



MACROECONOMIC STATISTICS DEPARTMENT

()
()

V/Ref^o:	V/Proc^o:	Data:
N/Ref^o: DEM/275/06	N/Proc^o: 9.5	Data: 2006/11/16

SUBJECT: Request for participation in the global consultation on "Pension schemes"

We are in favour with the proposal of include in the System of National Accounts 1993, Revision 1, a new standard (supplementary) table that shows the flows and stocks of pension entitlements of all pension schemes.

Actually, at least in the European countries, the distinction between unfunded employer schemes and social security schemes is not clear and in particular raises the question of whether civil servants pension schemes and the social security schemes should be treated differently in national and financial accounts.

This procedure would allow treating in a consistent way different legal arrangements between countries and additionally makes possible to record unfunded employer pension liabilities without drawing a line between social security schemes and unfunded employer schemes.

Nevertheless, to ensure the comparability between countries and the transparency to users, it is important that further work is undertaken to find methods that explain unambiguously the distinction between those schemes whose entitlements are recorded in the core of the accounts and those for which those entitlements are recorded only in the new supplementary table so that more or less corresponding systems in different countries are classified consistently. Additionally, it is very important to have clear guidelines regarding the valuation and measurement of the liabilities of unfunded pension schemes, in a way that the information presented in the supplementary table will be relevant and of analytical usefulness.

Daniel Santos
Director of Department