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PANEL 1

**THE FUTURE OF RETIREMENT PROTECTION:
INTERNATIONAL PENSION MODELS**

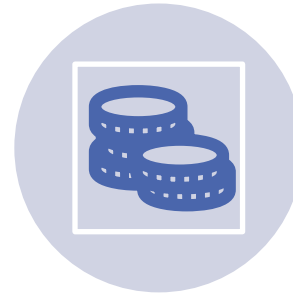
**Designing Pension Systems:
European Choices and Lessons
Learned**

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Why This Discussion Matters Now?



Ageing populations and
changing labour markets



Geopolitical
fragmentation and
economic uncertainty



Declining political trust
and increasing regulatory
pressure



How can pension systems
remain trusted and
sustainable?

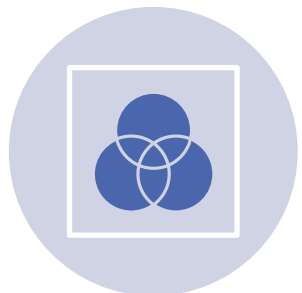
Different Pension Models



Public PAYG systems:
France, Italy



Funded occupational
systems: Switzerland,
Netherlands, Denmark



Mixed multi-pillar
systems: Nordics, UK,
Ireland



Strongest systems
diversify risks and
participation

Why Multi-Pillar Pension Systems Work



- No single pension pillar can deliver every objective
- Public pensions: poverty prevention and solidarity
- Occupational workplace pensions: earnings replacement and long-term funding
- Personal pensions: flexibility and additional savings
- Strongest systems combine pillars to diversify risks –

The strongest systems diversify retirement risks just as investors diversify portfolios.

European Pension Systems Overview



Country	Model	Occupational Pillar	Participation	Main Challenge
Switzerland	Multi-pillar	Very strong	Mandatory	Demographics
Netherlands	Collective funded	Extremely strong	Quasi-mandatory	DB-DC transition
Denmark	Multi-pillar	Very strong	Collective agreements	Longevity
Sweden	NDC + funded	Strong	Mandatory	Adequacy
Finland	Earnings-related	Moderate funded	Mandatory	Ageing
United Kingdom	Mixed	Growing rapidly	Auto-enrolment	Contribution adequacy
Ireland	Public + emerging AE	Expanding	Auto-enrolment rollout	Coverage gaps

Source: OECD Pensions at a Glance 2025

Who Bears the Risk?



- DB: employer/collective bears most risks
- DC: individual bears most risks
- Hybrid and collective DC: risks are shared
- Future debate is about fair risk-sharing

How Do We Measure Pension System Success?



Mercer CFA Institute
Global Pension Index



Three dimensions:
Adequacy, Sustainability,
Integrity



Top systems combine
public and funded pillars



Governance and long-
term consensus are key

Mercer CFA Institute Global Pension Index 2025



Netherlands

Index: 85.4

Rating: A



Iceland

Index: 84.0

Rating: A



Denmark

Index: 82.3

Rating: A

Top 3 rated systems for each sub-index

Adequacy

How much do you get?

1. Kuwait
2. Netherlands
3. France

Sustainability

Can the system keep delivering?

1. Iceland
2. Denmark
3. Netherlands

Integrity

Can the system be trusted?

1. Finland
2. Singapore
3. Hong Kong SAR

Participation Matters More Than Product Design



- Voluntary systems often achieve lower coverage
- Auto-enrolment can raise participation to 70–90%
- Mandatory/quasi-mandatory systems often exceed 90% coverage
- Behavioural economics matters

The Rise of Auto-Enrolment



UK auto-enrolment transformed participation



Ireland introducing national auto-enrolment in 2026

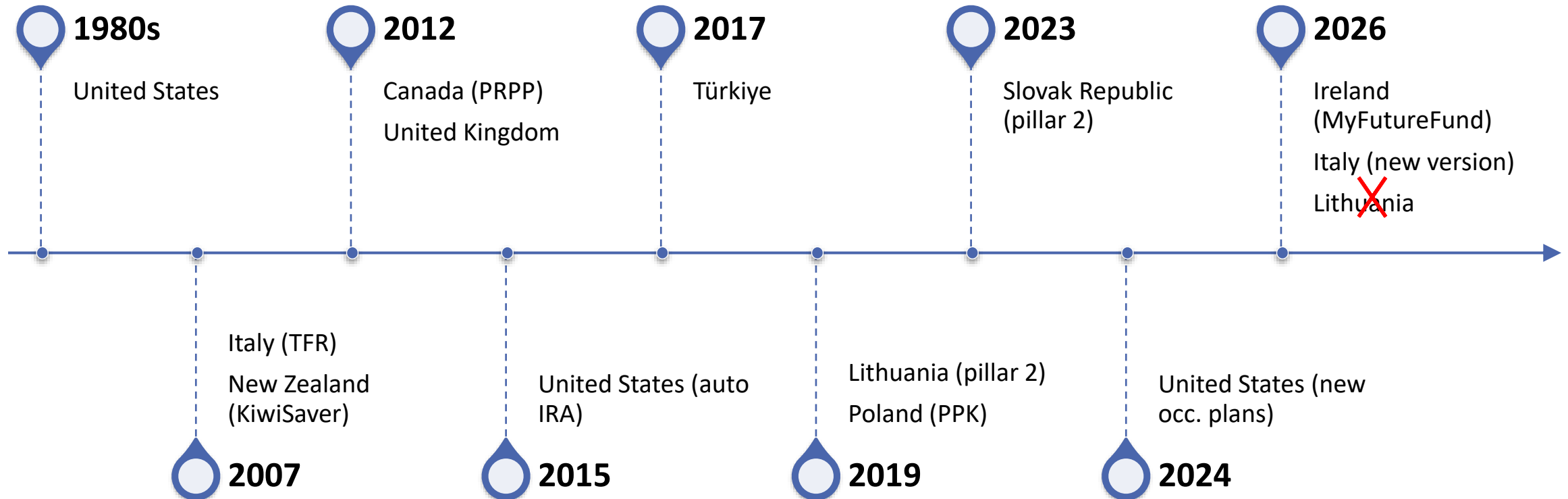


Poland and Lithuania expanded funded coverage - Lithuania ended in 2026 AE

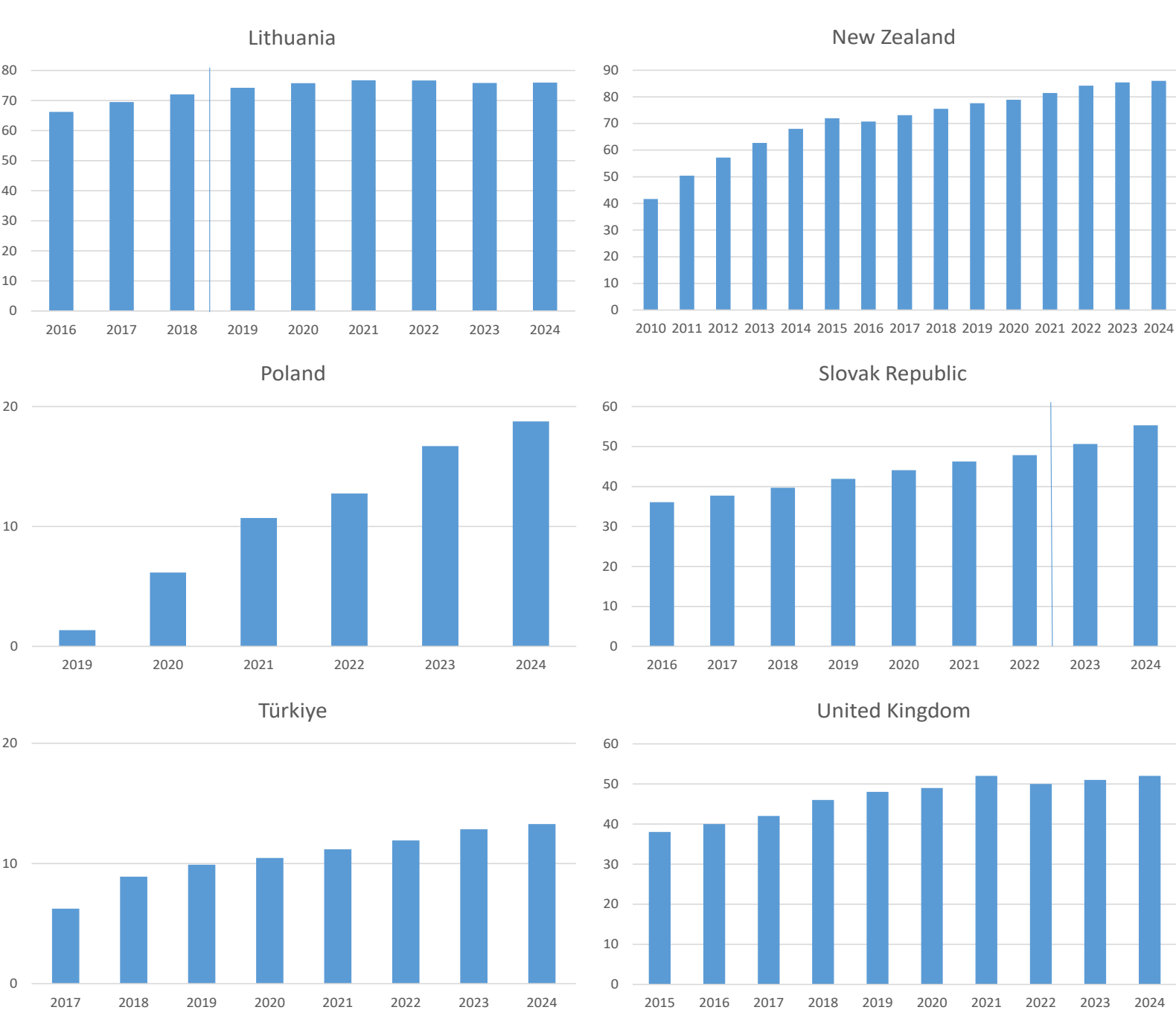


Good pension systems are designed around realistic behaviour

Automatic enrolment increasingly adopted



Autoenrollment and the Evolution of participation rates (% of pop 15-64)



Trust, Governance and Political Stability



Pension systems ultimately depend on trust

People save for decades under uncertainty

Transparency, fairness and governance are fundamental

Political reversals can destroy confidence quickly

Complexity and politicisation weaken legitimacy

Pensions require long-term stability and predictability

Short-term politics increasingly conflicts with sustainability

Long-term institutional credibility is essential

Good and Bad Reform Examples



Netherlands and Nordics: long-term consensus



Switzerland: stable mandatory occupational pensions



Hungary and Estonia: reversals weakened confidence



Short-term politics can permanently damage trust

Can Pension Funds Remain Long-Term Investors?



Pension funds are natural long-term investors

Geopolitical fragmentation creates new risks

Pressure on capital allocation is increasing

Governments increasingly seek support for strategic investment

Facilitating investment differs from directing investment

Fiduciary independence remains essential

Politicisation risks undermining trust and legitimacy

Investments must remain in members' best interests

What Successful Pension Systems Will Need



Sustainability and adequacy



Broad participation



Strong governance and trust



Flexibility and long-term political commitment