4 |
| Participation rate (20-64) - MALES                                   |                            | 3.7                           | 82.7  | 84.1  | 84.6  | 84.7 | 84.5 | 84.9 | 85.0 | 84.8 | 85.5 | 86.4 |
| Participation rate (15-64) - MALES                                   |                            | 1.0                           | 77.1  | 78.0  | 77.2  | 77.4 | 77.1 | 78.0 | 78.5 | 78.0 | 77.8 | 78.2 |
|  | young (15-24)              | -4.4                          | 44.5  | 38.7  | 37.4  | 40.9 | 40.8 | 43.2 | 43.1 | 41.2 | 39.8 | 40.1 |
|  | prime-age (25-54)          | 0.8                           | 90.6  | 91.7  | 91.6  | 91.4 | 91.4 | 91.5 | 91.6 | 91.6 | 91.5 | 91.4 |
|  | older (55-64)              | 12.2                          | 62.7  | 65.5  | 69.9  | 73.2 | 72.4 | 73.9 | 74.0 | 71.5 | 69.7 | 74.9 |
| Average effective exit age (TOTAL) (1)                               |                            | 1.1                           | 64.2  | 64.8  | 65.3  | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 |
|  | Men                        | 0.7                           | 64.6  | 65.0  | 65.3  | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 |
|  | Women                      | 1.3                           | 64.0  | 64.7  | 65.3  | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 |
| Employment rate (15-64)  |                            | 4.7                           | 65.3  | 65.9  | 65.8  | 67.2 | 68.0 | 69.7 | 70.0 | 69.7 | 69.5 | 69.9 |
| Employment rate (20-64)  |                            | 7.6                           | 69.9  | 70.9  | 71.9  | 73.4 | 74.4 | 75.7 | 75.9 | 75.8 | 76.6 | 77.5 |
| Employment rate (15-74)  |                            | 2.7                           | 58.4  | 58.9  | 57.9  | 58.2 | 59.1 | 60.7 | 61.1 | 60.9 | 60.2 | 61.2 |
| Unemployment rate (15-64)  |                            | -4.7                          | 12.1  | 12.4  | 11.8  | 10.3 | 8.7  | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  |
| Unemployment rate (20-64)  |                            | -4.6                          | 11.9  | 12.2  | 11.6  | 10.1 | 8.5  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  |
| Unemployment rate (15-74)  |                            | -4.7                          | 11.9  | 12.0  | 11.4  | 9.9  | 8.4  | 7.2  | 7.2  | 7.2  | 7.2  | 7.2  |
| Employment (20-64) (in millions)                                     |                            | -0.3                          | 0.9   | 0.8   | 0.7   | 0.7  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 0.5  |
| Employment (15-64) (in millions)                                     |                            | -0.3                          | 0.9   | 0.8   | 0.7   | 0.7  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 0.5  |
|  | share of young (15-24)     | 1%                            | 9%    | 6%    | 7%    | 8%   | 9%   | 9%   | 9%   | 8%   | 9%   | 10%  |
|  | share of prime-age (25-54) | 2%                            | 75%   | 75%   | 72%   | 70%  | 70%  | 69%  | 68%  | 71%  | 76%  | 77%  |
|  | share of older (55-64)     | -3%                           | 16%   | 19%   | 21%   | 22%  | 22%  | 22%  | 23%  | 21%  | 15%  | 14%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | -5.6                          | 19.4  | 22.3  | 22.4  | 22.9 | 22.5 | 22.5 | 24.0 | 22.1 | 18.0 | 13.8 |
| Old-age dependency ratio 15-64(3)                                    |                            | 22                            | 28    | 32    | 37    | 42   | 46   | 48   | 49   | 51   | 53   | 50   |
| Old-age dependency ratio 20-64(3)                                    |                            | 26                            | 31    | 35    | 41    | 47   | 50   | 52   | 53   | 56   | 59   | 56   |
| Total dependency ratio (4)   |                            | 29                            | 50    | 57    | 61    | 68   | 68   | 72   | 75   | 79   | 83   | 80   |
| Total economic dependency ratio (5)                                  |                            | 20                            | 123   | 128   | 132   | 133  | 133  | 132  | 136  | 142  | 146  | 143  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 26                            | 40    | 45    | 51    | 57   | 60   | 62   | 64   | 66   | 69   | 66   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 24                            | 39    | 43    | 48    | 54   | 57   | 59   | 60   | 62   | 65   | 63   |

| Latvia  |           |           |           |           |           |           |           |           |           |           |       |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| EC-EPC (AWG) 2015 projections   |           |           |           |           |           |           |           |           |           |           |       |
| Pension expenditure projections   |           |           |           |           |           |           |           |           |           |           |       |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013      | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, gross  | -3.1      | 7.7       | 5.9       | 5.5       | 5.5       | 5.5       | 5.4       | 5.3       | 5.2       | 5.0       | 4.8   |
| Earnings-related pensions, gross  | -3.0      | 7.8       | 5.9       | 5.5       | 5.5       | 5.5       | 5.4       | 5.2       | 5.1       | 5.0       | 4.8   |
| Of which: Old-age and early pensions  | -2.8      | 6.9       | 5.2       | 4.9       | 4.9       | 4.9       | 4.9       | 4.7       | 4.7       | 4.5       | 4.1   |
| Disability pensions   | -0.3      | 0.6       | 0.5       | 0.5       | 0.4       | 0.4       | 0.4       | 0.4       | 0.3       | 0.3       | 0.3   |
| Survivors pensions  | 0.0       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1   |
| Other pensions  | :         | :         | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Non-earning-related pensions  | -0.1      | 0.1       | 0.1       | 0.1       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Private pensions, gross   | :         | :         | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| New pensions, gross   | -0.1      | 0.2       | 0.2       | 0.2       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1   |
| Public pensions, net  | :         | :         | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Public pensions, contributors   | -0.8      | 7.0       | 6.3       | 6.3       | 6.2       | 6.2       | 6.3       | 6.3       | 6.3       | 6.2       | 6.2   |
| Additional indicators   | Ch 13-60  | 2013      | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, net/Public pensions, gross, %  | :         | :         | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Pensioners (Public, in 1000 pers ons)   | -102      | 585       | 542       | 529       | 531       | 530       | 529       | 517       | 511       | 506       | 483   |
| Pensioners aged 65+ (1000 pers ons)   | 11        | 393       | 395       | 410       | 422       | 426       | 432       | 425       | 423       | 424       | 405   |
| Share of pensioners below age 65 as % of all pensioners   | -16.5%    | 32.8%     | 27.0%     | 22.4%     | 20.5%     | 19.5%     | 18.4%     | 17.8%     | 17.1%     | 16.1%     | 16.2% |
| Benefit ratio (Public pensions)   | -14.5     | 27.7      | 21.5      | 18.8      | 17.4      | 16.7      | 16.1      | 15.3      | 14.6      | 13.8      | 13.2  |
| Gross replacement rate at retirement (Public pensions)  | -15.3     | 33.4      | 29.0      | 26.7      | 24.3      | 23.0      | 20.6      | 19.4      | 18.0      | 17.3      | 18.1  |
| Average accrual rates (new pensions, earnings-related)  | -0.5      | 1.1       | 1.0       | 1.1       | 1.0       | 0.9       | 0.8       | 0.7       | 0.7       | 0.7       | 0.6   |
| Average contributory period (new pensions, earnings-related)  | 3.6       | 34.5      | 36.3      | 37.0      | 37.4      | 37.8      | 38.1      | 38.1      | 38.1      | 38.1      | 38.1  |
| Contributors (Public pensions, in 1000 pers ons)  | -345.1    | 936.6     | 845.9     | 773.5     | 713.4     | 678.9     | 666.6     | 644.0     | 617.0     | 596.1     | 591.5 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -37.7     | 160.1     | 156.2     | 146.3     | 134.3     | 128.1     | 126.1     | 124.4     | 120.8     | 117.9     | 122.4 |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013      | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| High life expectancy (+2 years)   | 0.1       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.1       | 0.1       | 0.1       | 0.1   |
| High labour productivity (+0.25 p.p.)   | -0.1      | 0.0       | 0.0       | 0.0       | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | -0.1  |
| Lower labour productivity (-0.25 p.p.)  | 0.1       | 0.0       | 0.0       | 0.0       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.1       | 0.2   |
| High employment rate (+2 p.p.)  | 0.0       | 0.0       | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0   |
| High emp. of older workers (+10 p.p.)   | 0.0       | 0.0       | -0.1      | -0.2      | -0.2      | -0.1      | -0.1      | -0.1      | -0.1      | 0.0       | 0.0   |
| Lower migration (-20%)  | 0.1       | 0.0       | 0.0       | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.1       | 0.1   |
| TFP risk scenario   | 0.1       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.1       | 0.1       | 0.1       | 0.1   |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.2      | 0.0       | 0.0       | 0.0       | -0.2      | -0.2      | -0.3      | -0.2      | -0.4      | -0.4      | -0.2  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013      | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -3.1      | -1.8      | -2.2      | -2.2      | -2.2      | -2.3      | -2.3      | -2.4      | -2.5      | -2.7      | -3.1  |
| Dependency ratio  | 3.8       | 1.0       | 2.0       | 2.8       | 3.2       | 3.5       | 3.6       | 3.8       | 4.1       | 4.1       | 3.8   |
| Coverage ratio  | -1.4      | -0.7      | -1.0      | -1.1      | -1.2      | -1.3      | -1.3      | -1.3      | -1.4      | -1.4      | -1.4  |
| Of which: Old-age   | 0.0       | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0   |
| Early-age   | -0.9      | -1.4      | -2.2      | -2.1      | -2.2      | -2.3      | -2.2      | -1.3      | -1.3      | -0.6      | -0.9  |
| Cohort effect   | -4.1      | -0.5      | -1.1      | -1.8      | -2.0      | -2.2      | -2.5      | -3.5      | -4.5      | -4.5      | -4.1  |
| Benefit ratio   | -4.5      | -1.8      | -2.6      | -3.0      | -3.3      | -3.5      | -3.7      | -4.0      | -4.3      | -4.5      | -4.5  |
| Labour market ratio   | -0.8      | -0.2      | -0.3      | -0.5      | -0.6      | -0.7      | -0.7      | -0.7      | -0.8      | -0.8      | -0.8  |
| Of which: Employment rate   | -0.6      | -0.1      | -0.2      | -0.3      | -0.4      | -0.5      | -0.5      | -0.5      | -0.6      | -0.6      | -0.6  |
| Labour intensity  | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Career shift  | -0.1      | -0.1      | -0.1      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.2      | -0.1  |
| Interaction effect (residual)   | -0.3      | -0.1      | -0.2      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3      | -0.3  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2015-2020 | 2020-2025 | 2025-2030 | 2030-2035 | 2035-2040 | 2040-2045 | 2045-2050 | 2050-2055 | 2055-2060 |       |
| Public pensions, gross as % of GDP  | -3.1      | -0.9      | -0.4      | 0.0       | 0.0       | -0.1      | -0.2      | -0.1      | -0.2      | -0.1      | -0.2  |
| Dependency ratio  | 3.8       | 0.8       | 1.0       | 0.7       | 0.4       | 0.3       | 0.1       | 0.2       | 0.3       | 0.2       | -0.2  |
| Coverage ratio  | -1.4      | -0.5      | -0.4      | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | -0.1      | 0.0       | -0.1  |
| Of which: Old-age   | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0   |
| Early-age   | -0.9      | -1.1      | -0.8      | 0.1       | 0.0       | -0.2      | 0.1       | 0.9       | 0.7       | -0.3      |       |
| Cohort effect   | -4.1      | -0.3      | -0.6      | -0.7      | -0.3      | -0.2      | -0.3      | -1.0      | -1.0      | 0.3       |       |
| Benefit ratio   | -4.5      | -1.2      | -0.8      | -0.4      | -0.2      | -0.2      | -0.3      | -0.3      | -0.3      | -0.2      |       |
| Labour market ratio   | -0.8      | 0.1       | -0.1      | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | -0.1      | 0.0       |       |
| Of which: Employment rate   | -0.6      | 0.2       | -0.1      | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | -0.1      |       |
| Labour intensity  | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |       |
| Career shift  | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.1       |       |
| Interaction effect (residual)   | -0.3      | -0.1      | -0.1      | -0.1      | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |       |
| Health care   |           |           |           |           |           |           |           |           |           |           |       |
| Health care spending as % of GDP  | Ch 13-60  | 2013      | 2020      | 2025      | 2030      | 2035      | 2040      | 2045      | 2050      | 2055      | 2060  |
| AWG reference scenario  | 0.6       | 3.8       | 4.0       | 4.1       | 4.2       | 4.3       | 4.4       | 4.5       | 4.5       | 4.4       | 4.4   |
| Demographic scenario  | 0.6       | 3.8       | 3.9       | 4.0       | 4.1       | 4.2       | 4.3       | 4.4       | 4.4       | 4.4       | 4.4   |
| High Life expectancy scenario   | 0.8       | 3.8       | 3.9       | 4.0       | 4.2       | 4.3       | 4.4       | 4.5       | 4.5       | 4.6       | 4.6   |
| Constant health scenario  | 0.1       | 3.8       | 3.9       | 3.9       | 3.9       | 4.0       | 4.0       | 4.0       | 4.0       | 4.0       | 3.9   |
| Death-related cost scenario   | :         | :         | :         | :         | :         | :         | :         | :         | :         | :         | :     |
| Income elasticity scenario  | 0.9       | 3.8       | 4.0       | 4.2       | 4.3       | 4.5       | 4.6       | 4.7       | 4.7       | 4.7       | 4.7   |
| EU28 cost convergence scenario  | 2.9       | 3.8       | 4.1       | 4.4       | 4.8       | 5.1       | 5.5       | 5.8       | 6.1       | 6.4       | 6.7   |
| Labour intensity scenario   | 0.8       | 3.8       | 3.8       | 4.0       | 4.1       | 4.2       | 4.3       | 4.4       | 4.6       | 4.6       | 4.6   |
| Sector-specific composite indexation scenario   | 0.5       | 3.8       | 3.9       | 3.9       | 4.1       | 4.2       | 4.3       | 4.3       | 4.3       | 4.3       | 4.3   |
| Non-demographic determinants scenario   | 2.3       | 3.8       | 4.3       | 4.7       | 5.1       | 5.4       | 5.7       | 5.9       | 6.0       | 6.1       | 6.1   |
| AWG risk scenario   | 1.5       | 3.8       | 4.3       | 4.6       | 4.8       | 5.0       | 5.2       | 5.3       | 5.4       | 5.3       | 5.3   |
| TFP risk scenario   | 0.6       | 3.8       | 4.0       | 4.1       | 4.2       | 4.3       | 4.4       | 4.5       | 4.5       | 4.4       | 4.4   |

| Latvia   |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.1      | 0.6  | 0.6  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  |
| Demographic scenario   | 0.2      | 0.6  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| High Life expectancy scenario  | 0.2      | 0.6  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  |
| Base case scenario   | 0.2      | 0.6  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| Constant disability scenario   | 0.1      | 0.6  | 0.6  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  |
| Shift to formal care scenario  | 0.8      | 0.6  | 0.9  | 1.1  | 1.2  | 1.3  | 1.3  | 1.3  | 1.4  | 1.4  | 1.4  |
| Coverage convergence scenario  | 2.4      | 0.6  | 0.8  | 0.9  | 1.1  | 1.3  | 1.5  | 1.8  | 2.2  | 2.6  | 3.1  |
| Cost convergence scenario  | 0.4      | 0.6  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 1.0  |
| Cost and coverage convergence scenario   | 3.0      | 0.6  | 0.8  | 0.9  | 1.1  | 1.4  | 1.6  | 2.0  | 2.5  | 3.0  | 3.6  |
| AWG risk scenario  | 2.7      | 0.6  | 0.8  | 0.9  | 1.1  | 1.3  | 1.5  | 1.9  | 2.3  | 2.8  | 3.4  |
| TFP risk scenario  | 0.1      | 0.6  | 0.6  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | -16.8%   | 144  | 142  | 139  | 136  | 134  | 133  | 132  | 129  | 125  | 120  |
| of which: receiving institutional care   | -17.9%   | 11   | 11   | 10   | 10   | 10   | 10   | 10   | 9    | 9    | 9    |
| receiving home care  | -15.6%   | 9    | 9    | 9    | 9    | 8    | 8    | 8    | 8    | 8    | 8    |
| receiving cash benefits  | -21.4%   | 9    | 9    | 8    | 8    | 8    | 8    | 8    | 8    | 7    | 7    |
| Demographic scenario   | -8.3%    | 144  | 144  | 143  | 142  | 141  | 142  | 142  | 140  | 136  | 132  |
| of which: receiving institutional care   | -9.4%    | 11   | 11   | 11   | 10   | 10   | 10   | 10   | 10   | 10   | 10   |
| receiving home care  | -7.9%    | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 8    |
| receiving cash benefits  | -14.1%   | 9    | 9    | 9    | 8    | 8    | 8    | 8    | 8    | 8    | 8    |
| Constant disability scenario   | -24.5%   | 144  | 139  | 134  | 130  | 126  | 125  | 122  | 118  | 114  | 109  |
| of which: receiving institutional care   | -25.1%   | 11   | 10   | 10   | 9    | 9    | 9    | 9    | 9    | 8    | 8    |
| receiving home care  | -22.6%   | 9    | 9    | 9    | 8    | 8    | 8    | 8    | 8    | 7    | 7    |
| receiving cash benefits  | -27.7%   | 9    | 9    | 8    | 8    | 7    | 7    | 7    | 7    | 7    | 7    |
| Shift 1% of dependents from informal to formal scenario  | -8.3%    | 144  | 144  | 143  | 142  | 141  | 142  | 142  | 140  | 136  | 132  |
| of which: receiving institutional care   | 59.1%    | 11   | 16   | 18   | 18   | 18   | 18   | 18   | 18   | 18   | 17   |
| receiving home care  | 55.8%    | 9    | 14   | 16   | 15   | 15   | 15   | 15   | 15   | 15   | 14   |
| receiving cash benefits  | -14.1%   | 9    | 9    | 9    | 8    | 8    | 8    | 8    | 8    | 8    | 8    |
| Coverage convergence scenario  | -8.3%    | 144  | 144  | 143  | 142  | 141  | 142  | 142  | 140  | 136  | 132  |
| of which: receiving institutional care   | 269.1%   | 11   | 13   | 14   | 16   | 18   | 21   | 25   | 30   | 34   | 40   |
| receiving home care  | 305.1%   | 9    | 11   | 12   | 14   | 16   | 20   | 23   | 28   | 32   | 37   |
| receiving cash benefits  | -14.1%   | 9    | 9    | 9    | 8    | 8    | 8    | 8    | 8    | 8    | 8    |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.8      | 3.8  | 3.8  | 4.0  | 4.0  | 3.9  | 3.8  | 3.8  | 4.1  | 4.4  | 4.5  |
| Expenditure decomposition (broadly constant) : Transfers (7%) - Capital (11%) - Staff (60%) - Other (22%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | 0.4      | 1.4  | 1.5  | 1.6  | 1.5  | 1.4  | 1.4  | 1.5  | 1.7  | 1.8  | 1.8  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (13%) - Staff (66%) - Other (20%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.3      | 0.6  | 0.7  | 0.8  | 0.8  | 0.8  | 0.7  | 0.7  | 0.8  | 0.9  | 0.9  |
| Expenditure decomposition (broadly constant) : Transfers (1%) - Capital (13%) - Staff (66%) - Other (20%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | 0.2      | 0.9  | 0.8  | 1.0  | 1.0  | 1.0  | 0.9  | 0.9  | 0.9  | 1.0  | 1.1  |
| Expenditure decomposition (broadly constant) : Transfers (13%) - Capital (9%) - Staff (57%) - Other (21%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | -0.1     | 0.9  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (12%) - Capital (11%) - Staff (52%) - Other (25%)                         |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -80      | 347  | 319  | 310  | 289  | 268  | 252  | 247  | 253  | 263  | 267  |
| as % of population 5-24  |          | 81%  | 85%  | 84%  | 83%  | 83%  | 82%  | 82%  | 83%  | 83%  | 83%  |
| Primary  | -21      | 116  | 120  | 113  | 100  | 87   | 83   | 88   | 95   | 98   | 95   |
| Low secondary  | -5       | 56   | 61   | 58   | 56   | 51   | 46   | 43   | 46   | 50   | 51   |
| Upper secondary  | -14      | 73   | 65   | 72   | 65   | 63   | 57   | 52   | 52   | 56   | 60   |
| Tertiary education   | -40      | 101  | 73   | 68   | 68   | 67   | 67   | 63   | 60   | 60   | 61   |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -5       | 27   | 26   | 25   | 23   | 22   | 20   | 20   | 20   | 21   | 22   |
| Primary  | -2       | 10   | 10   | 10   | 9    | 7    | 7    | 8    | 8    | 8    | 8    |
| Low secondary  | -1       | 7    | 7    | 7    | 7    | 6    | 5    | 5    | 5    | 6    | 6    |
| Upper secondary  | -1       | 6    | 6    | 6    | 6    | 5    | 5    | 4    | 4    | 5    | 5    |
| Tertiary education   | -2       | 4    | 3    | 3    | 3    | 3    | 3    | 3    | 2    | 2    | 2    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.3      | 0.0  | 0.1  | 0.2  | 0.2  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.2     | 0.3  | 0.3  | 0.2  | 0.2  | 0.2  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  |
| <b>LEGENDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: - = data not provided  |          |      |      |      |      |      |      |      |      |      |      |
| Source: Commission Services (DG ECFIN), Eurostat (BJROPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |      |      |      |      |

# 15. LITHUANIA

| Lithuania  |                            | EC-EPC (AWG) 2015 projections |       |       |       |       |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|-------|-------|-------|-------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |       |       |       |       |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.2                           | 1.61  | 1.66  | 1.69  | 1.71  | 1.73 | 1.75 | 1.76 | 1.77 | 1.78 | 1.79 |
| Life expectancy at birth   |                            |                               |       |       |       |       |      |      |      |      |      |      |
|  | males                      | 12.2                          | 68.7  | 70.8  | 72.2  | 73.6  | 75.0 | 76.3 | 77.5 | 78.7 | 79.8 | 80.9 |
|  | females                    | 7.8                           | 79.6  | 80.9  | 81.9  | 82.7  | 83.6 | 84.4 | 85.2 | 86.0 | 86.7 | 87.4 |
| Life expectancy at 65  |                            |                               |       |       |       |       |      |      |      |      |      |      |
|  | males                      | 6.5                           | 14.3  | 15.3  | 16.0  | 16.8  | 17.5 | 18.2 | 18.8 | 19.5 | 20.1 | 20.8 |
|  | females                    | 5.4                           | 19.2  | 20.0  | 20.6  | 21.2  | 21.8 | 22.4 | 23.0 | 23.5 | 24.1 | 24.6 |
| Net migration (thous and)  |                            | 16.8                          | -16.8 | -37.4 | -33.5 | -21.1 | 1.4  | 1.0  | 0.6  | 0.4  | 0.2  | 0.0  |
| Net migration as % of population                                     |                            | 0.6                           | -0.6  | -1.4  | -1.4  | -1.0  | 0.1  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Population (million)   |                            | -1.1                          | 3.0   | 2.6   | 2.4   | 2.2   | 2.1  | 2.0  | 1.9  | 1.9  | 1.9  | 1.8  |
| Children population (0-14) as % of total population                  |                            | 3.1                           | 14.7  | 15.3  | 15.4  | 14.6  | 13.7 | 13.8 | 15.0 | 16.7 | 17.7 | 17.8 |
| Prime age population (25-54) as % of total population                |                            | -4.4                          | 41.1  | 38.4  | 35.5  | 32.2  | 31.1 | 32.1 | 33.0 | 33.4 | 34.8 | 36.7 |
| Working age population (15-64) as % of total population              |                            | -10.5                         | 67.0  | 64.0  | 60.6  | 57.7  | 56.2 | 55.4 | 55.0 | 55.0 | 55.4 | 56.5 |
| Elderly population (65 and over) as % of total population            |                            | 7.5                           | 18.3  | 20.7  | 24.0  | 27.7  | 30.1 | 30.8 | 30.0 | 28.3 | 26.9 | 25.8 |
| Very elderly population (80 and over) as % of total population       |                            | 6.5                           | 4.9   | 6.2   | 6.9   | 7.7   | 8.7  | 10.4 | 12.0 | 12.5 | 12.4 | 11.4 |
| Very elderly population (80 and over) as % of elderly population     |                            | 17.4                          | 26.7  | 30.2  | 28.9  | 27.6  | 28.8 | 33.8 | 39.9 | 44.1 | 45.9 | 44.2 |
| Very elderly population (80 and over) as % of working age population |                            | 12.9                          | 7.3   | 9.8   | 11.4  | 13.3  | 15.4 | 18.8 | 21.8 | 22.7 | 22.3 | 20.2 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.2                           | 2.6   | 1.5   | 0.8   | -0.1  | 0.8  | 1.2  | 1.4  | 1.2  | 1.2  | 1.7  |
| Employment (growth rate)   |                            | -1.1                          | -0.4  | -2.3  | -2.9  | -2.5  | -1.0 | -0.5 | -0.3 | -0.4 | -0.4 | 0.2  |
| Labour input: hours worked (growth rate)                             |                            | -1.1                          | -0.1  | -2.3  | -2.9  | -2.5  | -0.9 | -0.5 | -0.3 | -0.4 | -0.4 | 0.2  |
| Labour productivity per hour (growth rate)                           |                            | 2.3                           | 2.7   | 3.9   | 3.7   | 2.4   | 1.7  | 1.7  | 1.7  | 1.7  | 1.6  | 1.5  |
| TFP (growth rate)  |                            | 1.4                           | 1.3   | 2.0   | 2.0   | 1.6   | 1.1  | 1.1  | 1.1  | 1.1  | 1.0  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 1.0                           | 1.3   | 1.9   | 1.7   | 0.9   | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 2.3                           | 3.6   | 3.4   | 2.8   | 1.7   | 1.6  | 1.7  | 1.8  | 1.7  | 1.7  | 2.1  |
| Potential GDP per worker (growth rate)                               |                            | 2.4                           | 3.0   | 4.0   | 3.8   | 2.5   | 1.7  | 1.7  | 1.7  | 1.7  | 1.6  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thous ands)                        |                            | -947                          | 1982  | 1694  | 1455  | 1260  | 1163 | 1103 | 1070 | 1048 | 1035 | 1035 |
| Population growth (working age:15-64)                                |                            | 1.6                           | -1.1  | -2.6  | -3.1  | -2.5  | -1.2 | -0.7 | -0.5 | -0.4 | -0.2 | 0.4  |
| Population (20-64) (n thous ands)                                    |                            | -880                          | 1799  | 1568  | 1332  | 1194  | 1033 | 992  | 973  | 954  | 931  | 919  |
| Population growth (20-64)  |                            | 0.9                           | -0.6  | -2.5  | -3.6  | -2.6  | -1.2 | -0.6 | -0.3 | -0.5 | -0.5 | 0.3  |
| Labour force 15-64 (thous ands)                                      |                            | -692                          | 1437  | 1234  | 1053  | 897   | 813  | 796  | 776  | 763  | 747  | 746  |
| Labour force 20-64 (thous ands)                                      |                            | -688                          | 1426  | 1227  | 1047  | 890   | 806  | 780  | 770  | 758  | 742  | 739  |
| Participation rate (20-64)   |                            | 1.1                           | 79.3  | 78.3  | 78.6  | 78.5  | 78.1 | 78.6 | 79.2 | 79.5 | 79.7 | 80.3 |
| Participation rate (15-64)   |                            | -0.5                          | 72.5  | 72.9  | 72.3  | 71.2  | 70.5 | 71.2 | 72.5 | 72.9 | 72.2 | 72.0 |
|  | young (15-24)              | -1.3                          | 32.1  | 33.9  | 29.7  | 29.3  | 32.2 | 33.7 | 34.5 | 33.3 | 31.0 | 30.8 |
|  | prime-age (25-54)          | -2.1                          | 89.4  | 88.2  | 87.8  | 87.5  | 87.3 | 87.0 | 87.1 | 87.4 | 87.5 | 87.3 |
|  | older (55-64)              | 5.5                           | 60.2  | 61.1  | 63.7  | 66.9  | 66.2 | 66.6 | 67.4 | 66.6 | 64.5 | 65.6 |
| Participation rate (20-64) - FEMALES                                 |                            | 1.5                           | 76.6  | 75.7  | 76.5  | 76.6  | 75.8 | 76.0 | 76.6 | 76.9 | 77.3 | 78.1 |
| Participation rate (15-64) - FEMALES                                 |                            | -0.5                          | 70.3  | 70.8  | 70.8  | 69.9  | 68.8 | 69.1 | 70.1 | 70.4 | 69.9 | 69.8 |
|  | young (15-24)              | -1.4                          | 27.5  | 28.8  | 24.9  | 24.4  | 27.1 | 28.5 | 29.3 | 28.3 | 26.3 | 26.1 |
|  | prime-age (25-54)          | -2.3                          | 88.3  | 87.0  | 86.5  | 86.2  | 86.0 | 85.5 | 85.4 | 85.8 | 86.1 | 86.0 |
|  | older (55-64)              | 8.1                           | 56.1  | 58.0  | 62.3  | 66.3  | 65.0 | 65.3 | 66.2 | 65.5 | 63.1 | 64.2 |
| Participation rate (20-64) - MALES                                   |                            | 0.3                           | 82.2  | 81.1  | 80.8  | 80.6  | 80.5 | 81.2 | 81.8 | 82.0 | 82.1 | 82.5 |
| Participation rate (15-64) - MALES                                   |                            | -0.8                          | 74.8  | 75.1  | 74.0  | 72.6  | 72.3 | 73.4 | 74.9 | 75.2 | 74.5 | 74.1 |
|  | young (15-24)              | -1.2                          | 36.4  | 38.5  | 34.1  | 33.8  | 36.8 | 38.5 | 39.5 | 38.1 | 35.6 | 35.2 |
|  | prime-age (25-54)          | -2.1                          | 90.7  | 89.5  | 89.2  | 88.9  | 88.5 | 88.5 | 88.7 | 88.9 | 88.9 | 88.5 |
|  | older (55-64)              | 1.7                           | 65.4  | 65.1  | 65.5  | 67.7  | 67.8 | 68.2 | 68.8 | 68.0 | 65.9 | 67.1 |
| Average effective exit age (TOTAL) (1)                               |                            | 1.7                           | 62.3  | 63.2  | 63.9  | 64.0  | 64.0 | 64.0 | 64.0 | 64.0 | 64.0 | 64.0 |
|  | Men                        | 1.5                           | 62.8  | 63.6  | 64.2  | 64.3  | 64.3 | 64.3 | 64.3 | 64.3 | 64.3 | 64.3 |
|  | Women                      | 1.9                           | 61.9  | 62.8  | 63.6  | 63.8  | 63.8 | 63.8 | 63.8 | 63.8 | 63.8 | 63.8 |
| Employment rate (15-64)  |                            | 2.8                           | 63.8  | 65.0  | 64.6  | 64.4  | 64.6 | 65.9 | 67.1 | 67.4 | 66.8 | 66.6 |
| Employment rate (20-64)  |                            | 4.6                           | 69.8  | 69.9  | 70.2  | 71.1  | 71.6 | 72.8 | 73.3 | 73.6 | 73.8 | 74.4 |
| Employment rate (15-74)  |                            | 1.0                           | 57.0  | 57.1  | 55.0  | 53.0  | 53.0 | 54.8 | 56.9 | 58.4 | 58.3 | 58.0 |
| Unemployment rate (15-64)  |                            | -4.6                          | 12.0  | 10.8  | 10.7  | 9.6   | 8.4  | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  |
| Unemployment rate (20-64)  |                            | -4.5                          | 11.9  | 10.7  | 10.6  | 9.5   | 8.3  | 7.4  | 7.4  | 7.4  | 7.4  | 7.4  |
| Unemployment rate (15-74)  |                            | -4.5                          | 11.9  | 10.6  | 10.5  | 9.3   | 8.1  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  |
| Employment (20-64) (in millions)                                     |                            | -0.6                          | 1.3   | 1.1   | 0.9   | 0.8   | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  |
| Employment (15-64) (in millions)                                     |                            | -0.6                          | 1.3   | 1.1   | 0.9   | 0.8   | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  |
|  | share of young (15-24)     | 1%                            | 8%    | 7%    | 6%    | 6%    | 7%   | 9%   | 10%  | 9%   | 8%   | 9%   |
|  | share of prime-age (25-54) | 3%                            | 77%   | 73%   | 72%   | 69%   | 69%  | 71%  | 73%  | 73%  | 76%  | 79%  |
|  | share of older (55-64)     | -4%                           | 16%   | 20%   | 22%   | 24%   | 22%  | 19%  | 18%  | 18%  | 15%  | 12%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013  | 2020  | 2025  | 2030  | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | -5.7                          | 18.5  | 23.6  | 25.1  | 25.1  | 23.0 | 20.0 | 19.4 | 19.9 | 17.1 | 12.8 |
| Old-age dependency ratio 15-64(3)                                    |                            | 18                            | 27    | 32    | 40    | 48    | 53   | 56   | 55   | 52   | 49   | 46   |
| Old-age dependency ratio 20-64(3)                                    |                            | 21                            | 30    | 35    | 43    | 53    | 60   | 62   | 60   | 57   | 54   | 51   |
| Total dependency ratio (4)   |                            | 29                            | 40    | 56    | 65    | 73    | 78   | 81   | 82   | 82   | 80   | 77   |
| Total economic dependency ratio (5)                                  |                            | 30                            | 130   | 135   | 149   | 160   | 165  | 165  | 164  | 163  | 163  | 159  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 25                            | 41    | 48    | 58    | 71    | 79   | 81   | 78   | 74   | 70   | 66   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 24                            | 40    | 47    | 57    | 68    | 76   | 78   | 76   | 72   | 68   | 64   |

| Lithuania   |           | EC-EPC (AWG) 2015 projections |        |       |       |       |       |       |       |       |       |
|---|-----------|-------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Pension expenditure projections</b>  |           |                               |        |       |       |       |       |       |       |       |       |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013                          | 2020   | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross  | 0.3       | 7.2                           | 6.8    | 7.6   | 8.7   | 9.4   | 9.4   | 9.1   | 8.6   | 8.1   | 7.5   |
| Earnings-related pensions, gross  | 0.4       | 6.9                           | 6.5    | 7.3   | 8.5   | 9.2   | 9.2   | 8.8   | 8.3   | 7.9   | 7.3   |
| Of which: Old-age and early pensions  | 0.7       | 5.2                           | 4.9    | 5.7   | 6.7   | 7.4   | 7.6   | 7.3   | 6.8   | 6.4   | 5.9   |
| Disability pensions   | -0.3      | 1.4                           | 1.3    | 1.3   | 1.4   | 1.4   | 1.3   | 1.2   | 1.2   | 1.2   | 1.1   |
| Survivors pensions  | 0.0       | 0.3                           | 0.3    | 0.3   | 0.4   | 0.4   | 0.3   | 0.3   | 0.3   | 0.3   | 0.3   |
| Other pensions  | :         | :                             | :      | :     | :     | :     | :     | :     | :     | :     | :     |
| Non-earning-related pensions  | -0.1      | 0.3                           | 0.3    | 0.3   | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   |
| Private pensions, gross   | :         | :                             | :      | :     | :     | :     | :     | :     | :     | :     | :     |
| New pensions, gross   | :         | :                             | 0.1    | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   | 0.2   | 0.1   |
| Public pensions, net  | :         | :                             | :      | :     | :     | :     | :     | :     | :     | :     | :     |
| Public pensions, contributors   | -0.7      | 6.3                           | 5.8    | 5.7   | 5.6   | 5.6   | 5.6   | 5.6   | 5.6   | 5.6   | 5.6   |
| Additional indicators   | Ch 13-60  | 2013                          | 2020   | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, net/Public pensions, gross, %  | :         | :                             | :      | :     | :     | :     | :     | :     | :     | :     | :     |
| Pensioners (Public, in 1000 pers ons)   | -326      | 927                           | 868    | 829   | 823   | 809   | 782   | 737   | 687   | 643   | 601   |
| Pensioners aged 65+ (1000 pers ons)   | :         | :                             | 569    | 595   | 624   | 636   | 634   | 603   | 558   | 519   | 489   |
| Share of pensioners below age 65 as % of all pensioners   | :         | :                             | 33.7%  | 28.2% | 24.2% | 21.4% | 18.9% | 18.2% | 18.8% | 19.4% | 18.7% |
| Benefit ratio (Public pensions)   | -2.1      | 35.1                          | 33.0   | 32.9  | 33.3  | 33.6  | 33.8  | 33.9  | 33.7  | 33.4  | 33.0  |
| Gross replacement rate at retirement (Old-age earnings-related pensions)                                    | :         | :                             | 35.6   | 37.2  | 37.5  | 36.6  | 35.9  | 35.1  | 34.8  | 34.9  | 34.8  |
| Average accrual rates (new pensions, earnings-related)  | :         | :                             | 0.5    | 0.5   | 0.4   | 0.4   | 0.4   | 0.4   | 0.4   | 0.4   | 0.4   |
| Average contributory period (new pensions, earnings-related)  | :         | :                             | 37.8   | 40.0  | 41.0  | 41.0  | 41.0  | 40.9  | 40.9  | 41.0  | 41.1  |
| Contributors (Public pensions, in 1000 pers ons)  | 646.4     | 0.0                           | 1037.6 | 892.5 | 773.9 | 707.2 | 688.4 | 675.7 | 662.8 | 649.0 | 646.4 |
| Support ratio (contributors/100 pensioners, Public pensions)  | 107.6     | 0.0                           | 120.9  | 107.6 | 94.0  | 87.4  | 88.0  | 91.7  | 96.4  | 100.9 | 107.6 |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013                          | 2020   | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| High life expectancy (+2 years)   | 0.6       | 0.0                           | 0.0    | 0.1   | 0.1   | 0.2   | 0.3   | 0.4   | 0.4   | 0.5   | 0.6   |
| High labour productivity (+0.25 p.p.)   | 0.0       | 0.0                           | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Lower labour productivity (-0.25 p.p.)  | 0.0       | 0.0                           | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| High employment rate (+2 p.p.)  | -0.2      | 0.0                           | -0.1   | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  |
| High emp. of older workers (+10 p.p.)   | -0.3      | 0.0                           | -0.2   | -0.5  | -0.6  | -0.6  | -0.5  | -0.5  | -0.4  | -0.4  | -0.3  |
| Lower migration (-20%)  | 0.3       | 0.0                           | -0.1   | -0.2  | -0.4  | -0.5  | -0.4  | -0.3  | -0.1  | 0.1   | 0.3   |
| TFP risk scenario   | 0.0       | 0.0                           | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Policy scenario linking retirement age to increase in life expectancy                                       | -0.8      | 0.0                           | 0.0    | -0.1  | -0.3  | -0.5  | -0.6  | -0.7  | -0.7  | -0.8  | -0.8  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013                          | 2020   | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | 0.3       | -0.4                          | 0.4    | 1.5   | 2.2   | 2.2   | 1.8   | 1.4   | 0.9   | 0.3   | 0.3   |
| Dependency ratio  | 4.3       | 1.0                           | 2.7    | 4.4   | 5.5   | 5.8   | 5.6   | 5.0   | 4.6   | 4.3   | 4.3   |
| Coverage ratio  | -2.2      | -0.6                          | -1.1   | -1.6  | -1.9  | -2.1  | -2.2  | -2.2  | -2.1  | -2.1  | -2.2  |
| Of which: Old-age   | -0.1      | :                             | -0.1   | -0.1  | -0.1  | -0.1  | -0.1  | -0.1  | -0.1  | -0.1  | -0.1  |
| Early-age   | -0.3      | :                             | -1.5   | -1.4  | -1.1  | -1.4  | -2.0  | -1.3  | -1.1  | -1.1  | -0.3  |
| Cohort effect   | -6.4      | -0.2                          | -1.2   | -2.7  | -4.2  | -5.3  | -5.2  | -5.4  | -6.2  | -6.4  | -6.4  |
| Benefit ratio   | -0.9      | -0.8                          | -0.8   | -0.8  | -0.7  | -0.7  | -0.6  | -0.7  | -0.8  | -0.8  | -0.9  |
| Labour market ratio   | -0.6      | 0.0                           | -0.1   | -0.3  | -0.3  | -0.5  | -0.5  | -0.5  | -0.5  | -0.6  | -0.6  |
| Of which: Employment rate   | -0.5      | 0.0                           | 0.0    | -0.1  | -0.2  | -0.4  | -0.4  | -0.5  | -0.5  | -0.5  | -0.5  |
| Labour intensity  | 0.0       | 0.0                           | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Career shift  | 0.0       | 0.0                           | -0.1   | -0.1  | -0.1  | -0.1  | -0.1  | -0.1  | 0.0   | 0.0   | 0.0   |
| Interaction effect (residual)   | -0.4      | -0.1                          | -0.2   | -0.3  | -0.4  | -0.4  | -0.4  | -0.4  | -0.4  | -0.4  | -0.4  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013                          | 2020   | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross as % of GDP  | 0.3       | 0.1                           | 0.8    | 1.1   | 0.7   | 0.0   | -0.4  | -0.5  | -0.5  | -0.6  | -0.6  |
| Dependency ratio  | 4.3       | 0.8                           | 1.6    | 1.8   | 1.0   | 0.3   | -0.3  | -0.5  | -0.4  | -0.4  | -0.4  |
| Coverage ratio  | -2.2      | -0.4                          | -0.6   | -0.4  | -0.3  | -0.3  | -0.1  | 0.1   | 0.1   | 0.1   | -0.1  |
| Of which: Old-age   | -0.1      | 0.0                           | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Early-age   | -0.3      | -0.8                          | -0.7   | 0.1   | 0.2   | -0.3  | -0.5  | 0.6   | 1.3   | -0.2  | -0.2  |
| Cohort effect   | -6.4      | -0.2                          | -1.0   | -1.5  | -1.5  | -1.0  | 0.1   | -0.2  | -0.8  | -0.8  | -0.2  |
| Benefit ratio   | -0.9      | -0.4                          | 0.0    | 0.0   | 0.1   | 0.1   | 0.0   | 0.0   | -0.1  | -0.1  | -0.1  |
| Labour market ratio   | -0.6      | 0.1                           | -0.1   | -0.1  | -0.1  | -0.1  | 0.0   | 0.0   | 0.0   | 0.0   | -0.1  |
| Of which: Employment rate   | -0.5      | 0.1                           | 0.0    | -0.1  | -0.1  | -0.2  | -0.1  | 0.0   | 0.0   | 0.0   | -0.1  |
| Labour intensity  | 0.0       | 0.0                           | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Career shift  | 0.0       | 0.0                           | -0.1   | -0.1  | 0.0   | 0.0   | 0.1   | 0.0   | 0.0   | 0.0   | 0.0   |
| Interaction effect (residual)   | -0.4      | -0.1                          | -0.1   | -0.1  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| <b>Health care</b>  |           |                               |        |       |       |       |       |       |       |       |       |
| Health care spending as % of GDP  | Ch 13-60  | 2013                          | 2020   | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario  | 0.1       | 4.2                           | 4.4    | 4.5   | 4.6   | 4.7   | 4.7   | 4.6   | 4.5   | 4.4   | 4.3   |
| Demographic scenario  | 0.1       | 4.2                           | 4.3    | 4.5   | 4.5   | 4.6   | 4.6   | 4.6   | 4.5   | 4.4   | 4.3   |
| High Life expectancy scenario   | 0.3       | 4.2                           | 4.4    | 4.5   | 4.6   | 4.7   | 4.7   | 4.7   | 4.6   | 4.5   | 4.5   |
| Constant health scenario  | -0.3      | 4.2                           | 4.2    | 4.3   | 4.3   | 4.3   | 4.3   | 4.2   | 4.1   | 4.0   | 3.9   |
| Death-related cost scenario   | :         | :                             | :      | :     | :     | :     | :     | :     | :     | :     | :     |
| Income elasticity scenario  | 0.4       | 4.2                           | 4.5    | 4.6   | 4.8   | 4.8   | 4.9   | 4.9   | 4.8   | 4.7   | 4.6   |
| EU28 cost convergence scenario  | 2.1       | 4.2                           | 4.5    | 4.8   | 5.2   | 5.5   | 5.8   | 6.0   | 6.1   | 6.2   | 6.3   |
| Labour intensity scenario   | 0.4       | 4.2                           | 4.2    | 4.5   | 4.8   | 5.0   | 5.0   | 4.9   | 4.8   | 4.7   | 4.6   |
| Sector-specific composite indexation scenario   | -0.5      | 4.2                           | 4.1    | 4.1   | 4.1   | 4.1   | 4.1   | 4.0   | 3.9   | 3.8   | 3.7   |
| Non-demographic determinants scenario   | 1.7       | 4.2                           | 4.8    | 5.2   | 5.5   | 5.8   | 5.9   | 6.0   | 6.0   | 6.0   | 5.9   |
| AWG risk scenario   | 0.9       | 4.2                           | 4.7    | 5.1   | 5.3   | 5.4   | 5.5   | 5.5   | 5.4   | 5.3   | 5.1   |
| TFP risk scenario   | 0.1       | 4.2                           | 4.4    | 4.5   | 4.6   | 4.7   | 4.7   | 4.6   | 4.5   | 4.4   | 4.3   |

| Lithuania  |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 0.9      | 1.4  | 1.5  | 1.7  | 1.9  | 2.1  | 2.2  | 2.3  | 2.4  | 2.4  | 2.3  |
| Demographic scenario   | 1.0      | 1.4  | 1.6  | 1.8  | 1.9  | 2.1  | 2.2  | 2.3  | 2.4  | 2.4  | 2.3  |
| High Life expectancy scenario  | 1.2      | 1.4  | 1.6  | 1.8  | 2.0  | 2.1  | 2.3  | 2.5  | 2.6  | 2.6  | 2.6  |
| Base case scenario   | 1.0      | 1.4  | 1.6  | 1.8  | 2.0  | 2.2  | 2.3  | 2.5  | 2.5  | 2.5  | 2.4  |
| Constant disability scenario   | 0.8      | 1.4  | 1.5  | 1.7  | 1.9  | 2.0  | 2.1  | 2.2  | 2.3  | 2.2  | 2.1  |
| Shift to formal care scenario  | 1.3      | 1.4  | 1.7  | 2.0  | 2.2  | 2.4  | 2.6  | 2.7  | 2.8  | 2.8  | 2.6  |
| Coverage convergence scenario  | 1.0      | 1.4  | 1.6  | 1.8  | 2.0  | 2.2  | 2.3  | 2.5  | 2.5  | 2.5  | 2.4  |
| Cost convergence scenario  | 3.8      | 1.4  | 1.7  | 2.1  | 2.6  | 3.1  | 3.5  | 4.0  | 4.6  | 5.0  | 5.2  |
| Cost and coverage convergence scenario   | 3.8      | 1.4  | 1.7  | 2.1  | 2.6  | 3.1  | 3.5  | 4.0  | 4.6  | 5.0  | 5.2  |
| AWG risk scenario  | 3.5      | 1.4  | 1.7  | 2.1  | 2.5  | 2.9  | 3.3  | 3.8  | 4.3  | 4.7  | 4.9  |
| TFP risk scenario  | 0.9      | 1.4  | 1.5  | 1.7  | 1.9  | 2.1  | 2.2  | 2.3  | 2.4  | 2.4  | 2.3  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | -24.3%   | 251  | 260  | 241  | 232  | 227  | 226  | 224  | 216  | 205  | 190  |
| of which: receiving institutional care   | -15.8%   | 61   | 62   | 61   | 59   | 58   | 59   | 59   | 58   | 55   | 52   |
| receiving home care  | 27.1%    | 67   | 73   | 75   | 76   | 78   | 82   | 87   | 91   | 90   | 85   |
| receiving cash benefits  | 5.8%     | 106  | 111  | 111  | 111  | 113  | 117  | 121  | 123  | 119  | 112  |
| Demographic scenario   | -17.1%   | 251  | 265  | 250  | 243  | 241  | 242  | 242  | 235  | 223  | 208  |
| of which: receiving institutional care   | -9.2%    | 61   | 63   | 62   | 61   | 61   | 62   | 63   | 62   | 60   | 56   |
| receiving home care  | 33.3%    | 67   | 74   | 77   | 78   | 81   | 85   | 91   | 95   | 94   | 89   |
| receiving cash benefits  | 11.9%    | 106  | 112  | 113  | 114  | 117  | 123  | 128  | 129  | 126  | 118  |
| Constant disability scenario   | -30.8%   | 251  | 244  | 232  | 222  | 216  | 213  | 209  | 200  | 188  | 174  |
| of which: receiving institutional care   | -22.1%   | 61   | 61   | 59   | 56   | 56   | 56   | 56   | 54   | 51   | 48   |
| receiving home care  | 21.0%    | 67   | 72   | 74   | 74   | 76   | 79   | 84   | 87   | 86   | 81   |
| receiving cash benefits  | -0.1%    | 106  | 109  | 108  | 108  | 109  | 112  | 116  | 117  | 113  | 105  |
| Shift 1% of dependents from informal to formal scenario  | -17.1%   | 251  | 265  | 250  | 243  | 241  | 242  | 242  | 235  | 223  | 208  |
| of which: receiving institutional care   | 6.4%     | 61   | 73   | 75   | 73   | 73   | 74   | 74   | 73   | 70   | 65   |
| receiving home care  | 50.1%    | 67   | 83   | 89   | 90   | 93   | 98   | 104  | 106  | 106  | 100  |
| receiving cash benefits  | 11.9%    | 106  | 112  | 113  | 114  | 117  | 123  | 128  | 129  | 126  | 118  |
| Coverage convergence scenario  | -17.1%   | 251  | 265  | 250  | 243  | 241  | 242  | 242  | 235  | 223  | 208  |
| of which: receiving institutional care   | -9.2%    | 61   | 63   | 62   | 61   | 61   | 62   | 63   | 62   | 60   | 56   |
| receiving home care  | 33.3%    | 67   | 74   | 77   | 78   | 81   | 85   | 91   | 95   | 94   | 89   |
| receiving cash benefits  | 11.9%    | 106  | 112  | 113  | 114  | 117  | 123  | 128  | 129  | 126  | 118  |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.9      | 3.9  | 3.6  | 3.9  | 4.2  | 4.3  | 4.2  | 4.1  | 4.2  | 4.6  | 4.8  |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (9%) - Staff (67%) - Other (15%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | 0.4      | 0.7  | 0.9  | 0.9  | 1.0  | 0.9  | 0.8  | 0.9  | 1.1  | 1.2  | 1.1  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (4%) - Staff (79%) - Other (15%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.4      | 1.3  | 1.2  | 1.4  | 1.5  | 1.5  | 1.4  | 1.3  | 1.4  | 1.6  | 1.7  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (9%) - Staff (79%) - Other (15%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | 0.1      | 0.7  | 0.5  | 0.6  | 0.7  | 0.7  | 0.7  | 0.6  | 0.6  | 0.7  | 0.7  |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (7%) - Staff (69%) - Other (15%)                           |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | 0.0      | 1.2  | 1.0  | 1.0  | 1.1  | 1.2  | 1.3  | 1.2  | 1.2  | 1.2  | 1.2  |
| Expenditure decomposition (broadly constant) : Transfers (11%) - Capital (18%) - Staff (47%) - Other (23%)                         |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -193     | 590  | 480  | 439  | 413  | 389  | 367  | 353  | 360  | 380  | 397  |
| as % of population 5-24  | 1%       | 87%  | 87%  | 89%  | 88%  | 87%  | 87%  | 87%  | 88%  | 88%  | 87%  |
| Primary  | -18      | 108  | 112  | 103  | 90   | 76   | 70   | 76   | 86   | 91   | 90   |
| Low secondary  | -56      | 201  | 160  | 162  | 152  | 140  | 125  | 115  | 122  | 136  | 144  |
| Upper secondary  | -40      | 103  | 72   | 67   | 68   | 66   | 63   | 56   | 53   | 57   | 63   |
| Tertiary education   | -79      | 179  | 135  | 107  | 102  | 106  | 110  | 106  | 98   | 95   | 100  |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | -17      | 59   | 49   | 47   | 44   | 40   | 37   | 35   | 37   | 40   | 42   |
| Primary  | -2       | 11   | 12   | 11   | 9    | 8    | 7    | 8    | 9    | 9    | 9    |
| Low secondary  | -9       | 33   | 26   | 26   | 25   | 23   | 20   | 19   | 20   | 22   | 24   |
| Upper secondary  | -3       | 7    | 5    | 4    | 4    | 4    | 4    | 4    | 3    | 4    | 4    |
| Tertiary education   | -4       | 9    | 7    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.6      | 0.0  | 0.2  | 0.3  | 0.4  | 0.5  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.1     | 0.2  | 0.2  | 0.2  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  |
| <b>LEGENDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source: Commission Services (DG ECFIN), Eurostat (BJRPOP2013), EPC (AWG)   |          |      |      |      |      |      |      |      |      |      |      |

# 16. LUXEMBOURG

| Luxembourg   |                            | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.2                           | 1.59 | 1.64 | 1.67 | 1.69 | 1.71 | 1.73 | 1.75 | 1.76 | 1.77 | 1.78 |
| Life expectancy at birth   |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 6.3                           | 79.1 | 80.2 | 80.9 | 81.6 | 82.3 | 83.0 | 83.6 | 84.2 | 84.8 | 85.4 |
|  | females                    | 6.0                           | 83.5 | 84.6 | 85.3 | 86.0 | 86.7 | 87.3 | 87.9 | 88.4 | 89.0 | 89.6 |
| Life expectancy at 65  |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 4.3                           | 18.6 | 19.3 | 19.8 | 20.2 | 20.7 | 21.2 | 21.6 | 22.0 | 22.5 | 22.9 |
|  | females                    | 4.1                           | 22.0 | 22.6 | 23.1 | 23.6 | 24.0 | 24.4 | 24.9 | 25.3 | 25.7 | 26.1 |
| Net migration (thous and)  |                            | -5.7                          | 10.5 | 11.7 | 11.6 | 11.2 | 10.3 | 9.1  | 7.4  | 5.4  | 5.1  | 4.9  |
| Net migration as % of population                                     |                            | -1.5                          | 1.9  | 1.8  | 1.6  | 1.4  | 1.2  | 1.0  | 0.7  | 0.5  | 0.5  | 0.4  |
| Population (million)   |                            | 0.6                           | 0.5  | 0.6  | 0.7  | 0.8  | 0.9  | 0.9  | 1.0  | 1.1  | 1.1  | 1.1  |
| Children population (0-14) as % of total population                  |                            | -0.1                          | 17.0 | 17.3 | 17.7 | 18.0 | 18.0 | 17.9 | 17.6 | 17.4 | 17.1 | 16.9 |
| Prime age population (25-54) as % of total population                |                            | -7.8                          | 46.5 | 43.4 | 42.5 | 41.9 | 41.3 | 40.8 | 40.3 | 39.4 | 38.5 | 37.8 |
| Working age population (15-64) as % of total population              |                            | -7.7                          | 69.0 | 67.9 | 66.7 | 65.2 | 64.1 | 63.5 | 63.2 | 62.7 | 62.2 | 61.3 |
| Elderly population (65 and over) as % of total population            |                            | 7.8                           | 14.0 | 14.8 | 15.6 | 16.8 | 17.9 | 18.6 | 19.2 | 19.9 | 20.7 | 21.8 |
| Very elderly population (80 and over) as % of total population       |                            | 3.9                           | 3.9  | 4.1  | 4.1  | 4.4  | 4.9  | 5.6  | 6.4  | 7.1  | 7.5  | 7.8  |
| Very elderly population (80 and over) as % of elderly population     |                            | 7.7                           | 28.1 | 27.6 | 26.1 | 26.1 | 27.3 | 30.0 | 33.4 | 35.7 | 36.1 | 35.8 |
| Very elderly population (80 and over) as % of working age population |                            | 7.0                           | 5.7  | 6.0  | 6.1  | 6.7  | 7.6  | 8.8  | 10.1 | 11.3 | 12.0 | 12.7 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 2.5                           | 1.4  | 3.0  | 2.7  | 2.9  | 3.0  | 2.8  | 2.5  | 2.2  | 2.0  | 1.9  |
| Employment (growth rate)   |                            | 1.4                           | 2.2  | 2.7  | 1.9  | 1.7  | 1.5  | 1.3  | 1.0  | 0.7  | 0.5  | 0.4  |
| Labour input: hours worked (growth rate)                             |                            | 1.3                           | 1.7  | 2.6  | 1.8  | 1.7  | 1.5  | 1.3  | 1.0  | 0.7  | 0.5  | 0.4  |
| Labour productivity per hour (growth rate)                           |                            | 1.2                           | -0.3 | 0.4  | 0.8  | 1.2  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| TFP (growth rate)  |                            | 0.7                           | -0.7 | 0.2  | 0.5  | 0.8  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.4                           | 0.4  | 0.2  | 0.3  | 0.4  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 0.9                           | -1.0 | 0.6  | 0.5  | 0.9  | 1.3  | 1.3  | 1.3  | 1.3  | 1.2  | 1.2  |
| Potential GDP per worker (growth rate)                               |                            | 1.1                           | -0.9 | 0.3  | 0.8  | 1.2  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  | 1.5  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thousands)                         |                            | 326                           | 376  | 434  | 477  | 517  | 557  | 597  | 634  | 662  | 686  | 701  |
| Population growth (working age:15-64)                                |                            | -2.0                          | 2.4  | 2.0  | 1.8  | 1.6  | 1.5  | 1.4  | 1.1  | 0.8  | 0.6  | 0.4  |
| Population (20-64) (n thousands)                                     |                            | 294                           | 342  | 399  | 437  | 472  | 506  | 542  | 575  | 601  | 621  | 636  |
| Population growth (20-64)  |                            | -2.0                          | 2.4  | 2.1  | 1.7  | 1.5  | 1.4  | 1.3  | 1.1  | 0.8  | 0.6  | 0.4  |
| Labour force 15-64 (thous and)                                       |                            | 230                           | 260  | 306  | 338  | 368  | 398  | 426  | 451  | 469  | 481  | 491  |
| Labour force 20-64 (thous and)                                       |                            | 227                           | 256  | 302  | 333  | 363  | 392  | 420  | 444  | 462  | 474  | 483  |
| Participation rate (20-64)   |                            | 1.0                           | 74.9 | 75.8 | 76.3 | 76.9 | 77.5 | 77.2 | 76.9 | 76.3 | 76.0 | 75.0 |
| Participation rate (15-64)   |                            | 0.5                           | 69.4 | 70.5 | 70.9 | 71.2 | 71.5 | 71.4 | 71.1 | 70.8 | 70.3 | 70.0 |
|  | young (15-24)              | 2.6                           | 27.0 | 31.2 | 30.6 | 30.1 | 29.9 | 29.8 | 29.6 | 29.6 | 29.7 | 29.6 |
|  | prime-age (25-54)          | 2.3                           | 87.5 | 89.1 | 89.6 | 90.0 | 90.0 | 89.9 | 89.9 | 89.8 | 89.8 | 89.8 |
|  | older (55-64)              | 4.3                           | 42.2 | 44.4 | 46.0 | 46.3 | 47.1 | 48.0 | 47.5 | 47.9 | 47.4 | 46.5 |
| Participation rate (20-64) - FEMALES                                 |                            | 4.8                           | 67.6 | 70.7 | 71.9 | 72.7 | 73.4 | 73.5 | 73.3 | 73.1 | 72.7 | 72.4 |
| Participation rate (15-64) - FEMALES                                 |                            | 4.0                           | 62.6 | 65.6 | 66.5 | 67.1 | 67.6 | 67.5 | 67.3 | 67.2 | 66.8 | 66.6 |
|  | young (15-24)              | 4.0                           | 22.5 | 28.0 | 27.4 | 27.0 | 26.8 | 26.7 | 26.5 | 26.5 | 26.5 | 26.5 |
|  | prime-age (25-54)          | 4.5                           | 80.4 | 83.2 | 84.4 | 85.0 | 85.0 | 84.8 | 84.8 | 84.9 | 84.9 | 84.9 |
|  | older (55-64)              | 13.9                          | 33.6 | 41.0 | 43.3 | 46.0 | 47.8 | 49.2 | 48.1 | 48.8 | 48.4 | 47.5 |
| Participation rate (20-64) - MALES                                   |                            | -2.6                          | 82.0 | 80.8 | 80.6 | 81.0 | 81.4 | 81.4 | 81.0 | 80.4 | 79.7 | 79.4 |
| Participation rate (15-64) - MALES                                   |                            | -2.7                          | 76.0 | 75.3 | 75.1 | 75.2 | 75.4 | 75.2 | 74.8 | 74.2 | 73.6 | 73.3 |
|  | young (15-24)              | 1.3                           | 31.4 | 34.3 | 33.7 | 33.2 | 32.9 | 32.8 | 32.6 | 32.6 | 32.7 | 32.6 |
|  | prime-age (25-54)          | 0.3                           | 94.3 | 94.7 | 94.7 | 94.7 | 94.8 | 94.7 | 94.7 | 94.7 | 94.6 | 94.6 |
|  | older (55-64)              | -4.9                          | 50.6 | 47.6 | 46.6 | 46.7 | 46.3 | 46.8 | 46.8 | 47.1 | 46.5 | 45.6 |
| Average effective exit age (TOTAL) (1)                               |                            | 0.0                           | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 |
|  | Men                        | 0.0                           | 60.2 | 60.2 | 60.2 | 60.2 | 60.2 | 60.2 | 60.2 | 60.2 | 60.2 | 60.2 |
|  | Women                      | 0.0                           | 60.9 | 60.9 | 60.9 | 60.9 | 60.9 | 60.9 | 60.9 | 60.9 | 60.9 | 60.9 |
| Employment rate (15-64)  |                            | 1.7                           | 65.3 | 67.0 | 67.8 | 68.2 | 68.5 | 68.4 | 68.1 | 67.8 | 67.3 | 67.0 |
| Employment rate (20-64)  |                            | 2.2                           | 70.7 | 72.1 | 73.2 | 73.7 | 74.3 | 74.3 | 74.1 | 73.7 | 73.2 | 72.9 |
| Employment rate (15-74)  |                            | -1.2                          | 59.5 | 60.3 | 60.6 | 60.2 | 60.2 | 60.3 | 60.2 | 59.8 | 59.0 | 58.3 |
| Unemployment rate (15-64)  |                            | -1.7                          | 5.9  | 5.1  | 4.3  | 4.3  | 4.3  | 4.2  | 4.2  | 4.2  | 4.2  | 4.2  |
| Unemployment rate (20-64)  |                            | -1.6                          | 5.7  | 4.9  | 4.1  | 4.1  | 4.1  | 4.1  | 4.1  | 4.1  | 4.1  | 4.1  |
| Unemployment rate (15-74)  |                            | -1.7                          | 5.9  | 5.0  | 4.3  | 4.2  | 4.2  | 4.2  | 4.2  | 4.2  | 4.2  | 4.2  |
| Employment (20-64) (in millions)                                     |                            | 0.2                           | 0.2  | 0.3  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  |
| Employment (15-64) (in millions)                                     |                            | 0.2                           | 0.2  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.5  |
|  | share of young (15-24)     | 1%                            | 8%   | 7%   | 7%   | 7%   | 7%   | 7%   | 7%   | 7%   | 8%   | 8%   |
|  | share of prime-age (25-54) | -4%                           | 84%  | 81%  | 81%  | 82%  | 82%  | 81%  | 81%  | 80%  | 79%  | 79%  |
|  | share of older (55-64)     | 3%                            | 10%  | 11%  | 12%  | 11%  | 11%  | 11%  | 12%  | 12%  | 13%  | 13%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | 3.1                           | 16.3 | 17.9 | 18.3 | 17.5 | 16.8 | 16.8 | 17.2 | 18.0 | 19.1 | 19.3 |
| Old-age dependency ratio 15-64(3)                                    |                            | 15                            | 20   | 22   | 23   | 26   | 28   | 29   | 30   | 32   | 33   | 36   |
| Old-age dependency ratio 20-64(3)                                    |                            | 17                            | 22   | 24   | 26   | 28   | 31   | 32   | 33   | 35   | 37   | 39   |
| Total dependency ratio (4)   |                            | 18                            | 45   | 47   | 50   | 53   | 56   | 57   | 58   | 59   | 61   | 63   |
| Total economic dependency ratio (5)                                  |                            | 21                            | 120  | 118  | 119  | 123  | 126  | 128  | 130  | 133  | 137  | 141  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 22                            | 30   | 32   | 34   | 37   | 40   | 42   | 44   | 46   | 49   | 52   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 21                            | 30   | 31   | 33   | 37   | 40   | 41   | 43   | 45   | 48   | 51   |

| Luxembourg  |           |       |       |       |       |       |       |       |       |       |       |
|---|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| EC-EPC (AWG) 2015 projections   |           |       |       |       |       |       |       |       |       |       |       |
| Pension expenditure projections   |           |       |       |       |       |       |       |       |       |       |       |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross  | 4.1       | 9.4   | 10.6  | 11.2  | 11.9  | 12.4  | 12.7  | 12.7  | 12.5  | 12.4  | 13.4  |
| Earnings-related pensions, gross  | 4.1       | 9.4   | 10.6  | 11.2  | 11.9  | 12.4  | 12.7  | 12.7  | 12.5  | 12.4  | 13.4  |
| Of which: Old-age and early pensions  | 4.3       | 6.7   | 8.0   | 8.8   | 9.5   | 10.1  | 10.4  | 10.4  | 10.2  | 10.0  | 11.0  |
| Disability pensions   | -0.2      | 0.8   | 0.8   | 0.7   | 0.7   | 0.6   | 0.5   | 0.5   | 0.4   | 0.5   | 0.6   |
| Survivors pensions  | -0.1      | 1.9   | 1.7   | 1.7   | 1.7   | 1.7   | 1.8   | 1.8   | 1.8   | 1.8   | 1.8   |
| Other pensions  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Non-earning-related pensions  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Private pensions, gross   | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| New pensions, gross   | :         | :     | 0.7   | 0.7   | 0.7   | 0.7   | 0.6   | 0.6   | 0.5   | 0.7   | 0.8   |
| Public pensions, net  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Public pensions, contributors   | -0.1      | 10.2  | 10.2  | 10.1  | 10.1  | 10.0  | 10.0  | 10.1  | 10.1  | 10.1  | 10.1  |
| Additional indicators   | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, net/Public pensions, gross, %  | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Pensioners (Public, in 1000 persons)  | 284       | 172   | 205   | 238   | 277   | 315   | 349   | 377   | 396   | 412   | 466   |
| Pensioners aged 65+ (1000 persons)  | 220       | 119   | 145   | 170   | 206   | 246   | 280   | 307   | 328   | 333   | 339   |
| Share of pensioners below age 65 as % of all pensioners   | -5.0%     | 30.6% | 29.4% | 28.6% | 25.6% | 22.0% | 19.8% | 18.5% | 17.3% | 19.1% | 25.6% |
| Benefit ratio (Public pensions)   | 2.1       | 51.3  | 57.8  | 59.0  | 58.5  | 57.8  | 57.1  | 55.9  | 54.4  | 53.3  | 53.4  |
| Gross replacement rate at retirement (Old-age earnings-related pensions)                                    | :         | :     | 74.6  | 67.0  | 64.8  | 67.4  | 68.2  | 65.8  | 63.9  | 65.7  | 64.6  |
| Average accrual rates (new pensions, earnings-related)  | :         | :     | 1.8   | 1.8   | 1.7   | 1.7   | 1.7   | 1.7   | 1.6   | 1.6   | 1.6   |
| Average contributory period (new pensions, earnings-related)  | :         | :     | 30.8  | 31.2  | 32.4  | 34.2  | 34.7  | 34.8  | 35.4  | 36.4  | 36.6  |
| Contributors (Public pensions, in 1000 persons)   | 408.1     | 445.2 | 527.7 | 586.7 | 639.2 | 691.7 | 740.6 | 782.4 | 814.3 | 835.9 | 863.3 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -71.6     | 258.9 | 257.4 | 246.7 | 230.5 | 219.4 | 212.4 | 207.4 | 205.6 | 202.9 | 187.2 |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| High life expectancy (+2 years)   | 0.4       | 0.0   | 0.0   | 0.0   | 0.1   | 0.1   | 0.1   | 0.2   | 0.2   | 0.3   | 0.4   |
| High labour productivity (+0.25 p.p.)   | -0.3      | 0.0   | 0.0   | -0.1  | -0.1  | -0.2  | -0.2  | -0.3  | -0.3  | -0.3  | -0.3  |
| Lower labour productivity (-0.25 p.p.)  | 0.3       | 0.0   | 0.0   | 0.1   | 0.1   | 0.1   | 0.2   | 0.2   | 0.2   | 0.2   | 0.3   |
| High employment rate (+2 p.p.)  | -0.1      | 0.0   | -0.1  | -0.2  | -0.3  | -0.3  | -0.3  | -0.3  | -0.3  | -0.2  | -0.1  |
| High emp. of older workers (+10 p.p.)   | -0.2      | 0.0   | -0.2  | -0.5  | -0.5  | -0.5  | -0.5  | -0.5  | -0.5  | -0.5  | -0.2  |
| Lower migration (-20%)  | 0.8       | 0.0   | 0.2   | 0.4   | 0.7   | 0.9   | 1.1   | 1.2   | 1.2   | 1.1   | 0.8   |
| TFP risk scenario   | 1.1       | 0.0   | -0.2  | -0.1  | 0.0   | 0.2   | 0.4   | 0.6   | 0.7   | 0.9   | 1.1   |
| Policy scenario linking retirement age to increase in life expectancy                                       | -1.9      | 0.0   | -0.1  | -0.5  | -0.5  | -0.8  | -0.8  | -1.1  | -1.0  | -1.5  | -1.9  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | 4.1       | 1.2   | 1.9   | 2.6   | 3.0   | 3.3   | 3.3   | 3.1   | 3.0   | 3.0   | 4.1   |
| Dependency ratio  | 6.8       | 0.6   | 1.5   | 2.6   | 3.7   | 4.3   | 4.8   | 5.3   | 6.0   | 6.8   |       |
| Coverage ratio  | -2.4      | -0.4  | -0.6  | -0.8  | -1.1  | -1.3  | -1.5  | -2.0  | -2.6  | -2.4  |       |
| Of which: Old-age   | -1.7      | -0.2  | -0.3  | -0.1  | 0.2   | 0.3   | 0.3   | 0.0   | -0.8  | -1.7  |       |
| Early-age   | 2.3       | -0.6  | -0.2  | -0.2  | -1.0  | -2.0  | -2.9  | -4.2  | -3.2  | 2.3   |       |
| Cohort effect   | -5.2      | -0.1  | -1.0  | -2.4  | -3.6  | -4.1  | -4.2  | -4.2  | -4.5  | -5.2  |       |
| Benefit ratio   | 0.1       | 1.1   | 1.3   | 1.2   | 1.1   | 0.9   | 0.7   | 0.7   | 0.3   | 0.1   | 0.1   |
| Labour market ratio   | -0.3      | -0.2  | -0.3  | -0.4  | -0.5  | -0.5  | -0.4  | -0.4  | -0.3  | -0.3  |       |
| Of which: Employment rate   | -0.3      | -0.2  | -0.3  | -0.4  | -0.5  | -0.5  | -0.5  | -0.4  | -0.3  | -0.3  |       |
| Labour intensity  | 0.1       | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.1   | 0.1   | 0.1   |       |
| Career shift  | 0.0       | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |       |
| Interaction effect (residual)   | -0.2      | 0.0   | 0.0   | -0.1  | -0.1  | -0.1  | -0.1  | -0.1  | -0.2  | -0.2  | -0.2  |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |       |
| Public pensions, gross as % of GDP  | 4.1       | 0.9   | 0.7   | 0.7   | 0.5   | 0.3   | 0.0   | -0.2  | -0.1  | 1.1   |       |
| Dependency ratio  | 6.8       | 0.5   | 0.8   | 1.2   | 1.0   | 0.6   | 0.5   | 0.6   | 0.6   | 0.8   |       |
| Coverage ratio  | -2.4      | -0.2  | -0.2  | -0.3  | -0.3  | -0.2  | -0.2  | -0.5  | -0.5  | 0.1   |       |
| Of which: Old-age   | -1.7      | -0.1  | -0.1  | 0.2   | 0.3   | 0.2   | 0.0   | -0.3  | -0.8  | -0.9  |       |
| Early-age   | 2.3       | -0.3  | 0.5   | 0.0   | -0.8  | -0.9  | -1.0  | -1.3  | 1.0   | 5.5   |       |
| Cohort effect   | -5.2      | -0.2  | -0.9  | -1.4  | -1.2  | -0.5  | -0.1  | 0.0   | -0.3  | -0.7  |       |
| Benefit ratio   | 0.1       | 0.7   | 0.2   | -0.1  | -0.2  | -0.1  | -0.3  | -0.4  | -0.2  | 0.0   |       |
| Labour market ratio   | -0.3      | -0.1  | -0.1  | -0.1  | -0.1  | 0.0   | 0.0   | 0.1   | 0.1   | 0.0   |       |
| Of which: Employment rate   | -0.3      | -0.1  | -0.1  | -0.1  | -0.1  | 0.0   | 0.0   | 0.1   | 0.1   | 0.0   |       |
| Labour intensity  | 0.1       | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |       |
| Career shift  | 0.0       | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |       |
| Interaction effect (residual)   | -0.2      | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |       |
| Health care   |           |       |       |       |       |       |       |       |       |       |       |
| Health care spending as % of GDP  | Ch 13-60  | 2013  | 2020  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  | 2055  | 2060  |
| AWG reference scenario  | 0.5       | 4.6   | 4.6   | 4.6   | 4.7   | 4.8   | 4.8   | 4.9   | 5.0   | 5.1   | 5.1   |
| Demographic scenario  | 0.7       | 4.6   | 4.7   | 4.7   | 4.8   | 4.9   | 5.0   | 5.1   | 5.2   | 5.2   | 5.3   |
| High Life expectancy scenario   | 0.9       | 4.6   | 4.7   | 4.7   | 4.8   | 4.9   | 5.0   | 5.2   | 5.3   | 5.4   | 5.5   |
| Constant health scenario  | 0.2       | 4.6   | 4.6   | 4.6   | 4.6   | 4.6   | 4.6   | 4.7   | 4.7   | 4.8   | 4.8   |
| Death-related cost scenario   | :         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Income elasticity scenario  | 0.8       | 4.6   | 4.7   | 4.7   | 4.8   | 4.9   | 5.0   | 5.1   | 5.2   | 5.3   | 5.4   |
| EU28 cost convergence scenario  | 1.5       | 4.6   | 4.7   | 4.9   | 5.0   | 5.2   | 5.4   | 5.6   | 5.7   | 5.9   | 6.1   |
| Labour intensity scenario   | 1.4       | 4.6   | 4.7   | 4.8   | 5.0   | 5.1   | 5.3   | 5.4   | 5.6   | 5.8   | 6.0   |
| Sector-specific composite indexation scenario   | 0.7       | 4.6   | 4.7   | 4.7   | 4.8   | 4.9   | 5.0   | 5.1   | 5.2   | 5.3   | 5.3   |
| Non-demographic determinants scenario   | 1.4       | 4.6   | 4.7   | 4.8   | 4.9   | 5.1   | 5.3   | 5.5   | 5.7   | 5.9   | 6.0   |
| AWG risk scenario   | 0.8       | 4.6   | 4.6   | 4.7   | 4.8   | 4.9   | 5.0   | 5.2   | 5.3   | 5.4   | 5.4   |
| TFP risk scenario   | 0.5       | 4.6   | 4.6   | 4.6   | 4.7   | 4.8   | 4.8   | 4.9   | 5.0   | 5.1   | 5.1   |



| Luxembourg   |          |      |      |      |      |      |      |      |      |      |      |
|--|----------|------|------|------|------|------|------|------|------|------|------|
| EC-EPC (AWG) 2015 projections  |          |      |      |      |      |      |      |      |      |      |      |
| <b>Long-term care</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 1.7      | 1.5  | 1.6  | 1.7  | 1.8  | 1.9  | 2.1  | 2.4  | 2.7  | 2.9  | 3.2  |
| Demographic scenario   | 1.5      | 1.5  | 1.6  | 1.7  | 1.7  | 1.9  | 2.1  | 2.3  | 2.6  | 2.8  | 3.0  |
| High Life expectancy scenario  | 1.9      | 1.5  | 1.6  | 1.7  | 1.8  | 2.0  | 2.2  | 2.5  | 2.8  | 3.1  | 3.4  |
| Base case scenario   | 1.9      | 1.5  | 1.6  | 1.7  | 1.8  | 2.0  | 2.2  | 2.5  | 2.8  | 3.1  | 3.3  |
| Constant disability scenario   | 1.5      | 1.5  | 1.6  | 1.6  | 1.7  | 1.9  | 2.1  | 2.3  | 2.6  | 2.8  | 3.0  |
| Shift to formal care scenario  | 2.3      | 1.5  | 1.8  | 2.0  | 2.1  | 2.3  | 2.5  | 2.8  | 3.2  | 3.5  | 3.8  |
| Coverage convergence scenario  | 3.6      | 1.5  | 1.8  | 1.9  | 2.1  | 2.4  | 2.8  | 3.3  | 3.8  | 4.4  | 5.0  |
| Cost convergence scenario  | 1.9      | 1.5  | 1.7  | 1.7  | 1.8  | 2.0  | 2.2  | 2.5  | 2.8  | 3.1  | 3.3  |
| Cost and coverage convergence scenario   | 3.6      | 1.5  | 1.8  | 1.9  | 2.1  | 2.4  | 2.8  | 3.3  | 3.9  | 4.5  | 5.1  |
| AWG risk scenario  | 3.3      | 1.5  | 1.7  | 1.9  | 2.1  | 2.3  | 2.7  | 3.2  | 3.7  | 4.2  | 4.8  |
| TFP risk scenario  | 1.7      | 1.5  | 1.6  | 1.7  | 1.8  | 1.9  | 2.1  | 2.4  | 2.7  | 2.9  | 3.2  |
| Number of dependent people (in thousands)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   | 156.9%   | 32   | 39   | 43   | 48   | 54   | 60   | 66   | 71   | 77   | 81   |
| of which: receiving institutional care   | 330.4%   | 4    | 6    | 6    | 7    | 9    | 10   | 13   | 15   | 17   | 19   |
| receiving home care  | 205.5%   | 9    | 11   | 12   | 14   | 16   | 18   | 21   | 23   | 25   | 27   |
| receiving cash benefits  | 181.7%   | 2    | 2    | 3    | 3    | 3    | 4    | 4    | 5    | 5    | 5    |
| Demographic scenario   | 182.4%   | 32   | 39   | 45   | 50   | 57   | 64   | 71   | 78   | 84   | 89   |
| of which: receiving institutional care   | 352.9%   | 4    | 6    | 6    | 7    | 9    | 11   | 13   | 15   | 18   | 19   |
| receiving home care  | 227.5%   | 9    | 11   | 12   | 14   | 17   | 19   | 22   | 24   | 27   | 29   |
| receiving cash benefits  | 207.1%   | 2    | 2    | 3    | 3    | 3    | 4    | 4    | 5    | 5    | 6    |
| Constant disability scenario   | 142.6%   | 32   | 38   | 42   | 46   | 51   | 57   | 62   | 68   | 72   | 77   |
| of which: receiving institutional care   | 310.0%   | 4    | 5    | 6    | 7    | 8    | 10   | 12   | 14   | 16   | 18   |
| receiving home care  | 190.9%   | 9    | 11   | 12   | 14   | 15   | 18   | 20   | 22   | 24   | 25   |
| receiving cash benefits  | 168.2%   | 2    | 2    | 3    | 3    | 3    | 4    | 4    | 4    | 5    | 5    |
| Shift 1% of dependents from informal to formal scenario  | 182.4%   | 32   | 39   | 45   | 50   | 57   | 64   | 71   | 78   | 84   | 89   |
| of which: receiving institutional care   | 406.4%   | 4    | 6    | 7    | 8    | 10   | 12   | 15   | 17   | 20   | 22   |
| receiving home care  | 303.1%   | 9    | 13   | 16   | 18   | 21   | 24   | 27   | 30   | 33   | 35   |
| receiving cash benefits  | 207.1%   | 2    | 2    | 3    | 3    | 3    | 4    | 4    | 5    | 5    | 6    |
| Coverage convergence scenario  | 182.4%   | 32   | 39   | 45   | 50   | 57   | 64   | 71   | 78   | 84   | 89   |
| of which: receiving institutional care   | 581.0%   | 4    | 6    | 7    | 9    | 11   | 14   | 17   | 21   | 25   | 29   |
| receiving home care  | 429.6%   | 9    | 12   | 14   | 17   | 21   | 25   | 30   | 36   | 41   | 46   |
| receiving cash benefits  | 207.1%   | 2    | 2    | 3    | 3    | 3    | 4    | 4    | 5    | 5    | 6    |
| <b>Education</b>   |          |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 0.2      | 3.3  | 3.2  | 3.3  | 3.4  | 3.4  | 3.5  | 3.5  | 3.5  | 3.5  | 3.5  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (12%) - Staff (74%) - Other (13%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Primary  | 0.1      | 1.7  | 1.7  | 1.8  | 1.8  | 1.8  | 1.9  | 1.8  | 1.8  | 1.8  | 1.9  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (14%) - Staff (70%) - Other (15%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Low secondary  | 0.0      | 0.8  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (10%) - Staff (78%) - Other (10%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  | 0.0      | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (2%) - Capital (10%) - Staff (78%) - Other (11%)                          |          |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   | 0.0      | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Expenditure decomposition (broadly constant) : Transfers (-%) - Capital (-%) - Staff (-%) - Other (-%)                             |          |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 90       | 89   | 101  | 114  | 128  | 142  | 154  | 163  | 169  | 174  | 179  |
| as % of population 5-24  | -1%      | 60%  | 67%  | 68%  | 68%  | 68%  | 68%  | 68%  | 68%  | 68%  | 68%  |
| Primary  | 40       | 35   | 43   | 49   | 55   | 61   | 66   | 69   | 72   | 74   | 75   |
| Low secondary  | 23       | 22   | 24   | 28   | 31   | 35   | 38   | 40   | 42   | 43   | 44   |
| Upper secondary  | 23       | 25   | 27   | 30   | 34   | 37   | 41   | 44   | 46   | 47   | 48   |
| Tertiary education   | 4        | 6    | 7    | 7    | 8    | 9    | 9    | 10   | 10   | 10   | 11   |
| Number of teachers (in thousands)  |          |      |      |      |      |      |      |      |      |      |      |
| Total  | 10       | 10   | 11   | 12   | 14   | 15   | 17   | 18   | 18   | 19   | 19   |
| Primary  | 4        | 4    | 4    | 5    | 6    | 6    | 7    | 7    | 7    | 7    | 8    |
| Low secondary  | 2        | 2    | 2    | 3    | 3    | 3    | 4    | 4    | 4    | 4    | 4    |
| Upper secondary  | 3        | 3    | 3    | 4    | 4    | 4    | 5    | 5    | 5    | 6    | 6    |
| Tertiary education   | 1        | 1    | 1    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  | 1.3      | 0.1  | 0.4  | 0.6  | 0.9  | 1.1  | 1.3  | 1.4  | 1.4  | 1.4  | 1.4  |
| <b>Unemployment benefit</b>  |          |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  | Ch 13-60 | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  | -0.2     | 0.7  | 0.6  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  | 0.5  |
| <b>LEGENDA</b>   |          |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |          |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |          |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |          |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |          |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |          |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |          |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |          |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |          |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |          |      |      |      |      |      |      |      |      |      |      |
| Source: Commission Services (DG ECFIN), Eurostat (BJROPOP2013), EPC (AWG)  |          |      |      |      |      |      |      |      |      |      |      |

# 17. HUNGARY

| Hungary  |                            | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|----------------------------|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| Main demographic and macroeconomic assumptions                       |                            |                               |      |      |      |      |      |      |      |      |      |      |
| Demographic projections - EUROPOP2013 (EUROSTAT)                     |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Fertility rate   |                            | 0.4                           | 1.38 | 1.50 | 1.57 | 1.61 | 1.65 | 1.68 | 1.70 | 1.72 | 1.73 | 1.74 |
| Life expectancy at birth   |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 10.1                          | 71.9 | 73.6 | 74.8 | 75.9 | 77.0 | 78.1 | 79.1 | 80.1 | 81.1 | 82.0 |
|  | females                    | 8.2                           | 78.8 | 80.2 | 81.2 | 82.1 | 83.0 | 83.8 | 84.7 | 85.5 | 86.3 | 87.0 |
| Life expectancy at 65  |                            |                               |      |      |      |      |      |      |      |      |      |      |
|  | males                      | 6.3                           | 14.5 | 15.5 | 16.2 | 16.8 | 17.5 | 18.2 | 18.9 | 19.5 | 20.1 | 20.8 |
|  | females                    | 6.0                           | 18.1 | 19.1 | 19.8 | 20.4 | 21.1 | 21.7 | 22.3 | 22.9 | 23.5 | 24.1 |
| Net migration (thous and)  |                            | 5.9                           | 8.1  | 24.3 | 21.7 | 20.9 | 22.2 | 24.2 | 19.1 | 15.3 | 15.3 | 14.0 |
| Net migration as % of population                                     |                            | 0.1                           | 0.1  | 0.2  | 0.2  | 0.2  | 0.2  | 0.3  | 0.2  | 0.2  | 0.2  | 0.2  |
| Population (million)   |                            | -0.7                          | 9.9  | 9.8  | 9.7  | 9.7  | 9.6  | 9.5  | 9.4  | 9.3  | 9.3  | 9.2  |
| Children population (0-14) as % of total population                  |                            | 0.0                           | 14.4 | 14.4 | 14.3 | 14.4 | 14.3 | 14.2 | 14.2 | 14.3 | 14.4 | 14.4 |
| Prime age population (25-54) as % of total population                |                            | -7.5                          | 41.8 | 42.6 | 41.6 | 39.6 | 37.4 | 36.5 | 35.8 | 34.7 | 34.4 | 34.3 |
| Working age population (15-64) as % of total population              |                            | -12.1                         | 68.2 | 65.3 | 64.1 | 63.7 | 62.7 | 61.1 | 58.9 | 58.1 | 57.2 | 56.1 |
| Elderly population (65 and over) as % of total population            |                            | 12.1                          | 17.4 | 20.3 | 21.6 | 21.9 | 23.0 | 24.7 | 26.9 | 27.6 | 28.4 | 29.5 |
| Very elderly population (80 and over) as % of total population       |                            | 7.5                           | 4.1  | 4.6  | 5.2  | 6.1  | 7.4  | 8.1  | 8.0  | 8.6  | 10.0 | 11.7 |
| Very elderly population (80 and over) as % of elderly population     |                            | 15.7                          | 23.8 | 22.6 | 24.2 | 27.8 | 32.4 | 32.6 | 29.7 | 31.3 | 35.2 | 39.6 |
| Very elderly population (80 and over) as % of working age population |                            | 14.7                          | 6.1  | 7.0  | 8.1  | 9.6  | 11.9 | 13.2 | 13.5 | 14.9 | 17.5 | 20.8 |
| Macroeconomic assumptions*   |                            | AVG 13-60                     | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Potential GDP (growth rate)  |                            | 1.5                           | 0.4  | 1.9  | 2.1  | 2.0  | 1.5  | 1.2  | 1.3  | 1.4  | 1.2  | 1.0  |
| Employment (growth rate)   |                            | -0.3                          | 0.1  | 0.5  | 0.0  | -0.2 | -0.6 | -0.9 | -0.7 | -0.5 | -0.6 | -0.5 |
| Labour input: hours worked (growth rate)                             |                            | -0.3                          | 0.1  | 0.5  | 0.0  | -0.2 | -0.6 | -0.9 | -0.7 | -0.5 | -0.6 | -0.5 |
| Labour productivity per hour (growth rate)                           |                            | 1.8                           | 0.3  | 1.4  | 2.1  | 2.2  | 2.1  | 2.1  | 2.1  | 1.9  | 1.7  | 1.5  |
| TFP (growth rate)  |                            | 1.2                           | 0.1  | 0.9  | 1.4  | 1.4  | 1.3  | 1.3  | 1.3  | 1.2  | 1.1  | 1.0  |
| Capital deepening (contribution to labour productivity growth)       |                            | 0.6                           | 0.2  | 0.5  | 0.7  | 0.8  | 0.7  | 0.7  | 0.7  | 0.7  | 0.6  | 0.5  |
| Potential GDP per capita (growth rate)                               |                            | 1.6                           | 0.5  | 2.0  | 2.3  | 2.1  | 1.7  | 1.3  | 1.5  | 1.6  | 1.3  | 1.2  |
| Potential GDP per worker (growth rate)                               |                            | 1.8                           | 0.2  | 1.4  | 2.1  | 2.2  | 2.1  | 2.1  | 2.1  | 1.9  | 1.7  | 1.6  |
| Labour force assumptions   |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Working age population (15-64) (n thous ands)                        |                            | -1615                         | 6750 | 6397 | 6247 | 6161 | 6017 | 5809 | 5566 | 5426 | 5290 | 5136 |
| Population growth (working age:15-64)                                |                            | 0.1                           | -0.7 | -0.9 | -0.3 | -0.3 | -0.6 | -1.0 | -0.7 | -0.4 | -0.6 | -0.5 |
| Population (20-64) (n thous ands)                                    |                            | -1515                         | 6194 | 5907 | 5740 | 5660 | 5537 | 5327 | 5083 | 4965 | 4832 | 4679 |
| Population growth (20-64)  |                            | -0.2                          | -0.4 | -1.0 | -0.4 | -0.2 | -0.6 | -1.1 | -0.7 | -0.4 | -0.6 | -0.6 |
| Labour force 15-64 (thous ands)                                      |                            | -620                          | 4668 | 4697 | 4611 | 4670 | 4444 | 4268 | 4072 | 3977 | 3866 | 3748 |
| Labour force 20-64 (thous ands)                                      |                            | -614                          | 4341 | 4674 | 4688 | 4648 | 4422 | 4236 | 4051 | 3996 | 3846 | 3727 |
| Participation rate (20-64)   |                            | 9.6                           | 70.1 | 77.4 | 79.9 | 79.9 | 79.9 | 79.5 | 79.7 | 79.7 | 79.6 | 79.6 |
| Participation rate (15-64)   |                            | 8.3                           | 64.7 | 71.9 | 73.8 | 74.2 | 73.9 | 73.3 | 73.3 | 73.3 | 73.1 | 73.0 |
|  | young (15-24)              | -0.6                          | 27.3 | 27.7 | 26.4 | 27.6 | 26.5 | 26.8 | 27.0 | 27.1 | 26.8 | 26.7 |
|  | prime-age (25-54)          | 1.8                           | 83.3 | 84.7 | 85.0 | 85.0 | 85.2 | 85.2 | 85.1 | 85.1 | 85.1 | 85.1 |
|  | older (55-64)              | 35.7                          | 41.8 | 64.8 | 76.0 | 77.7 | 77.5 | 76.4 | 77.5 | 77.9 | 77.3 | 77.5 |
| Participation rate (20-64) - FEMALES                                 |                            | 11.4                          | 63.3 | 72.3 | 75.1 | 75.2 | 75.0 | 74.6 | 74.8 | 74.8 | 74.6 | 74.7 |
| Participation rate (15-64) - FEMALES                                 |                            | 9.9                           | 58.5 | 67.2 | 69.4 | 69.8 | 69.4 | 68.8 | 68.8 | 68.8 | 68.5 | 68.4 |
|  | young (15-24)              | -0.7                          | 23.9 | 24.1 | 22.9 | 24.0 | 23.0 | 23.2 | 23.4 | 23.5 | 23.2 | 23.2 |
|  | prime-age (25-54)          | 2.1                           | 77.2 | 78.9 | 79.2 | 79.3 | 79.5 | 79.6 | 79.4 | 79.2 | 79.2 | 79.3 |
|  | older (55-64)              | 40.5                          | 34.8 | 62.9 | 74.6 | 75.9 | 74.9 | 73.6 | 75.4 | 76.0 | 75.1 | 75.4 |
| Participation rate (20-64) - MALES                                   |                            | 7.4                           | 77.1 | 82.6 | 84.8 | 84.7 | 84.6 | 84.3 | 84.4 | 84.4 | 84.4 | 84.5 |
| Participation rate (15-64) - MALES                                   |                            | 6.4                           | 71.0 | 76.5 | 78.2 | 78.5 | 78.2 | 77.7 | 77.7 | 77.6 | 77.5 | 77.4 |
|  | young (15-24)              | -0.4                          | 30.5 | 31.2 | 29.8 | 31.1 | 29.9 | 30.1 | 30.4 | 30.5 | 30.2 | 30.1 |
|  | prime-age (25-54)          | 1.2                           | 89.5 | 90.3 | 90.6 | 90.6 | 90.6 | 90.6 | 90.6 | 90.7 | 90.7 | 90.7 |
|  | older (55-64)              | 29.6                          | 50.1 | 67.0 | 77.6 | 79.6 | 80.1 | 79.3 | 79.7 | 79.9 | 79.5 | 79.7 |
| Average effective exit age (TOTAL) (1)                               |                            | 2.1                           | 63.0 | 64.5 | 65.1 | 65.1 | 65.1 | 65.1 | 65.1 | 65.1 | 65.1 | 65.1 |
|  | Men                        | 2.3                           | 63.0 | 64.7 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 | 65.3 |
|  | Women                      | 1.9                           | 63.0 | 64.4 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 |
| Employment rate (15-64)  |                            | 9.5                           | 58.0 | 65.7 | 68.2 | 68.6 | 68.3 | 67.8 | 67.8 | 67.8 | 67.6 | 67.5 |
| Employment rate (20-64)  |                            | 10.8                          | 63.0 | 70.9 | 74.0 | 74.0 | 74.0 | 73.7 | 73.9 | 73.9 | 73.8 | 73.8 |
| Employment rate (15-74)  |                            | 6.1                           | 51.1 | 56.3 | 58.6 | 60.1 | 60.0 | 58.3 | 57.0 | 57.1 | 57.8 | 57.2 |
| Unemployment rate (15-64)  |                            | -2.8                          | 10.3 | 8.6  | 7.6  | 7.6  | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  | 7.5  |
| Unemployment rate (20-64)  |                            | -2.7                          | 10.0 | 8.4  | 7.5  | 7.4  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  |
| Unemployment rate (15-74)  |                            | -3.0                          | 10.2 | 8.5  | 7.5  | 7.4  | 7.4  | 7.3  | 7.3  | 7.3  | 7.3  | 7.3  |
| Employment (20-64) (in millions)                                     |                            | -0.4                          | 3.9  | 4.2  | 4.2  | 4.2  | 4.1  | 3.9  | 3.8  | 3.7  | 3.6  | 3.5  |
| Employment (15-64) (in millions)                                     |                            | -0.5                          | 3.9  | 4.2  | 4.3  | 4.2  | 4.1  | 3.9  | 3.8  | 3.7  | 3.6  | 3.5  |
|  | share of young (15-24)     | 0%                            | 6%   | 5%   | 5%   | 5%   | 5%   | 5%   | 6%   | 6%   | 6%   | 6%   |
|  | share of prime-age (25-54) | -8%                           | 80%  | 77%  | 75%  | 72%  | 69%  | 70%  | 71%  | 70%  | 70%  | 72%  |
|  | share of older (55-64)     | 9%                            | 14%  | 17%  | 20%  | 23%  | 26%  | 25%  | 24%  | 25%  | 24%  | 23%  |
| Dependency ratios  |                            | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Share of older population (55-64) (2)                                |                            | -0.3                          | 21.2 | 18.8 | 18.9 | 21.7 | 24.3 | 23.3 | 21.8 | 22.8 | 22.2 | 20.8 |
| Old-age dependency ratio 15-64(3)                                    |                            | 27                            | 25   | 31   | 34   | 34   | 37   | 40   | 46   | 48   | 50   | 53   |
| Old-age dependency ratio 20-64(3)                                    |                            | 30                            | 28   | 34   | 37   | 37   | 40   | 44   | 50   | 52   | 54   | 58   |
| Total dependency ratio (4)   |                            | 32                            | 47   | 53   | 56   | 57   | 59   | 64   | 70   | 72   | 75   | 78   |
| Total economic dependency ratio (5)                                  |                            | 4                             | 150  | 130  | 124  | 124  | 127  | 133  | 141  | 146  | 150  | 155  |
| Economic old-age dependency ratio (15-64) (6)                        |                            | 31                            | 43   | 46   | 47   | 48   | 51   | 56   | 63   | 67   | 70   | 74   |
| Economic old-age dependency ratio (15-74) (7)                        |                            | 29                            | 43   | 46   | 46   | 47   | 49   | 54   | 61   | 65   | 68   | 72   |

| Hungary   |           |        |        |        |        |        |        |        |        |        |        |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| EC-EPC (AWG) 2015 projections   |           |        |        |        |        |        |        |        |        |        |        |
| Pension expenditure projections   |           |        |        |        |        |        |        |        |        |        |        |
| Baseline scenario as % of GDP   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross  | -0.1      | 11.5   | 9.8    | 9.3    | 8.9    | 9.1    | 9.6    | 10.4   | 10.7   | 11.0   | 11.4   |
| Earnings-related pensions, gross  | -0.1      | 11.5   | 9.8    | 9.2    | 8.9    | 9.1    | 9.6    | 10.3   | 10.6   | 10.9   | 11.4   |
| Of which: Old-age and early pensions  | 0.5       | 9.1    | 7.9    | 7.5    | 7.2    | 7.4    | 8.0    | 8.7    | 8.9    | 9.2    | 9.7    |
| Disability pensions   | -0.3      | 1.0    | 0.7    | 0.7    | 0.7    | 0.8    | 0.7    | 0.7    | 0.7    | 0.7    | 0.7    |
| Survivors pensions  | -0.3      | 1.3    | 1.2    | 1.0    | 0.9    | 0.9    | 0.9    | 0.9    | 1.0    | 1.0    | 1.0    |
| Other pensions  | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Non-earning-related pensions  | 0.0       | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.0    |
| Private pensions, gross   | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| New pensions, gross   | 0.0       | 0.4    | 0.2    | 0.3    | 0.3    | 0.4    | 0.4    | 0.4    | 0.4    | 0.4    | 0.4    |
| Public pensions, net  | -0.1      | 11.5   | 9.8    | 9.3    | 8.9    | 9.1    | 9.6    | 10.4   | 10.7   | 11.0   | 11.4   |
| Public pensions, contributors   | -0.3      | 10.5   | 10.5   | 10.5   | 10.4   | 10.3   | 10.2   | 10.2   | 10.2   | 10.2   | 10.2   |
| Additional indicators   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, net/Public pensions, gross, %  | 0.0%      | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Pensioners (Public, in 1000 persons)  | 309       | 2806   | 2593   | 2635   | 2685   | 2776   | 2887   | 3002   | 3037   | 3080   | 3116   |
| Pensioners aged 65+ (1000 persons)  | 947       | 1689   | 1940   | 2053   | 2075   | 2165   | 2289   | 2499   | 2504   | 2565   | 2637   |
| Share of pensioners below age 65 as % of all pensioners   | -24.4%    | 39.8%  | 25.2%  | 22.1%  | 22.7%  | 22.4%  | 20.7%  | 18.1%  | 17.5%  | 16.7%  | 15.4%  |
| Benefit ratio (Public pensions)   | -8.9      | 40.8   | 39.0   | 36.9   | 34.8   | 33.5   | 32.9   | 32.8   | 32.3   | 31.9   | 31.9   |
| Gross replacement rate at retirement (Public pensions)  | -3.9      | 33.0   | 25.6   | 32.6   | 31.4   | 32.3   | 32.9   | 31.3   | 29.9   | 29.5   | 29.1   |
| Average accrual rates (new pensions, earnings-related)  | -0.1      | 2.1    | 2.0    | 2.0    | 2.0    | 2.0    | 2.0    | 2.0    | 2.0    | 2.0    | 2.0    |
| Average contributory period (new pensions, earnings-related)  | 1.1       | 39.4   | 40.6   | 40.9   | 40.7   | 40.6   | 40.6   | 40.6   | 40.6   | 40.5   | 40.5   |
| Contributors (Public pensions, in 1000 persons)   | -366.6    | 3978.2 | 4218.7 | 4344.8 | 4331.8 | 4253.3 | 4115.7 | 3940.3 | 3817.8 | 3718.5 | 3611.6 |
| Support ratio (contributors/100 pensioners, Public pensions)  | -25.8     | 141.8  | 162.7  | 164.9  | 161.3  | 153.2  | 142.6  | 131.3  | 125.7  | 120.7  | 115.9  |
| Public pensions, gross as % of GDP (difference from Baseline)   | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| High life expectancy (+2 years)   | 0.5       | 0.0    | 0.0    | 0.1    | 0.1    | 0.2    | 0.2    | 0.3    | 0.4    | 0.5    | 0.5    |
| High labour productivity (+0.25 p.p.)   | -0.3      | 0.0    | 0.0    | -0.1   | -0.2   | -0.2   | -0.2   | -0.2   | -0.3   | -0.3   | -0.3   |
| Lower labour productivity (-0.25 p.p.)  | 0.3       | 0.0    | 0.0    | 0.1    | 0.2    | 0.2    | 0.2    | 0.3    | 0.3    | 0.3    | 0.3    |
| High employment rate (+2 p.p.)  | 0.0       | 0.0    | -0.1   | -0.1   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| High emp. of older workers (+10 p.p.)   | -0.2      | 0.0    | -0.2   | -0.3   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   | -0.2   |
| Lower migration (-20%)  | 0.2       | 0.0    | 0.0    | 0.0    | 0.1    | 0.1    | 0.1    | 0.2    | 0.2    | 0.2    | 0.2    |
| TFP risk scenario   | 0.4       | 0.0    | 0.0    | 0.0    | 0.1    | 0.1    | 0.2    | 0.3    | 0.4    | 0.4    | 0.4    |
| Policy scenario linking retirement age to increases in life expectancy                                      | -0.3      | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | -0.1   | 0.0    | 0.0    | -0.3   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - cumulated change from 2013        | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP, p.p. ch. from 2013 due to:  | -0.1      | -1.7   | -2.3   | -2.8   | -2.4   | -1.9   | -1.1   | -0.9   | -0.5   | -0.1   | -0.1   |
| Dependency ratio  | 7.8       | 2.3    | 3.2    | 3.3    | 3.9    | 4.9    | 6.2    | 6.6    | 7.1    | 7.8    | 7.8    |
| Coverage ratio  | -3.5      | -2.3   | -2.8   | -2.7   | -2.7   | -2.9   | -3.3   | -3.3   | -3.4   | -3.5   | -3.5   |
| Of which: Old-age   | -0.1      | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   | -0.1   |
| Early-age   | -6.0      | -4.4   | -5.8   | -6.2   | -5.9   | -5.8   | -6.1   | -5.9   | -5.8   | -6.0   | -6.0   |
| Cohort effect   | -6.6      | -2.4   | -2.7   | -1.8   | -2.3   | -3.3   | -4.5   | -5.1   | -5.8   | -6.6   | -6.6   |
| Benefit ratio   | -1.9      | 0.0    | -0.6   | -1.1   | -1.4   | -1.6   | -1.7   | -1.8   | -1.9   | -1.9   | -1.9   |
| Labour market ratio   | -1.9      | -1.3   | -1.8   | -1.8   | -1.9   | -1.9   | -1.9   | -1.9   | -1.9   | -1.9   | -1.9   |
| Of which: Employment rate   | -1.7      | -1.3   | -1.7   | -1.7   | -1.7   | -1.6   | -1.7   | -1.7   | -1.7   | -1.7   | -1.7   |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Career shift  | -0.2      | 0.0    | -0.1   | -0.1   | -0.2   | -0.2   | -0.3   | -0.2   | -0.2   | -0.2   | -0.2   |
| Interaction effect (residual)   | -0.5      | -0.3   | -0.3   | -0.3   | -0.3   | -0.4   | -0.4   | -0.4   | -0.4   | -0.5   | -0.5   |
| Decomposition of the increase (in p.p.) in pension expenditure (public) - change over selected time periods | 2013-2060 | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| Public pensions, gross as % of GDP  | -0.1      | -1.0   | -0.6   | -0.3   | 0.2    | 0.5    | 0.7    | 0.3    | 0.3    | 0.3    | 0.4    |
| Dependency ratio  | 7.8       | 1.7    | 0.9    | 0.2    | 0.6    | 1.0    | 1.3    | 0.4    | 0.5    | 0.7    |        |
| Coverage ratio  | -3.5      | -1.4   | -0.4   | 0.1    | 0.0    | -0.2   | -0.3   | -0.1   | -0.1   | -0.2   |        |
| Of which: Old-age   | -0.1      | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |        |
| Early-age   | -6.0      | -2.7   | -1.3   | -0.5   | 0.3    | 0.1    | -0.3   | 0.2    | 0.2    | -0.2   |        |
| Cohort effect   | -6.6      | -1.7   | -0.3   | 0.9    | -0.5   | -1.0   | -1.2   | -0.5   | -0.7   | -0.8   |        |
| Benefit ratio   | -1.9      | -0.3   | -0.5   | -0.5   | -0.3   | -0.2   | -0.1   | -0.1   | -0.1   | 0.0    |        |
| Labour market ratio   | -1.9      | -0.8   | -0.5   | 0.0    | 0.0    | 0.0    | 0.0    | 0.1    | 0.0    | 0.0    |        |
| Of which: Employment rate   | -1.7      | -0.8   | -0.4   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |        |
| Labour intensity  | 0.0       | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |        |
| Career shift  | -0.2      | -0.1   | -0.1   | 0.0    | 0.0    | -0.1   | 0.0    | 0.1    | 0.0    | 0.0    |        |
| Interaction effect (residual)   | -0.5      | -0.2   | -0.1   | 0.0    | 0.0    | 0.0    | -0.1   | 0.0    | 0.0    | 0.0    |        |
| Health care   |           |        |        |        |        |        |        |        |        |        |        |
| Health care spending as % of GDP  | Ch 13-60  | 2013   | 2020   | 2025   | 2030   | 2035   | 2040   | 2045   | 2050   | 2055   | 2060   |
| AWG reference scenario  | 0.8       | 4.7    | 4.8    | 5.0    | 5.1    | 5.2    | 5.3    | 5.3    | 5.4    | 5.4    | 5.4    |
| Demographic scenario  | 1.0       | 4.7    | 4.9    | 5.0    | 5.2    | 5.3    | 5.4    | 5.5    | 5.6    | 5.7    | 5.7    |
| High Life Expectancy scenario   | 1.3       | 4.7    | 4.9    | 5.0    | 5.2    | 5.4    | 5.5    | 5.6    | 5.8    | 5.9    | 5.9    |
| Constant health scenario  | 0.1       | 4.7    | 4.7    | 4.7    | 4.8    | 4.8    | 4.8    | 4.8    | 4.8    | 4.8    | 4.8    |
| Death-related cost scenario   | :         | :      | :      | :      | :      | :      | :      | :      | :      | :      | :      |
| Income elasticity scenario  | 1.3       | 4.7    | 4.9    | 5.1    | 5.3    | 5.5    | 5.6    | 5.7    | 5.8    | 5.9    | 5.9    |
| EU28 cost convergence scenario  | 2.4       | 4.7    | 5.0    | 5.3    | 5.5    | 5.8    | 6.0    | 6.3    | 6.5    | 6.8    | 7.0    |
| Labour intensity scenario   | 1.5       | 4.7    | 4.7    | 4.8    | 4.9    | 5.1    | 5.3    | 5.6    | 5.8    | 6.0    | 6.1    |
| Sector-specific composite indexation scenario   | 0.3       | 4.7    | 4.7    | 4.7    | 4.7    | 4.7    | 4.7    | 4.8    | 4.9    | 4.9    | 4.9    |
| Non-demographic determinants scenario   | 2.6       | 4.7    | 5.1    | 5.5    | 5.9    | 6.2    | 6.5    | 6.8    | 7.0    | 7.2    | 7.3    |
| AWG risk scenario   | 1.5       | 4.7    | 5.0    | 5.3    | 5.6    | 5.7    | 5.9    | 6.0    | 6.1    | 6.2    | 6.2    |
| TFP risk scenario   | 0.8       | 4.7    | 4.8    | 5.0    | 5.1    | 5.2    | 5.3    | 5.3    | 5.4    | 5.4    | 5.4    |

| Hungary  |  | EC-EPC (AWG) 2015 projections |      |      |      |      |      |      |      |      |      |      |
|--|--|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| <b>Long-term care</b>  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Long-term care spending as % of GDP  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   |  | 0.4                           | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 1.1  | 1.1  | 1.2  |
| Demographic scenario   |  | 0.4                           | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 1.0  | 1.1  | 1.1  | 1.1  | 1.2  |
| High Life expectancy scenario  |  | 0.5                           | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 1.1  | 1.1  | 1.2  | 1.2  | 1.3  |
| Base case scenario   |  | 0.5                           | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 1.1  | 1.2  | 1.2  | 1.3  |
| Constant disability scenario   |  | 0.3                           | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 1.0  | 1.0  |
| Shift to formal care scenario  |  | 1.2                           | 0.8  | 1.1  | 1.3  | 1.4  | 1.5  | 1.6  | 1.7  | 1.7  | 1.8  | 1.9  |
| Coverage convergence scenario  |  | 2.7                           | 0.8  | 0.9  | 1.0  | 1.2  | 1.5  | 1.8  | 2.1  | 2.4  | 2.9  | 3.5  |
| Cost convergence scenario  |  | 1.4                           | 0.8  | 0.8  | 0.9  | 1.0  | 1.1  | 1.3  | 1.5  | 1.7  | 1.9  | 2.2  |
| Cost and coverage convergence scenario   |  | 4.7                           | 0.8  | 1.0  | 1.1  | 1.4  | 1.7  | 2.2  | 2.8  | 3.4  | 4.3  | 5.5  |
| AWG risk scenario  |  | 4.2                           | 0.8  | 0.9  | 1.1  | 1.3  | 1.6  | 2.1  | 2.6  | 3.1  | 3.9  | 5.0  |
| TFP risk scenario  |  | 0.4                           | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 0.9  | 1.0  | 1.1  | 1.1  | 1.2  |
| Number of dependent people (in thousands)  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| AWG reference scenario   |  | 22.9%                         | 788  | 817  | 844  | 874  | 899  | 915  | 925  | 935  | 951  | 968  |
| of which: receiving institutional care   |  | 73.5%                         | 95   | 104  | 110  | 118  | 127  | 136  | 148  | 152  | 154  | 165  |
| receiving home care  |  | 73.9%                         | 61   | 66   | 70   | 75   | 81   | 87   | 95   | 97   | 99   | 106  |
| receiving cash benefits  |  | :                             | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Demographic scenario   |  | 36.4%                         | 788  | 834  | 874  | 916  | 952  | 979  | 1001 | 1022 | 1049 | 1075 |
| of which: receiving institutional care   |  | 87.5%                         | 95   | 105  | 113  | 122  | 133  | 144  | 157  | 163  | 166  | 178  |
| receiving home care  |  | 87.7%                         | 61   | 67   | 72   | 78   | 85   | 92   | 101  | 104  | 106  | 114  |
| receiving cash benefits  |  | :                             | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Constant disability scenario   |  | 10.5%                         | 788  | 800  | 814  | 832  | 846  | 852  | 852  | 852  | 862  | 871  |
| of which: receiving institutional care   |  | 60.0%                         | 95   | 102  | 107  | 113  | 121  | 129  | 139  | 142  | 143  | 152  |
| receiving home care  |  | 60.4%                         | 61   | 65   | 69   | 73   | 78   | 83   | 89   | 91   | 92   | 97   |
| receiving cash benefits  |  | :                             | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Shift 1% of dependents from informal to formal scenario  |  | 36.4%                         | 788  | 834  | 874  | 916  | 952  | 979  | 1001 | 1022 | 1049 | 1075 |
| of which: receiving institutional care   |  | 157.0%                        | 95   | 141  | 167  | 178  | 191  | 204  | 218  | 225  | 230  | 244  |
| receiving home care  |  | 156.0%                        | 61   | 90   | 106  | 114  | 122  | 130  | 139  | 144  | 147  | 155  |
| receiving cash benefits  |  | :                             | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Coverage convergence scenario  |  | 36.4%                         | 788  | 834  | 874  | 916  | 952  | 979  | 1001 | 1022 | 1049 | 1075 |
| of which: receiving institutional care   |  | 358.6%                        | 95   | 120  | 142  | 160  | 201  | 238  | 278  | 317  | 368  | 435  |
| receiving home care  |  | 355.6%                        | 61   | 77   | 91   | 108  | 129  | 152  | 177  | 202  | 234  | 277  |
| receiving cash benefits  |  | :                             | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| <b>Education</b>   |  |                               |      |      |      |      |      |      |      |      |      |      |
| Education spending as % of GDP - Baseline  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  |  | -0.2                          | 3.6  | 3.1  | 3.0  | 3.0  | 3.0  | 3.1  | 3.2  | 3.2  | 3.3  | 3.4  |
| Expenditure decomposition (broadly constant) : Transfers (7%) - Capital (8%) - Staff (65%) - Other (19%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Primary  |  | 0.0                           | 0.8  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (7%) - Staff (70%) - Other (19%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Low secondary  |  | 0.0                           | 0.8  | 0.8  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (4%) - Capital (7%) - Staff (72%) - Other (17%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Upper secondary  |  | -0.1                          | 1.1  | 0.9  | 0.9  | 0.8  | 0.8  | 0.9  | 0.9  | 0.9  | 0.9  | 1.0  |
| Expenditure decomposition (broadly constant) : Transfers (9%) - Capital (8%) - Staff (67%) - Other (19%)                           |  |                               |      |      |      |      |      |      |      |      |      |      |
| Tertiary education   |  | -0.2                          | 0.9  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  |
| Expenditure decomposition (broadly constant) : Transfers (13%) - Capital (9%) - Staff (59%) - Other (23%)                          |  |                               |      |      |      |      |      |      |      |      |      |      |
| Number of students (in thousands)  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Total  |  | -254                          | 1697 | 1576 | 1548 | 1526 | 1517 | 1504 | 1485 | 1464 | 1451 | 1443 |
| as % of population 5-24  |  | 1%                            | 79%  | 80%  | 80%  | 79%  | 80%  | 79%  | 79%  | 79%  | 79%  | 79%  |
| Primary  |  | -32                           | 389  | 371  | 377  | 378  | 374  | 364  | 362  | 361  | 359  | 357  |
| Low secondary  |  | -29                           | 394  | 407  | 377  | 383  | 385  | 379  | 370  | 367  | 366  | 364  |
| Upper secondary  |  | -103                          | 960  | 965  | 504  | 477  | 480  | 482  | 474  | 463  | 459  | 457  |
| Tertiary education   |  | -90                           | 355  | 303  | 291  | 288  | 278  | 279  | 279  | 273  | 267  | 265  |
| Number of teachers (in thousands)  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Total  |  | -18                           | 134  | 126  | 124  | 122  | 122  | 121  | 119  | 117  | 117  | 116  |
| Primary  |  | -3                            | 36   | 34   | 35   | 35   | 35   | 34   | 34   | 34   | 33   | 33   |
| Low secondary  |  | -3                            | 37   | 38   | 36   | 36   | 36   | 36   | 35   | 35   | 35   | 34   |
| Upper secondary  |  | -8                            | 42   | 37   | 38   | 36   | 36   | 36   | 36   | 35   | 35   | 35   |
| Tertiary education   |  | -5                            | 19   | 16   | 15   | 15   | 15   | 15   | 15   | 14   | 14   | 14   |
| Education spending as % of GDP - High enrolment rate scenario (diff. from baseline)  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total  |  | 0.6                           | 0.0  | 0.2  | 0.3  | 0.4  | 0.5  | 0.6  | 0.6  | 0.6  | 0.6  | 0.7  |
| <b>Unemployment benefit</b>  |  |                               |      |      |      |      |      |      |      |      |      |      |
| Unemployment benefit - Baseline  |  | Ch 13-60                      | 2013 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Unemployment benefit spending as % of GDP  |  | -0.1                          | 0.3  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  |
| <b>LEGENDA</b>   |  |                               |      |      |      |      |      |      |      |      |      |      |
| * The potential GDP and its components are used to estimate the rate of potential output growth, net of normal cyclical variations |  |                               |      |      |      |      |      |      |      |      |      |      |
| (1) Based on the calculation of the average probability of labour force entry and exit observed over the last 10 years (2004-2013) |  |                               |      |      |      |      |      |      |      |      |      |      |
| (2) Share of older population = Population aged 55 to 64 as a % of the population aged 15-64                                       |  |                               |      |      |      |      |      |      |      |      |      |      |
| (3) Old-age dependency ratio = Population aged 65 and over as a % of the population aged 15-64 or 20-64                            |  |                               |      |      |      |      |      |      |      |      |      |      |
| (4) Total dependency ratio = Population under 15 and over 64 as a % of the population aged 15-64                                   |  |                               |      |      |      |      |      |      |      |      |      |      |
| (5) Total economic dependency ratio = Total population less employed as a % of the employed population 15-74                       |  |                               |      |      |      |      |      |      |      |      |      |      |
| (6) Economic old-age dependency ratio (15-64) = Inactive population aged 65+ as a % of the employed population 15-64               |  |                               |      |      |      |      |      |      |      |      |      |      |
| (7) Economic old-age dependency ratio (15-74) = Inactive population aged 65+ as a % of the employed population 15-74               |  |                               |      |      |      |      |      |      |      |      |      |      |
| NB: := data not provided   |  |                               |      |      |      |      |      |      |      |      |      |      |
| Source : Commission Services ( DG ECFIN), Eurostat ( BJRPOP2013), EPC (AWG)  |  |                               |      |      |      |      |      |      |      |      |      |      |