**EU Results Framework Indicator methodology note**

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| 1. Name of indicator | **Share of older persons receiving pensions** |
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| 2. Which sector (using Result Framework heading) | Employment and Social Protection |
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| 3. Technical Definition | Share of population above the statutory pensionable age (or aged 65 or above) benefiting from an old-age pension.  An old-age pension refers to periodic payments intended: (i) to maintain the income of the beneficiary after retirement from gainful employment at the statutory/standard age or (ii) to support the income of older persons (excluding support for a limited duration).  A beneficiary is the person in respect of whom social security benefit is granted, irrespective of whether he is a titular beneficiary or not.  The benefits covered are periodic cash retirement benefits. They can be means-tested or non means-tested and provided through contributory or non-contributory schemes. Means-tested social benefits are social benefits which are explicitly or implicitly conditional on the beneficiary's income and/or wealth falling below a specified level. Thus, Non means-tested benefits are those benefits that are entirely independent of the beneficiary’s income and/or wealth.  Contributory schemes are social protection schemes that require the payment of contributions, by the protected persons or by other parties on their behalf, in order to secure individual entitlement to benefits. Conversely, non-contributory schemes normally do not require direct contribution from beneficiaries or their employers as a condition of entitlement to receive relevant benefits. Non-contributory schemes include a broad range of schemes including universal schemes for all residents and some categorical means-tested schemes. Non-contributory schemes are usually financed through tax or other state revenues.  *(Source: ILO)* |
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| 4. Rationale (including which policy priority, and how is this indicator linked to that policy priority) | This indicator is linked: i) to the promotion of social protection (see European Commission Communication on Social Protection in EU Development Cooperation); and to the promotion of decent work (of which social protection is one of the pillars), in line with the “Agenda for Change” (2011)  In the absence of global indicators on “comprehensive” social protection (e.g. that would allow to measure the extension of coverage of nationally defined social protection systems), the indicator “share of older persons receiving pensions” is proposed because:   1. It is relevant, as the provisions of pensions is one of the four basic social security guarantees identified in Recommendation 202 on Social Protection Floors.   Moreover, in developing countries the numbers of the older poor are increasing and older people are over-represented among the chronically poor. Pensions have proved effective in reducing income poverty and other forms of poverty among older people.   1. It is measurable, as ILO produces regular statistics that take into account both contributory and non-contributory pensions. |
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| 5. Level of disaggregation | This indicator may be disaggregated by sex and where data allows by making the distinction between contributory and non-contributory pension, although the information for the latter is not available for all countries. |
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| 6. Data Sources (including any issues on (i) different definitions by source, and (ii) level of availability of the data) | 1. ILO Social Protection Department database:  <http://www.social-protection.org/gimi/gess/RessourceDownload.action?ressource.ressourceId=37897>  This will give the proportion of the older population receiving a pension.  To the extent possible, the numerator includes survivors’ and disability benefits once the beneficiary reaches the statutory pensionable age (or the age of 65). In other words, the numerator should capture all beneficiaries of an old-age pension, whether they themselves were participants in a social security scheme (contributors) or not, for instance, family members of deceased contributors who receive a part of the latter’s pension. Both in the case of survivors’ and disability benefits, it is important to note that only those who fall within the age group will be counted. This gives information for the latest year.  2. The denominator corresponds to the total size of the population defined as the population aged 65 or above. The same age group should be used for the numerator. (Source; ILO). Although the pension age will vary by country, it is usually about this age, and using a consistent age will ensure greater ease of calculation. The data is obtained from UN Population data <http://esa.un.org/unpd/wpp/Excel-Data/population.htm> (using the "estimates" sheet. Where it is necessary to use population forecasts because estimates are not yet available for the years in question, use the "median fertility" variant). This will give the population data that will be used for weighting. |
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| 7. Data calculation (including any assumptions made) | To be calculated by:  - taking the latest available percentage for each country *where the EU has external action programmes* from the database;  - multiplying this number by the population aged 65+ for the country in that same year.  -adding the above numbers for all the countries where the EU has external action programmes together. This will give the **first** element for a weighted share of persons receiving pensions  -adding together the population aged 65+ of all the countries where the EU has external action programmes. This will give the **second** element for a weighted share of older persons receiving pensions  -dividing the first element by the second element. This will give the weighted average share of older persons receiving pensions |
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| 8. Worked examples\*  \*Examples correct at time of writing (Feb 2015) | **Costa Rica (pension age = 65+ for men, 62+ for women, latest data =2010)**  2010 Proportion of older people receiving a pension = 55.8%  2010 Number of people aged 65 and over=304,000  **Zambia (pension age = 55+ latest data =2008)**  2008 Proportion of older people receiving a pension = 7.7%  2008 Number of people aged 65 and over=311,000 (using the nearest UN data point to 2008, which is 2005)  Weighted proportion of older people receiving a pension, for Costa Rica and Zambia  = (0.558\*304,000 + 0.077\*311,000)  (304,000 + 311,000)  = 31% |
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| 9. Is it used by another organization or in the framework of international initiatives, conventions, etc? If so, which? | This is one of the indicators that the ILO is currently proposing in the framework of the post-2015 Agenda. |
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| 10.Other issues | This is an ILO monitored indicator, which exists for 175 countries. The share of older persons receiving pensions stands at 51.5% (weighted world average, latest available year 2014)  Developing Economies 44.3%  LDCs 16.8%  LIC and MIC 24.6%  Emerging Economies 71.5%  Developed Economies 89.1% |