Abstract

This thesis investigates impact of pension reforms implemented in the EU27
countries in time period 1993 - 2013 to implicit pension debt. We applied
Holzmann's (2004) methodology to calculate implicit pension debt. Primary
outcome is that in the investigated period, 21 countries have reduced its im-
plicit pension debt in range of 57% to 700% of its GDP. On the other side,
in Denmark, Germany and Portugal, implicit pension debt increased in range
10% - 194% of their GDP.

Paper also investigated impact of individual components implemented in
pension reforms. Largest impact was recorded by change of pension age. In-
creasing pension age by 1 year reduced the IPD by 46% of GDP on EU27 level.
This was also the most often used measure as it was implemented 42 times
in the investigated period. Reforms of indexation have also significant impact
on IPD, however, as indexation is linked to chosen variables to decrease IPD
it is only possible to change indexation linkage. Possibilities of early retire-
ment were also limited, as it was adjusted 13 times. The effect was smaller in
comparison to increasing retirement age where increasing early retirement age
decreased implicit pension debt by 21% of GDP on the EU27 level. This equals
to impact of increasing contribution rate by 1 p.p. The smallest impact was
recorded by decreasing replacement rate by 1 p.p. which reduced IPD by 16%
of GDP on EU27 level.

Keywords

JEL Classification