

A Reexamination of *OECD Reviews of Pension Systems* - Korea

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KOREA INSTITUTE FOR HEALTH AND SOCIAL AFFAIRS

LEADING THE WAY IN IMPROVING
PEOPLE'S QUALITY OF LIFE AND SOCIAL SECURITY

CONTENTS

Korea Institute for Health and Social Affairs

PART.1

Current Situation & Prospects of Korean Pension Schemes

PART.2

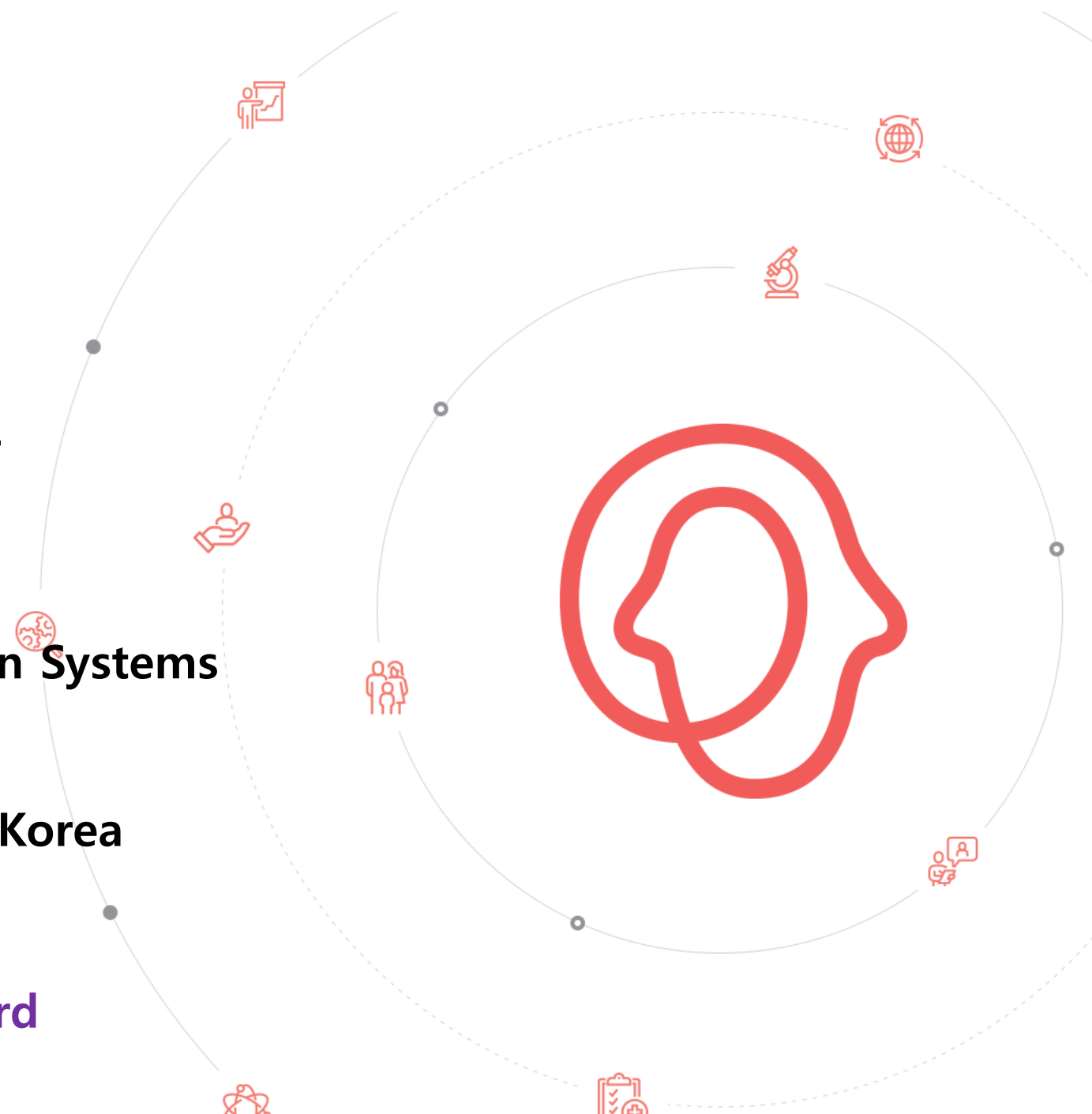
OECD Reviews on Korean Pension Systems

PART.3

2022 OECD Economic Survey of Korea

PART.4

Policy Implications - *Way forward*



1. Current Situation & Prospects of Korean Pension Schemes



1.1 Old-Age Income Security System in Korea

Tier 3	Private/housing/farmland pension schemes				2.57 million contributors
Tier 2	Retirement benefits/pensions (DB, DC)		IRPs for individuals		8.12 million contributors
Tier 1	NP			Special/occupational pensions	21.45 million contributors 4.61 million recipients
	BP				5.027 million recipients
Tier 0	NBLSP				1.63 million recipients
Targets	Workers	Self-employed	Other	Civil servants, etc.	Recipients and contributors

Source: MOHW (2018). Fourth National Pension Master Plan (draft). Yun Suk-myung (2019)

1.2 Population aging is **the fastest in the world**

Total Fertility Rate

출산율



4.53%

1970년

0.78%

2022년

Life expectancy

평균수명



61.9세

1970년

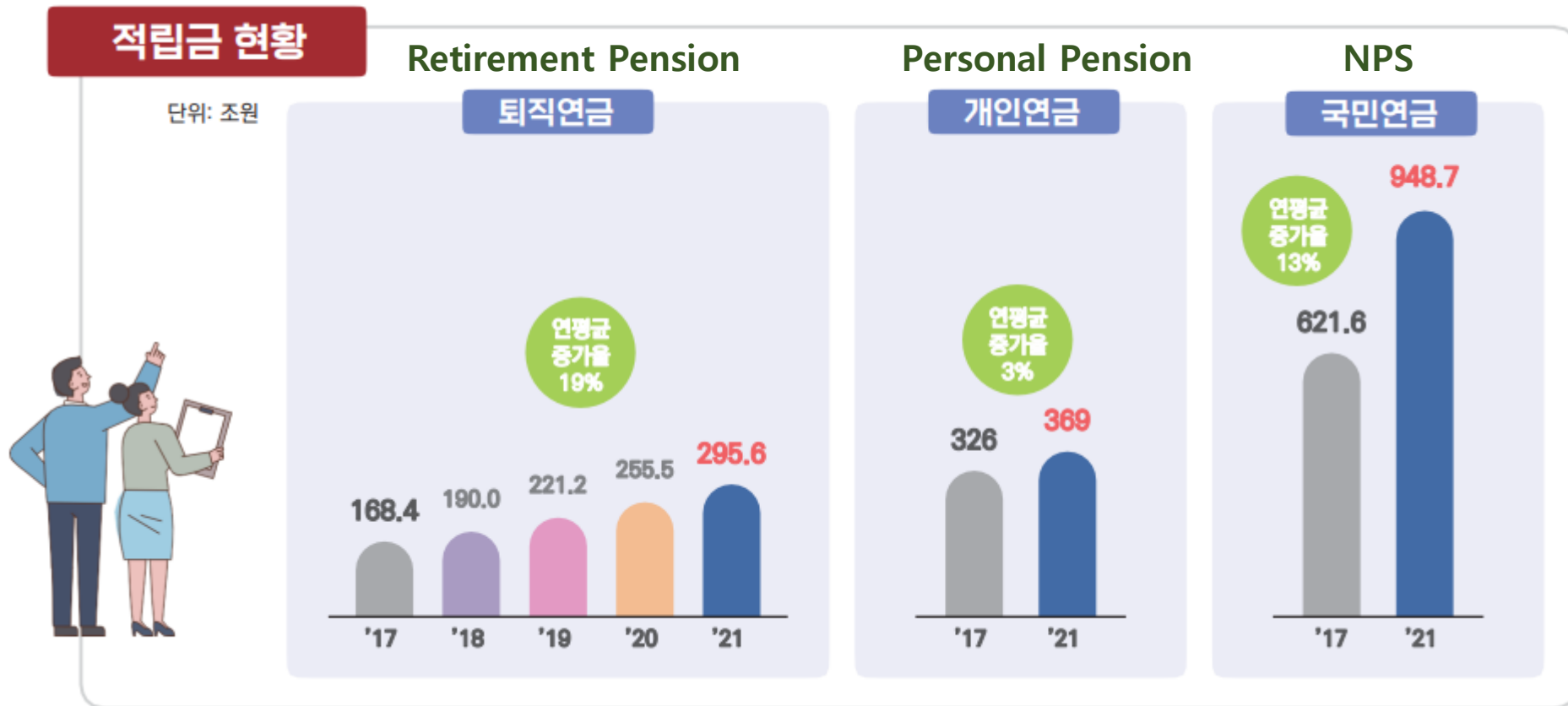
83.6세

2022년

Source: Internal material, Ministry of Employment and Labor.

1.3 Reserves by Pension Plans (NPS, Retirement & Personal Pension)

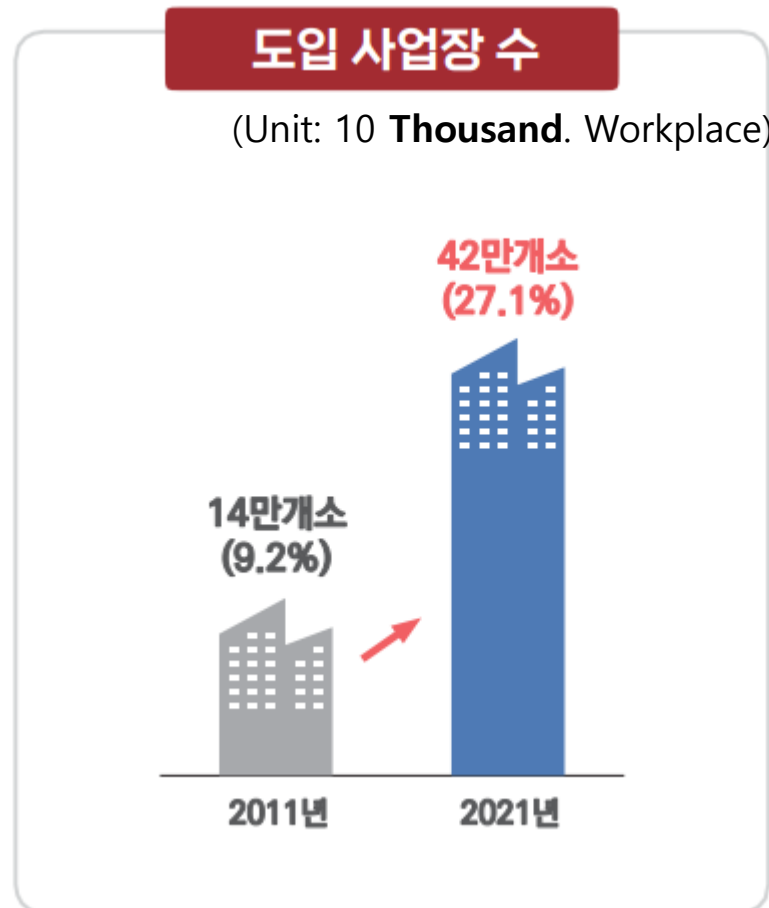
(Unit: KRW Trillion)



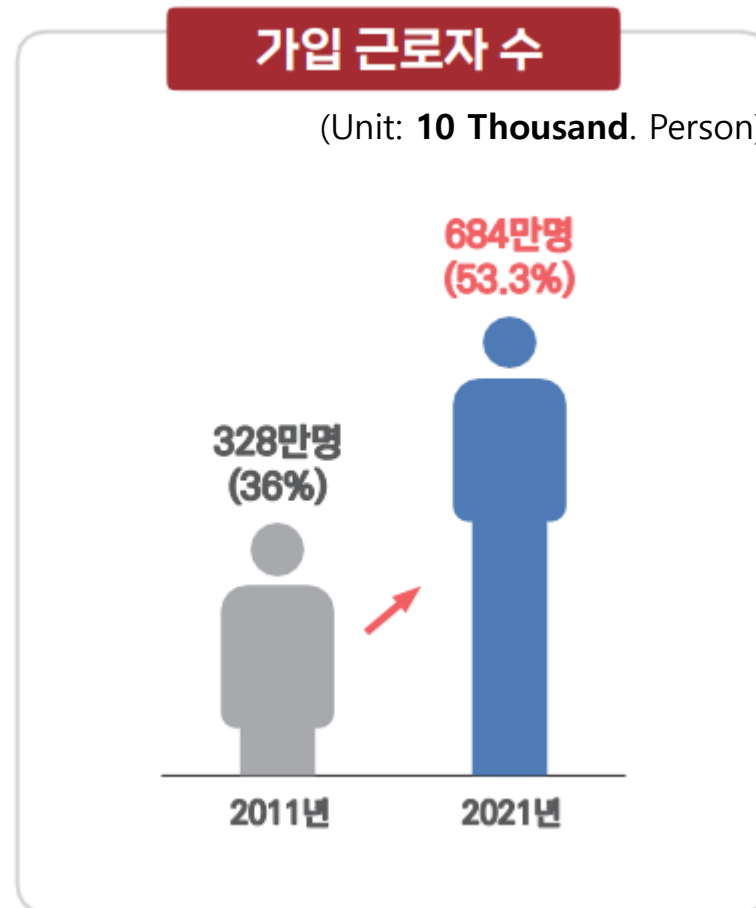
Source: Internal material, Ministry of Employment and Labor.

1.4 Workplaces that introduced retirement pension & Employees enrolled

Number of workplaces introduced

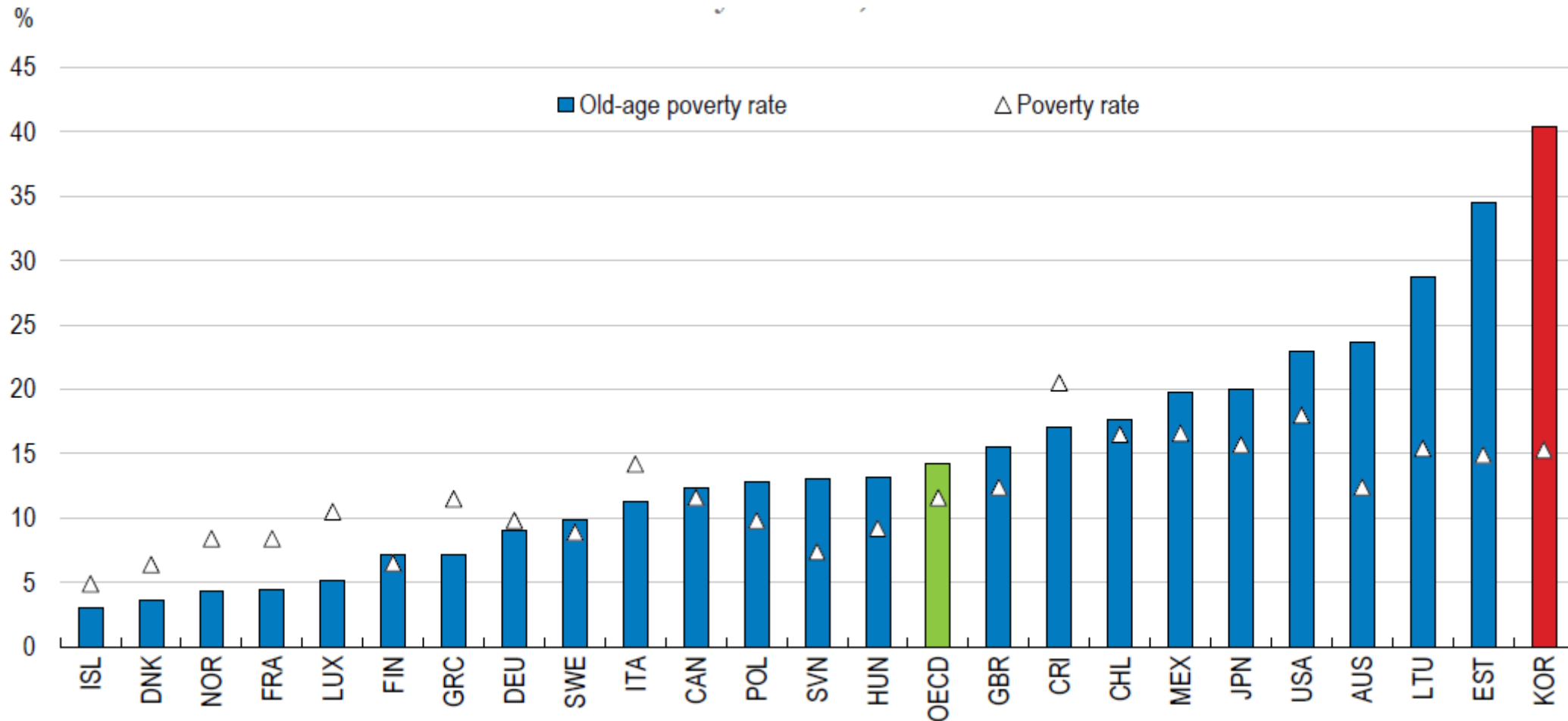


Number of workers enrolled



Source: Internal material, Ministry of Employment and Labor.

1.5 The Poverty Rate Is High, Notably for The Elderly



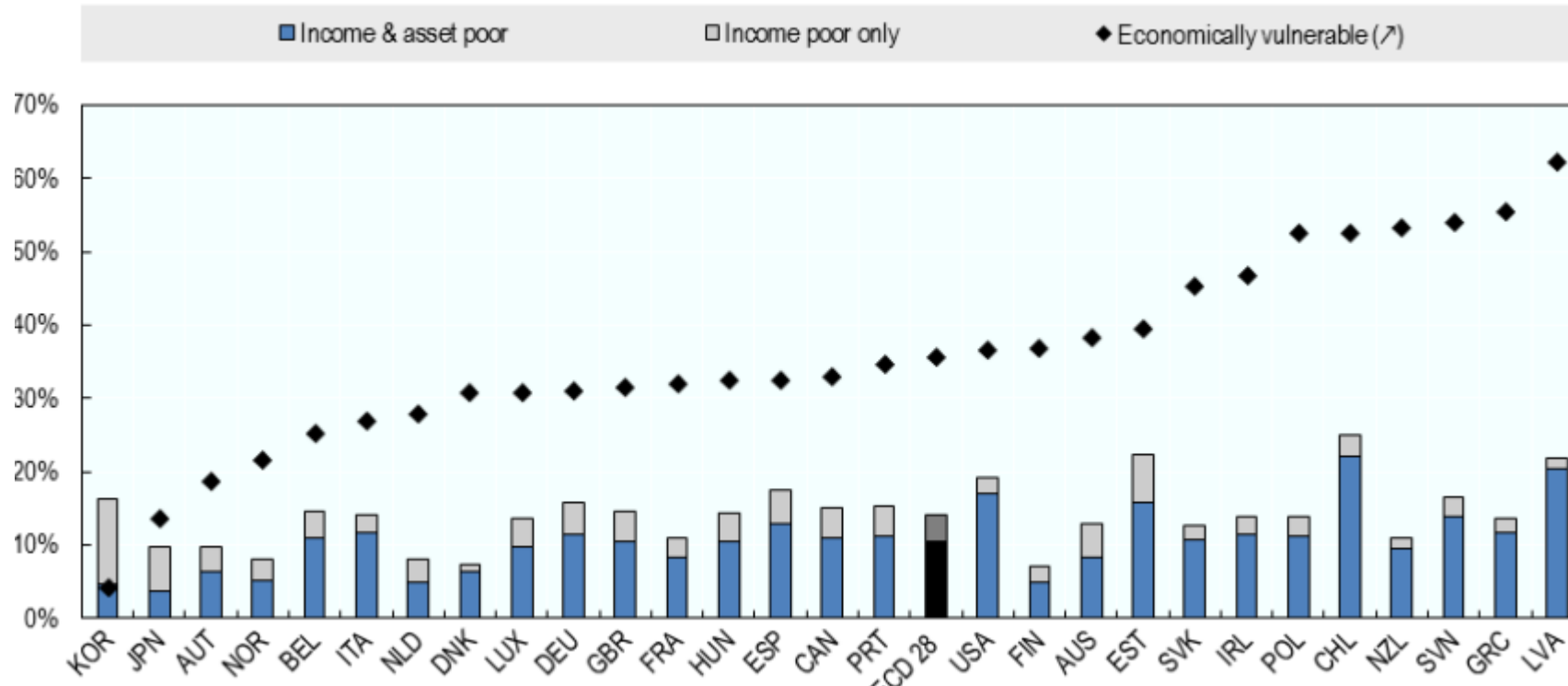
The poverty rate(2020) is the share of the number of people living with less than half of the median disposable income. Wealth, which increases consumption possibilities and is typically higher among older generations, is not reflected.

Source: OECD Income distribution (database). 2022 OECD Economic Survey of Korea.

1.6 The Poverty Rate Is High → Need to Reexamine

Percentage of individuals experiencing income and/or asset-based poverty

2015 or latest available year



Note:

An individual is **classified as being in income poverty** if their equivalised household disposable income is **less than 50% of the national median** (income poverty line).

An individual is **classified as economically vulnerable** if they are **not income poor but their liquid financial wealth is less than 3 months of the national income poverty line.**

The OECD average is the simple country average.

1.7 The Elderly Poverty Rate Is High → Need to Reexamine

Asset Distributions Among Seniors by Source of Data (2015)

Both sources of data confirm that **the lowest and highest groups** comprise a relatively large **proportion of all Korean seniors** (with the asset groups defined by asset values at the 25th, 50th, and 75th percentiles).

Second, **the percentage of seniors in the high asset groups** is relatively **higher among seniors who are not income-deprived** (i.e., **not relatively poor**, according to the OECD's standard). **Of non-income-deprived seniors, 68.5 percent** belong to the **high asset groups**, according to the KWPS data.

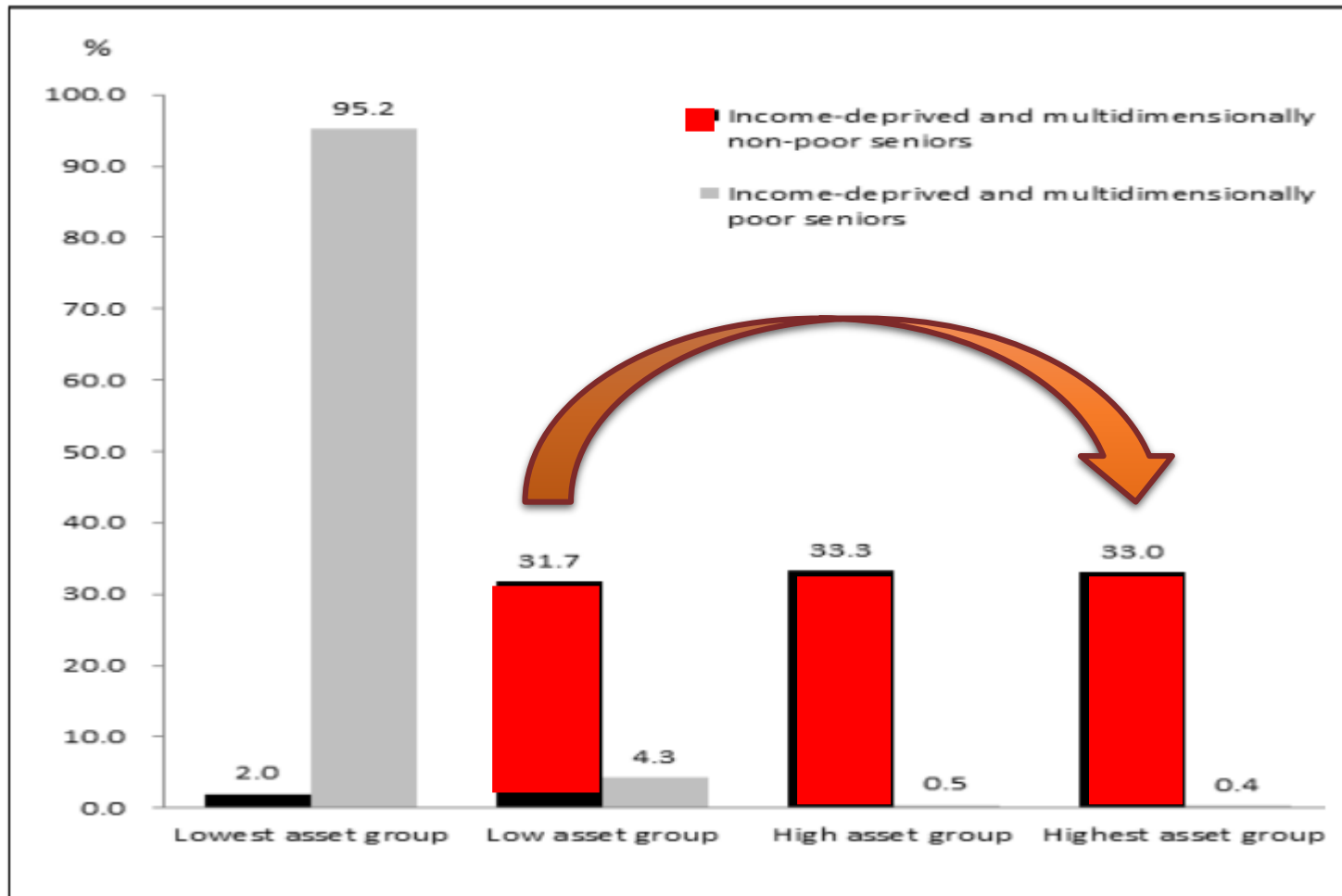
Third, **the percentage of seniors in the low asset groups** is **relatively higher among seniors who are income-deprived** (i.e., **relatively poor**, according to the OECD's standard). **Of income-deprived seniors, 63.4 percent** belong to the **low asset groups**, according to the KWPS data.

Source of data	Asset group distribution (%) (total assets per household member)				
	Total	Lowest	Low	High	Highest
KWPS					
All seniors (100%)	100.0	28.2	18.0	20.4	33.4
Not income-deprived (53.7%)	100.0	14.7	16.8	22.2	46.3
Income-deprived (46.3%)	100.0	44.0	19.4	18.3	18.3
Multidimensionally non-poor (55.0%)	100.0	2.0	31.7	33.3	33.0
Multidimensionally poor (45.0%)	100.0	95.2	4.3	0.1	0.4
HWFS					
All seniors (100%)	100.0	28.0	21.3	20.5	30.2
Not income-deprived (53.7%)	100.0	16.5	20.0	23.5	40.0
Income-deprived (46.3%)	100.0	41.5	22.7	16.9	18.9
Multidimensionally non-poor (55.0%)	100.0	3.5	36.3	28.3	31.9
Multidimensionally poor (45.0%)	100.0	96.1	3.0	0.5	0.4

Source: Sukmyung Yun & Kyongpyo Ko, *Multidimensional Elderly Poverty Index*. Policy Report 2018-06. KIHASA.

1.8 The Poverty Rate Is High → Need to Reexamine

Total Asset Distribution Among Income-Deprived Seniors: Multidimensionally Poor and Non-Poor (2015)



Note: **Asset values** were measured in terms of total assets, not wealth, divided by the number of household members. There are **four asset groups**, depending on the value of the assets they possess, i.e., lowest, low, high, and highest.0

The lowest group belongs to the bottom 25 percent of the total population asset distribution; the low group, to the next 25 percent (26th to 50th percentiles); the high group, to the next 25 percent (51st to 75th percentiles); and the highest, to the top 25 percent (76th to 100th percentiles).

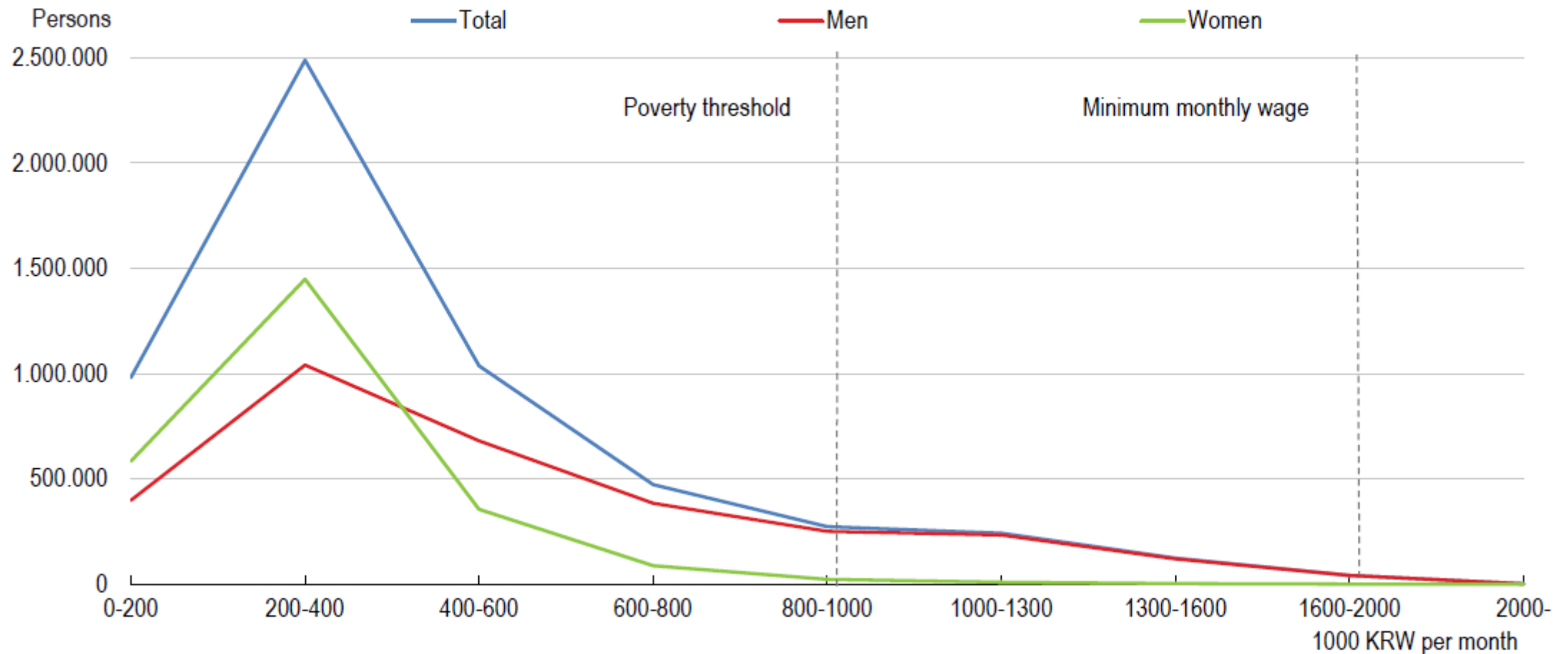
Currently (as of the end, 2015) in Korea, the 25th percentile of the total population asset distribution per capita is KRW 31.48 million; the 50th percentile, KRW 74.33 million; and the 75th percentile, KRW 148.75 million.

Data Sources: KIHASA-SNU (2016) and Statistics Korea (2016).
Source:

Source: Sukmyung Yun & Kyongpyo Ko, *Multidimensional Elderly Poverty Index*. Policy Report 2018-06. KIHASA.

1.9 Most Pensions Are **Below The Poverty Line**, notably for Women

Distribution of pensioners by pension amounts, 2021

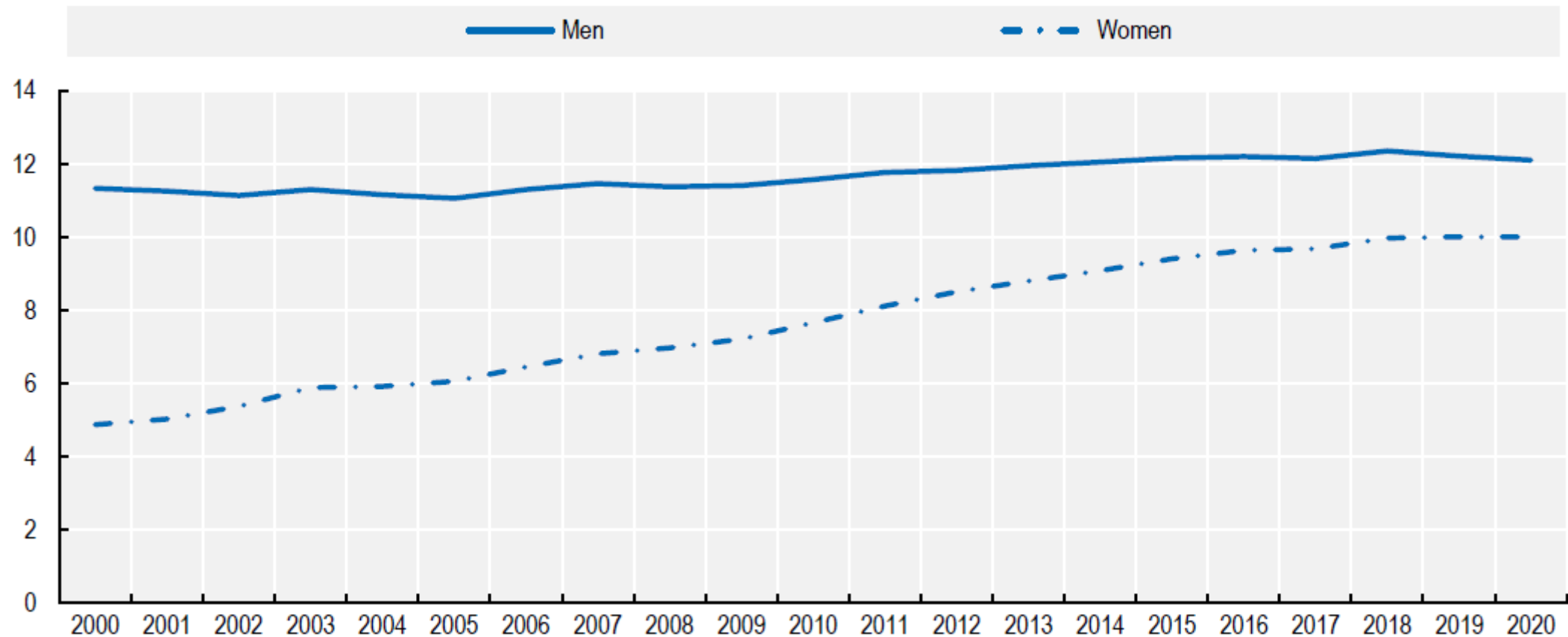


Note: Pensions refer to **all types of old-age pensions** from the National Pension Service including full old-age pension, early old-age pension, **reduced old-age pension, and special old-age pension.**

Source: National Pension Service; and OECD Pensions at a Glance 2021. **2022 OECD Economic Survey of Korea.**

1.10 Annual Number of Contributors to the NPS by Gender

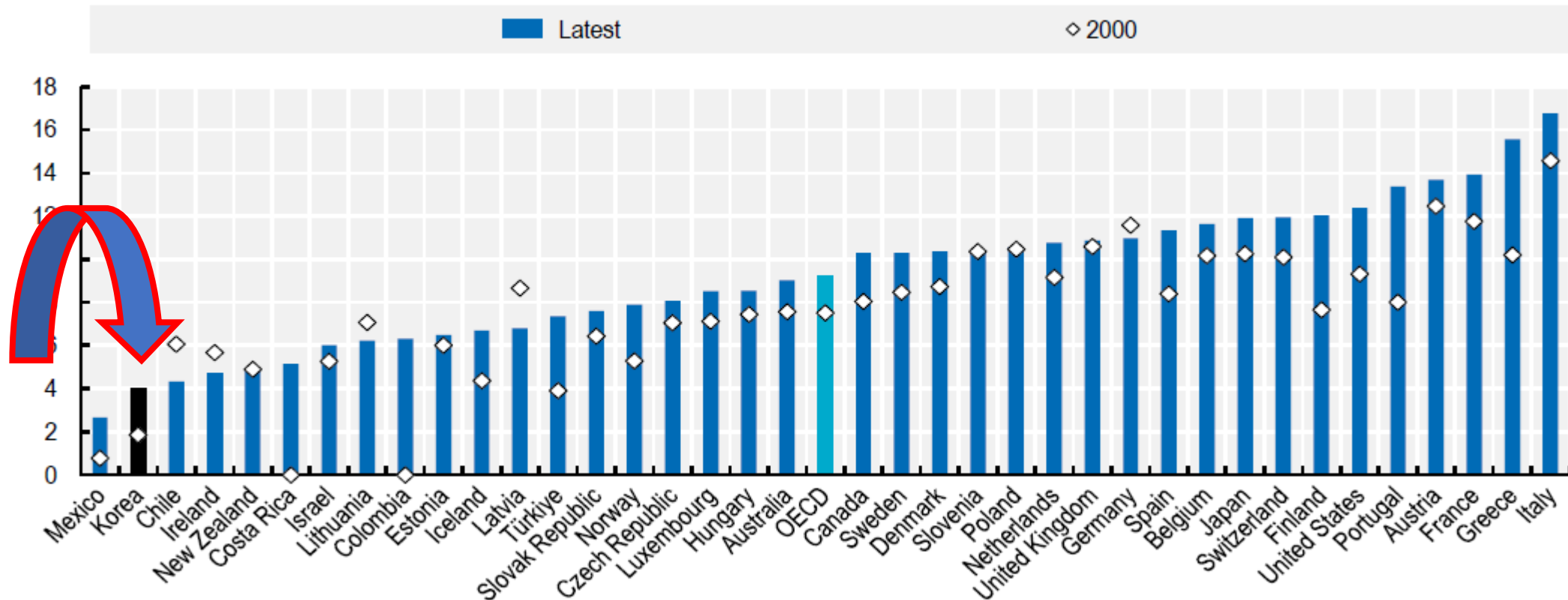
The number of women NPS contributing has **more than doubled in the last 20 years** (millions)



Source: National Pension Research Institute (https://www.nps.or.kr/jsppage/english/research/research_01.jsp). *OECD Reviews on Korean Pension Systems (2022)*.

1.11 Public & Private Expenditures on Old-age & Survivors Benefits

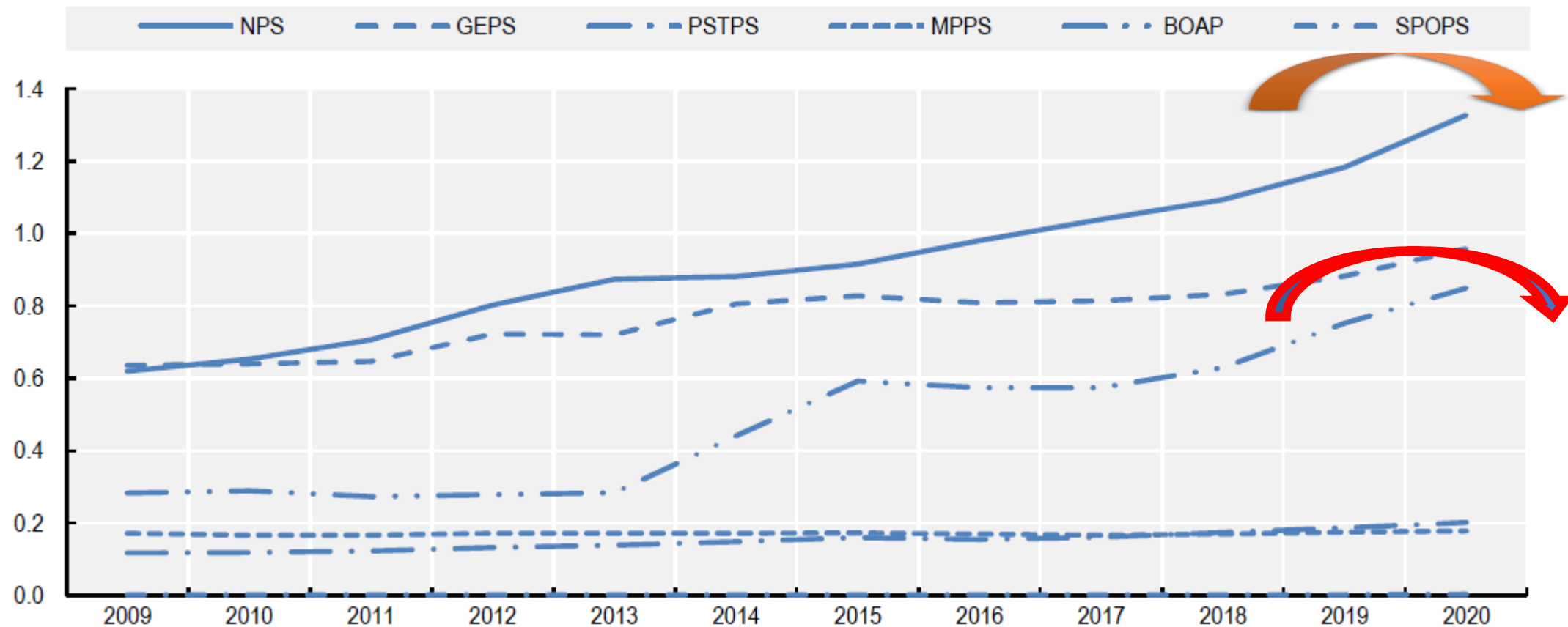
Pension Expenditures of Korea has **more than doubled in the last 20 years.** (% of GDP)



Source: OECD Social Expenditures Database (SOCX), <https://www.oecd.org/social/expenditure.htm>.

1.12 Pension Expenditure by Component (% of GDP)

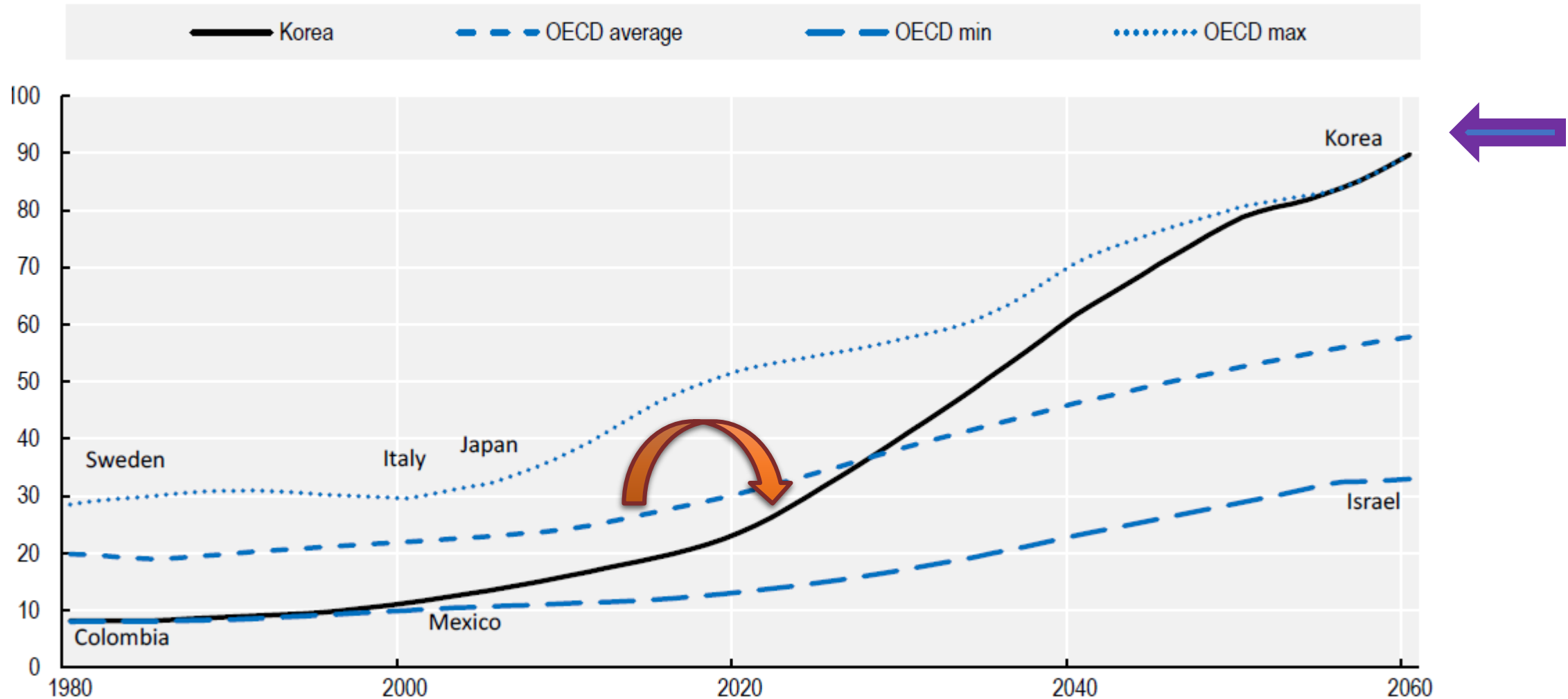
NPS & BOAP expenditures have grown rapidly increased **over the last decade.**



Source: OECD SOCX database, Annual reports. *OECD Reviews on Korean Pension Systems (2022)*.

1.13 Population Ageing Is **Very Fast**

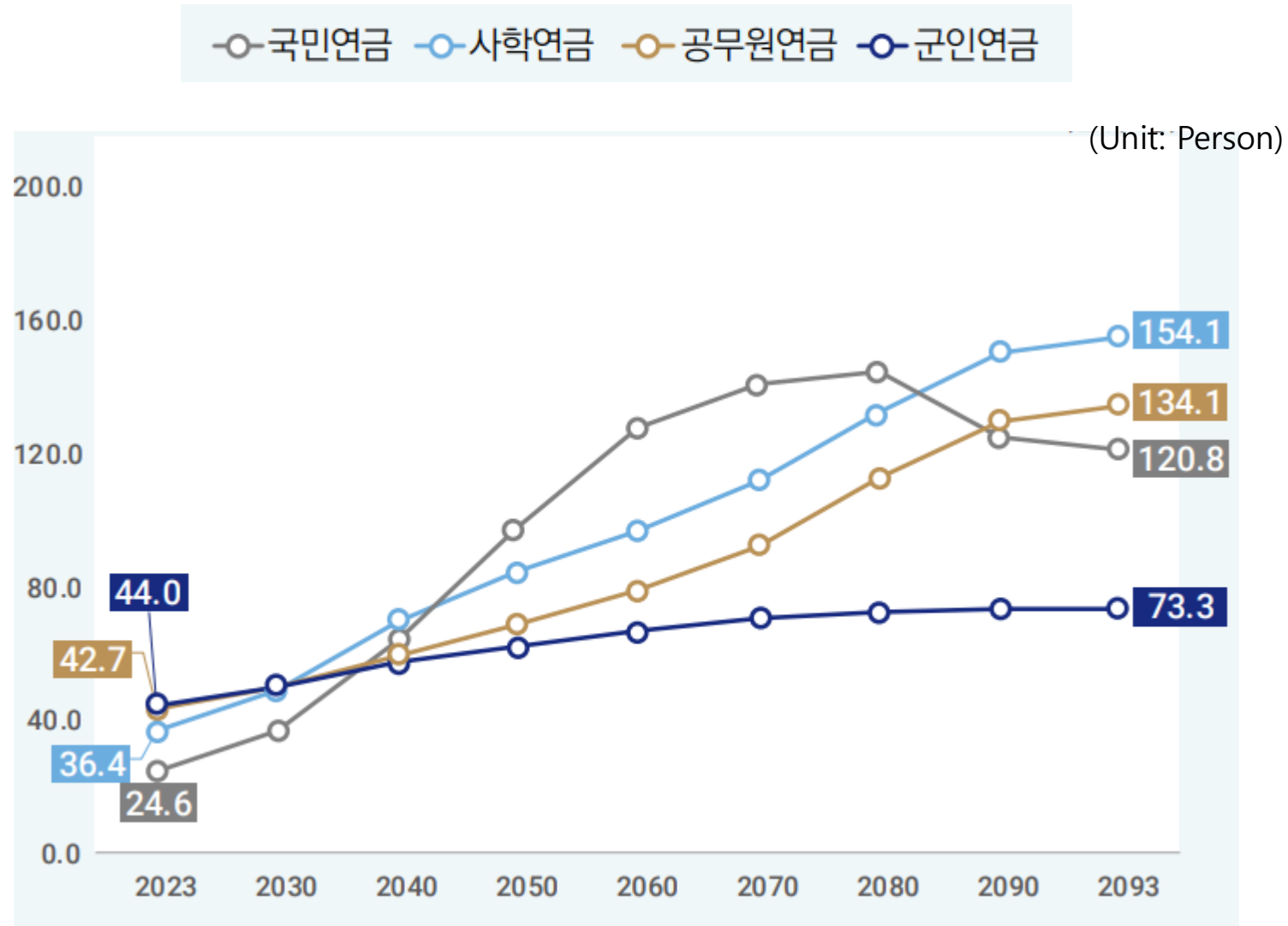
(Number of people aged 65+ per 100 people aged 20-64)



Source: *OECD Reviews on Korean Pension Systems (2022)*.

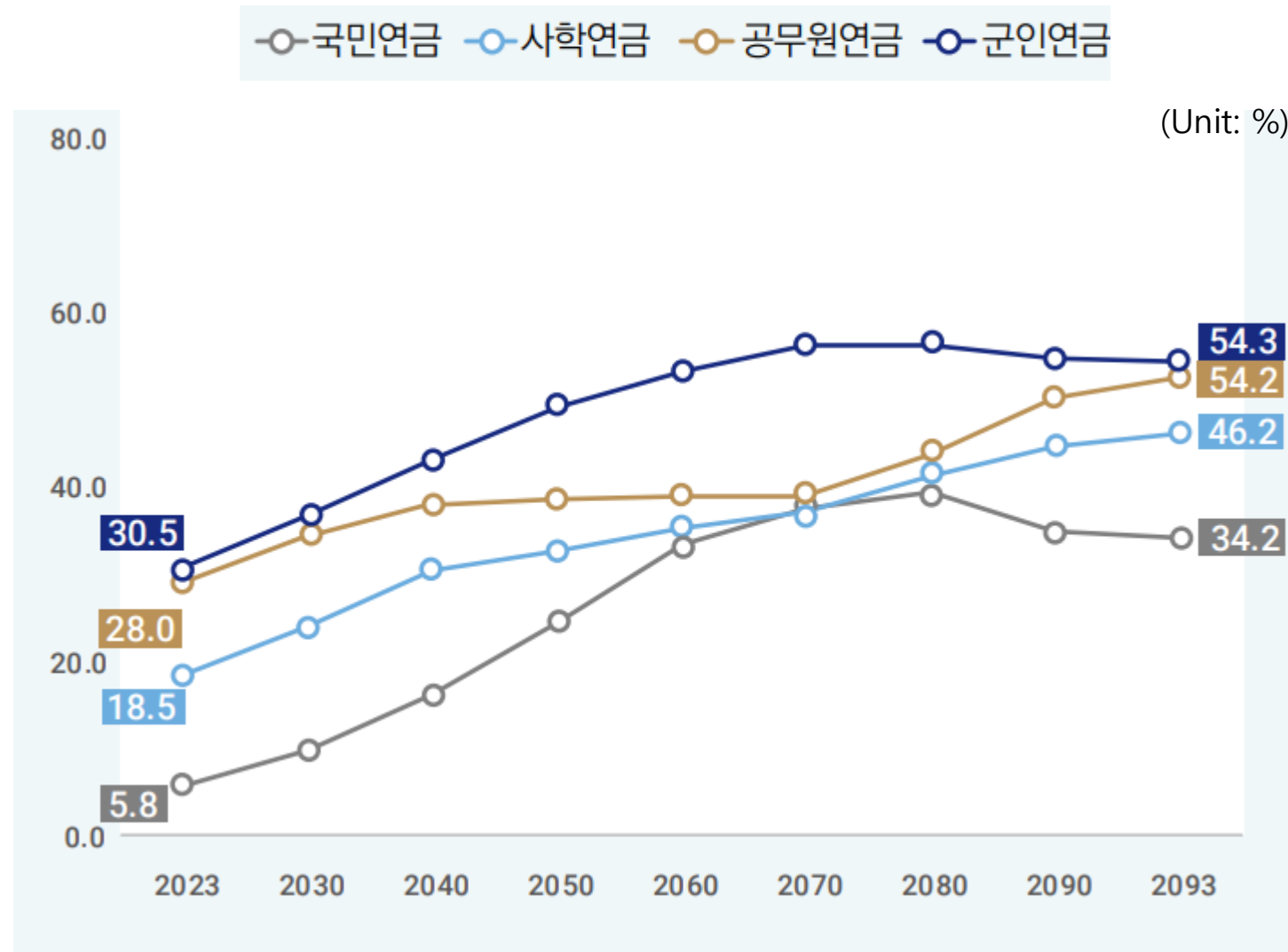
1.14 System Dependency Ratio for all public pensions is rapidly deteriorating

System Dependency Ratio for major public pension plans



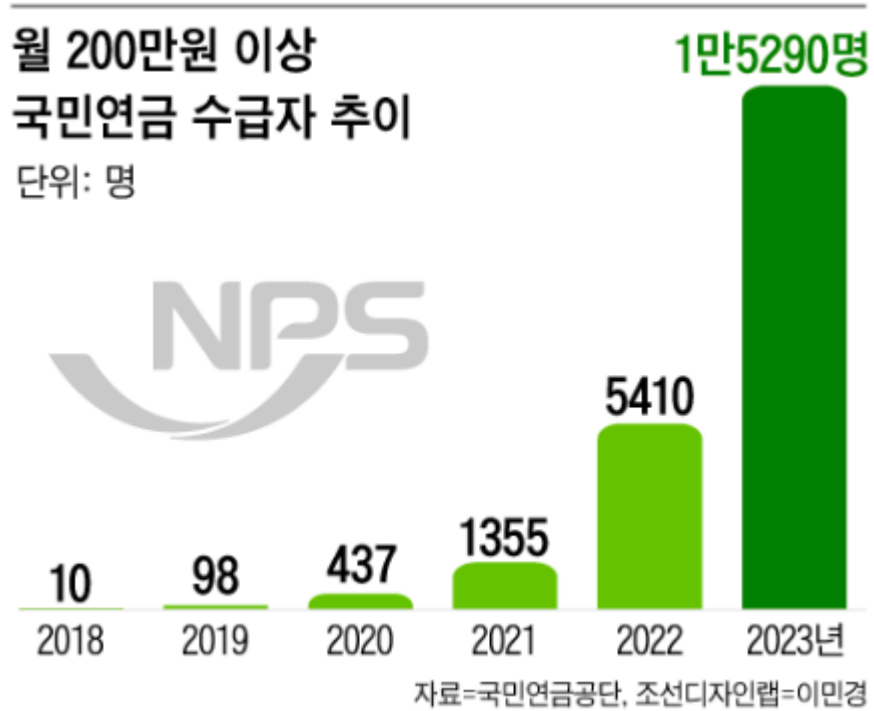
1.15 Pay-as-you-go premiums are **projected to rise sharply**.

Estimates of pay-as-you-go premiums for major public pension plans



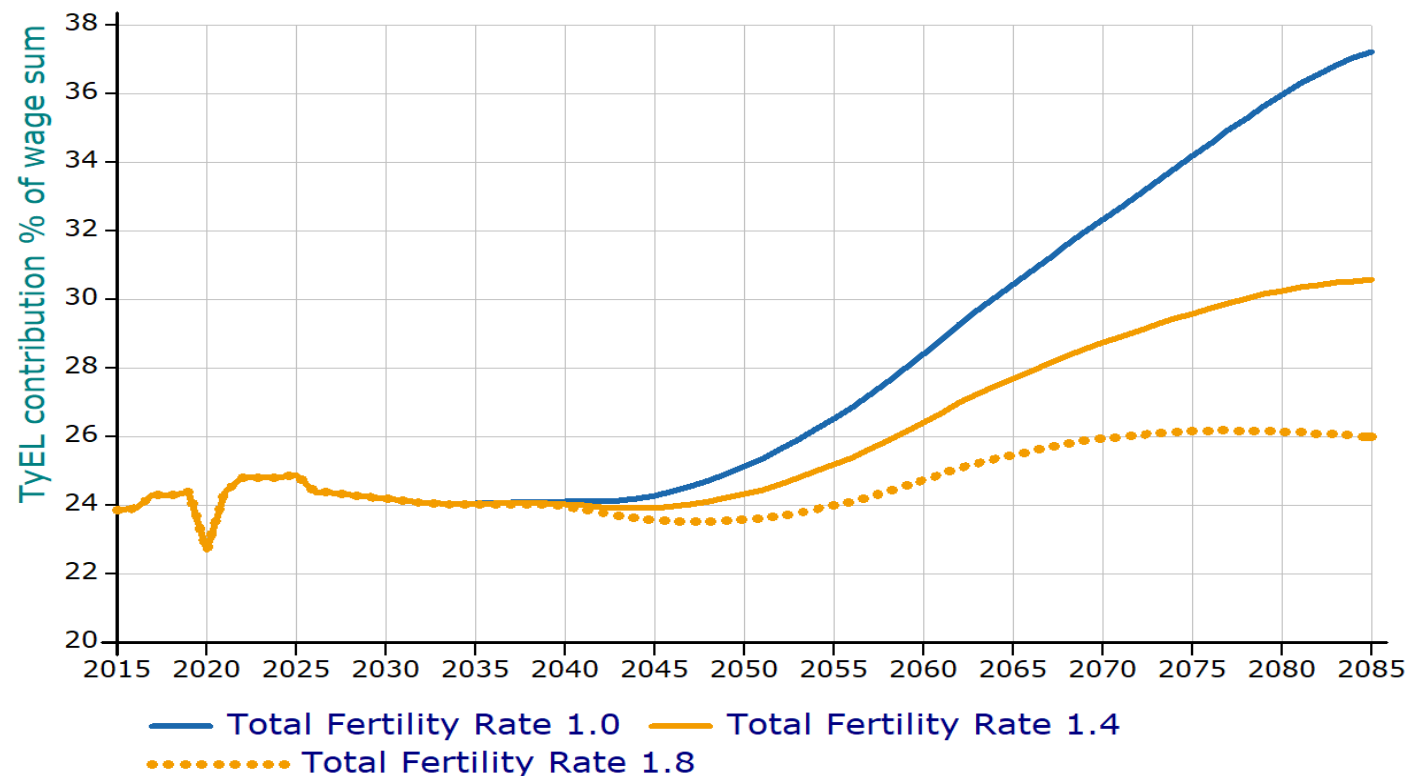
The national pension is **growing rapidly**, especially for high-income long-term subscribers.

In just one month, the number of recipients whose national pension amount exceeded KRW 2 million increased **nearly three times**.



1.17 Comments from Foreign Pension Experts

- **Ismo Risku**, head of the planning department at the Finnish Centre for Pensions (FCP)
 - Often asks me (Yum Suk-mung), **“How does Korea prepare for its seemingly unsustainable pension system due to its low birth rate?”** (Cite from **Risky pension politics**, Korea JoongAng Daily Column by **Yun Suk-myung**. Nov. 3, 2021)



TFR close to **South Korea at present**

TFR close to levels **in Finland now**

TFR close to levels **10 years ago**

1.18 Comments from Foreign Pension Experts

- In a seminar among Korea, Chinese and Japanese experts,
 - **A Japanese official** also wondered,
 - How **could Korea pay more in pensions than Japan** when Koreans **pay much less premiums (9%) than the Japanese (18.3%)?**” (Cite from **Risky pension politics, Korea JoongAng Daily** Column by **Yun Suk-myung**. Nov. 3, 2021)

日本の年金制度の特徴 (3) 最近の動向

• 最近の改正

• 2004年改正

(1) 保険料固定方式の導入

- 従来は給付水準を決定し、それに見合う保険料(率)を設定。
- 2004年以降、国民年金は毎年280円、厚生年金は毎年0.354%引き上げ、国民年金は2017年4月に16,900円(2004年度価格)、厚生年金は2017年9月に**18.3%**で固定。

(2) マクロ経済スライドの導入

- 保険料を固定したことで、収入を増加させる方法の1つが失われた。
- その中で、給付と負担のバランスを確保することが必要。
- 物価や賃金の上昇に連動した給付水準の上昇について、経済社会の状況をもとに一部抑制する方法。

(3) 有限均衡方式の導入

- 約5年分の給付をまかなうだけの額があった年金積立金を、約**100年**間かけて、約1年分の給付をまかなう水準まで取り崩す。
- ただし、5年に1回行われる財政検証のたびにその後**約100年**で計算するため、実際に今から**100年後**に約1年分の給付しか残らないというわけではない。

※ 財政検証では、パラメータによっては積立金が枯渇するケースも想定。

2. OECD Reviews on Korean Pension Systems

Executive Summary & Recommendations

➔ **Reexaminations**



2.1 OECD Reviews of Pension Systems - Korea



OECD Reviews of Pension Systems **KOREA**



2.2 Executive Summary → Reexaminations

- **Korea** has made **tremendous progress** towards **improving S.S.** in **old-age** over the last decades
 - But the **pension system** has **not reached maturity yet.**

- **The initial values** of NPS parameters raised
 - The **income prospects** of the **1st cohorts** of NPS retirees **well beyond** what their contributions could have financed.

- Overall, **the assessment of NPS** income & financial prospects
 - Backed by **solid analyses** conducted in **regular actuarial reviews.**

2.3 Executive Summary → Reexaminations

- Furthermore, the introduction of **safety-net pensions** since **2007**
 - Has provided **small benefits** to **the most needy**. (→ **NOT correct**)
 - (**1/3 of safety-net pension beneficiaries are NOT in poverty.**)
- Despite significant progress, **much more needs to be done.**
 - The current DB system **generates low pension levels**, leading to significant income vulnerability in old age
 - (Partially valid, but **likely to lead** to incorrect policy recommendations)
 - (**Priority** should be given to **the difference in subscription period b/w subscribers, not the average subscription period** of the national pension subscribers.)
- **One severe difficulty** arises from
 - The **exceptionally fast demographic changes** facing Korea, which implies that **even these low future pension levels cannot be financed** in a sustainable way **without further important reform.**

2.4 Executive Summary → Reexaminations

- Korea has to tackle the **formidable joint challenges**
 - Of **raising pension levels while enhancing pension finances.** (**Partially acceptable**)
 - (It is necessary to raise the pension level through various policies such as **extending the subscription period** rather than the annual accrual rate.)

Numbers of Contributing Years by Year of Birth and Income Level (IL)

	IL 1 0~10 %	IL 2 10~20%	IL 3 20~30%	IL 4 30~40%	IL 5 40~50%	IL6 50~60%	IL 7 60~70%	IL 8 70~80%	IL 9 80~90%	IL 10 90~100%	Average
1935	6.1	6.2	6.0	6.0	5.9	6.3	6.3	6.3	6.5	6.5	6.2
1940	7.7	9.4	9.7	9.5	10.5	10.9	10.0	10.5	9.8	10.4	9.8
1945	11.9	13.6	12.1	15.5	14.0	15.3	13.9	13.6	14.9	14.9	14.0
1950	15.8	15.2	17.0	18.2	19.3	20.4	20.4	20.1	20.8	21.6	18.9
1955	19.1	17.9	18.6	18.9	19.6	20.3	21.8	23.4	24.6	24.8	20.9
1960	21.3	19.3	19.1	20.1	21.7	24.3	25.1	27.4	29.6	29.5	23.7
1965	20.7	19.4	20.0	21.5	23.3	25.4	27.7	29.9	33.7	33.6	25.3
1970	19.4	19.8	22.0	21.9	24.5	25.4	28.1	29.0	33.2	33.9	25.7
1975	18.6	20.9	22.5	23.6	23.2	25.0	27.2	28.0	29.7	31.7	25.0

Source: Yun Suk-myung, Choi Ki-hong, and Choi Serim.
Changing Working Conditions for Korean Baby Boomers and Tasks of the Old-Age Income Security System.

2.5 Executive Summary → Reexaminations

- As contribution levels are **low** & the pension system **remains fragmented**,
 - There is **number of reform options** to make the Korea pension system **better fit for purpose**, raising old-age protection in **a sustainable way**.
- OECD review **focuses** on **pension policies** to improve contributory pensions.
 - Even though **contributory pensions interact with the means-tested basic pension component**, this review **does not include** recommendations **to improve old-age safety nets**.
 - (It is highly likely that **inappropriate policy recommendations** will be presented in preparation for the upcoming super-aged society.)

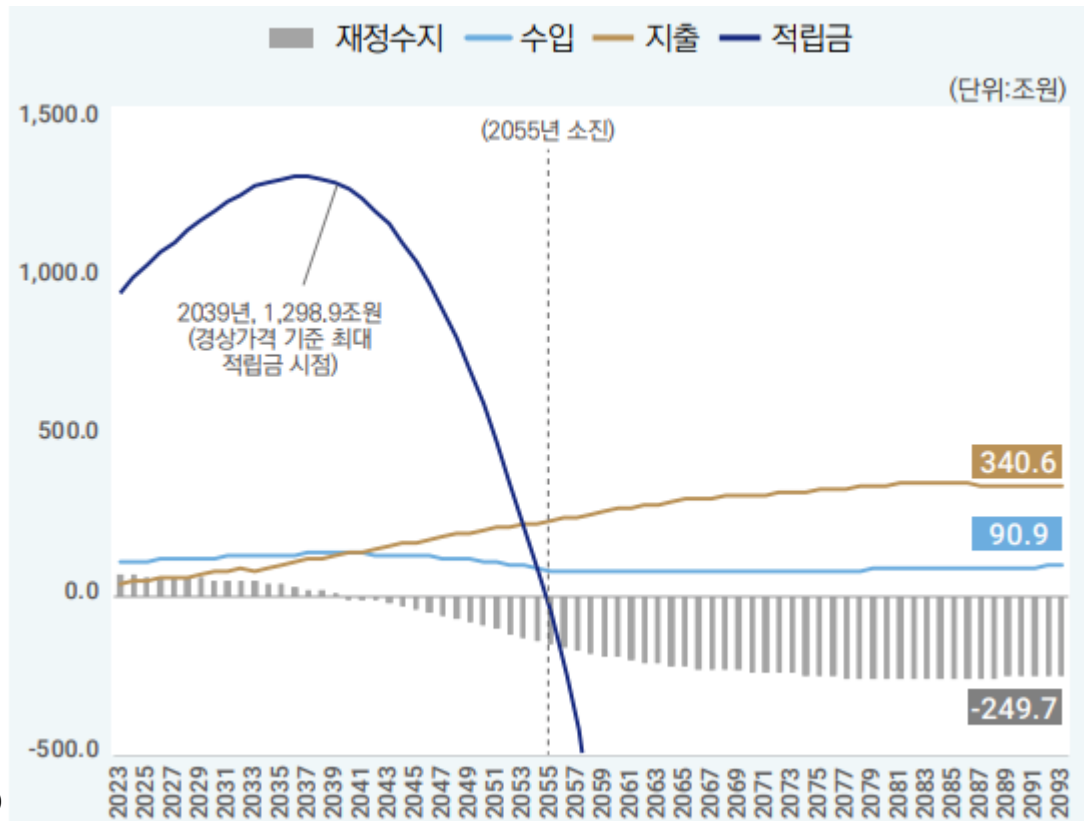
2.6 Executive Summary → Reexaminations

- In addition, **the effectiveness** of some of the proposed policy measures
 - Would be **enhanced by labour market changes**, primarily related to the practice of **enforced retirement before the statutory retirement** (→ **pension eligibility**) age, itself closely related to seniority-wage practices.
- Yet, labour market reforms are **not within the remit** of **this (OECD) review**.
 - (Also, might cause **serious misleading in desirable policy recommendation**)

2.7 Recommendations → Reexaminations

- Increase NPS contribution rates **considerably** and as soon as possible (**fully acceptable**)
 - Use **additional resources** to **increase accrual rates** in a financially sustainable way and to preserve **at least a small reserve fund**. (**Unacceptable. NOT sustainable recommendation**)

Long-term Projection of NPS (Baseline): 2023~2093



Changes in Case of **2%pt Increase in Replacement Rate** (from 40 to 42%) of the NPS



2.8 Long-term projections of NPS & Basic Pension (Yun's research Team)

공적연금 재정전망과 연금개혁 논의 동향



윤석명
한국보건사회연구원 연구위원
전 한국연금학회 회장



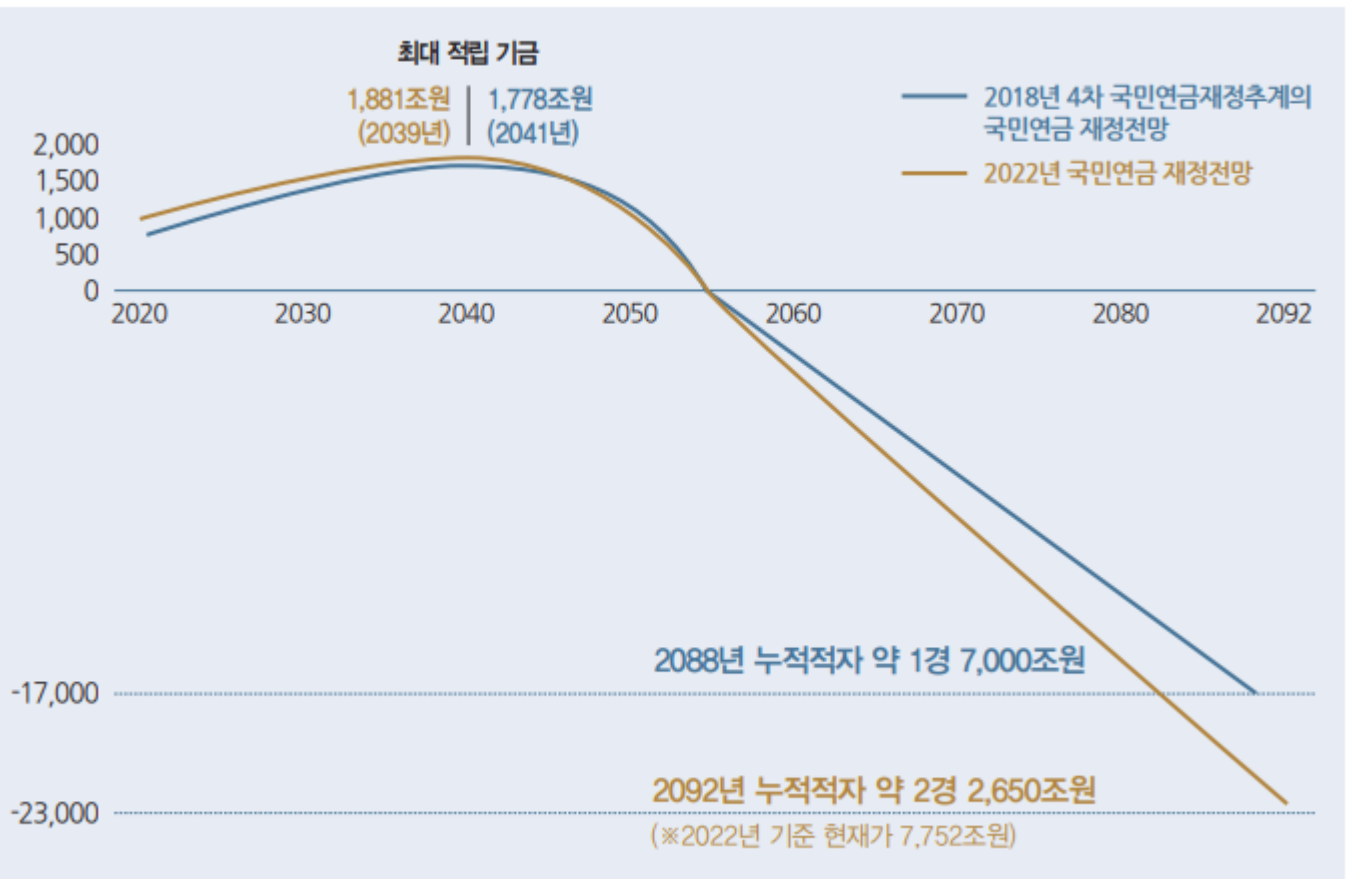
Budget and Policy, NABO (National Assembly Budget Office)



2.9 Long-term projections of NPS & Basic Pension (Yun's research Team)

Projected Accumulated Deficit of the NPS

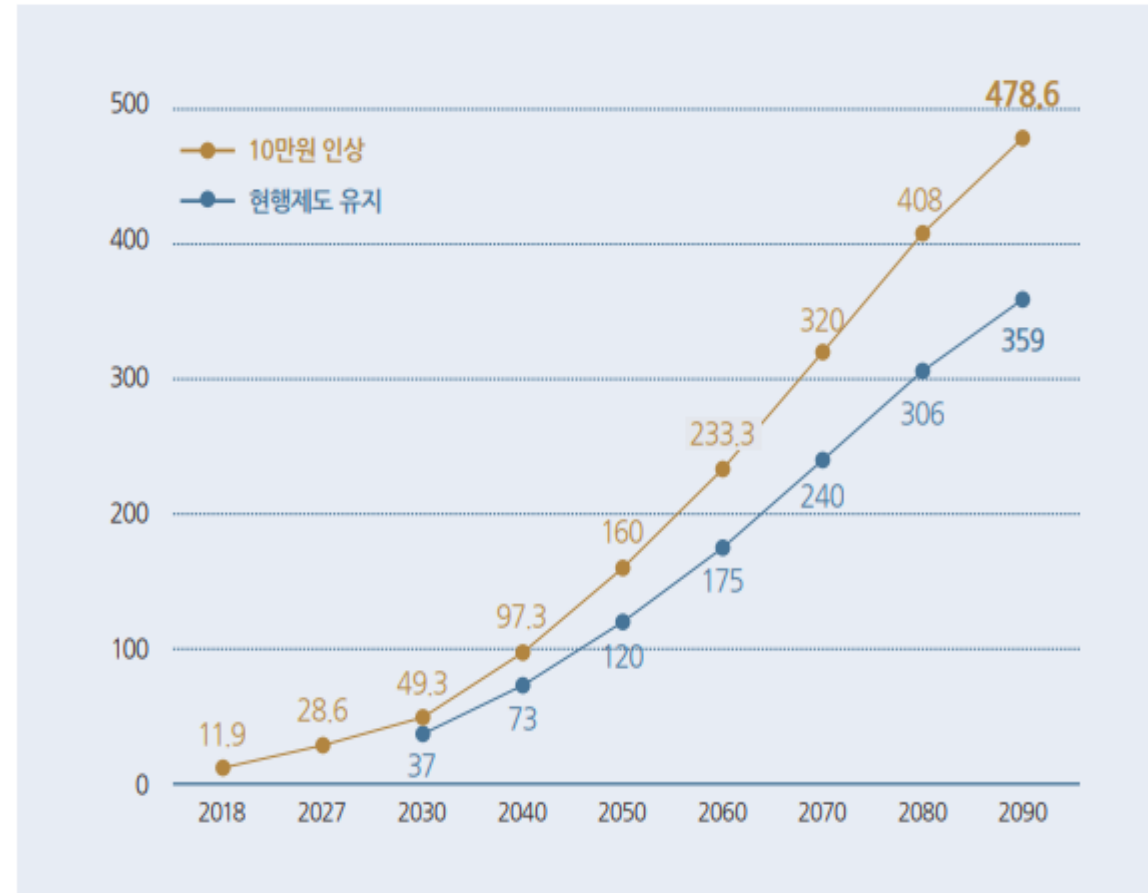
그림 2 국민연금 누적적자 규모 비교 (2018년과 2022년) (단위: 조원)



주 2088년까지 누적적자는 행정부의 4차 국민연금재정계산결과를 반영하였음. 2092년까지의 누적적자는 2022년 필자 연구책임 과제 추계 결과이며, 최대 적립 기금은 1,881조원(2039년)에 달할 것으로 전망됨

Long-term Projections of Basic Pension

그림 3 기초연금 재정추계 전망 (2018~2090년) (단위: 조원)



주 기초연금을 현행대로 월 30만원 지급할 경우와 월 40만원으로 인상할 경우의 2090년까지 재정추계 결과임
2018년과 2027년 수치는 국회예산정책처 전망치를 사용하였으며, 2030년부터 2090년까지의 재정추계는 필자 연구책임 과제의 추계결과(2022년 재정추계)임

2.10 Recommendations → Reexaminations

- Increase NPS contribution rates **considerably and as soon as possible (fully acceptable)**
 - Use **additional resources** to **increase accrual rates** in a financially sustainable way and to preserve **at least a small reserve fund**. (**Unacceptable. NOT sustainable recommendation**)

Various long-term projection scenarios of the NPS

	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 1
Contribution Rate	15%	15%	12%	12%	15%
Income Replacement	45% (accrual rate: 1.125)	50% (accrual rate: 1.25)	40% (accrual rate: 1.0)	40% (accrual rate: 1.0)	40% (accrual rate: 1.0)
Eligible age	65	65	67	65	65
Benefit Formula	A+B	A+B	A+B	B only	A+B

Note: 1. Contribution rate of Scenario①, ②, ③: increase by 0.6%p every year from 2025

3. C. R. of Scenario②, ③: an immediate increase in 2025

4. Pension eligible age of Scenario④: 1 every year from 2038

2. C.R. of Scenario④, ⑤: increase by 1%p every year from 2025

Source: NABO (National Assembly Budget Office)

2.11 Recommendations → Reexaminations

- Increase NPS contribution rates **considerably** and as soon as possible (**fully acceptable**)
 - Use additional resources to **increase accrual rates** in a financially sustainable way and to preserve **at least a small reserve fund**. (**Unacceptable. NOT** sustainable recommendation)

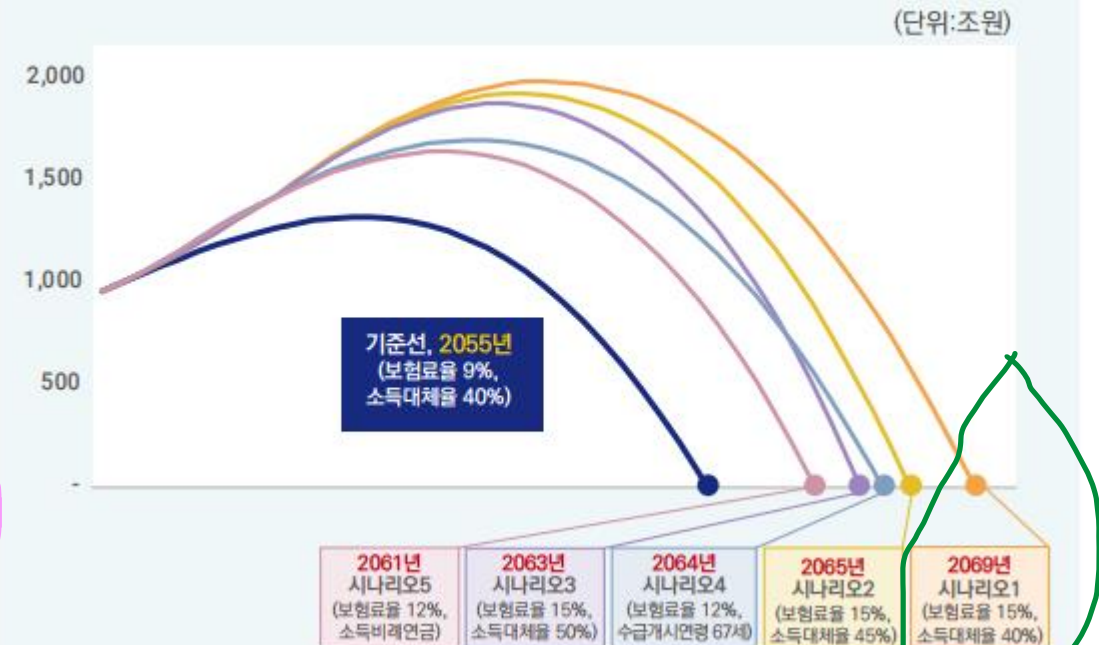
Various long-term projection scenarios of the NPS

국민연금 시나리오별 재정전망 결과

	기준선	시나리오 1	시나리오 2	시나리오 3	시나리오 4	시나리오 5
적자전환	2040년	2052년 (+12년)	2049년 (+9년)	2048년 (+8년)	2047년 (+7년)	2045년 (+5년)
기금소진	2055년	2069년 (+14년)	2065년 (+10년)	2063년 (+8년)	2064년 (+9년)	2061년 (+6년)
2093년 기준 누적적자 증감분	-	△3,699 조원	△1,976 조원	△283 조원	△2,966 조원	△1,080 조원

주: 2023년 기준 불변가격

시나리오별 국민연금 적립금 전망 결과

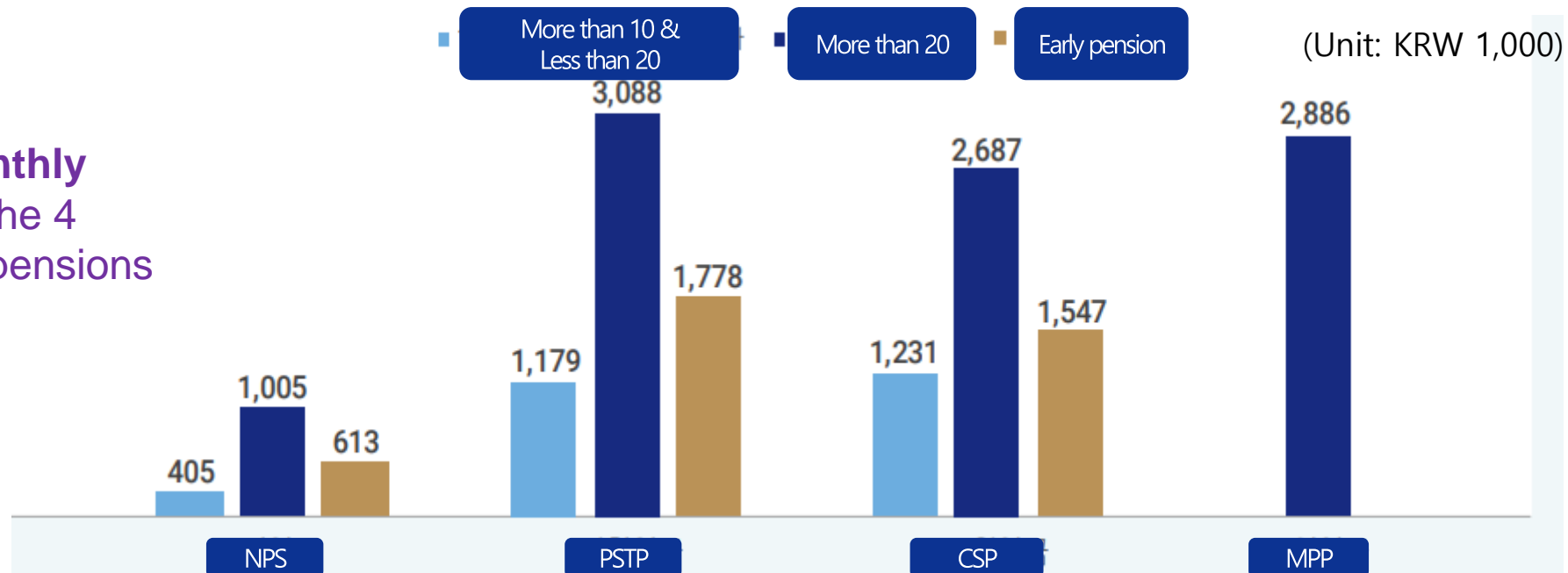


주: 2023년 기준 불변가격

2.12 Recommendations → Reexaminations

- **Extend** the contribution period **after age 60**
 - Such that pension entitlements continue to accrue **until at least the statutory retirement age (60)**.
 - (**Need to be modified as**) until at least **the statutory pensionable age (63 in 2023)**.
- Ensure a **gradual convergence** of pension rules
 - Covering different occupations towards a **full integration of all schemes (**Acceptable**)**

Average monthly Pension for the 4 major public pensions (2022.12.)



Institutional Arrangements for Pension Covering Civil Servants vs. Private Sector Workers

<i>Fully integrated</i>	<i>Separate but similar benefits</i>	<i>Fully integrated with top-up</i>	<i>Entirely separate</i>
Chile (1981)	Finland (1995)	Australia	Belgium
Czech Republic	Luxembourg (1999)	Austria (2004, 2009)	France
Colombia	Netherlands	Canada	Germany
Costa Rica	Sweden	Denmark	Korea
Estonia		Iceland	
Greece (2011)		Ireland (1995)	
Hungary		Mexico (2007)	
Israel (2002)		Norway	
Italy (1995/2008)		Slovenia	
Japan (2015)		United Kingdom	
Latvia		United States (1984)	
Lithuania			
New Zealand (2007)			
Poland			
Portugal (2006)			
Slovak Republic			
Spain (2011)			
Switzerland			
Türkiye (2006)			

Korea is **one of only four countries** along with Belgium, France and Germany that has maintained a **completely separate pension system**.

After moving from the current an **entirely separate system** to a **separate but similar benefits system**, it seems **feasible** to move to a **fully integrated system in the second stage**.



- **Raise the wage ceiling** to contributions substantially. (**fully acceptable**)

- Finance some pension redistributive components from the state budget. (**Unacceptable**)
 - ➔ Although the current NPS has an **income distribution portion (A value)**, **progressive income redistribution is not working** due to the **extremely low insurance premium rate**.
A **regressive redistribution** to high-income people who have been enrolled in the national pension for a long time is **proceeding**, while passing on the enormous financial burden **to the next generation**.

 - ➔ In particular, in a situation where **many of the vulnerable**, such as low-income local (individual) subscribers, **are excluded** from the national pension, the **regressive phenomenon** will **be aggravated** if **the state budget is used** to finance it.

 - ➔ While **transforming** the current national pension into **a financially sustainable income-related pension**, it would be desirable for **the basic pension (safety-net pension)** operated with state finance to **take responsibility for the income redistribution function**.



- **Ensure active participation** in the pension system of all eligible individuals,
 - By **improving co-ordination** with tax authorities to verify income levels for the individually insured & Increasing penalties for employers who do not enrol their workers. (**acceptable**)
- Link the retirement age to **life expectancy**,
 - **Reduce the current 5-year gap** b/w the early & the statutory **retirement** (→ should be modified as **pensionable**) ages and **consider moving faster** to age 65. (**Conditionally acceptable**)
 - **Unfeasible** if **NO** labour market reform
- Fully permit combining work & pension receipt from the statutory retirement age
 - By **removing the earnings ceiling** beyond which pensions are reduced. (**acceptable**)
- Extend the duration of both unemployment & childcare credits
 - And include the first child in the latter. (→ **Need to recommend more specifically**)
 - **Need to extend military service credits** and finance from **general tax revenues**, **Not by NPS fund**.

3. 2022 OECD Economic Survey of Korea

Reexaminations on Recommendations



3.1 2022 OECD Economic Survey of Korea

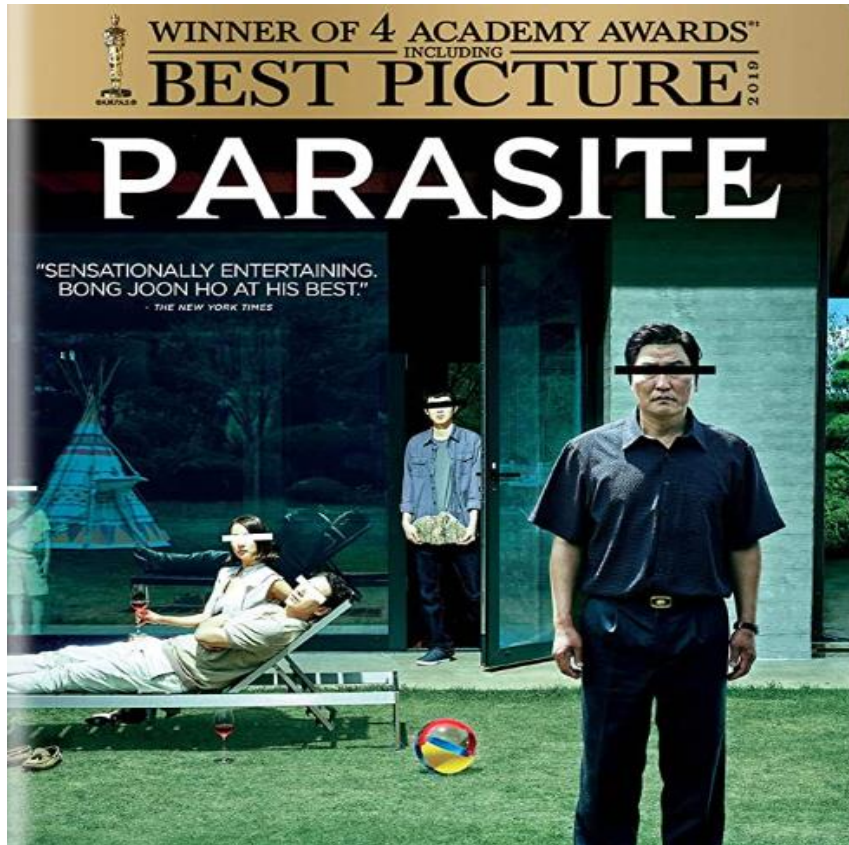


STRENGTHENING THE SOCIAL SAFETY NET

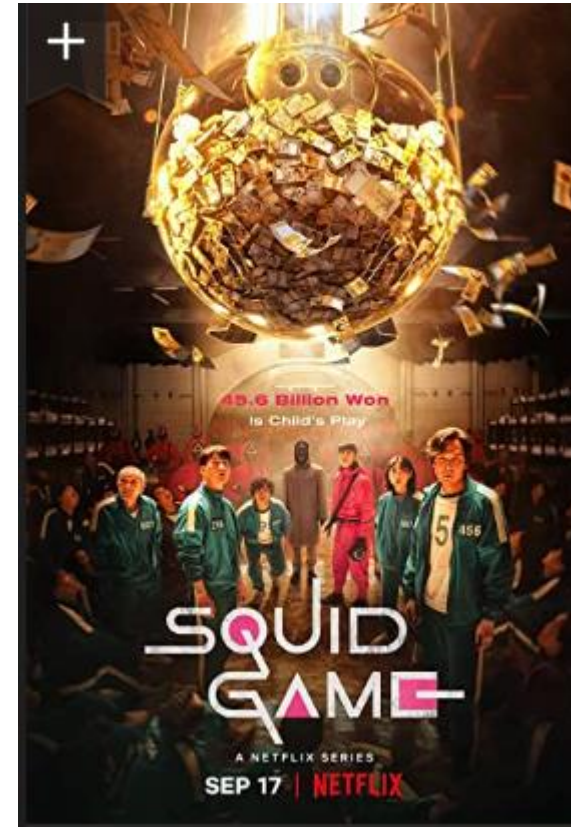


3.3 OECD Economic Survey of Korea

Satirizes the gap b/w the rich & the poor in Korean society through two families living in a luxurious house and a semi-basement house.



Greed and class discrimination threaten the relationship between the wealthy family & the destitute clan in darkly modern fairytale.



3.4 The Reality of the high elderly poverty rate

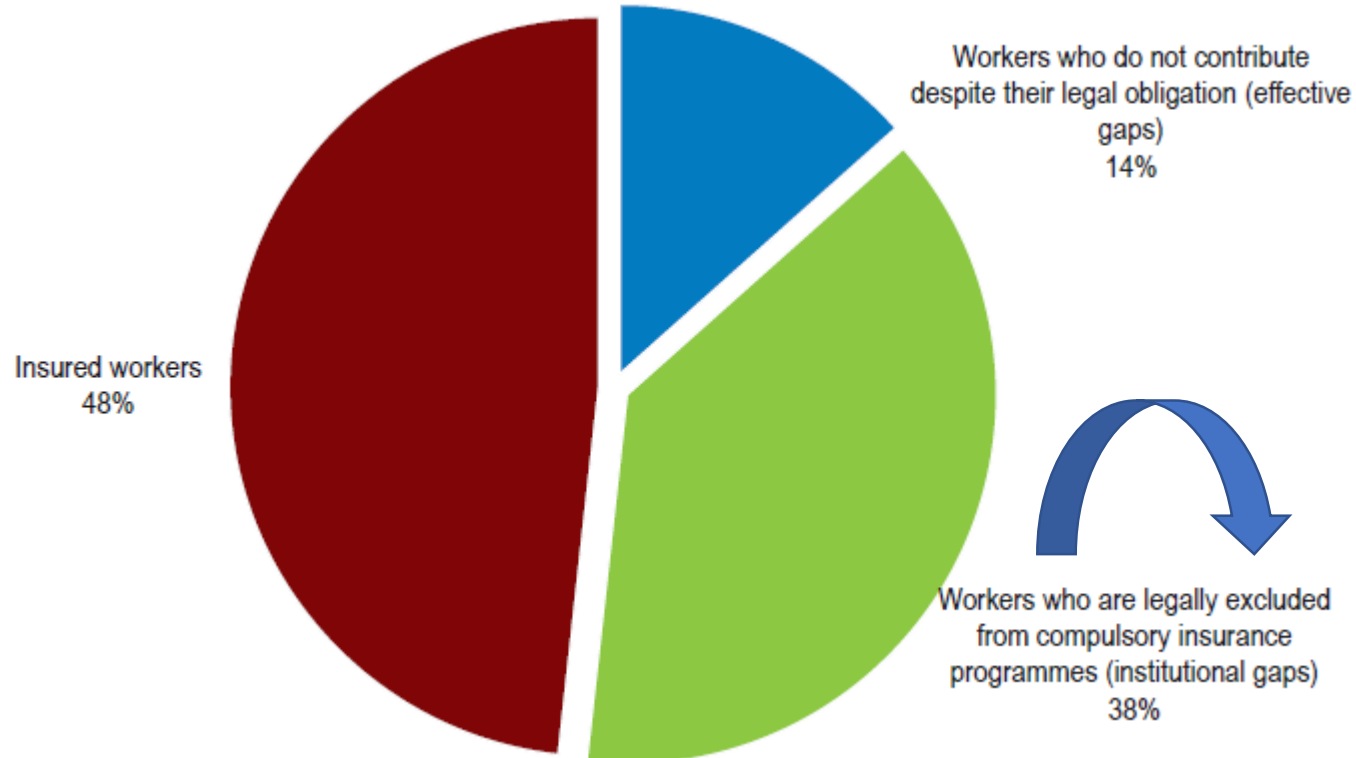
International Comparison of Income Inequality - Decile ratio by country (p90/p10 ratio), (2015~2018) -

	Total population				Elderly population aged 65 and over			
	2015	2016	2017	2018	2015	2016	2017	2018
Korea	5.7	5.7	5.8	5.5	7.3	7.0	7.0	6.5
Japan	-	-	-	5.2	-	-	-	4.8
Finland	3.1	3.0	3.1	3.1	2.7	2.6	2.7	2.7
Sweden	3.3	3.3	3.3	3.3	3.1	3.0	3.1	3.0
Germany	3.7	3.8	3.7	3.6	3.2	3.2	3.2	3.1
Canada	4.4	4.1	4.1	4.0	3.5	3.4	3.4	3.4

3.5 2022 OECD Economic Survey of Korea

Around half of the entire labour force in Korea does **not have access** to employment insurance

Employment insurance status, % of total number of employed, 2019



The status of employment insurance subscription for the **vulnerable group** is **almost similar** to that of the **national pension subscription**.

- Pursue a **broad pension reform** to secure adequate old-age income.
 - In this context, conditional on the reform of the NPS, **consider lowering the basic pension income threshold and increasing the benefit level to better target those with the highest needs. (Fully agree & acceptable recommendation)**
- **Raise** the pension eligibility age **further than** currently legislated (**age 65**) by 2035
 - And **link** it to **life expectancy thereafter**,
 - Align the maximum contribution age **to the pensionable age. (Fully agree but need for social consensus)**
- Transition severance pay into individual pension accounts
 - By capping and gradually reducing the amount available for early lump-sum withdrawals and limiting permitted causes. (**Fully agree but need for social consensus**)

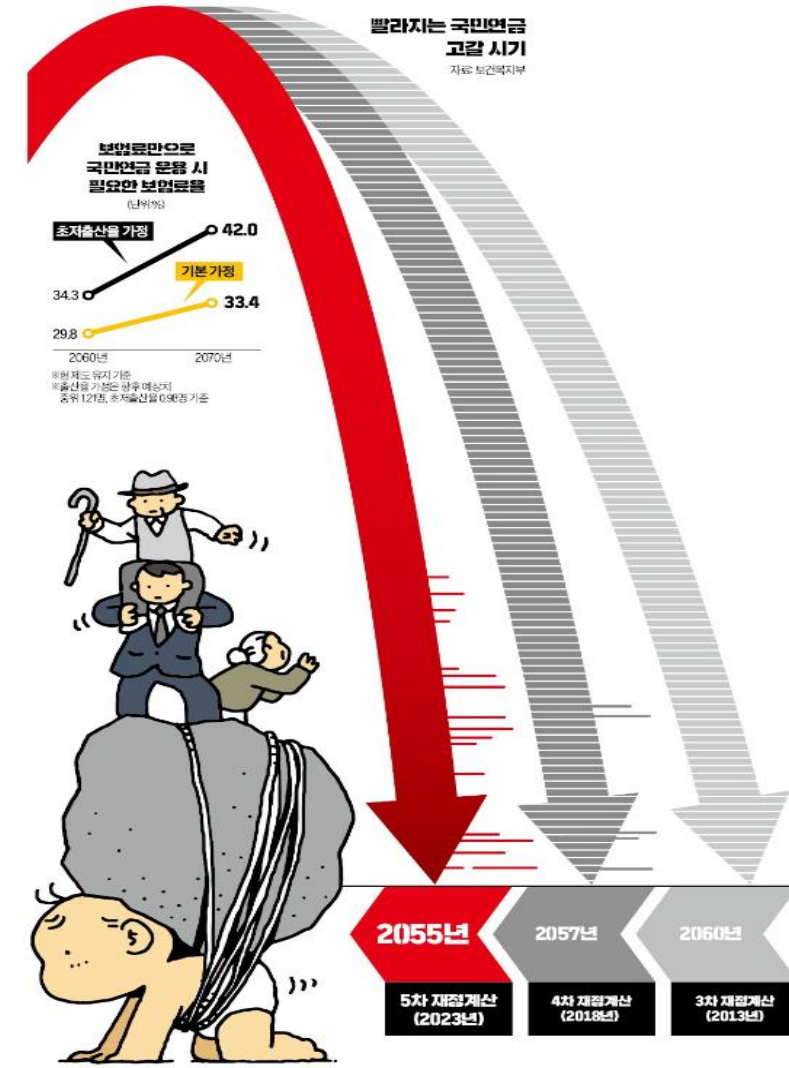
4.

Policy Implications - Way forward

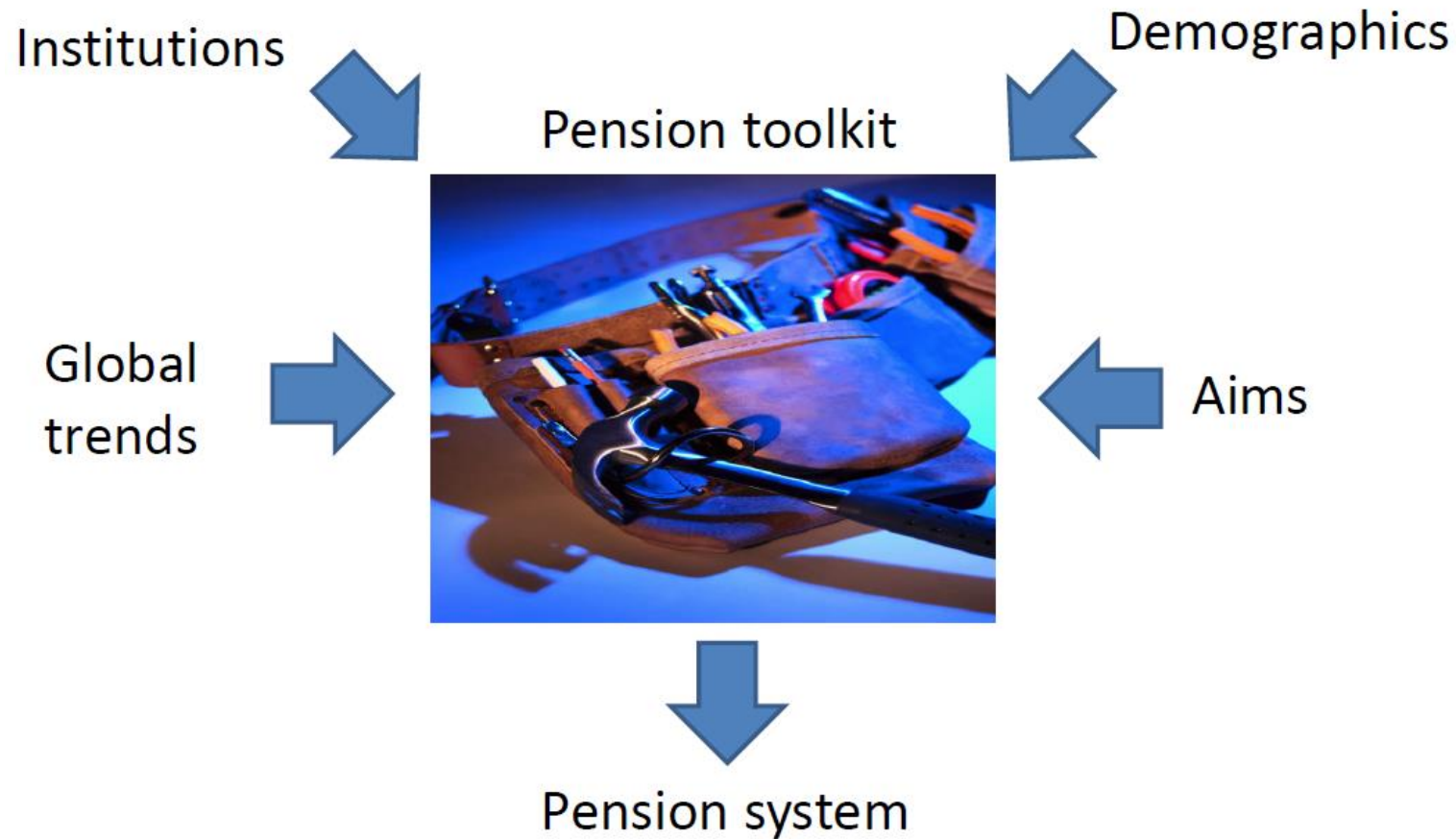


4.1 Risky pension politics of Korea

A situation like balancing on a knife's edge

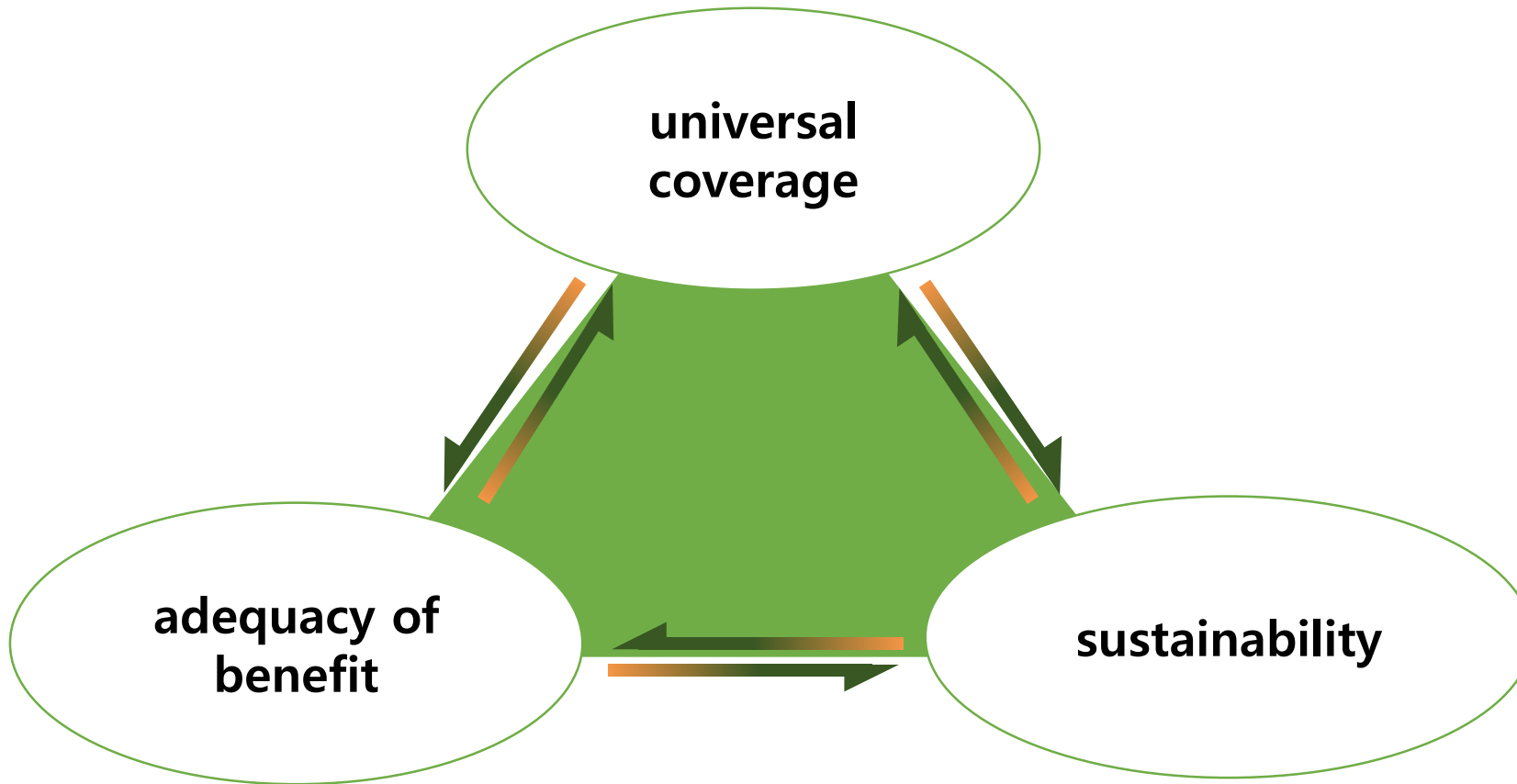


4.2 Reform Directions to be prepared for Coming Super-aged Society



Source: Materials presented by Swedish officials at an international seminar of the ministerial level between Korea and Sweden (2013).

4.3 Considering **Various Objectives of Pension Policy**

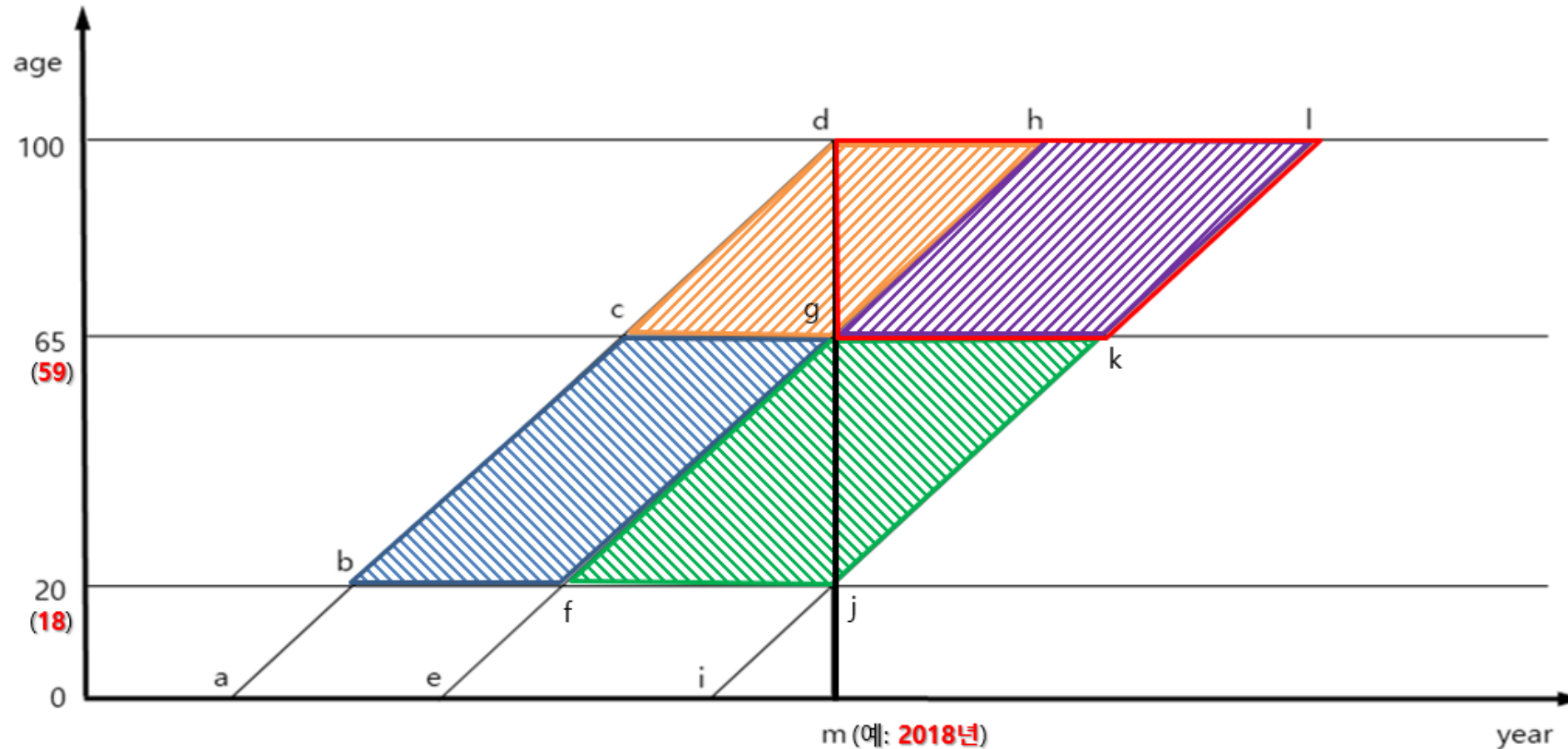


Source: Yun Suk-myung (2018)

4.4 Need to extend NPS Actuarial Valuation Period (from 70 yrs to 100 yrs)

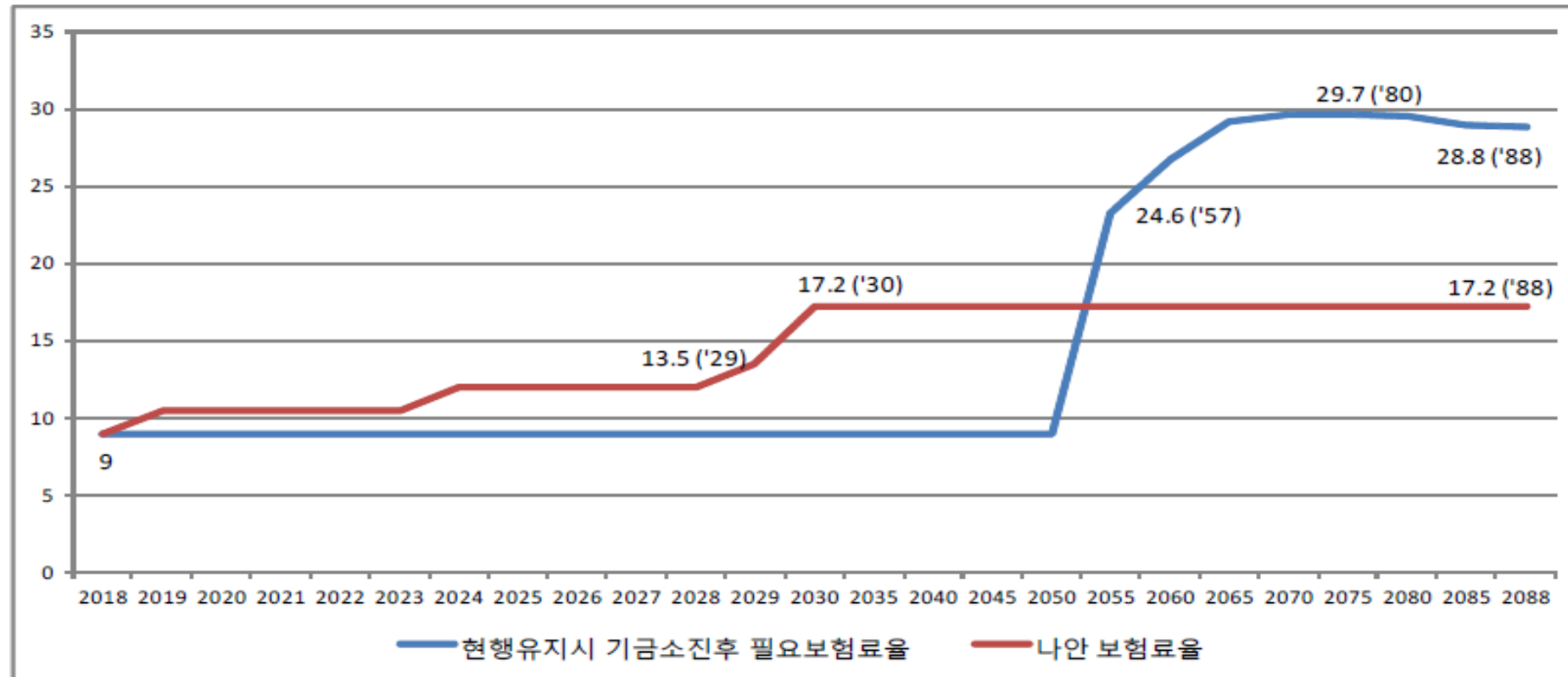
Lexis Diagram

- An effective policy tool that can properly show the various problems that a populist approach will cause.



4.5 One Possible Approach to attain the Financial Stability of the NPS

Introduction of Finnish type life expectancy coefficient
(Built-in-Stabilizer), as soon as possible.



Source: The 4th Actuarial Valuation of the NPS (2018)

4.6 Encouraging More Workers to Contribute By Extending DNSISP

Duru Nuri Social Insurance Support Project (DNSISP)

- **To encourage more workers to contribute,**
 - The gov't introduced the **DNSISP in 2012** which pays a percentage of both the worker & the employer pension contribution.
 - To be eligible, individuals must be employed in **workplaces with fewer than 10 workers & earnings under KRW 2.15 million per month (minimum wages)**, around 50% of average earnings.
- Since the introduction of DNSISP, coverage has expanded **rapidly**.
 - However **approximately 98.5% of the programme cost** was a **deadweight loss**: the large majority of subsidized people would have been insured without the subsidy.
 - Currently, DNSISP plays a role of **active labour market policy** rather than policy measures **to reduce gaps in NPS coverage**. Put it differently, **DNSISP is NOT well-targeted**.
- **Main reasons of policy ineffectiveness** comes from **excluding of major target groups**.
 - **Need to urgently extend** to **low-paid individually insured workers**, **NOT** individuals in workplaces.

4.7 Encouraging More Workers to Contribute **for a longer period**

Live Longer !

Work Longer !

Encouraging to contribute **for a longer period.**



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People
with People
in Mine

Thanks a Lot !

감사합니다 !