

Paper proposal for

Parallel Session 2A: Pension Issues in Ageing Societies

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Title: **Pension entitlements of German civil servants – Estimation procedures, sensitivity analyses and treatment in national accounts**

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Facing the perspective of an ageing and shrinking society, citizens' claims on future payments from the various pension and social insurance schemes are increasingly becoming the subject of an intensive debate. In National accounts, those entitlements and the associated social contributions are shown in different manners. Whereas imputed social contributions for civil servants in Germany are compiled on the base of the contribution rate of the statutory pension insurance, the contributions for funded occupational pension plans are calculated using actuarial methods. Funded entitlements of employees towards pension funds are shown in the balance sheet as employees' claims towards the pension fund. However, the entitlements of civil servants or of pension systems financed on a pay-as-you-go base are not shown.

In this paper, we will show the results of a consistent treatment of all pension and social insurance schemes as funded saving plans. As an example serve the civil servants pensions in Germany. The essay describes the systems of civil servants pensions in Germany and presents the available data sources. The paper will focus on the following aspects:

- The design of the estimation model and data on the pension claims /assets of pensioners as well as of active civil servants on an accrued to date basis.
- As a key point, results of a couple of sensitivity analyses will be presented in addition.

The authors show how changes in assumptions on mortality, discount rates and the economic framework affect the magnitude of entitlements. Furthermore, alternative specifications of entitlements as accumulated benefit obligation (ABO) and projected benefit obligation (PBO) are subject of the analysis. Differences in the informational requirements of PBO compared to ABO will also be illustrated.