



REIMAGINING RETIREMENT

The shifting global landscape for retirement

March 2026



Preface

Expanding access to financial security in retirement has been one of the greatest financial innovations of the last century. Today, retirement saving and investing align the long-term interests of billions of people around the world and sit at the center of global financial systems. Yet across regions the retirement landscape is being redefined. Structural and behavioral forces are reshaping how individuals and institutions plan, how systems operate, and how outcomes are ultimately achieved.

At State Street, we see this as a strategic and actionable inflection point, one that affects every client and market we serve. Across our investment servicing and asset management businesses, we partner with governments and public institutions, plan sponsors and employers, asset owners, and the financial professionals and platforms that support millions of retirement savers globally. The opportunity is to help shape what comes next — and to equip our clients to do the same.

Reimagining Retirement is a joint research series from State Street Investment Services and State Street Investment Management, bringing together complementary perspectives on how retirement systems are evolving and what those changes mean in practice. By combining macro-level analysis with insight into retirement behavior and confidence across the ecosystem, the series is

designed to provide a clear, forward-looking framework for understanding change and identifying where thoughtful action can make a difference.

The first module in our series focuses on how the global retirement landscape is being reshaped by macro forces, including demographics, labor markets, public policy, fiscal pressures and changing expectations. Subsequent modules will explore the implications of these shifts for plan design, investment strategy and income solutions, as well as the role of innovation, technology and partnerships in strengthening retirement outcomes.

This research builds on State Street's established body of industry research, including the **Global Retirement Reality Report (GR3)** — a multi-year, data-driven view of how retirement systems are experienced across markets. With a consistent and expanding evidence base, the GR3 analysis has helped inform industry dialogue around retirement confidence, preparedness and outcomes, providing an important foundation for this series.

We hope this research contributes to constructive dialogue across the retirement ecosystem and supports more informed decision-making in a period of meaningful change.

This paper is part of State Street's Reimagining Retirement research series. Explore the full series [here](#).



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Executive summary

Retirement is no longer a static, end-of-career event. It is a system-level challenge that affects billions of people and sits at the center of global capital markets.

Across regions, retirement systems are at an inflection point — more people are entering retirement while living longer in retirement at a time when real rates and equity valuations are high and government funding limited.

These structural forces are not just reshaping retirement systems, but individual retirement outcomes and the commercial landscape for providers.

To understand how demand for retirement-related financial services is changing as a result of these structural forces, we connect macro to micro analysis, and identify where financial services could meet this shifting demand.

We start with five global forces — demographic, health and longevity, socioeconomic, fiscal, and technological — and map their directional impact across the World Bank’s multi-pillar retirement architecture.

We apply that cross-pillar lens to a diverse set of 15 countries, connecting system design to real operating decisions across the retirement ecosystem (e.g., sponsors, advisors, asset managers, administrators and recordkeepers, custodians, regulators and supervisory authorities, and participants).

Key findings include:

Retirement is being redefined at the system level: Focus shifts from saving to outcomes

Despite wide variation in history and structure, retirement systems globally face a shared challenge: balancing fiscal sustainability with adequacy, portability and confidence over longer lives. Longevity no longer simply extends retirement; it reshapes the boundary between work and retirement itself. As careers become less linear and life expectancy rises, systems must support flexible transitions, manage risk over longer horizons and deliver dependable income rather than focus solely on asset accumulation.

This reflects a shift from accumulation alone toward delivered outcomes. Retirement success is being defined not by balances at retirement, but by the system’s ability to convert savings into sustainable income, manage risk explicitly and anchor confidence through governance and execution.

While there are inherent differences among retirement systems, they are converging around similar pressure points

Comparative analysis across retirement system models shows convergence toward shared priorities, even as national designs differ. Systems face similar design questions around income delivery, risk sharing, coverage and execution:

- **Anglo-American systems (US, UK, Ireland)** remain fiscally resilient but face adequacy gaps driven by reliance on funded pillars. Expanding coverage through auto-enrollment, nudges and portability is pivotal, alongside longer working lives.

- **Bismarckian systems (Germany, Italy, Japan)** confront acute demographic strain in pay-as-you-go structures. Reform paths shift more risk to individuals, elevating the importance of lifetime income design and decumulation defaults.
- **Advanced multi-pillar systems (Netherlands, Norway, Canada, Australia)** show greater diversification and resilience, yet face complex transitions — including collective DC migration — and the need to extend coverage to self-employed workers.
- **Latin-American systems (Chile, Colombia, Mexico)** are rebalancing individual account models toward multi-pillar designs to improve adequacy and equity amid labor market informality.
- **Gulf systems (UAE, KSA)** are modernizing citizen pensions and expatriate benefits as demographic change, fiscal diversification and decarbonization reshape long-term sustainability.

Architecture, not products, is determining the resiliency of retirement systems

Across markets, system architecture — rather than any single product — is becoming the primary determinant of retirement outcomes. The systems proving most resilient share common characteristics: they coordinate effectively across pillars, make risk-sharing explicit, design for decumulation early, and use governance, transparency and execution discipline to anchor trust.

Shifting demand is creating opportunities for financial services

Several value pools (opportunities for economic profit and outcome improvement) are emerging where system pressure is concentrating:

- 1. Decumulation and retirement income are becoming the defining frontier.** As large defined contribution (DC) cohorts retire, systems are standardizing default income pathways that blend guided drawdown, risk pooling and where appropriate annuitization. These shifts elevate income sustainability, not balances, as the primary outcome.
- 2. Digital engagement and hybrid advice are turning data into action.** National dashboards and integrated platforms are consolidating records and orchestrating next-step decisions. Secure data sharing, behavioral design and cyber-resilient workflows are central to execution.
- 3. Coverage expansion and portability are unlocking new contributors and assets.** Auto-enrollment, low-friction onboarding and portable accounts are extending funded systems to previously excluded workers and reducing leakage over working lives.

- 4. Defined benefit (BD) risk transfer solutions are scaling.** High funding ratios are accelerating bulk annuity and longevity solutions, making execution capability — data readiness, member communication and liability-aware portfolio construction — a strategic differentiator.
- 5. Scale capital is rotating toward private markets as governance expectations rise.** Retirement systems seek diversification, inflation linkage and long-duration returns, while sustainability considerations increasingly shape how capital is governed and allocated.
- 6. Women and younger cohorts are emerging as cross-cutting demand drivers.** Intergenerational wealth transfer and digital-first engagement are reshaping income design, experience delivery and system expectations. These shifts are structural, not cyclical.

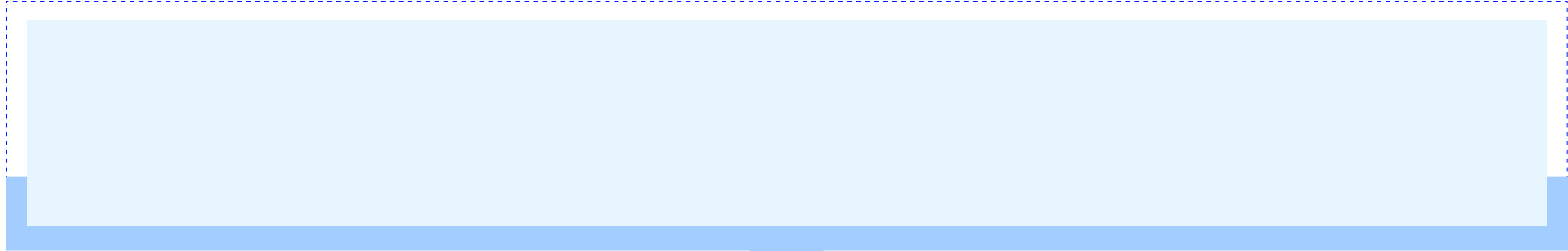
Taken together, these findings underscore a clear conclusion: Retirement outcomes are increasingly shaped by system design, governance and execution — not by isolated products or point solutions. As demographic, policy and capital-market pressures converge, institutions that can coordinate architecture, advice and execution at scale will be better positioned to deliver durable income, manage risk and sustain trust over time.



What we found

Macro forces are reshaping retirement systems around the world

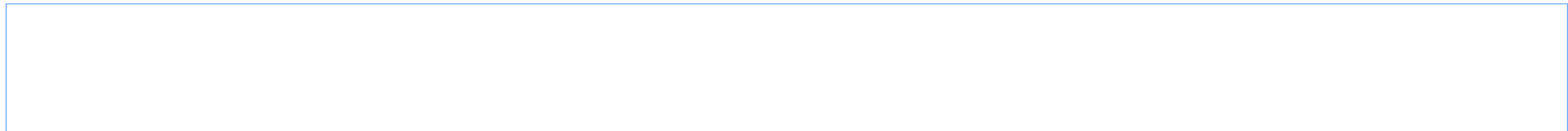
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Despite their differences, systems are converging around similar pressure points

- Systems face similar design questions around income delivery, risk sharing, coverage and execution.
- The most resilient systems share common traits: Strong coordination, explicit risk-sharing, early decumulation design, and disciplined governance and execution.
- Macro forces are reshaping not only individual retirement outcomes but also the commercial landscape for providers.

And creating demand-driven opportunities for financial services



A global architecture for retirement

Around the world, retirement systems reflect a patchwork of approaches to funding, risk-sharing and governance, underscoring the widespread demand for financial services to support people’s lifestyles and goals as they leave the workforce.

Global trends and economic linkages are shaping the supply and demand of capital and liquidity for current and future retirees — and those dynamics are in flux.

To understand this vast yet intricate picture, we begin with a framework of the key macro forces reshaping retirement systems around the world and lay out our methodology for analyzing the impacts of these forces.

Next, we evaluate the effects on comparative retirement systems (see **Box 1**). Finally, we lay out an ecosystem view to identify both the stakeholders affected and opportunities emerging for the financial services industry.

Box 1: Our country sample

While the macro forces we identify in our analysis are global, their impact crucially depends on the design of national retirement systems. We have chosen a sample of 15 countries from three major regions: the Americas, Asia Pacific, and the European Union.

Within these regions, we selected a diverse mix of nine mature economies including the US, Canada, Japan, Australia, the UK, Ireland, Germany, Italy, the Netherlands, and Norway. In addition, we picked five emerging economies from Central and South America including Chile, Mexico, and Colombia as well as two from the Middle East, the UAE, and the KSA to round out our regional view.

Five forces reshaping the retirement landscape

There are myriad macro forces at work today that are impacting retirement systems in some way. These include changing demographics, longevity and health trends, the nature of work, widening income gaps, rising health care and housing costs, government debt, technological innovation, shifting economic fundamentals, and financial asset performance.

To examine which of these are most relevant, we draw on State Street's economic analysis, which identifies five key forces reshaping the global economy.¹ These forces are persistent and observable drivers of retirement system change across markets, informed by long-term monitoring of demographic, fiscal, technological and labor market trends.

These five macro forces capture the dominant, system-wide shocks to different retirement architectures (see [Exhibit 1](#)).

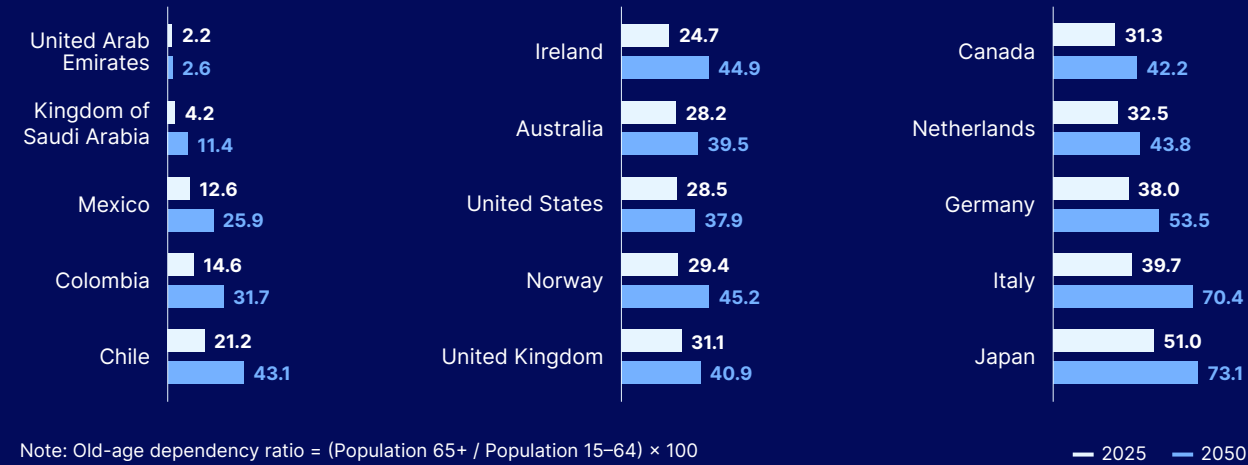
Applied to retirement, they define the main categories of macro forces impacting retirement system:

- 1 Demographic** > Including, aging demographics and evolving social structures
- 2 Health and longevity** > Including longevity, wellness, and long-term care
- 3 Socioeconomic** > Including the future of work, and growing inequality
- 4 Fiscal** > Including rising sovereign debt and higher real interest rates
- 5 Technological** > Including automation, digitization, and fintech

Exhibit 1: Understanding the global forces at work

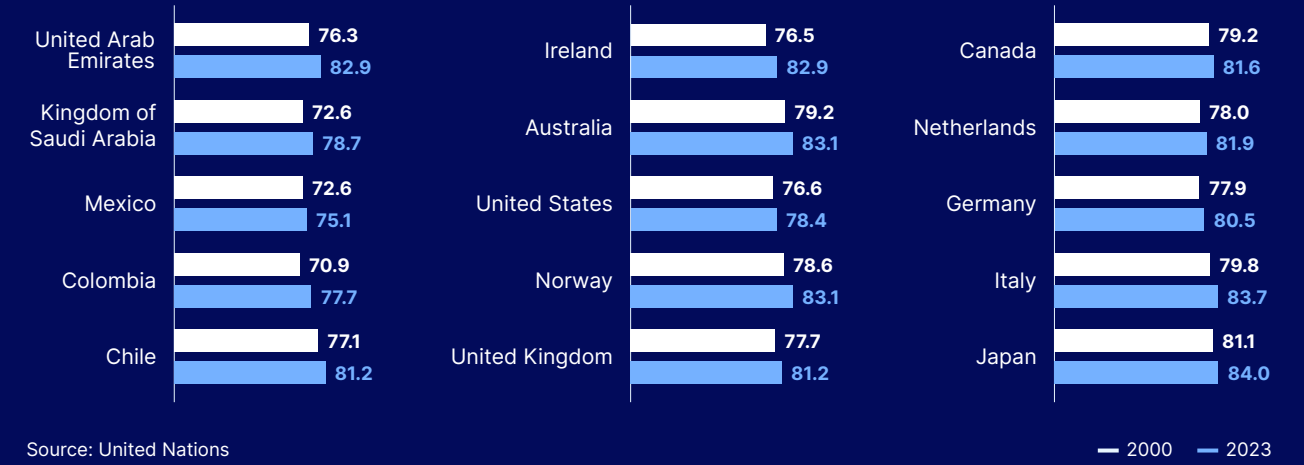
1. The working-age population is supporting a growing number of retirees

Old-age dependency ratio (as a percentage)



2. People are living longer in retirement

Life expectancy at birth (in years)



3. Nontraditional work, often without retirement plans, is growing

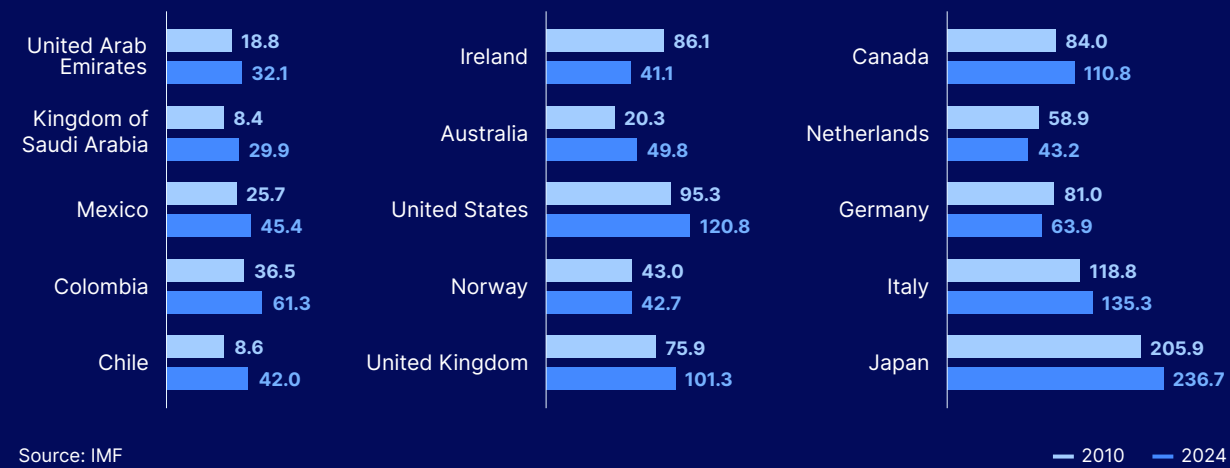
Freelance Platforms Market CAGR (%), growth rate by region, 2026–31



Source: Freelance Platforms Market Size & Share Outlook to 2031

4. Government funds are drying up

General government debt (percent of GDP)



5. Technological innovations offer solutions but also challenges

The Fintech market looks set to explode (US\$ billion)



Note: Fintech includes digital payments, online banking, blockchain/crypto services, AI-driven tools, digital lending and insurance

Source: Fortune Business Insights (Global View)

Demographic aging reduces the relative size of prime-age workforces in many regions while expanding the population that must rely on saved assets and public transfers. Longevity extends retirement horizons, magnifying decumulation risk and placing sustained pressure on PAYG systems as worker-to-retiree ratios decline. However, rising life expectancy does not imply a fixed or uniform retirement boundary. Across advanced and emerging economies alike, healthier aging and evolving labor markets are gradually extending working lives through later-career participation, phased retirement and non-traditional employment. As a result, retirement sustainability is increasingly shaped not only by population aging, but by the degree to which systems support longer, more flexible transitions between work and retirement.

Health and longevity trends amplify retirement system pressure by extending benefit durations and increasing exposures to healthcare and long-term care costs. Longer lives raise the risk of outliving assets, intensify decumulation challenges and increase the fiscal burden on systems where longevity risk is not pooled. The net impact depends on whether retirement architectures and labor markets are designed to accommodate later-life work. Where systems remain ridged, rising longevity magnifies solvency risk and shifts greater responsibility onto individuals, families, employers and public finances.

In order to determine the impact of these five forces on different retirement systems, we categorized each retirement system according to the World Bank's multi-pillar framework:²

- Pillar 0** > **Basic safety net:** Provides baseline economic support, typically funded through general taxation and targeted through means-testing to reduce old-age poverty.
- Pillar 1** > **Mandatory public pension:** Consists of mandatory, publicly managed pensions financed through PAYG arrangements.
- Pillar 2** > **Mandatory private pension:** Comprises mandatory or quasi mandatory, employer- or institution-managed, privately funded pension plans financed by employer/employee contributions.
- Pillar 3** > **Voluntary savings:** Includes voluntary individual retirement accounts and other self-directed savings vehicles.
- Pillar 4** > **Informal support:** Encompasses informal mechanisms such as family care, intergenerational support and access to community or household resources.

In parallel, socioeconomic change weakens the standard employment relationship through more frequent job switching, incomplete benefits coverage, and the rise of gig and platform work that strain systems designed around stable, long-tenure careers. Higher public debt and higher-rate environments raise debt-servicing burdens and narrow policy space that may lead to recalibration of retirement programs through eligibility, indexation, or benefit design. Furthermore, persistently higher inflation — especially in services such as housing and healthcare — directly erodes the purchasing power of aging households and necessitates inflation-resilient income pathways. Technological transformation compounds these shifts in positive and negative ways. Automation and digitization could lift productivity and enable more personalized financial intermediation, yet they concurrently reshape labor demand and widen dispersion in lifetime earnings. Together, these dynamics are reshaping how risk is allocated across states, employers, markets, families and individuals.

While the same macro forces act across all pillars, their effects differ materially depending on funding structure, governance and where financial and longevity risk ultimately sits. We determined the direction of impact (positive, negative or mixed) of each of our five macro forces on each retirement system pillar (see Exhibit 2). And we use this cross-pillar impact analysis to determine how each one of our 15 country retirement systems is being impacted. (The results of our cross-pillar impact analysis by country can be found in the section “Country System Profiles”).

Exhibit 2: How macro forces are impacting retirement systems

Macro forces	Pillar 0 Basic safety net	Pillar 1 Mandatory public	Pillar 2 Mandatory private	Pillar 3 Voluntary	Pillar 4 Non-financial
Demographic	Negative	Negative	Negative	Mixed	Negative
Longevity	Negative	Negative	Negative	Negative	Negative
Socioeconomic	Negative	Negative	Negative	Negative	Mixed
Fiscal	Negative	Negative	Mixed	Mixed	Mixed
Technological	Mixed	Mixed	Negative	Positive	Positive

— Negative impact — Mixed impact — Positive impact

Source: State Street analysis

Broadly speaking, Pillar 0 (Basic Safety Net), which provides social assistance, faces growing pressure from demographic and longevity trends. As populations age, more individuals lack family support and rely on state-financed pensions for longer periods. Socioeconomic changes — especially the rise of gig and informal work — leave many older adults without contributory benefits, increasing demand for assistance. Technological change has mixed implications: Automation may weaken tax bases and displace workers, increasing need for support, while productivity gains from AI could strengthen public finances. Longevity amplifies fiscal pressure by lengthening benefit periods and increasing healthcare needs among the old. Fiscal conditions are a major constraint, as economic downturns or shifting policy priorities can undermine the adequacy or sustainability of Pillar 0 benefits.

Pillar 1 (Mandatory Public Pension), which encompasses public contributory systems, is increasingly strained by demographic shifts. Lower worker-to-retiree ratios and longer life expectancy reduce contributions relative to payouts, challenging PAYG models. Socioeconomic trends — such as irregular employment patterns, under-reported earnings in gig work, and wage polarization — further weaken contribution inflows while increasing the share of beneficiaries needing minimum benefits. Technological change brings mixed effects: Job automation may reduce contributors but can also create new, higher-wage roles, while digital tools can improve administrative efficiency. Rising longevity exacerbates solvency pressures by extending the number of benefit years and increasing disability-related claims among the population's eldest. Fiscal stress heightens political risk, as financially

constrained governments may adjust indexation formulas or pursue benefit reforms in response to rising debt and pension spending.

Although Pillar 2 systems (Mandatory Private Pension), which include mandatory occupational and employer-based plans, are less exposed to demographic financing imbalances than PAYG systems, they are still indirectly affected by aging societies through lower workforce participation and weaker asset growth in low-growth economies. Socioeconomic shifts — particularly the decline of traditional salaried roles and the rise of freelance or contract work — reduce enrollment and contribution consistency, undermining long-term asset accumulation. Technological change often has a negative impact when it accelerates industry disruption, leaving certain sectoral pension funds underfunded; however, innovation can modestly improve coverage and reduce administrative costs. Longevity increases the risk of outliving savings, particularly in DC schemes where individuals bear most of the risk, and also complicates annuity pricing. Fiscal trends have mixed implications: Higher interest rates can improve DB funding ratios and expected returns but may also prompt governments to reconsider tax incentives or shift public-sector DB plans toward more fiscally sustainable structures.

In the case of Pillar 3 (Voluntary Savings), which captures voluntary personal savings, demographic change may motivate greater personal saving, but behavioral biases such as inertia and short-termism limit actual participation. Socioeconomic factors — including income volatility and the financial fragility common among gig workers — tend to depress voluntary saving unless supported by nudging

or automation. Technology is a strong positive force: fintech platforms, robo-advisors, digital literacy tools and automated saving mechanisms expand access and improve user engagement. Observed outcomes across markets show that voluntary systems face participation and adequacy gaps driven by behavioral frictions, income volatility and confidence — reinforcing the limits of reliance on Pillar 3 alone. Nonetheless, rising longevity exposes a persistent gap between what individuals save and what they will need, especially given rising medical and long-term care costs late in life. Fiscal conditions cut both ways. Higher real yields make saving more attractive, yet governments may face pressure to scale back tax incentives even as they rely on voluntary savings to reduce future burdens on public systems.

Lastly, Pillar 4 (Informal Support), which captures family and informal support, is negatively impacted by demographic trends. Smaller families, higher rates of single living and geographic dispersion reduce the availability of caregivers, increasing reliance on paid or institutional care. Socioeconomic changes have mixed effects. Some households may provide more support due to longer working lives or diversified income streams, while others face greater financial strain that limits their ability to assist older relatives. Technology generally strengthens Pillar 4 by enabling independent living through assistive devices, telemedicine, remote monitoring and flexible work opportunities that allow older adults to remain economically active. However, longevity intensifies the burden as the number of elderly grows while the pool of potential caregivers shrinks. Fiscal tightening compounds these pressures by reducing public spending on health, long-term care and social services, shifting responsibility back to families.

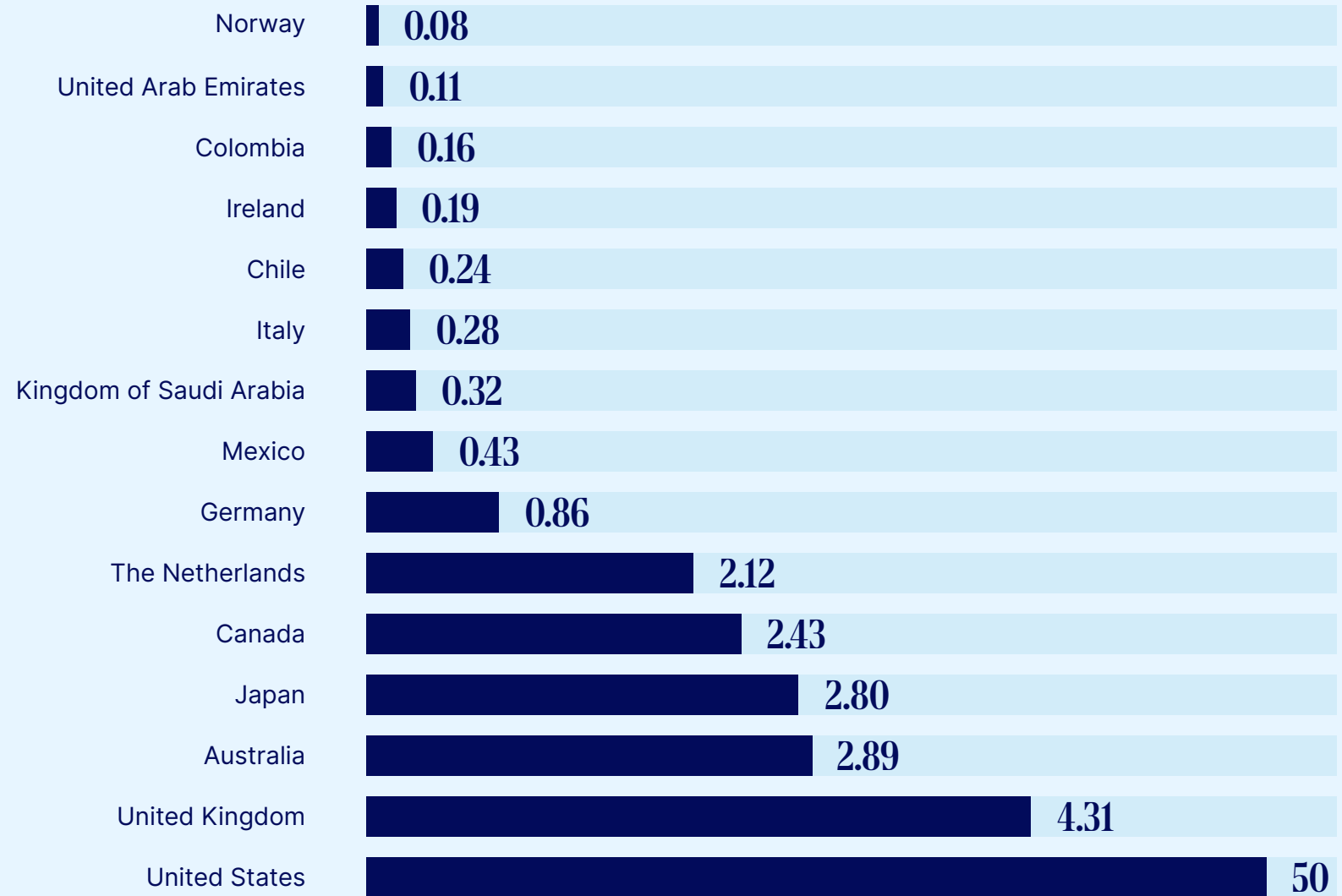
The Impact on comparative retirement systems

Across advanced and emerging economies, retirement systems reflect many differences from size to deeply rooted institutional traditions, labor market structures and demographic pressures, yielding distinct models with differing strengths and vulnerabilities (see [Exhibit 3](#)).

However, retirement systems can be grouped into a number of archetypes or models based on which institutional channels do the core work of retirement provision and how they allocate risk. Using the World Bank’s multi-pillar system (Pillar 0: Basic Safety Net, Pillar 1: Mandatory Public Pension, Pillar 2: Mandatory Private Pension, Pillar 3: Voluntary Savings, Pillar 4: Informal Support), different retirement systems can be classified by the pillars that are dominant in shaping (i) the financing of liabilities and fiscal exposure (sustainability), (ii) the primary sources of income replacement and poverty prevention (adequacy), and (iii) the breadth and continuity of participation across the life cycle (coverage).

This, in turn, focuses attention on three core design questions: how retirement income is financed; how participation is achieved — through mandates, subsidies or behavioral nudges; and whether longevity, inflation and market risks are pooled collectively or borne by individuals.

Exhibit 3: Assets earmarked for retirement (US\$ trillion)



Source: The figures represent State Street’s estimates of assets reported as being set aside for retirement in funded pension arrangements.

We group our sample of 15 countries into five distinct models:

- 1. The Anglo-American model:** This grouping includes the US, UK and Ireland, and emphasizes a modest public floor (Pillar 0/1) placing substantial weight on voluntary or quasi-mandatory funded pillars to deliver retirement adequacy. While this approach is fiscally resilient due to comparatively low public pension obligations, it is notably exposed to adequacy gaps, especially for workers with inconsistent or limited private savings. The rise of gig and nonstandard work further enlarges this at-risk group.
- 2. The Classic Bismarckian model:** This includes Germany, Japan and Italy, and relies on large earnings-related public schemes (Pillar 1), typically delivering broad formal-sector coverage and comparatively stable replacement for full careers, but concentrating solvency exposure in the PAYG core. These systems are facing acute strain from demographic aging, with very low fertility and high longevity threatening system solvency. Structural reforms — including Italy's shift to a national DC framework and Germany's planned reductions in future replacement rates — aim to stabilize finances but transfer more risk to individuals, challenging traditional social contracts.

- 3. The Advanced Multi-Pillar model:** This includes the Netherlands, Canada, Norway and Australia, and represents a multi-tier hybrid system that deliberately diversifies across pillars (notably a strong universal basic pension plus quasi-mandatory occupational funding), often associated with balanced performance and long-term resilience. In Norway's case, a substantial sovereign wealth fund helps buffer demographic and market shocks. However, these systems require high governance capacity and careful coordination. The need to better serve self-employed workers who fall outside standard occupational plans is another challenge.
- 4. The Latin-American model:** This includes Chile, Mexico and Colombia, and shifts the center of gravity to mandatory funded DC (Pillar 2) with a safety net (Pillar 0), improving long-run public balance sheets yet making outcomes highly sensitive to contribution density, fees and drawdown design. Chile and Mexico fall under this category. The primary strength of this archetype is fiscal sustainability as the public PAYG liabilities are capped or eliminated. Over time, however, widespread informality and insufficient contribution rates have produced inadequate benefits, sparking public dissatisfaction and prompting a rebalancing toward multi-pillar designs that reinforce social assistance and integrate solidarity-based elements to improve equity.

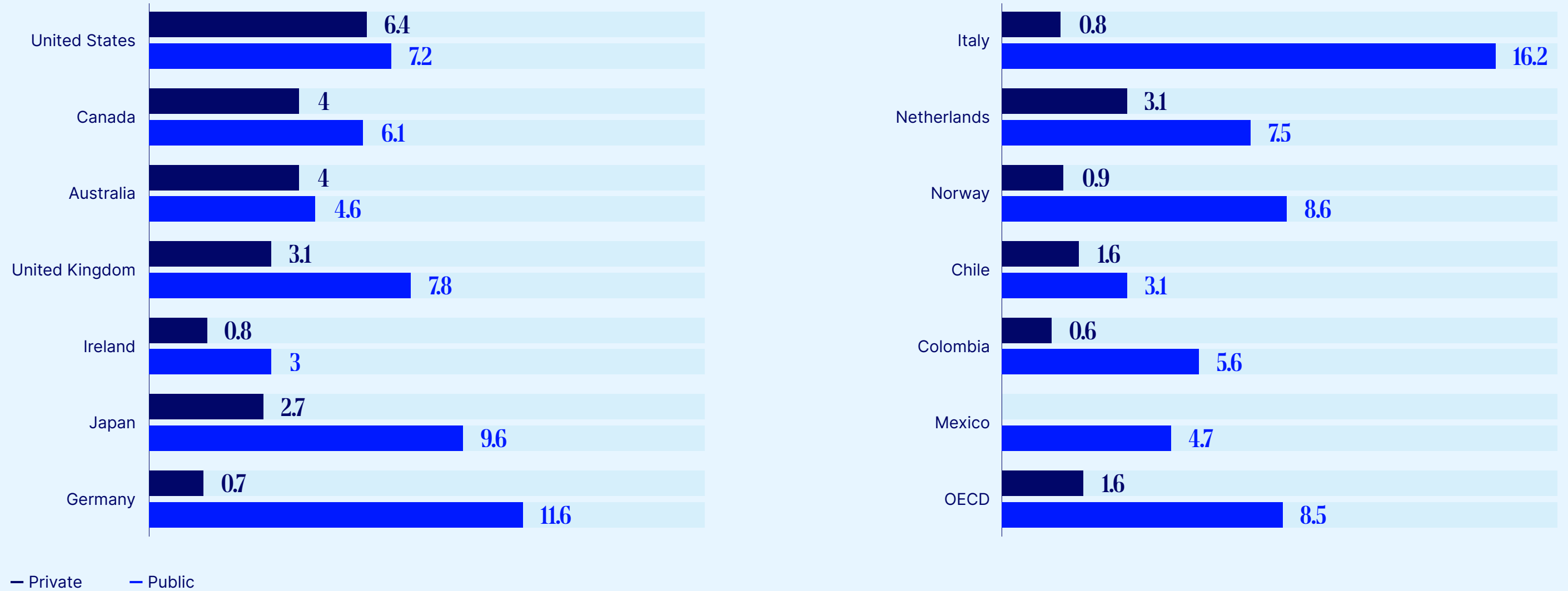
Colombia can also fall under this category with a distinct characteristic where workers can choose either a traditional PAYG public DB plan or a funded individual account, achieving risk diversification at the system level yet exhibiting similar weakness as the second archetype, to a certain extent.

- 5. The Gulf model:** This includes the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE) and represents a resource-backed DB system that combines generous public pensions for citizens and end-of-service benefits for expatriates. While adequacy and coverage is strong for those who are covered, coverage is a serious issue for the system as expatriate workers make up the majority of the total labor force. Heavy reliance on Pillar 1 also puts a burden on state fiscal capacity. As a result, these systems are introducing reforms — higher retirement ages, pension fund mergers and new funded savings schemes for expatriates — to strengthen sustainability and modernize their retirement architecture.

Some of the distinctions between these five retirement models can be observed in [Exhibit 4](#).

Collectively, these models reveal a global trend toward balancing fiscal sustainability with adequacy, navigating demographic headwinds and adapting coverage mechanisms to increasingly diverse labor markets.

Exhibit 4: Pension spending by country (percentage of GDP, 2021)



Source: OECD (no data available for Kingdom of Saudi Arabia and United Arab Emirates)

Opportunities for financial services

Our analysis connects macro and micro views — pinpointing who is affected by shifts in the global retirement landscape and where opportunities exist for financial services. We developed a retirement ecosystem view of each country (see [Exhibit 5](#)), mapping the end-to-end network of actors that together shape how retirement systems are designed, funded, administered and experienced by members.

We define a retirement ecosystem as the interconnected set of sponsors, advisors, product providers, custodians, administrators, regulators and participants that collectively create, fund, invest, administer and deliver retirement benefits.

Across countries, the familiar pillar architecture is visible within this ecosystem: a public pillar (state pension or mandatory schemes); an occupational pillar (employer or sector plans, DB and/or DC); and an individual/retail pillar (personal savings vehicles and annuities). Accordingly, our ecosystem lens excludes Pillar 0 and Pillar 4, focusing on areas where financial services have the greatest ability to influence outcomes.

This allows the ecosystem framework to remain practical, decision-relevant and oriented toward areas where financial services capabilities can meaningfully drive change.

All retirement ecosystems are moving, to varying degrees, toward portable DC accumulation and more flexible decumulation, even where legacy DB remains material (e.g., UK and Canada). Day-to-day operations depend on specialized administrators and custodians, and each country has robust supervisory regimes. Beneficiaries ultimately include employees, the self-employed, retirees and their families, with outcomes shaped by decisions made across the retirement ecosystem. (See Country System Profiles for individual retirement ecosystems. These individual ecosystems are not meant to be exhaustive but illustrative, and they include examples of key stakeholders in different categories.)

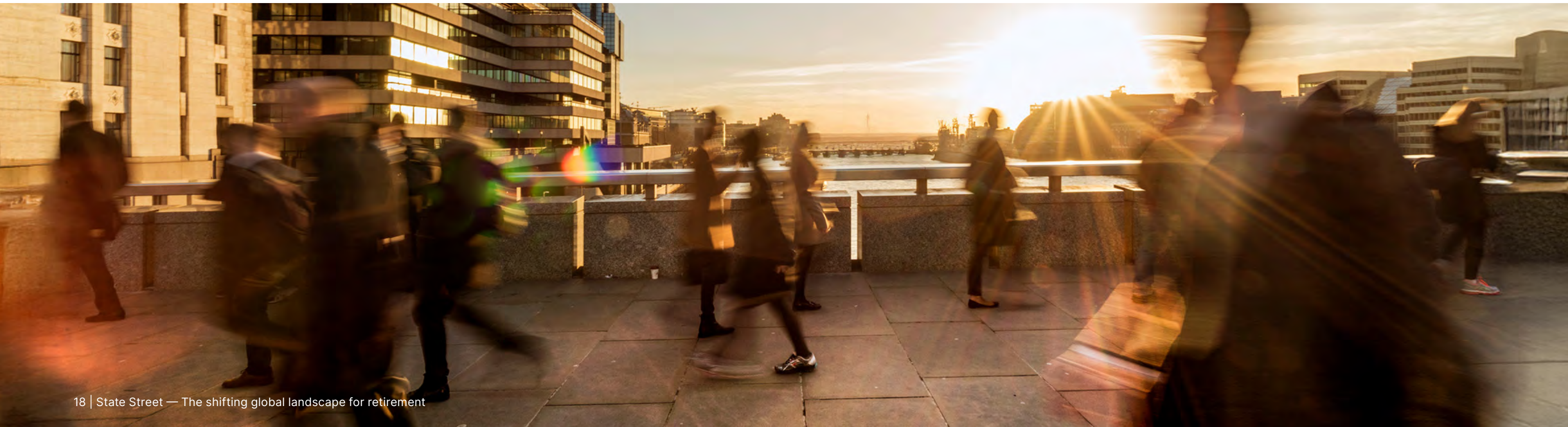


Exhibit 5: Retirement ecosystem

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
Pillar 1: Mandatory public pension	<ul style="list-style-type: none"> • Social security institutions, pay-as-you-go benefit administrators, government agencies, supervisory authorities 			<ul style="list-style-type: none"> • Eligible members (old age, low income etc.)
Pillar 2: Occupational/ workplace plans	<ul style="list-style-type: none"> • Pension/benefits consultants • Actuary, Legal • Investment consultants including Outsourced Chief Investment Officer (OCIO) 	<ul style="list-style-type: none"> • Asset Managers • Group Insurers (annuity) • Employer pension platforms & member portals 	<ul style="list-style-type: none"> • Recordkeeping/third-party administrators (TPA), Custodians • Payroll connectivity • Payment/transfers • Data and compliance operations 	<ul style="list-style-type: none"> • Employees (active, deferred)/retirees • Survivors/dependents • Heirs
Pillar 3: Voluntary savings	<ul style="list-style-type: none"> • Financial planners/advisors • Wealth managers • Broker-dealers 	<ul style="list-style-type: none"> • Personal pension/retirement accounts • Bank/insurer/broker-dealers • Direct-to-consumer (D2C) investment platforms 	<ul style="list-style-type: none"> • Broker-dealers • Direct investment platforms/transfer/rollover utilities • TPA/Custodians 	<ul style="list-style-type: none"> • Individuals • Spouses/nominees • Heirs
Regulatory layer – National pensions/financial markets regulators/supervisors, ministries of labor/finance, market conduct authorities, social partners where applicable				

Our macro analysis show that while every country faces retirement system challenges, those pressures also create opportunities for financial services firms to provide solutions.

These opportunities can be understood as “value pools” — concentrated pockets of economic profit and growth that emerge where providers solve the most pressing member and sponsor problems at scale using repeatable, capital-efficient models.

Across advanced and emerging economies, all retirement systems are coalescing around six repeatable value pools.³ These include:

1. Decumulation and retirement income:

The next growth S-curve

Decumulation has moved to the center of the retirement agenda. As cohorts relying on DC savings as their primary source of income enter retirement, the question is no longer how much they have saved, but how reliably those balances can be translated into income for life. Retirement ecosystems that are pulling ahead are doing so by standardizing a simple default pathway, combining guided drawdown with risk pooling and, where appropriate, partial annuitization or deferred income components. The aim is to give members predictable income, flexibility when circumstances change, and clear guardrails that reduce the risk of poor sequencing or longevity outcomes.

In the UK, roughly £1.2 trillion in DC assets now support rapidly rising withdrawals. Approximately 962,000 retirement accounts were accessed in 2024-2025, with about £70.9 billion withdrawn, and leading master trusts have begun launching decumulation defaults that blend drawdown with risk pooling. The Netherlands is finalizing a system-wide transition to DC by January 1, 2028, while a 10 percent lump sum cash withdrawal option from July 2026 has placed payout design at the heart of cohort communications. In Japan, super-aged demographics are producing explicit demand for guaranteed income, with strong interest in annuities that incorporate health-contingent features and a clear preference for lifetime income. Australia is approaching a tipping point, with annual contributions near A\$160 billion and withdrawals around A\$120 billion; projections indicate decumulation will overtake accumulation in the early 2060s. By contrast, Italy still tilts heavily to lump sum cash withdrawals — about €5.2 billion in 2024 versus roughly €361 million in annuities — highlighting the size of the opportunity for better income defaults. The US faces a 2026-2027 retirement surge while roughly half of retirees report lacking a withdrawal plan, underscoring the need for protective defaults that are easy to adopt.

There are implications for the financial services industry. Providers should build “operate-to-outcome” decumulation models that scale across cohorts, integrate modular risk pooling, and industrialize hybrid advice

at retirement. Reporting should evolve from account balances to income sustainability — probability of success, longevity coverage and inflation resilience — so members and fiduciaries can judge outcomes through the right lens.

2. Digital engagement and hybrid advice: Dashboards as distribution

Digital engagement is becoming the distribution backbone of retirement. National dashboards and fund apps now consolidate lifetime data and surface the “next best action,” whether it is consolidating retirement accounts, adjusting contributions or selecting an income pathway. When hybrid advice — a well designed blend of digital guidance and human expertise — is embedded into these journeys, participation can rise, investment quality can improve and at-retirement conversions can accelerate.

The operating model is visible across markets. In Germany, the Digitale Rentenübersicht is live, aggregating roughly 137 million records from more than 700 providers and enabling dashboard-integrated guidance across pillars. Norway already demonstrates the next step: Norsk Pensjon, the social security agency NAV and major banks use centralized data to run mobile calculators and hybrid advisory journeys for approximately 2.21 million EPK accounts (about NOK641 billion), enabling personalization and friction-light switching.

The UK is preparing pensions dashboards that should enable one-click consolidation at the same time that only about nine percent of adults receive full advice, creating a clear case for scaled hybrid models.

Australia shows strong bottom-up demand, with Gen Z app usage roughly sevenfold higher than five years ago and more than 600,000 younger members engaging via mobile. Japan adds a technology-first policy backdrop through Society 5.0 (a long-term national policy framework), while Saudi Arabia is building digital-first retirement experiences on near-ubiquitous smartphone penetration. Ireland's 2026 auto-enrollment launch will benefit from the same approach: digital onboarding, consented data-sharing and literacy nudges.

Financial services firms could consider building a modular, interoperable engagement layer that allows dashboards, data sources and advice tools to connect seamlessly, operationalize triage-based hybrid advice at scale, institutionalize behavioral design and harden cyber-resilience. The goal is to convert raw data into compliant, personalized actions that members can complete in minutes, not weeks.

3. Coverage expansion and portability: Unlocking new contributors and assets

Coverage expansion and portability reforms are bringing part-time, gig and expatriate workers into funded arrangements with savings that follow them across

jobs and borders. Retirement systems are moving from fragmented, one-off benefits toward portable accounts that reduce leakage and lift adequacy, especially for groups historically excluded from second-pillar plans.

Several reforms are reshaping the addressable market. Ireland launched MyFutureFund auto-enrollment in January 2026, with rising assets and employer participation reinforced by rapid master trust consolidation. The UAE has begun replacing end-of-service gratuities with funded workplace pensions, evidenced by the Dubai Employee Workplace Savings (DEWS) scheme surpassing US\$1 billion and the rollout of a Federal Alternative End-of-Service Benefit (EOSB) framework, giving employees portable accounts rather than one-time cash. Saudi Arabia's forthcoming Public Pension & Savings Programme (2025/26) will bring approximately 10 million expatriates into formal savings while raising contributions and aligning the retirement age to 65. In the Netherlands, DC conversion improves portability of accrued rights with a parallel focus on engaging the self-employed. Japan is extending eligibility to part-time and non-regular workers, and broadening the use of Individual-type Defined Contribution Pension (iDeCo) and Nippon Individual Savings Account (NISA), and Australia's "stapling" reform assigns each worker a single superannuation account that follows them between jobs, materially lowering duplication and leakage.

A major implication for financial services is to treat coverage expansion as a distribution pipeline, automating employer onboarding, simplifying eligibility checks, and defaulting members into sensible portfolios from day one. Firms should also offer portable wrappers that work across employers and, where policy allows, across borders; embed literacy and micro-nudges at enrollment to establish contribution adequacy early, and design inclusive products that accommodate irregular earnings and smaller balances without punitive fees.

4. Institutional risk transfer and endgame: Scaling fast

As DB funding improves, sponsors are prioritizing certainty through pension risk transfer and endgame strategies. Scale advantages increasingly accrue to institutions that combine capital, underwriting, administration and asset origination into coherent "endgame factories," giving trustees high-confidence execution while protecting members.

The trend is most visible in the UK, where aggregate DB funding near 130 percent is powering a sustained surge in bulk purchase annuity volumes, on the order of £45-50 billion per year, and expanding to sub-£100 million schemes as insurer capacity grows. Canada shows a similar pattern, with group-annuity pension risk transfer setting a record near-C\$11 billion in 2024, as sponsors offload longevity and investment risk into specialist balance sheets.

Financial services firms should build, or partner to assemble, a full endgame stack: balance-sheet capacity and reinsurance, industrial-grade administration, member communications and liability-aware asset origination. Standardizing transition playbooks for data cleansing, benefit security, and stakeholder messaging is another important consideration, as is strengthening longevity risk management through hedging and reinsurance, and aligning asset portfolios (including private credit and real assets) to liability cash flows and inflation dynamics.

5. Scale capital to private markets and sustainability: The fee-resilient growth engine

Large retirement systems are rotating toward private markets to secure durable, inflation-linked returns and diversify away from public market beta. At the same time, sustainability considerations are increasingly shaping how that capital is governed, allocated and evaluated particularly in large, pooled systems where long-term stewardship, transparency and member outcomes are central to mandate design. Success depends on rigorous governance, liquidity management and transparent reporting that meets regulatory expectations.

Policy and practice are converging. In the UK, the Mansion House initiatives are nudging DC defaults toward 5-10 percent allocations to private markets by 2030, supported by vehicles such as the Long-Term Asset Fund. The Netherlands provides a clear example of sustainability at scale: PFZW has reallocated roughly €29 billion toward active sustainability-aligned strategies,

concentrated its listed holdings and materially reduced portfolio carbon intensity. In Canada, the “Maple Eight” public funds manage more than C\$2.4 trillion with significant private asset allocations, and are diffusing their model to mid-tier plans through partnerships and co-investments. Saudi Arabia, via Hassana (the investment arm of the General Organization for Social Insurance or GOSI), is diversifying a portfolio of about SAR1.2 trillion into global infrastructure, private equity and climate solutions, signaling growing demand for institutional-grade access platforms. Australia’s mega-funds are deepening private asset sleeves with embedded environmental, social and governance (ESG) processes and member-outcome reporting.

Here, the implications for financial services firms are profound. Considerations include: 1) Standing up DC-appropriate private market access using the right wrappers (for example, LTAFs or collective investment trusts) with pacing plans, liquidity sleeves and robust valuation governance. 2) Linking sustainability efforts to member outcomes with clear metrics — inflation resilience, net-zero alignment and carbon intensity — that are intelligible to non-specialists. 3) Building co-investment and origination capacity through partnerships with leading funds, and codify risk controls (stress testing, side-pockets and redemption gates) that align with regulation and fairness to members.

6. A cross-cutting demand driver: Women’s wealth and younger cohorts

Across many retirement systems, rising women’s wealth and the digital engagement of younger cohorts are acting as powerful cross-cutting demand drivers that amplify each of the major value pools. These dynamics are particularly pronounced in the US, Australia, the Netherlands and Italy, and they carry direct implications for product design, advice models and member engagement strategies.

In the US, women are expected to control approximately US\$34 trillion by 2030, representing nearly 38 percent of total investable assets. Over the longer term, women are projected to inherit roughly 70 percent of the US\$124 trillion “Great Wealth Transfer” by 2048, materially reshaping demand across advice, protection and retirement income. This shift is accelerating the need for solutions that address longer life expectancy, caregiving interruptions and preferences for income certainty, while also placing greater emphasis on holistic financial planning and intergenerational wealth strategies.

A similar but even more concentrated dynamic is emerging in Australia, where women are expected to inherit an estimated A\$3.2 trillion over the next decade, accounting for roughly 65 percent of total intergenerational transfers. At the same time, engagement from Gen Z and Millennial cohorts is rising sharply through superannuation mobile apps and digital platforms. Together, these forces heighten the

importance of intuitive product design, mobile-first user experience and advice frameworks that reflect women's longevity profiles and younger savers' expectations for transparency, personalization and sustainability.

In the Netherlands, women's economic independence is growing rapidly. This structural shift is reinforcing preferences for sustainable investing, life event-based planning and shared financial decision-making within households. These preferences are being actively embedded into the country's new DC architecture, where communication, cohort-based outcomes and

sustainability credentials play an increasingly prominent role in member engagement. By contrast, Italy highlights the remaining upside where these dynamics have not yet been fully addressed. Participation in supplementary pension schemes remains skewed approximately 62 percent male, reflecting lower workforce participation, career breaks and lower engagement among women. As a result, targeted product design — encompassing simplified advice journeys, improved portability and female-focused engagement strategies — represents an immediate and tangible growth lever for providers seeking to broaden participation and improve retirement adequacy.

There are clear implications across countries. Women's rising share of retirement wealth, combined with the digital expectations of younger cohorts, is not a niche trend but a structural force shaping demand across accumulation, decumulation, advice and investment design. Financial services firms that embed these considerations — through tailored income solutions, flexible contribution and withdrawal features, intuitive digital journeys, and credible sustainability offerings — will be better positioned to capture growth across multiple value pools simultaneously.



Country system profiles

The United States

The US retirement system is by far the largest in the world with almost US\$50 trillion in assets.⁴

It is a multi-pillar structure, combining public social insurance with voluntary, funded occupational and personal savings arrangements (see [Exhibit 6](#)). Its governance is correspondingly fragmented, reflecting its historical evolution rather than a unified design.

Social Security (Pillar 1) serves as the foundation, operating as a PAYG, DB program financed by payroll taxes and covering nearly all formal sector workers. This pillar is essential for ensuring near-universal coverage and providing a progressive, inflation-indexed income floor, particularly for lower- and middle-income retirees with net replacement rate of 62.5 percent for lower-income retirees and 40 percent for higher-income retirees, according to the Organisation for Economic Co-operation and Development (OECD).

Supplemental Security Income (Pillar 0) functions as a means-tested safety net for the poorest elderly, funded from general revenues. While its aggregate fiscal footprint is small, it plays a crucial role in reducing old-age poverty and closing the coverage gap for the most vulnerable populations (7 million beneficiaries as of 2024).

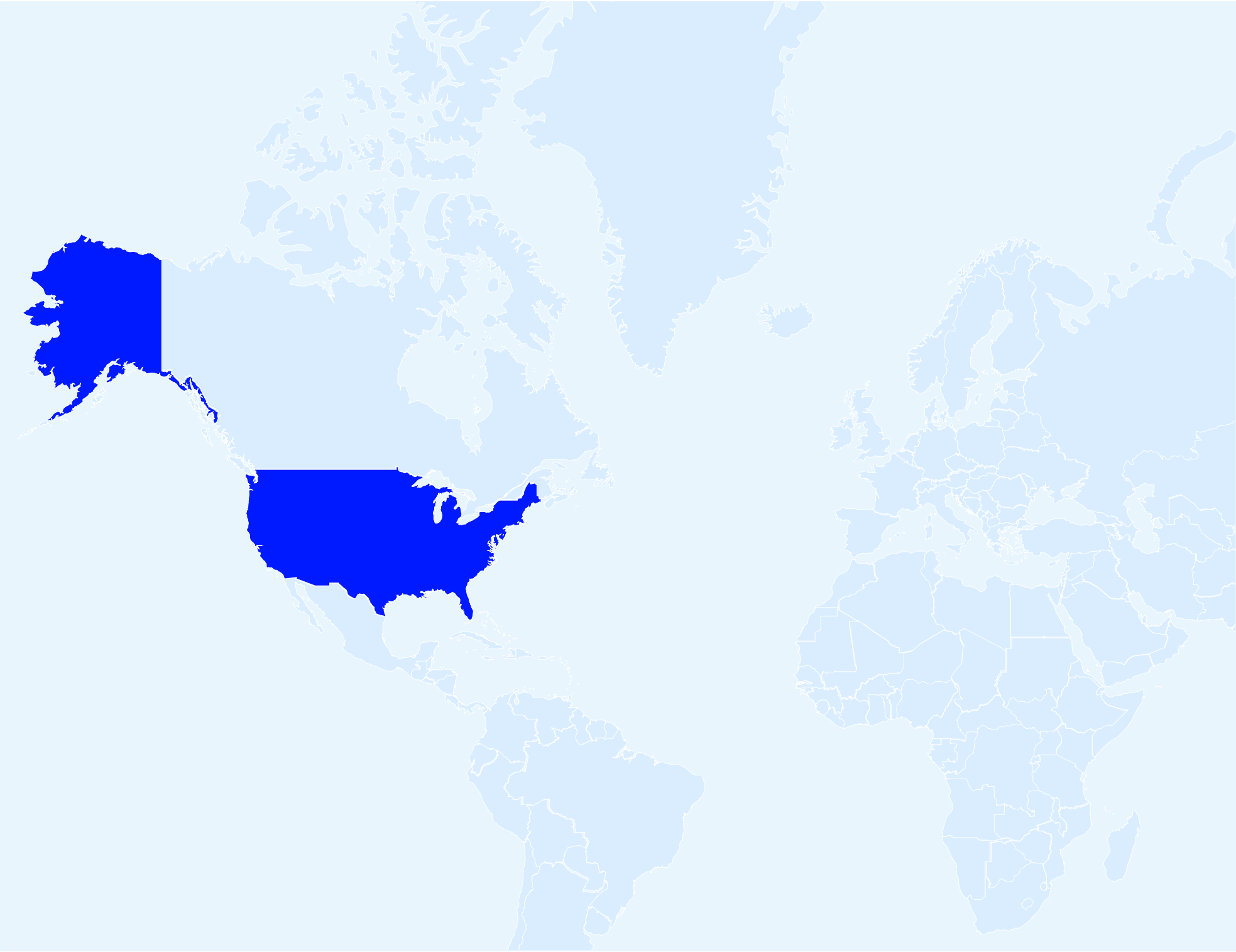


Exhibit 6: Retirement ecosystem — United States

	Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
~\$50 Tn					
~5%	Pillar 1: Mandatory public pension (Social security/Federal program)	<ul style="list-style-type: none"> • Social Security is primarily a pay-as-you-go (PAYG) program, administered by Social Security Administration (SSA), which manages eligibility, benefit calculations, and participant records • Department of the Treasury is responsible for disbursing monthly retirement, survivor, and disability benefits 			<ul style="list-style-type: none"> • Eligible members (old age, disabled etc.)
~52%	Pillar 2: Occupational/workplace Employer-sponsored plans (DB/DC) across private, state/local, and federal employers	<ul style="list-style-type: none"> • Institutional consultants/pension actuaries (e.g., Mercer, Aon, WTW) • OCIO services • Legal/ERISA counsel (e.g., Groom Law Group, Morgan Lewis) 	<ul style="list-style-type: none"> • Investment managers (e.g., State Street Investment Management) providing retirement products (e.g., Target Date Funds – TDF) • Insurers (in-plan/group annuities – e.g., TIAA, AIG) • Recordkeepers/platforms (e.g., Fidelity, Empower etc.) 	<ul style="list-style-type: none"> • Investment services/custodians (e.g., State Street) • Recordkeeping and admin • HR/payroll service providers (e.g., ADP, Paychex etc.) • DB benefits admin/outsourcing providers (e.g., Conduent, Alight etc.) 	<ul style="list-style-type: none"> • Employees (active, deferred)/retirees • Survivors/dependents • Heirs
~42%	Pillar 3: Voluntary savings (Traditional/Roth IRAs, retail annuities)	<ul style="list-style-type: none"> • Broker-dealers/financial advisors/wealth managers • Independent RIAs (e.g., CAPTRUST) • Digital/robo-advisors/D2C platforms 	<ul style="list-style-type: none"> • IRA custodians, brokerage platforms • Banks/wealth managers (e.g., Merrill, Bank of America) • Retail annuities (e.g., Athene, Allianz Life etc.) 	<ul style="list-style-type: none"> • Onboarding services and account administration, portability, including brokerage and custody • Advisor platforms (for trade execution and custody) 	<ul style="list-style-type: none"> • Individual saver, survivors/dependents • Heirs
Regulatory layer – Department of Labor/Employee Benefits Security Administration (DOL/EBSA), Department of the Treasury/Internal Revenue Service (Treasury/IRS), Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), National Association of Insurance Commissioners (NAIC), SSA, Pension Benefit Guaranty Corporation (PBGC), state pension regulators, etc.					

Voluntary employer-based and individual savings plans, such as 401(k)s and IRAs (Pillar 3), have become increasingly important for adequacy, especially among middle- and higher-income workers seeking to maintain their pre-retirement living standards with additional net replacement rate of more than 50 percent. However, the voluntary nature of this pillar results in incomplete coverage — about half of private sector workers participate — and highly variable adequacy, contingent on career earnings, savings behavior and investment returns. Home equity, personal savings, and late-life work (Pillar 4) provide additional resources for some retirees, but their value and accessibility are highly unequal, offering limited improvement to system-wide coverage or adequacy.

In the aggregate, Social Security remains the backbone of the US retirement system, underpinning broad coverage and a basic level of adequacy, while private savings and personal assets are increasingly relied upon to supplement retirement income, especially for middle- and high-income earners. The absence of a mandatory, funded occupational pillar (Pillar 2) means that the public system and voluntary savings together need to balance the goals of coverage and adequacy for a diverse and evolving workforce.

How macro forces are reshaping the retirement landscape

The US retirement system's multi-pillar architecture channels the effects of macro forces in distinct but interconnected ways, shaping sustainability, adequacy and coverage across the system. At its core, Social Security (Pillar 1) bears the primary burden of demographic aging and rising longevity, as a shrinking workforce and longer retirements strain PAYG financing. Fiscal pressures exacerbated by rising healthcare costs and elevated federal debt further long-term solvency, while technological change and labor market shifts toward gig and non-traditional work reduce lifetime contributions, amplifying both sustainability and adequacy risks.

The means-tested safety net (Pillar 0) has grown in importance as socioeconomic volatility and demographic shifts leave more older Americans without sufficient lifetime earnings or family support. However, fiscal constraints limit the scale and adequacy of this pillar, offering targeted relief rather than a system-wide solution to income insecurity in retirement.

Voluntary employer-based and individual savings (Pillar 3) are highly responsive to labor market conditions, wage growth and behavioral factors. While policy initiatives — such as automatic enrollment, auto-escalation, pooled employer plans and state auto-IRAs — have expanded access and reduced friction, participation remains uneven and skewed toward higher-income and full-time workers. For many households, inadequate coverage, intermittent employment, wage volatility and behavioral leakage — through loans, hardship withdrawals and early access to balances — undermine accumulation long before decumulation decisions are reached. As a result, insufficient savings, rather than product choice alone, remains the dominant constraint on retirement adequacy for a large segment of the population.

In aggregate, population aging, rising longevity, technological change, fiscal conditions and labor market fragmentation continue to concentrate sustainability pressures on Pillar 1 while leaving coverage and adequacy uneven across remaining pillars. Policy evolution — most notably through SECURE 2.0, expanding automatic enrollment and state-sponsored savings programs — is gradually improving participation and portability within Pillar 3 without altering Social Security's core structure or introducing a mandatory funded occupational pillar.

Over time, system-wide outcomes will depend less on any single product solution and more on whether quasi-mandatory savings architectures mature sufficiently to bring non-traditional workers into formal accumulation channels, reduce leakage and support more effective income conversion at retirement.

Opportunities for financial services

The US retirement system spans defined contribution plans, IRAs, wealth platforms and retail rollovers, and creates substantial value pools across plan administration, investment management, advice and distribution. Policy shifts such as SECURE 2.0, pooled employer plans and state auto-IRAs are expanding coverage, portability and default driven, low cost digital distribution, while Social Security continues to anchor baseline income and separates public sustainability concerns from private sector adequacy challenges. Demographic forces are reshaping demand as more women become primary holders and decision-makers of retirement wealth; younger cohorts enter the system earlier but under-prepared; and the population reaches peak retirement age — exposing a large, under-served need for decumulation advice and lifetime income solutions. Together, these trends are accelerating the convergence of retirement and wealth management, with the most scalable near-term value pools concentrated in IRA rollovers, decumulation and income solutions, and technology-enabled personalization and digital engagement at scale.



The United Kingdom

The UK combines a basic public pension with workplace schemes and private savings (see Exhibit 7).⁵

At the core is the State Pension, which offers a foundation of income to most retirees. On top of that, many people build savings through workplace pension schemes and personal pensions. Other assets — such as housing wealth — and, for some, continued work in later life, can also play a meaningful role.

The New State Pension (Pillar 1) currently provides a flat weekly amount for those with at least 35 qualifying years of National Insurance contributions. For the 2025/2026 tax year, that amount is about £230.25 per week. The State Pension is typically increased each year under the ‘triple lock,’ which aims to protect its value over time by linking annual increases to the highest of inflation, average earnings growth or 2.5 percent. While coverage is broad, the State Pension is designed to be a base layer of income rather than a full replacement for prior earnings. Government spending on the State Pension is roughly 5 percent of UK GDP.

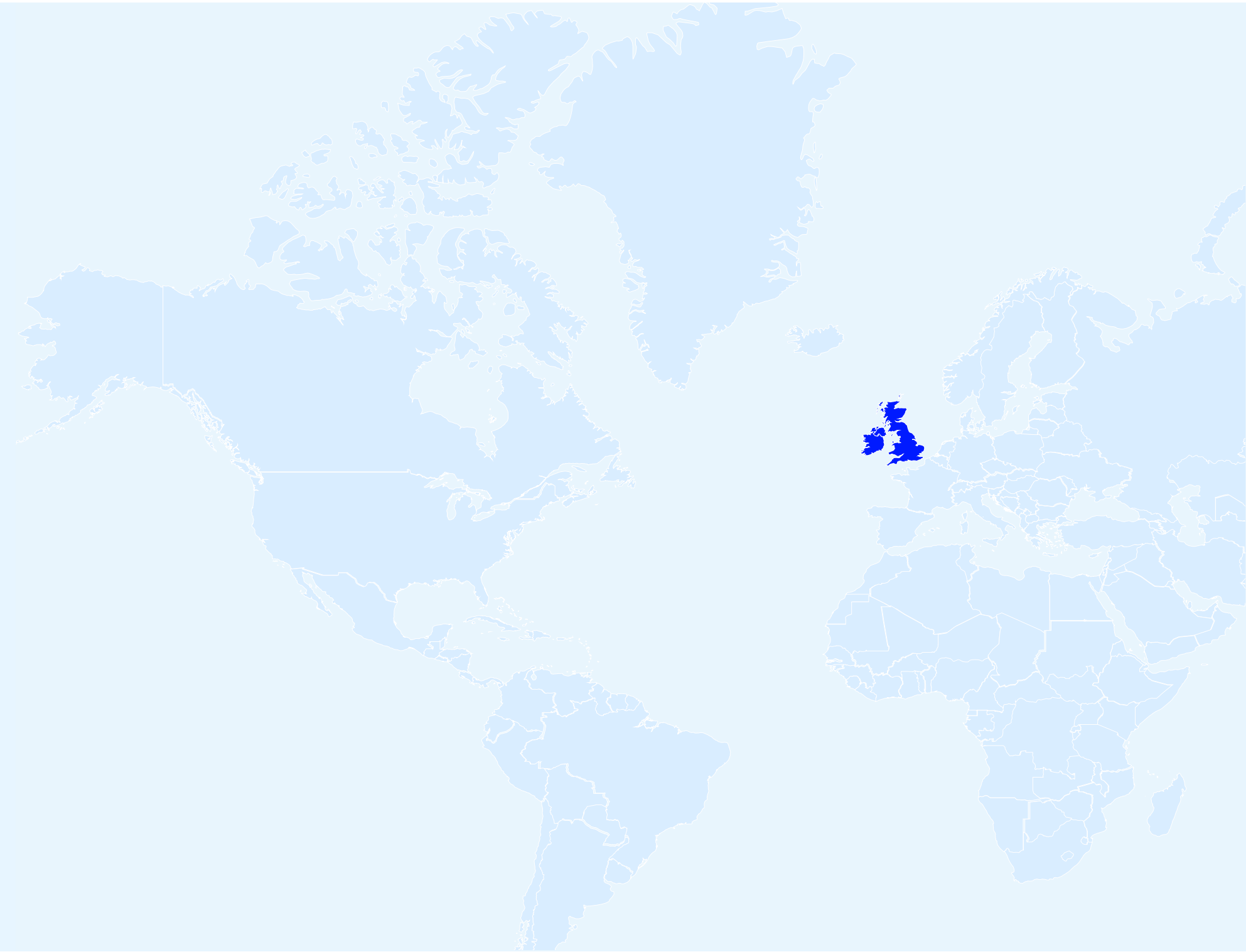


Exhibit 7: Retirement ecosystem — The United Kingdom

£3.2 Tn	Plan origin/ sponsor layer	Fiduciary/ governance	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
	Pillar 1: <ul style="list-style-type: none"> Mandatory public pension Public (State Pension) 	<ul style="list-style-type: none"> UK State Pension operates as an unfunded, pay-as-you-go (PAYG) system. It is treated as a government expenditure. 				<ul style="list-style-type: none"> Eligible old age/ low-income
~62%	Pillar 2: Occupational/workplace <ul style="list-style-type: none"> Corporate DC (Auto Enrollment) Corporate Collective DC (CDC) Corporate DB (Single or Multi-trusts) Government – Local authorities (LGPS) and other (for NHS, teachers etc.) 	<ul style="list-style-type: none"> Master trusts (e.g., NEST, People’s pension, L&G- insurance backed) DB/DC Scheme trustees, LGPS pools IGCs for workplace GPPs (e.g., Fidelity) 	<ul style="list-style-type: none"> Investment consultants/ actuaries (e.g., Mercer, Hymans Robertson, LCP, Aon, WTW etc.) 	<ul style="list-style-type: none"> Investment managers (e.g., State Street Investment Management) LGPS Pools Bulk Annuity Providers (e.g., Legal & General, Aviva, Rothesay) Workplace portals (e.g., NEST online portal), MaPS/PDP dashboards 	<ul style="list-style-type: none"> Trust administration, Scheme administrator, TPAs, data/recordkeeping (e.g., Capita, Equiniti, XPS etc.) Custody and controls 	<ul style="list-style-type: none"> Participants/eligible retirees/scheme members Nominees/survivors Heirs
~38%	Pillar 3: Voluntary savings <ul style="list-style-type: none"> Personal/individual pensions (including SIPPs, Lifetime ISAs [LISAs]) 		<ul style="list-style-type: none"> Financial advisors/ wealth managers (e.g., St. James’s Place) Brokers/platforms (e.g., AJ Bell, HL) 	<ul style="list-style-type: none"> SIPPs/personal pension/ annuity providers (HL, AJ Bell, interactive investor, Aviva, L&G etc.) D2C/advisor platforms/ (HL, AJ Bell Youinvest, Moneybox etc.) 	<ul style="list-style-type: none"> Platform administration/ recordkeeping/custody (e.g., State Street, FNZ etc.) Client onboarding and account services Pension dashboard integration 	<ul style="list-style-type: none"> Individual saver, survivors/dependents Heirs
Regulatory layer – The Pensions Regulator (TPR) – Occupational pensions (DB, DC, Master Trusts), Department for Work & Pensions (DWP) – policy, social security, Financial Conduct Authority (FCA) – market conduct, Pension Protection Fund (PPF), Prudential Regulation Authority (PRA) – for insurers, Financial Reporting Council						

For retirees on lower incomes, Pension Credit (Pillar 0) provides additional support. From April 2025, the Standard Minimum Guarantee is £227.10 per week for a single person and £346.60 per week for a couple. Not everyone who is eligible applies. The most recent estimates indicate that around 65 percent of those eligible claimed Pension Credit in 2022/2023, up from 63 percent. Encouraging eligible individuals to check and claim can make a material difference to their income.

Auto-enrollment, introduced in 2012, has significantly expanded workplace pension participation (Pillar 2). Approximately 88-89 percent of eligible employees participated in 2023/2024, with minimum total contributions set at 8 percent of qualifying earnings.

Most workplace schemes are DC plans, meaning retirement outcomes depend on contributions and investment performance. Gaps remain, as fewer than one in five self-employed people contribute regularly, and some younger workers and low earners may be excluded by current thresholds. Parliament has passed the Pensions (Extension of AE) Act 2023, which gives the government powers to lower the auto-enrollment age to 18 and remove the Lower Earnings Limit; these changes have not yet been implemented.

Beyond the workplace, many people save through personal pensions (SIPPs) and products such as the Lifetime ISA (Pillar 3). The UK offers sizeable pension tax reliefs — estimated at around £50 billion per year — which are designed to encourage saving. Participation varies, with higher earners typically saving more. Building up personal savings can help improve the adequacy of retirement income, especially when default workplace contributions may not fully meet long-term needs.

Homeownership is common among today's retirees (Pillar 4): Roughly 80 percent of people aged 65+ own their homes, often without a mortgage. That can create options, such as downsizing or releasing equity to support retirement spending. However, private renting among older households is expected to rise, which could increase living costs for some. In addition, about 11.5 percent of people aged 65+ continue to work, which can boost incomes and delay drawing down savings — though not everyone can or will choose to work longer.

A large, bold, blue graphic of the number '80%' is centered on a light blue background. The percentage sign is smaller and positioned to the right of the number.

**The proportion of homeowners
in the UK aged 65+**

How macro forces are reshaping the retirement landscape

Since the State Pension serves as the essential income floor for most retirees, macro forces translate immediately into expenditure pressures that outpace growth in the contributory base. As the working-age population contracts and retirees live longer, public pension spending rises faster than contributions, intensifying debate over indexation, State Pension age increases, and targeted support for those unable to extend working lives. At the same time, the growth of self-employment, gig work, and part-time roles shifts more responsibility onto workplace and personal savings pillars that remain uneven in coverage. Together, these macro forces concentrate their impact on the UK's State Pension foundation, with the funded workplace and personal pillars playing a growing but still uneven role in offsetting fiscal and adequacy pressures across a changing labor market.

Several long-term trends are changing what retirement looks like and how it's financed. As the population ages, the number of working-age adults per pensioner is projected to decline. State Pension spending could rise from around 5 percent of GDP today to approximately 7.7 percent by the 2070s. Increasing the State Pension age (to 67 by 2028, with a rise to 68 under review) helps manage costs but can be challenging for people who are unable to work longer. Evidence from the rise in State Pension age from 65 to 66 showed poverty among 65-year-olds doubled, underscoring the importance of targeted support for those affected.

People are living longer. Life expectancy past age 65 is roughly 21 years today and that may rise to 24-25 years by 2050. With defined contribution plans and flexible drawdown now common, retirees face both market risk (the risk that investment returns are lower than expected) and longevity risk (the risk of outliving one's savings). New solutions are emerging, including collective DC arrangements, and clearer default pathways for decumulation. Longer lifespans also magnify inequalities.

Meanwhile, growth in self-employment, gig work, and part-time roles has created coverage gaps. Only about 19 percent of self-employed people contribute to pensions, compared with roughly 88 percent of employees. Proposed changes to auto-enrollment (age and earnings thresholds) aim to bring more workers into saving, and some platforms have started automatically enrolling gig workers. Features like automatic contribution escalation and improved engagement are being explored to lift savings adequacy over time.

Labor force impact from automation and AI could reduce some traditional payroll contributions over time, but they also have the potential to boost productivity and tax revenues. Fintech may improve the retirement journey — through the planned Pensions Dashboard (testing began in 2025) and access to guidance or robo-advice. Accessible advice remains essential to preventing decision overload and helping ensure good outcomes.

With public debt close to 100 percent of GDP, maintaining the triple lock has increased costs — potentially by an additional £15.5 billion per year by 2030. Without reform, the path may be unsustainable. Options under discussion include adjusting the indexation method (for example, moving to earnings or CPI) and accelerating increases in the state pension age. Given limited scope to expand the state pension, stronger private saving and improved Pension Credit take-up are likely to be important.

Opportunities for financial services

These macro structural forces are reshaping not only individual retirement outcomes but also the commercial landscape for providers. The UK defined benefit schemes' strong funding has triggered an "endgame" risk-transfer pool centered on bulk-purchase annuities, with high volumes and expanding access for small and mid-sized plans as new entrants join. Policy initiatives — the Mansion House Compact/accord and the LTAF regime — are catalyzing a private-markets allocation value pool within DC master trusts. The largest near-term value pool is retirement wealth conversion: As auto-enrollment cohorts retire, withdrawals and drawdown usage are surging, prompting providers to launch guided decumulation defaults while dashboards and hybrid advice consolidate scattered pots and close the advice gap.

Ireland

Ireland’s retirement system combines a strong Pillar 1 state pension with voluntary, earnings-related arrangements and supplementary private savings, creating a multi-pillar framework that has evolved to balance adequacy and sustainability (see Exhibit 8).⁶

Pillar 1 consists of the State Pension — both contributory and non-contributory — paid at a flat rate with the primary objective of poverty prevention. In 2025, the state pension remains the dominant income source for older people, especially lower-income groups, with over 539,280 people receiving the State Pension (Contributory) and 99,340 receiving the State Pension (Non-Contributory) as of April 2025, alongside more than 123,758 recipients of the contributory widow(er)’s pension and 976 recipients of the non-contributory widow(er)’s pension. However, rising longevity, demographic pressures and historical inequities in contribution records have raised concerns about long-term sustainability and fairness, prompting discussions on indexing, contribution reforms and potential moves toward universal or residency-based benefits.

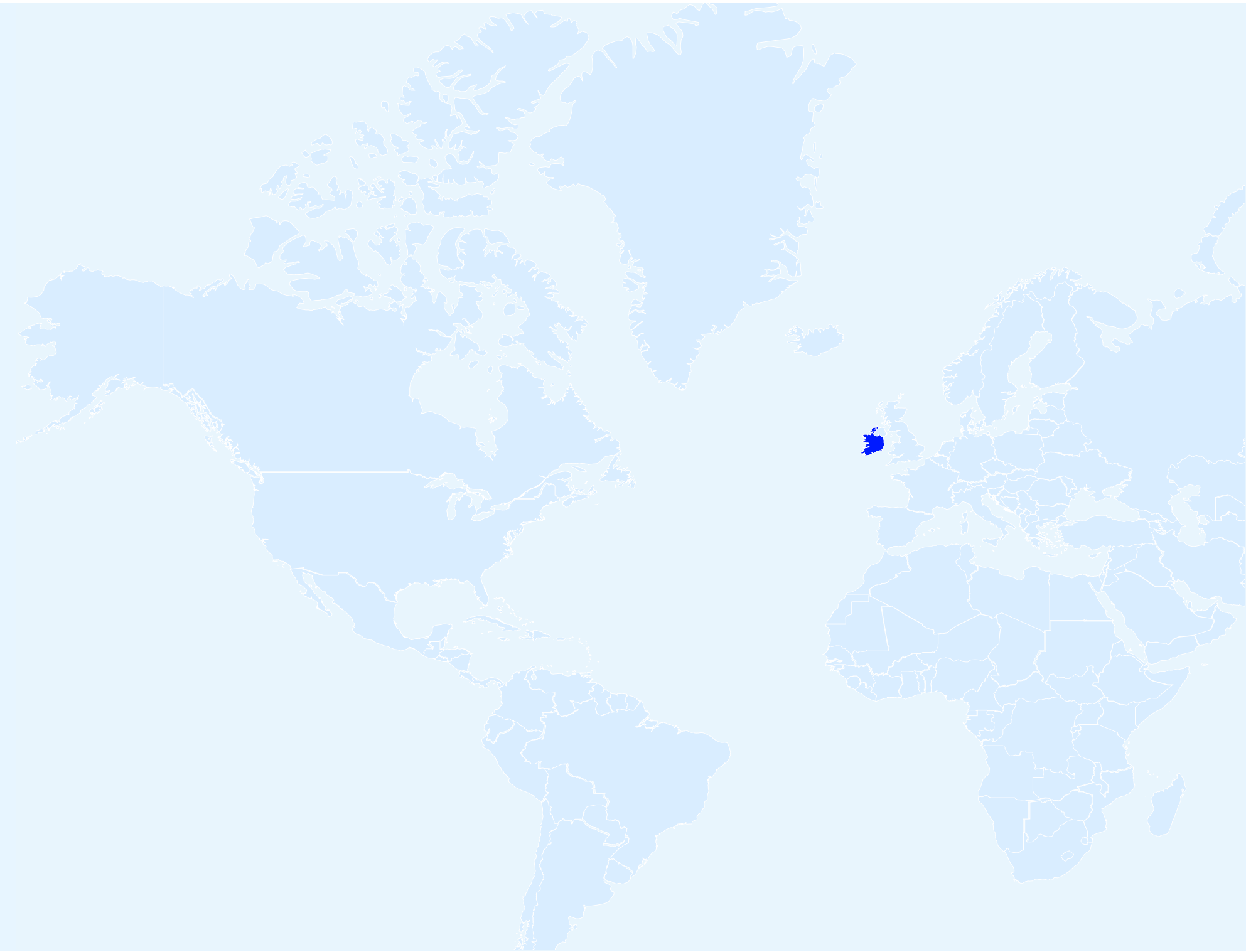
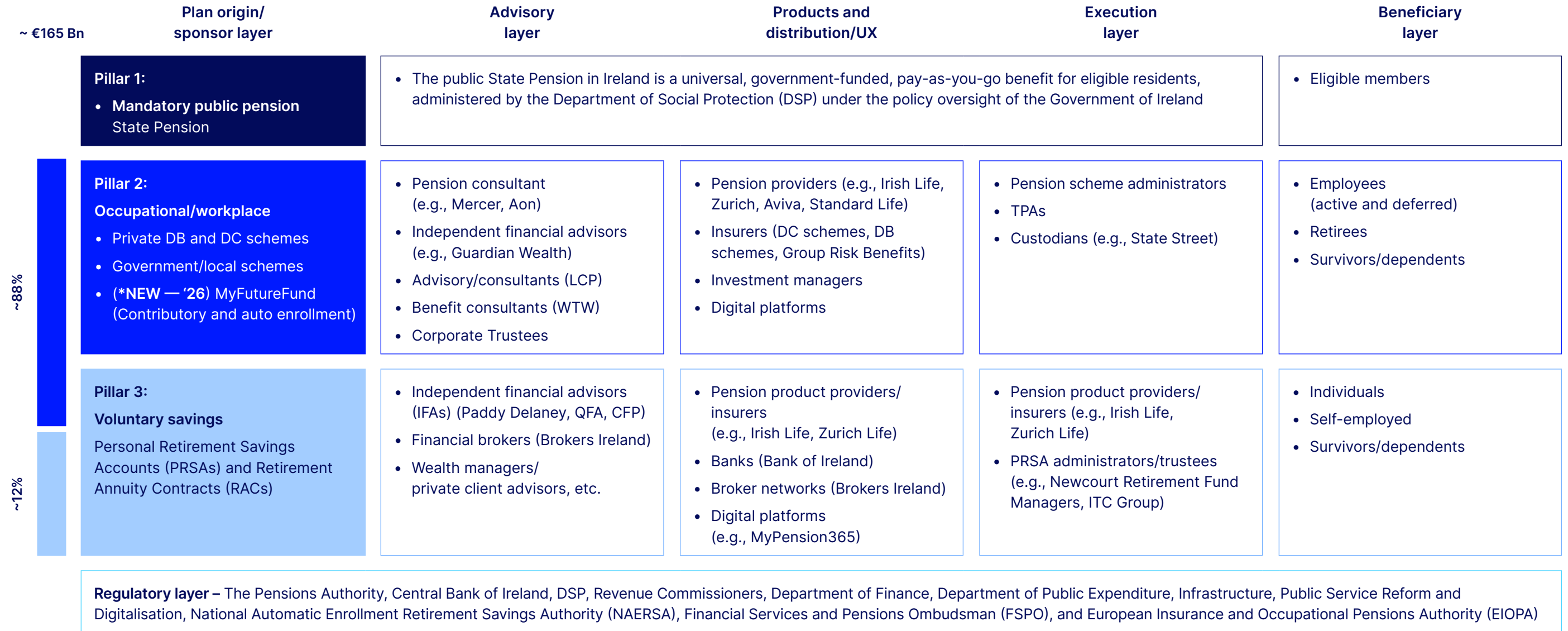


Exhibit 8: Retirement ecosystem — Ireland



*Note: Ireland's national Auto-Enrollment system (MyFutureFund) launched in January 2026 as a contributory DC scheme with phased contributions rising from 1.5 percent employee + 1.5 percent employer + 0.5 percent State to 6 percent + 6 percent + 2 percent by the 10th year.

Pillar 2, the occupational pension system, plays a significant complementary role, though coverage varies widely across sectors. Employer-sponsored DB and DC schemes together hold assets equivalent to roughly 34-60 percent of national income, depending on the metric used, with Central Bank data showing total occupational pension fund assets of €145 billion in the third quarter of 2025 — equivalent to around 25 percent of household financial assets. Participation remains uneven: While public-sector workers continue to enjoy near-universal coverage, only about 40 percent of private-sector workers have any supplementary pension coverage, a figure confirmed by the Pensions Authority's workforce breakdown. Structural shifts — including a steep decline in private-sector DB schemes, rising investment risk borne by individual members in DC plans and the implementation of IORP II governance and risk-management requirements — have accelerated the move toward DC provision and increased households' exposure to market volatility.

Pillar 3 continues to consist of voluntary personal pensions such as Personal Retirement Savings Accounts (PRSAs), Retirement Annuity Contracts (RACs), and post-retirement Approved Retirement Funds (ARFs), which offer flexible, tax-advantaged retirement saving options. These products remain especially important for self-employed workers and individuals without employer-based pension coverage,

though participation remains modest despite repeated policy efforts to expand supplementary saving. Recent reforms — including new limits on employer PRSA contributions and tighter tax treatment of excess payments — highlight ongoing concerns that tax incentives disproportionately benefit higher-income earners and have not meaningfully increased overall participation, raising persistent questions about the equity and efficiency of Ireland's voluntary pension tax expenditures.

Ireland's pension landscape is undergoing significant reform in response to demographic aging, labor market change, and persistently low private pension coverage. The centerpiece of this reform — the new auto-enrollment system, My Future Fund — began on January 1, 2026. Once fully operational, it is expected to expand supplementary coverage substantially by making retirement saving the default for most employees aged 23-60 who earn over €20,000 annually. At the same time, broader policy discussions continue around enhancing adequacy, reducing gender disparities and improving transparency, including debates on contribution rules and potential longer-term structural options. Together, these developments signal a shift toward a more inclusive and sustainable multi-pillar retirement system — one that maintains the foundational role of the State Pension while strengthening funded pillars to support an increasingly diverse and aging population.

How macro forces are reshaping the retirement landscape

Ireland's retirement architecture finds itself increasingly shaped by demographic pressures and shifting patterns of work. As the population ages, the weight of change falls most visibly on the public pension, while socioeconomic dynamics, from uneven wage growth to rising housing costs, subtly reshape participation in supplementary schemes. And although Ireland is spared some of the more intense global headwinds — such as extensive labor market informality or extreme inequality — the combination of a fast-growing older population, modest financial literacy and historically low supplementary coverage creates a distinct set of vulnerabilities. This mixture of global trends and uniquely Irish constraints is now forcing each pillar of the system to adapt in its own way.

The state pension remains the central pillar of retirement income, with more than 70 percent of retirees depending on it as their primary support. Yet its PAYG structure faces mounting demographic strain: Ireland's population aged 65 and over is projected to rise from 15.5 percent in 2024 toward roughly 22 percent by 2040, and could exceed 30 percent by the 2050s depending on migration and fertility trends. Longer lifespans and rising healthcare costs are expected to place increasing pressure on the Social Insurance Fund, prompting difficult choices between

higher contribution rates, longer working lives and future benefit adjustments. Although reforms have already pushed pension age increases into law, adequacy concerns persist — particularly for workers with interrupted careers or incomplete State Pension records who stand to face significant income shortfalls in retirement.

Ireland's occupational pension landscape reflects the country's evolving labor market — dynamic yet structurally uneven. Only about half of workers participate in employer-sponsored schemes, with the gaps most pronounced among private-sector, part-time and lower-income employees. The ongoing shift from DB to DC plans has transferred market and longevity risk to individuals, exposing retirement outcomes to investment cycles and periods of low real returns. Auto-enrollment, targeted for rollout as a national reform, aims to broaden coverage and improve fairness; however, concerns about affordability, administrative trust and the regressive tilt of existing tax incentives continue to shape participation. Without deeper structural change, disparities in retirement preparedness may widen further.

Personal pensions are meant to offer flexibility, but in practice they remain an underutilized buffer within Ireland's system. Workers outside occupational schemes rely heavily on these vehicles, yet participation is modest, constrained by low financial literacy, income volatility and competing short-term expenses — particularly acute among younger workers. High management fees, cautious investment strategies and complex tax rules further erode confidence.

Although fintech platforms and digital savings tools promise more transparent and accessible routes to long-term investing, uptake remains skewed toward higher-income and financially savvy households. As a result, the third pillar contributes unevenly to future adequacy, leaving many without meaningful supplementary protection.

Opportunities for financial services

Ireland's retirement ecosystem is transforming after the launch of auto-enrollment (MyFutureFund) in January 2026, introducing centralized contributions, default investment pathways and low-cost management. This is expected to increase the formal pension coverage and assets. NAERSA (the independent state body overseeing MyFutureFund) has appointed three investment managers to manage MyFutureFund assets. Decumulation is also emerging as a priority, with growing demand for hybrid drawdown and annuity solutions as more DC savers retire. Digital engagement is critical, as only 18 percent of workers were aware of auto-enrollment in 2023, creating opportunities for fintechs and platforms to improve pension literacy and onboarding. Implementation of the EU IORP II directive (setting standards for EU occupational pension schemes) is accelerating consolidation of pension providers creating fewer 'Master Trusts'. Between June 2023 and June 2025, assets under management rose from €13.9 billion to €35.2 billion, while the number of participating employers increased from 15,000 to 30,000.



30%

Ireland's population aged 65 and over is projected to exceed 30 percent by the 2050s from 15.5 percent in 2024

Germany

Germany's retirement system is among the most comprehensive in Europe, yet it is shaped by a unique historical evolution.

Its retirement landscape is defined by a dominant public pillar that anchors coverage and basic adequacy, while occupational and private savings play a supplementary but still limited role (see [Exhibit 9](#)).⁷

The statutory pension insurance (Gesetzliche Rentenversicherung, Pillar 1) is mandatory and earnings-related — financed by payroll contributions and substantial federal subsidies — and remains the principal source of retirement income for the vast majority of pensioners. This pillar ensures broad coverage and a wage-indexed, progressive benefit with recent legislation guaranteeing a minimum replacement rate of 48 percent for a standard career until 2040. However, this commitment comes at a significant fiscal cost, as public pension spending already exceeds 10 percent of GDP and is projected to rise further with demographic aging.

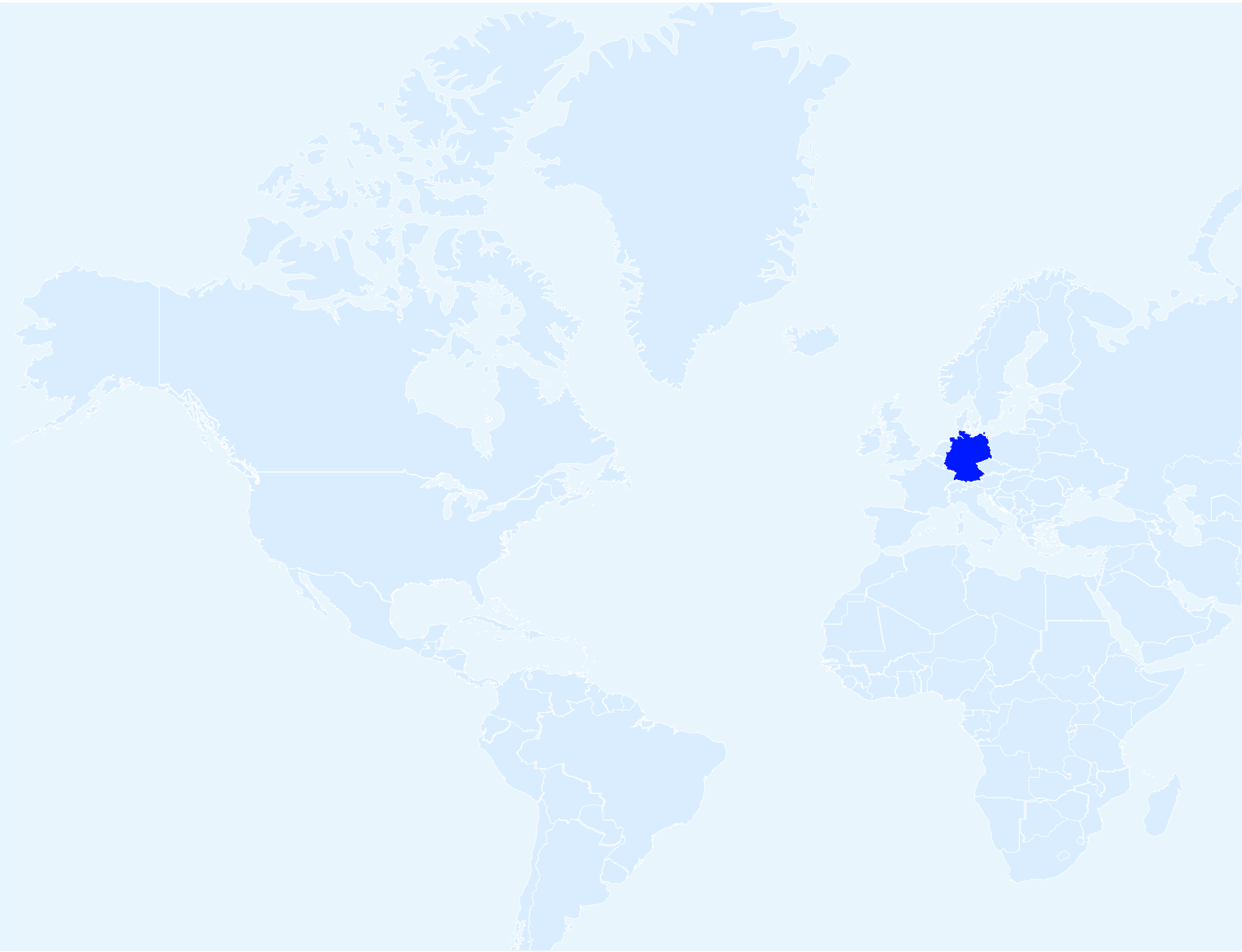


Exhibit 9: Retirement ecosystem — Germany

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
<p>Pillar 1:</p> <ul style="list-style-type: none"> • Mandatory public pension Statutory Public Pension (Gesetzliche Rentenversicherung, [GRV]) 	<ul style="list-style-type: none"> • DRV (Deutsche Rentenversicherung) – Runs and administers the pay-as-you-go program – GRV, including advice, collection, recordkeeping, benefit calculation and payment • Platforms/portals – Mein Kundenportal (DRV online services), Digitale Rentenübersicht (national pension dashboard) – Processes retirement claims, disability pensions, survivor benefits 			<ul style="list-style-type: none"> • Eligible members (old age, low-income etc.)
<p>Pillar 2:</p> <p>Occupational/workplace</p> <ul style="list-style-type: none"> • Voluntary: Occupational Pensions (Betriebliche Altersvorsorge, bAV) and other professional pension schemes 	<ul style="list-style-type: none"> • Consultants and actuarial firms: (e.g., Mercer, WTW, Aon, Heubeck) 	<ul style="list-style-type: none"> • Five vehicles via insurers and asset managers: <i>Direktzusage, Unterstützungskasse, Pensionskasse, Pensionsfonds, Direktversicherung</i> • HR portals, insurer/industry portals (Allianz bAV, Xempus) 	<ul style="list-style-type: none"> • Insurance/pension administrators/ recordkeeping and payouts (e.g., Allianz Pension Partners (APP)/Allianz bAV-Portal) • Custodians: (e.g., State Street) 	<ul style="list-style-type: none"> • Employees (active and deferred) • Retirees • Survivors
<p>Pillar 3:</p> <p>Voluntary savings</p> <p>Riester (state-subsidized private pension contracts), Rürup/Basisrente (tax-favored annuities) etc.</p>	<ul style="list-style-type: none"> • Wealth managers/financial advisors/financial planners: (e.g., Deutsche Bank WM, Commerzbank WM, DVAG, MLP Finanzberatung) • Robo advisors/private banks (e.g., Scalable Capital) 	<ul style="list-style-type: none"> • Riester pension product via insurers, banks, investment managers (e.g., DWS, Union) • Rürup annuity via insurers • Platforms/fintech (e.g., Scalable Capital, Trade Republic) 	<ul style="list-style-type: none"> • Brokerage firms, custodians • ZfA validates & pays allowances • Digital platforms (e.g., Scalable Capital, Trade Republic) 	<ul style="list-style-type: none"> • Individuals • Self-employed survivors/ dependents
<p>Regulatory layer – Federal Ministry of Labor & Social Affairs (BMAS) sets pension policy, Federal Financial Supervisory Authority (BaFin) supervises pension providers, BetrAVG (Occupational Pensions Act), Protektor guarantees life contracts, VAG regulates insurers, IORP II governs occupational plans (Pensionskassen and Pensionsfonds), ZfA (within DRV Bund) administers Riester allowances. SGB VI governs the statutory pension – GRV</p>				

Means-tested social assistance (Grundsicherung, Pillar 0) and the Grundrente supplement for long-career low earners provide a safety net for those with insufficient contributory records, playing a vital but secondary role in reducing old-age poverty. Occupational pensions (Betriebliche Altersvorsorge, Pillar 2) and private savings products (such as Riester and Rürup pensions, Pillar 3) were introduced to diversify retirement income and relieve pressure on the public system. Yet, these funded pillars have not achieved broad coverage or high adequacy: Participation in occupational pensions is concentrated in larger firms and the public sector, while private savings products have struggled with low returns, high costs and limited uptake. Home equity and other personal assets (Pillar 4) supplement retirement income for some, but their distribution is highly unequal and their aggregate impact on system-wide adequacy is modest.

How macro forces are reshaping the retirement landscape

The German system's strengths lie in its near-universal coverage and the solidarity embedded in its public pillar, but these come with high fiscal costs and growing sustainability risks. The system's design leaves it highly sensitive to macroeconomic forces, the most profound of which is demographic change. Germany's old-age dependency ratio is projected to rise from 37 percent in 2022 to nearly 50 percent by 2050, as the population ages and the working-age cohort shrinks. This demographic headwind places intense pressure on the statutory pension (Pillar 1), which operates on a PAYG basis. With fewer contributors supporting a growing number of retirees, the financial burden on the system will escalate.

Recent policy choices — such as the legal guarantee to maintain a 48 percent replacement rate until 2040 — have prioritized adequacy but at the cost of rising contribution rates (projected to exceed 22 percent by 2035) and expanding federal subsidies. These measures, while politically popular, amplify long-term fiscal risks and raise concerns about intergenerational equity, as younger workers shoulder a growing share of the cost.

Germany's commitment to maintaining pension adequacy has significant fiscal implications. Public pension spending is projected to rise further, crowding out other public expenditures and increasing the federal subsidy's share of the budget. Economic growth and productivity trends are also critical: Slow wage growth or labor market stagnation can erode the contribution base, further straining the PAYG model and limiting the resources available for funded pillars.

Labor market trends further complicate the system's outlook. While coverage in the statutory system is nearly universal for employees, self-employed individuals and those in non-standard or precarious employment are less likely to participate, creating persistent coverage gaps. Occupational pensions (Pillar 2) are concentrated in large firms and the public sector, with small and medium-sized enterprises (SMEs) and lower-income workers less likely to benefit. This segmentation limits the reach and effectiveness of funded pillars, leaving many reliant on the public system for retirement security. Policy efforts to expand auto-enrollment and simplify occupational pension offerings have had only modest success, and the voluntary nature of private savings (Pillar 3) means that adequacy remains highly variable and often insufficient for those with interrupted or atypical careers.

The evolving macro environment — marked by demographic headwinds, labor market segmentation and rising fiscal burdens — continues to test the system's sustainability and the effectiveness of its multi-pillar design. Ongoing policy debates focus on how to balance intergenerational equity, fiscal responsibility, and retirement security as Germany navigates these profound structural challenges.

Opportunities for financial services

The main value pools in Germany's retirement market emerge from four structural shifts:

1. The need for integrated decumulation solutions driven by aging demographics and the growing complexity of multi-pillar savings.
2. Modernization of the occupational pension (bAV) system and digital administration, where employers and pension institutions require end-to-end platforms that integrate with the national pension dashboard.
3. Rising household exposure to long-term care costs, creating demand for care-ready retirement planning that blends income, insurance and service navigation.
4. The expected revitalization of private pensions through forthcoming Riester reform, which opens opportunities for low-cost, ETF-based products and rollover consolidation.

Together, these opportunities create scalable value pools across retirement income products, digital advice ecosystems, outsourced administration, and care-integrated financial planning, positioning providers to capture growth as regulatory changes and demographic pressures reshape Germany's retirement landscape.

Italy

Italy's retirement system is built on a multi-pillar architecture and is undergoing profound structural pressure as demographic aging accelerates and labor market transformations erode the contributory base (see Exhibit 10).⁸

Pillar 1 — the public, PAYG and notional defined contribution (NDC) system remains the dominant source of retirement income for most households, accounting for roughly 16 percent of GDP, the second-highest level in the OECD, with over 10.7 million pensioners relying primarily on the National Institute for Social Security (INPS) managed benefits. Despite decades of reforms, including the 1995 Dini shift to NDC and the 2011 Fornero measures, the system continues to grapple with early retirement pathways such as Quota 103, APE Sociale, and Opzione Donna, which have been repeatedly adjusted and tightened heading into 2025. The extension of early-exit schemes in 2024/2025 has slowed progress toward raising effective retirement ages, even as life expectancy-linked adjustments to statutory ages are scheduled to resume from 2027.

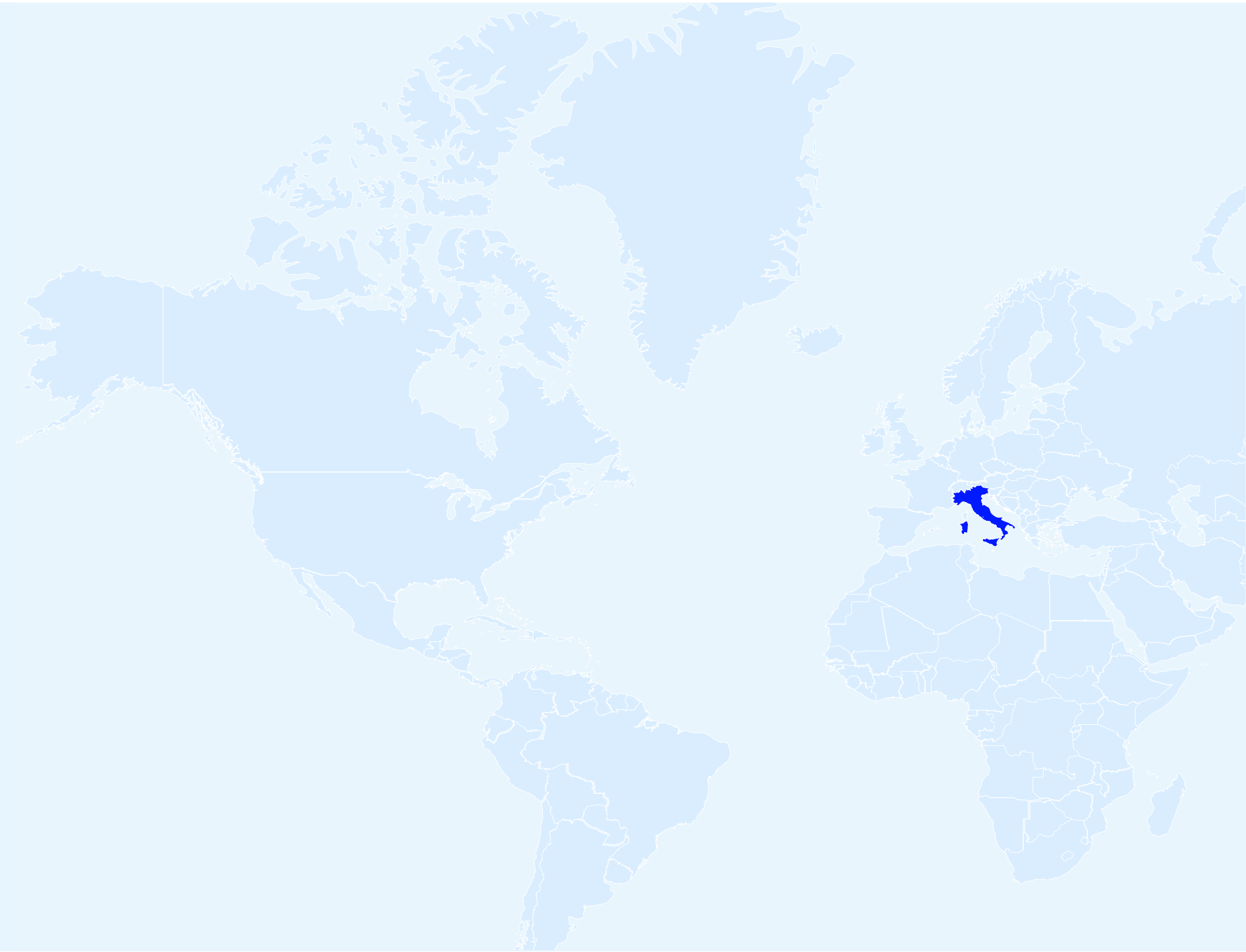


Exhibit 10: Retirement ecosystem — Italy

	Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
€243 bn	Pillar 1: <ul style="list-style-type: none"> Mandatory public pension Istituto Nazionale Previdenza Sociale (INPS), Casse di Previdenza (for regulated professionals) 	<ul style="list-style-type: none"> INPS is a mandatory, PAYG, DC scheme INPS manages end-to-end administration and payments for public pensions; online self-service and office network for transactions and documents via MyINPS portal Casse di Previdenza are fully self-administered, mandatory public-function pension institutions: they inform members, collect contributions, manage assets, and pay pensions directly — without banks, insurers, agents or distributors 			<ul style="list-style-type: none"> Eligible members
~60%	Pillar 2: Occupational/workplace <ul style="list-style-type: none"> Voluntary: Fondi negoziali – Funded DC, Fondi preesistenti – Funded (DC/DB) 	<ul style="list-style-type: none"> Employer and union communications, fund helpdesks Bank/insurance advisors 	<ul style="list-style-type: none"> Fondi negoziali (including Garantito/Bilanciato/Azionario lines), Fondi aperti (e.g., Amundi, Generali) Fondi preesistenti (Previndai) Distribution via employer/union channels; fund portals (e.g., Perseo Sirio) 	<ul style="list-style-type: none"> TPA/recordkeeping (e.g., Previnet) Insurance administration (garantito/annuities e.g., UnipolSai & Allianz) Custodians (e.g., State Street) 	<ul style="list-style-type: none"> Employees (active and deferred) Retirees Survivors
~40%	Pillar 3: Voluntary savings (Voluntary, Funded DC): PIP (Piani Individuali Pensionistici), Fondi aperti	<ul style="list-style-type: none"> Banks/insurers Wealth managers/ financial advisors Robo/hybrid advice Patronati (social welfare institutes) 	<ul style="list-style-type: none"> PIP (pension contracts by insurers, e.g., Generali PIP) Fondi aperti(open pension funds by banks/AMs) – Intesa Sanpaolo, PosteVita etc. Distribution – Bancassurance, agent portal (Intesa portals) 	<ul style="list-style-type: none"> Provider run execution PIP – Management and administration Fondi aperti: Banks/insurers and TA/custodians 	<ul style="list-style-type: none"> Individuals Self-employed Survivors/dependents
Regulatory layer – Istituto Nazionale della Previdenza Sociale (INPS) – public pensions administration; COVIP – private pensions supervision and IORP II – cross-border occupational pensions , IVASS – insurance/insurer oversight; CONSOB – market conduct/retail investor protection; Ministry of Economy and Finance (MEF) – fiscal/pension policy, EIOPA – EU prudential coordination via COVIP’s cooperation note					

Complementary (Pillar 2) pensions remain far less developed than in other European systems, despite steady growth and supportive reforms. Participation reached nearly 10 million members by the end of 2024, with €243 billion in assets — equivalent to 10.8 percent of GDP, yet coverage remains heavily skewed toward larger firms, highly educated groups and northern regions. The system consists of closed contractual funds governed by collective bargaining, open pension funds operated by financial institutions, and pre-existing schemes. While auto-enrollment via *Trattamento di Fine Rapporto* (TFR) redirection has been mandatory for new private sector hires since 2007 — and extended to most public employees by 2023 — participation continues to lag for self-employed workers, women, younger employees and workers in small companies. Structural obstacles include high mandatory first-pillar contributions, limited tax incentives and conservative investment strategies that have historically constrained long-term returns.

The voluntary Pillar 3, built around *Piani Individuali Pensionistici* (PIP) and individual subscriptions to open funds, offers flexible accumulation but remains modest in scale. High fees, conservative asset allocations and subdued real returns — net long-term real performance that has hovered near or below 0 percent for many PIP products — have undermined confidence in voluntary savings.

Tax incentives remain limited, with deductions capped at €5,164.57 annually and investment returns taxed at 20 percent, except for government bonds. As a result, voluntary saving continues to be viewed as a secondary financial tool rather than a robust retirement strategy, especially among youth and the self-employed.

Across all three pillars, Italy faces a convergence of demographic, fiscal and labor market pressures that threaten system adequacy and long-term sustainability. Declining worker-to-retiree ratios, regional disparities in participation, and structurally weak female and youth employment translate directly into a strained contributory base.

Pension funds themselves have begun diversifying into equities, alternatives and ESG-aligned strategies, but risk management constraints and long-standing conservatism continue to limit upside potential. Going forward, Italy's pension resilience will hinge on accelerating NDC implementation, rationalizing early retirement routes, strengthening occupational coverage and enhancing the attractiveness of private savings — all while navigating a rapidly aging population whose demands increasingly outpace contributory capacity.

How macro forces are reshaping the retirement landscape

Italy's pension system is being reshaped by a constellation of macroeconomic forces whose effects vary across its pillars; sometimes sharply, sometimes subtly. Demographic aging, rising longevity and fiscal pressure exert the most visible pressure on the public, PAYG system, while labor market fragmentation and technological change increasingly influence occupational and voluntary savings. Other global headwinds — such as large informal sectors or extreme income inequality — are less pronounced in Italy than in some peers, yet persistent youth emigration and low productivity still channel these forces into the system in distinct ways. Together, these dynamics create an uneven but interconnected landscape in which some pillars face acute strain, while others evolve more gradually under mounting structural pressures.

Pillar 1, the state-run PAYG pension, sits at the core of Italy's retirement architecture and absorbs the most direct demographic stress. A rapidly aging population, low fertility and ongoing emigration steadily erode the contributor base, sending the old-age dependency ratio upward and magnifying fiscal pressures.

With pension spending hovering near 16 percent of GDP, the system remains one of the most expensive in the OECD. Reforms such as the shift to NDC rules and the tightening of early retirement pathways aim to improve long-term sustainability, yet vulnerabilities linger — most notably longevity risk, slow economic growth and the weight of sovereign debt.

Pillar 2, Italy's occupational pension system, is shaped more by labor market structure and economic conditions than by demographics alone. Although contractual and open pension funds have expanded gradually, participation remains uneven, concentrated among larger firms and higher-income workers. Automation and digitization are changing employment patterns in ways that disproportionately reduce coverage for small enterprises and non-standard workers. Regulatory measures like the EU's IORP II that sets standards for pension funds and emerging auto-enrollment initiatives strengthen governance and broaden access, but substantial structural barriers persist. High mandatory contributions to the first pillar leave limited room for additional saving, while historically conservative investment strategies have constrained returns — despite recent moves toward ESG integration and private market diversification.

Pillar 3, the voluntary individual savings channel, remains the weakest link in Italy's retirement system. Although PIP and individual open-fund accounts offer flexible vehicles, participation is undermined by behavioral inertia, limited tax incentives and conservative asset allocations that have delivered low real returns. Inflation and fee structures have further eroded confidence, reinforcing the perception that voluntary saving is optional rather than essential. While fintech platforms and digital investment solutions are widening access, they tend to attract financially literate, higher-income individuals, leaving younger, precariously employed or self-employed workers with fewer opportunities to build supplementary retirement wealth.

Opportunities for financial services

Italy's retirement market presents several strong value pools due to its aging population, PAYG public system and the fast-growing but still fragmented complementary pension pillar. Italy's voluntary pension system remains under-penetrated, and skews heavily toward male workers (62 percent). There is a significant opportunity to increase coverage among women. INPS faces increasing demographic pressure, with eligibility ages and early retirement pathways tightening over time, creating a structural need for better decumulation solutions and retirement income products in the funded

pillars, especially as supplementary schemes (occupational and retail). In 2024, supplementary schemes paid out €5.2 billion in lump sums against only €361 million in annuities (by law, up to 50 percent of capital can typically be taken as a lump sum), highlighting that the decumulation phase is underdeveloped.

At the same time, the execution side of the system is modernizing: Digital access via MyINPS has raised expectations for seamless, automated user experiences, while occupational and retail pension funds still depend on heterogeneous administration setups, often outsourced to TPAs such as Previnet, which already manages 200+ funds and over 3 million positions.

This opens space for digital recordkeeping, data integration, straight-through portability, and automation of withdrawals, RITA and transfers. Distribution remains bank-dominated and advice-led in line with EU patterns (banks handling ~57 percent of retail fund distribution). Italy shows persistent participation gaps across regions, gender and younger cohorts — highlighted in its Commission for the Supervision of Pension Funds' (COVIP) 2024 reporting — creating demand for hybrid advice, targeted engagement tools and simplified enrollment journeys.

Japan

Japan's retirement system is among the world's most mature, shaped by decades of demographic change and policy adaptation. It is built on a multi-layered framework that integrates universal public pensions, mandatory earnings-related benefits for employees and a growing, though still supplementary, role for voluntary occupational and personal savings (see Exhibit 11).⁹

At its base, the National Pension (Kokumin Nenkin) serves as a universal, flat-rate scheme covering all residents aged 20 to 59, including the self-employed, part-time workers, and non-working spouses. This foundational pillar is financed by individual contributions and government subsidies, providing a modest but essential income floor for retirees. For employees in both the public and private sectors, the Employees' Pension Insurance (Kosei Nenkin Hoken) operates as a mandatory, earnings-related defined benefit plan, funded by payroll contributions from both employers and employees. This layer is central to income replacement for career workers, but faces mounting fiscal pressure as Japan's population ages and the ratio of contributors to beneficiaries declines.

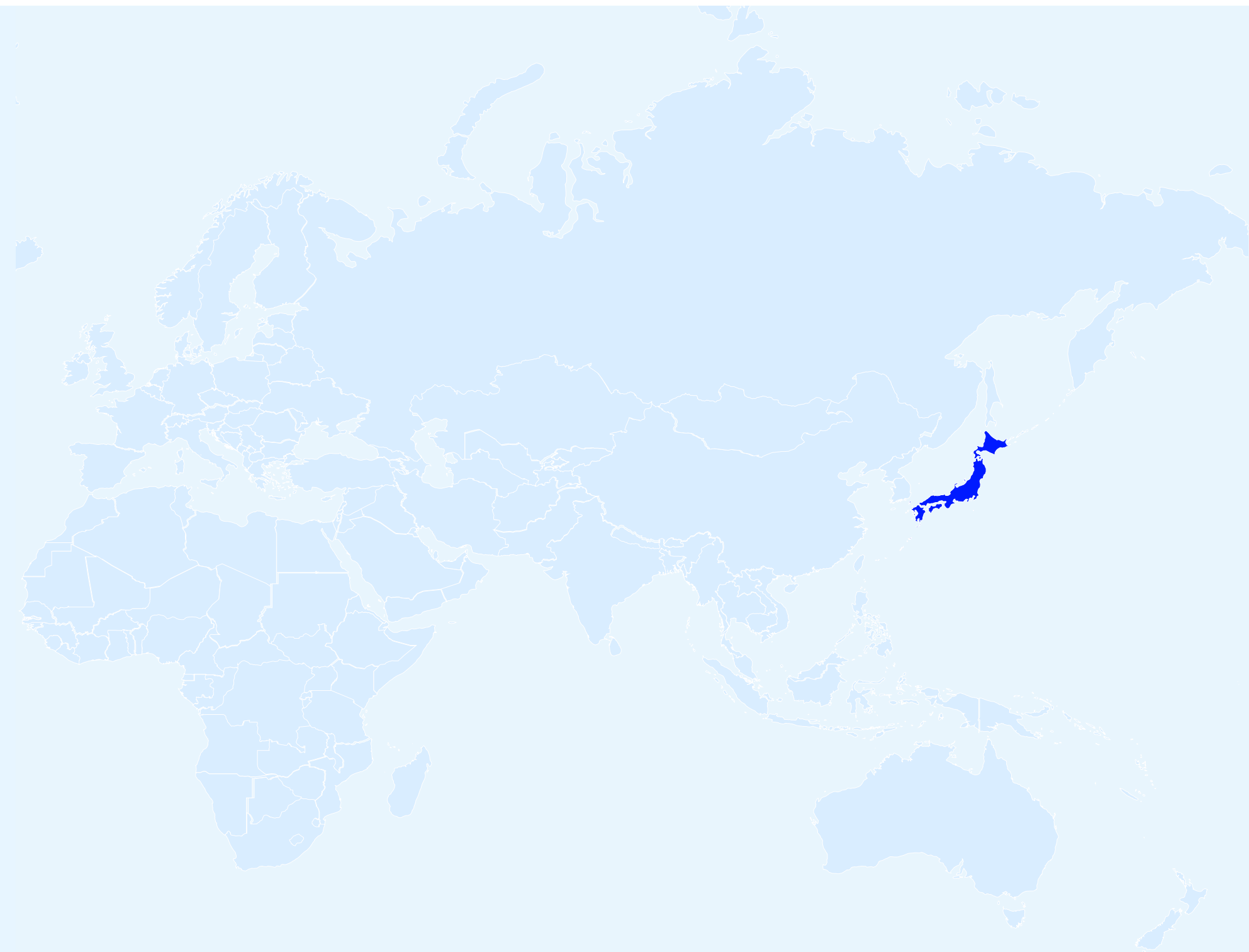


Exhibit 11: Retirement ecosystem — Japan

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
<p>Pillar 1:</p> <ul style="list-style-type: none"> • Mandatory public pension National Pension (Kokumin Nenkin) • Employees' Pension Insurance (Kosei Nenkin) 	<ul style="list-style-type: none"> • Japan Pension Service (JPS) administers Japan's public pension system including coverage/enrollment, contribution collection, record management, benefits payments etc., for both the National Pension and Employees' Pension Insurance • Government Pension Investment Fund (GPIF) oversees the investment of public pension reserve funds 		<ul style="list-style-type: none"> • Eligible retirees, survivors/heirs 	
<p>Pillar 2: Occupational/workplace</p> <ul style="list-style-type: none"> • Corporate pensions (DB/DC plans) – (Voluntary for corporations)* 	<ul style="list-style-type: none"> • Institutional consultants (e.g., Mercer, WTW, Aon) • Actuarial firms (e.g., Milliman Japan, Nippon Actuarial Services) • Legal advisors, corporate HR consultants 	<ul style="list-style-type: none"> • Trust banks (e.g., Mizuho Trust, Sumitomo Mitsui Trust) • Asset managers (e.g., State Street Investment Management) • Insurers (e.g., Dai-ichi Life, Nippon Life, Sumitomo Life) • DC plan providers 	<ul style="list-style-type: none"> • Trust banks: DB admin, custody, benefit payments, DC recordkeepers (e.g., JIS&T) • DC operational management (e.g., Sompo Japan DC Securities) • Corporate HR/pension committees 	<ul style="list-style-type: none"> • Retirees • Beneficiaries — Survivors <ul style="list-style-type: none"> – Spouse – Children
<p>Pillar 3: Voluntary savings</p> <p>iDeCo (Individual DC - with tax-deductible), NISA (tax-exempt Investment Account), National Pension (Kokumin Nenkin kikin, self-employed)</p>	<ul style="list-style-type: none"> • Personal financial advisors and agents, insurers (e.g., Daiichi, Nippon Life) • Traditional securities/Wealth managers (e.g., Nomura) • Digital/robo-advisors (e.g., Rakuten Securities, SBI) 	<ul style="list-style-type: none"> • Banks, securities firms, insurance companies (distribution of iDeCo, NISA) • Digital platforms – Online portals for iDeCo/NISA • Wealth managers and robo-advisors (e.g., WealthNavi) 	<ul style="list-style-type: none"> • NPFA (National Pension Fund Association) administers retail DC pension plans (iDeCo) and manages pension transfers • NISA administration: (conducted by brokers/banks/(e.g., SBI Securities, Rakuten) 	<ul style="list-style-type: none"> • Individual saver, survivors/dependents • Heirs
<p>Regulatory layer – Ministry of Health, Labor and Welfare (MHLW) – policy and oversight, Japan Pension Service (administration), GPIF – investment, FSA (financial product regulation)</p>				

*Note: Employees can enroll provided their employer offers a plan.

A means-tested social assistance program acts as a safety net for older adults with insufficient pension entitlements, ensuring that the most vulnerable elderly are not left in poverty. While its fiscal footprint is limited, it plays a critical role in closing the coverage gap for those with incomplete contribution histories or low lifetime earnings. Above the public system, voluntary corporate pension plans — including DB and DC schemes — as well as individual retirement savings vehicles (such as iDeCo), offer additional opportunities for retirement accumulation.

Participation in these arrangements is strongest among large employers and higher-income individuals, but overall coverage remains uneven, and outcomes are highly sensitive to employment patterns and investment choices. Homeownership and personal assets provide further support for some retirees, but these resources are not evenly distributed and play a secondary role in overall retirement security.

How macro forces are reshaping the retirement landscape

Japan's retirement system is being reshaped most profoundly through its dominant public, PAYG pillars (National Pension and Employees' Pension Insurance), where demographic aging, extreme longevity and rising fiscal burden exert the greatest pressure. As the contributor base contracts and benefit durations lengthen, these forces directly undermine the sustainability of Pillar 1 — the foundation of Japan's retirement income — intensifying the need for repeated parametric reform. At the same time, socioeconomic shifts such as the rise of

non-traditional employment weaken contribution density in the very pillar that carries the bulk of system financing, widening adequacy gaps for workers with fragmented careers. Together, these macro forces channel their impact primarily through Japan's public PAYG core, exposing structural vulnerabilities that supplemental occupational and voluntary pillars are not yet large or broad enough to offset.

Socioeconomic transformation, including the rise of non-regular, part-time and gig work, has eroded the traditional employment-based coverage model. Many workers — especially women, younger cohorts, and those in non-standard jobs — face fragmented contribution histories, resulting in lower accrued benefits and increased risk of old-age poverty. The means-tested safety net, while providing a backstop for the most vulnerable, is tightly targeted and offers only minimal relief, leaving gaps in both adequacy and coverage for those with incomplete participation in the contributory system.

Technological change in Japan is a double-edged sword: While digitalization and automation have the potential to boost productivity and expand access to savings tools (such as iDeCo and online pension management), they also contribute to labor market polarization and reduce the payroll tax base, further straining the financing of contributory schemes. The longevity shift — already advanced in Japan — means retirees spend more years drawing benefits, compounding fiscal and actuarial pressures and raising the bar for what constitutes adequate retirement income.

Voluntary occupational and personal pensions (Pillar 3) are increasingly important for supplementing public benefits. However, participation is uneven, with coverage concentrated among large firms and higher-income earners, and outcomes highly sensitive to employment stability and investment performance.

Home ownership and personal assets (Pillar 4) provide additional support for some, but asset inequality limits their role in system-wide adequacy.

In sum, Japan's retirement system is at the epicenter of global demographic and fiscal headwinds. Sustainability pressures are most acute in the public PAYG pillars, while adequacy and coverage gaps are widening for non-traditional workers and those with interrupted careers.

Opportunities for financial services

Japan's super-aged demographics make decumulation solutions a core value pool, with strong member preferences for guaranteed lifetime income and health-contingent features. Technology-enabled personalization creates another pool, as robo-advice, digital recordkeeping and analytics scale tailored planning and service.

Flexible savings channels such as iDeCo and NISA, together with high employment beyond age 65, support a pool in phased retirement and income flexibility; women's distinct retirement needs further define targeted product and education pools for providers who address longevity, wage gaps and coverage.

The Netherlands

The Netherlands continues to operate one of the world's most comprehensive and resilient multi-pillar retirement systems, marked by very high participation, strong funding and robust financial governance (see Exhibit 12).¹⁰

The architecture blends a universal state pension (Algemene Ouderdomswet or AOW), quasi-mandatory occupational schemes and voluntary individual products — together ensuring broad protection and diversified financing. The AOW benefit remains indexed to the statutory minimum wage, with single pensioners receiving €1,612 per month and couples receiving €1,103 each from July 2025, following an increase linked to the minimum wage rise to €14.40 per hour. Eligibility for the full AOW still requires 50 years of insured residency, forming the system's foundation against old-age poverty.

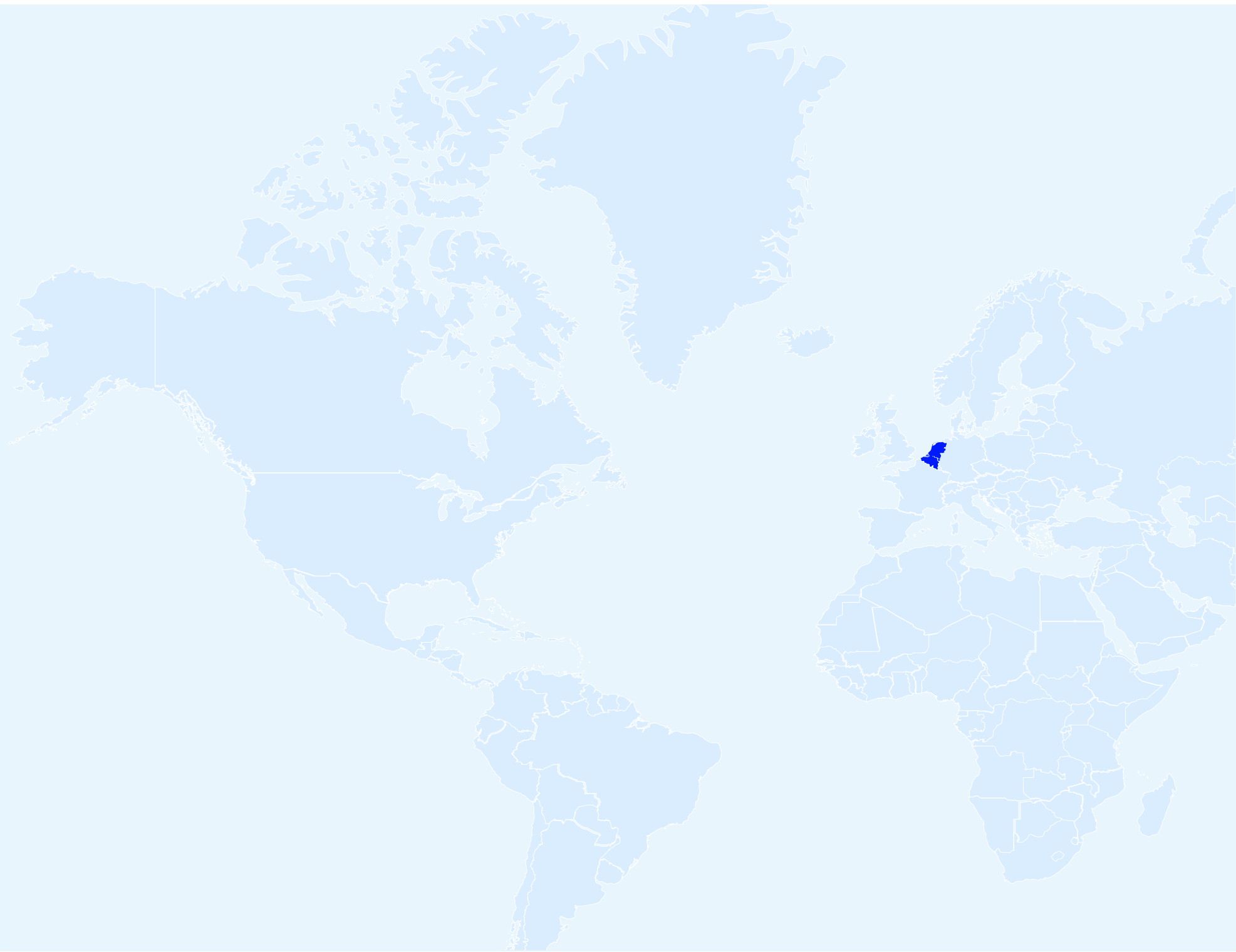


Exhibit 12: Retirement ecosystem — The Netherlands

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
<p>Pillar 1:</p> <ul style="list-style-type: none"> • Mandatory public pension State pension (AOW), universal coverage, SVB-administered • Employees' Pension Insurance (Kosei Nenkin) 	<ul style="list-style-type: none"> • The public AOW pension is a universal, government-funded, pay-as-you-go benefit for eligible residents of the Netherlands, administered by SVB under the policy oversight of the Ministry of Social Affairs and Employment (SZW) 			<ul style="list-style-type: none"> • Eligible members (old age, low-income etc.)
<p>Pillar 2: Occupational/workplace</p> <ul style="list-style-type: none"> • Industry-wide funds (Bpf): (sector groups and unions) • Single employer company funds (Opf) • Multiple employer general funds (APF) • Employer DC plans via PPIs 	<ul style="list-style-type: none"> • Pension advisors (e.g., Sprenkels, AF Advisors, Montae) • Actuaries • Social partners (unions and employer organizations – e.g., FNV, CNV)/Employer associations (VNO-NCW) • Fiduciary/ALM advisors 	<ul style="list-style-type: none"> • Asset managers (e.g., State Street Investment Management) • Participant fund portals (e.g., ABP, PFZW) • Provider platforms (DC/APF/insurer), BeFrank (PPI), Cappital (a.s.r. PPI), Centraal Beheer APF • Administrator portals (e.g., APG, PGGM, TKP, AZL) 	<ul style="list-style-type: none"> • Pension administrators (e.g., APG, PGGM, TKP, AZL, Blue Sky Group) • Recordkeeping • Custodians (e.g., State Street) 	<ul style="list-style-type: none"> • Employees (active and deferred), • Retirees • Survivors • Disabled participants • Dependents • Heirs
<p>Pillar 3: Voluntary savings</p> <p>Personal pension products for individuals to supplement retirement income</p>	<ul style="list-style-type: none"> • Financial advisers • Wealth managers (e.g., ABN AMRO MeesPierson, ING Private Banking) 	<ul style="list-style-type: none"> • Fund providers/banks • ZZP Pensioen (e.g., Brand New Day) • Insurers (lijfrente/annuity) • Investment platforms/wealth managers 	<ul style="list-style-type: none"> • Banks (e.g., ING, Rabobank) • Insurance companies (e.g., Aegon)/Investment platforms/brokers (e.g., Meesman, Evi, Brand New Day) • National Pensioenregister 	<ul style="list-style-type: none"> • Individuals • Self-employed • Survivors/dependents

Regulatory layer – De Nederlandsche Bank (DNB), Authority for the Financial Markets (AFM), Ministry of Social Affairs and Employment (SZW), Stichting Pensioenregister, Pensioenfederatie, Belastingdienst (Dutch Tax Authority), and European Insurance and Occupational Pensions Authority (EIOPA)

The second pillar — employment-based occupational pensions — remains the system's core, with assets reaching €1.8 trillion by the third quarter of 2025, making it the largest pension system in the European Union. Coverage is exceptionally high due to sector-wide mandatory participation, and financial soundness is maintained through close supervision by De Nederlandsche Bank (DNB). Funding ratios remain strong. For example, large industry wide funds such as ABP and PFZW — which together account for a substantial share of total system assets — have continued to report policy funding ratios comfortably above regulatory thresholds through 2024 and into early 2025. Even with market pressures — such as the €54 billion decline in the first quarter of 2025 driven by currency losses and falling global equity markets — the sector's long-term position remains robust due to diversified investment portfolios and extensive hedging practices.

The third pillar provides voluntary supplements through annuities and tax-advantaged personal savings vehicles, especially important for self-employed workers and those without full sectoral coverage. While smaller in scale than occupational funds, these products offer tailored savings and flexibility, complementing the more collective structures of the first two pillars.

The Future Pensions Act (WTP), enacted in 2023 and now moving through its transition phase, represents the most significant overhaul in decades. By 2028, all pension funds

must shift from traditional DB commitments to individual contribution-based pension accounts, reflecting the needs of a mobile labor market and improving transparency and intergenerational fairness. Several major funds have already begun transitioning in 2025-2026, and supervisory oversight ensures balanced conversion of accrued assets and appropriate lifecycle-based investment strategies. Despite the scale of the reform, the Netherlands retained the top global ranking for pension system adequacy, sustainability and integrity in 2025, reflecting its continued strength even amid transformation.

How macro forces are reshaping the retirement landscape

The Dutch pension system — long seen as one of the world's most resilient — is being reshaped by a convergence of macroeconomic forces that interact unevenly across its pillars. Demographic aging and rising longevity exert the strongest pressure on the state pension, while technological change and flexible labor markets gradually influence occupational and private saving channels.

Other global pressures, such as extreme informality or sharp inequality — more prominent elsewhere — are less severe in the Netherlands, yet still surface in subtle ways that affect adequacy and long-term sustainability. Together, these forces form a shifting backdrop that challenges some parts of the system more visibly than others, sharpening the need for thoughtful reform and adaptation.

Pillar 1 (AOW) carries the heaviest demographic burden. A rapidly aging population and longer life expectancy widen the gap between contributors and beneficiaries, raising long-term financing pressures even as statutory retirement ages rise. These strains are intensified by growing public expenditure on healthcare and long-term care, creating an upward-tilted fiscal trajectory. At the same time, automation and evolving work patterns risk further thinning the contributory base, making the sustainability of the AOW increasingly dependent on boosting labor participation, productivity and the resilience of public finances. One of the ways the Dutch are addressing sustainability is through the state pension age, which is set at 67 in 2026 but could see potential incremental increases to 70 by 2054.

Pillar 2 — occupational pensions — sits at the heart of the system's transformation. Socioeconomic change, particularly the growth of self-employment and non-standard employment, has weakened participation in traditional collective schemes, creating structural coverage gaps. The WTP directly addresses these challenges by shifting from DB to DC arrangements with collective risk-sharing and lifecycle investing. This transition improves portability, transparency and alignment with modern labor markets. Yet adequacy concerns persist for those with fragmented earnings paths or macroeconomic pressures limiting capacity to save, making complementary measures — such as targeted incentives and inclusive plan design — critical for maintaining broad coverage.

Pillar 3, comprising voluntary savings, is being reshaped by both technological progress and evolving financial behavior. PensionTech innovation has improved administration, communication and user engagement, while digital platforms broaden access to supplemental savings vehicles. However, automation's indirect effects — reduced payroll bases and heightened job uncertainty — can dampen individuals' ability to contribute consistently. Meanwhile, longevity trends amplify retirement-phase risks, increasing exposure to market volatility and healthcare costs. Pension funds have responded with lifecycle strategies that gradually de-risk portfolios for older cohorts while sustaining growth potential for younger savers, aiming to balance stability with long-term returns.

Across the entire system, fiscal and market conditions are driving structural adjustments. Higher interest rates and shifting investment dynamics are prompting Dutch funds — whose combined assets approach €1.8 trillion — to recalibrate portfolios toward equities, credit and alternatives, reducing demand for ultra-long bonds and swaps and influencing yield curves across Europe. While this diversification supports return objectives, it also underscores the dependence of pension outcomes on broader demographic, economic and market trajectories. In the end, the Dutch system's future resilience will hinge on how effectively it navigates these pressures — sustaining the state pension, ensuring the adequacy of occupational and private savings, and incorporating the growing share of non-traditional workers into a system built for collective security in an evolving world.

Opportunities for financial services

Under the Future of Pensions Act, the Netherlands is migrating to personal accounts with solidarity buffers, shifting the center of gravity toward decumulation defaults that address sequencing, inflation and longevity risks — an execution-heavy value pool for administrators and providers who combine clear communication with robust digital delivery.

The country's scale and sustainability preferences add two more value pools: measurable stewardship — illustrated by large reallocations to sustainability-aligned strategies — and the Digital Operational Resilience Act (DORA)-ready platforms that personalize safely at scale. Dutch-specific value pools also include integrated housing equity with retirement drawdown in a home-owning society, and portable autosaving solutions for the self-employed, both of which tie pension architecture to everyday financial decisions.

€1.8T

Total assets in employment-based occupational pensions in the Netherlands in 3Q 2025, the largest pension system in the EU

Norway

Norway's pension system is a robust, multi-pillar framework designed to provide financial security for its citizens in retirement. The system is built on three main pillars (see Exhibit 13).¹¹

The National Insurance Scheme is the universal, public pension system covering all residents and workers in Norway. It provides a basic income for life, with benefits based on lifetime earnings and years of residence or work in Norway. Full benefits require 40 years of residence; partial benefits are available for shorter periods.

Minimum residence for any benefit is five years between ages 16 and 66. The scheme consists of an income pension (earnings-related) and a guarantee pension (minimum benefit for those with little or no earnings). The 2011 reform shifted the system to a lifetime earnings model, introduced flexible retirement and implemented life expectancy adjustment to ensure sustainability.

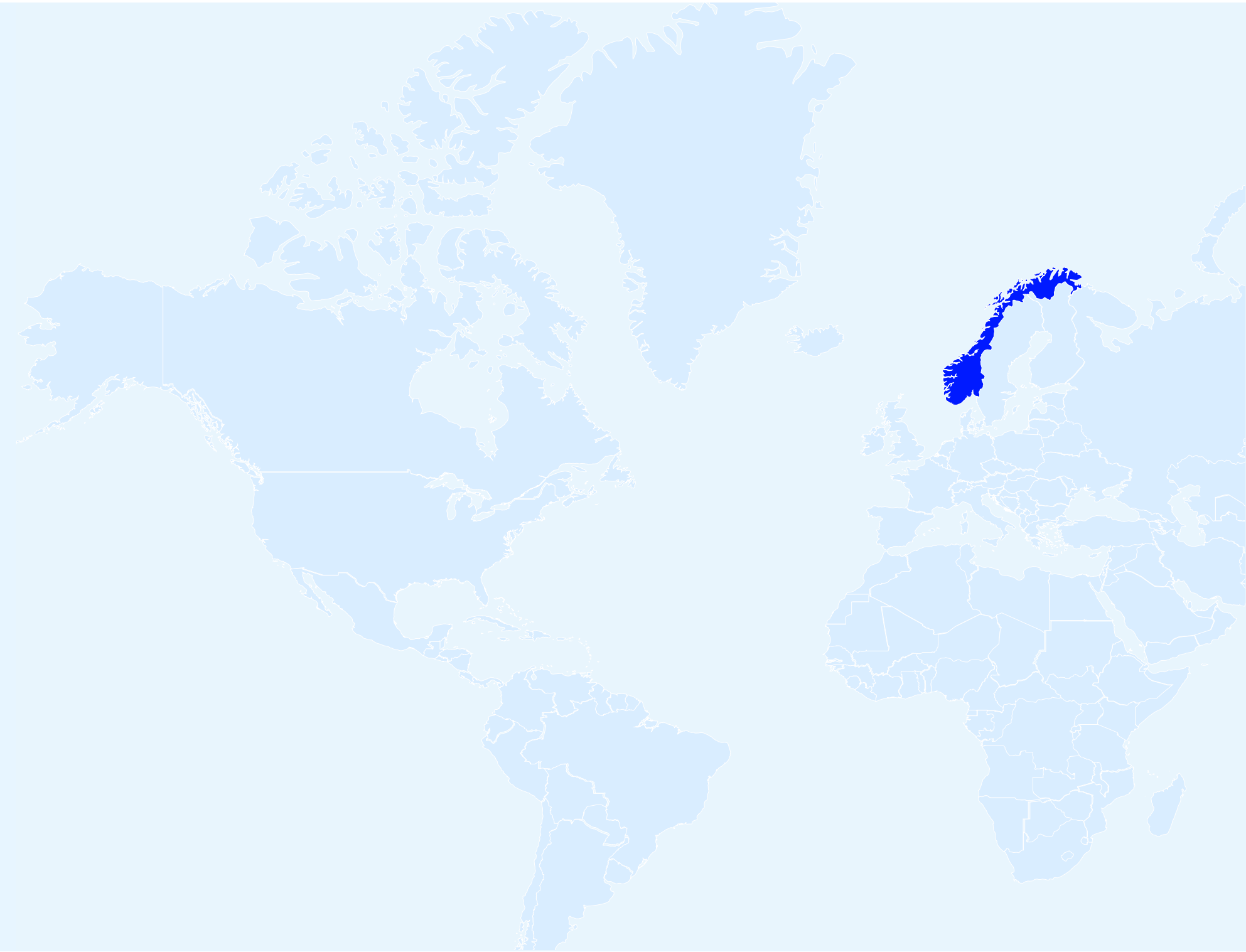


Exhibit 13: Retirement ecosystem — Norway

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
<p>Pillar 1:</p> <ul style="list-style-type: none"> • Mandatory public pension National Insurance Scheme (folketrygden) 	<ul style="list-style-type: none"> • Government Pension Fund Global (GPF) invests Norway’s surplus petroleum revenues globally to preserve national wealth and strengthen long-term fiscal stability, its returns help bolster the state budget and indirectly support future pay-as-you-go pension obligations • National Insurance Scheme (folketrygden) is a PAYG public pension system, with annual benefits financed by taxes and social-security contributions from current workers and administered by NAV 			<ul style="list-style-type: none"> • Eligible members
<p>Pillar 2: Occupational/workplace</p> <ul style="list-style-type: none"> • Private employers • Public sector funds (e.g., SPK/KLP, etc.) 	<ul style="list-style-type: none"> • Pension consultants (e.g., Mercer, Willis Towers Watson) • Actuarial advisory (Gabler) • Fiduciary/ALM advisors (e.g., Söderberg & Partners) • OCIO (e.g., Russell Investments, SEI) 	<ul style="list-style-type: none"> • Insurers (e.g., Storebrand Liv, DNB Livsforsikring) • Asset managers • Banks (e.g., DNB, Nordea) • Investment platforms (e.g., Duvi), Participant portals (Norsk Pensjon)/ employer HR systems etc. 	<ul style="list-style-type: none"> • Pension administrators (Storebrand, DNB, KLP) • Payroll providers (Visma, Tripletex) • Custodian (e.g., State Street) • Administrator portals (Norsk Pensjon, employer HR systems) 	<ul style="list-style-type: none"> • Employees (active and deferred) • Retirees • Survivors
<p>Pillar 3: Voluntary savings</p> <p>Voluntary private savings, including tax-advantaged Individual Pension Savings (IPS) accounts and annuities</p>	<ul style="list-style-type: none"> • Retail financial advisors (e.g., Finansco, Eika Gruppen) • Independent Pension & Investment advisory/broker-advisor (e.g., Gabler, Howden Norway) • Digital financial advisory 	<ul style="list-style-type: none"> • Banks (e.g., DNB, Nordea etc.) • Insurers (e.g., Nordea Liv, Storebrand) • Investment platforms/brokers (e.g., Nordnet, Kron) • Wealth managers (e.g., Pareto) 	<ul style="list-style-type: none"> • Banks and platforms (DNB, Nordea) • Investment management platform (DNB Spare, Storebrand Fondskonto, IPS, Nordnet) 	<ul style="list-style-type: none"> • Individuals • Self-employed survivors/dependents
<p>Regulatory layer – Finanstilsynet (Financial Supervisory Authority), the Ministry of Finance, the Ministry of Labour and Social Inclusion, NAV, Skatteetaten (Norwegian Tax Administration), Landsorganisasjonen i Norge (LO) — Norwegian Confederation of Trade Unions, Næringslivets Hovedorganisasjon (NHO) Confederation of Norwegian Enterprise, Finansklagenemnda (Finance Complaints Board), Forbrukerrådet (consumer council)</p>				

Prominent features include:

- Flexible retirement from age 62 (with actuarial adjustment)
- Life expectancy adjustment: annual pension is divided by a cohort-specific divisor based on expected remaining life
- Pension accrual: 18.1 percent of pensionable income up to a ceiling (7.1 times the basic amount, G; as of May 2025, 1G = NOK130,160)
- Indexation: Pensions are indexed to the average of wage and price growth

All employers in Norway must provide an occupational pension scheme. In the private sector, this is typically a DC plan; in the public sector, DB plans remain common. It is mandatory for all employees meeting minimum hours and tenure requirements. As of 2025, occupational pensions are a crucial supplement to the public pension, especially as public benefits are increasingly adjusted for longevity. The contribution rates in the Private sector DC: Minimum employer contribution is 2 percent of salary (up to 12G). Many employers offer higher rates. DB plans (mainly public sector): must be fully funded at all times; benefits are coordinated with the National Insurance Scheme.

Early retirement is feasible, where in the Contractual Early Retirement Pension (AFP) is available to employees in companies with collective agreements, allowing retirement from age 62. The AFP in the private sector is a lifelong supplement; in the public sector, a new AFP model applies for those born from 1963.

The third pillar is private savings and investments. Individuals can make additional voluntary savings through individual pension savings accounts (IPS), insurance products, or other long-term savings vehicles. Private savings are encouraged to supplement public and occupational pensions, especially for those with higher income aspirations or fragmented work histories.

A key reason for the stability of Norway's pension system is due to the Government Pension Fund Global (GPF) (commonly known as the "Oil Fund"). This sovereign wealth fund invests Norway's petroleum revenues globally on behalf of the next generation of Norwegians, including to support the long-term sustainability of the public pension system. As of June 2025, the GPF's value was NOK19.6 trillion, with a 10-year annualized real return of 4.5 percent.

How macro forces are reshaping the retirement landscape

Norway's retirement system is being reshaped most directly through its universal public earnings-linked pillar — the National Insurance Scheme (NIS), where demographic aging and longevity-driven adjustments exert the greatest influence. Because the NIS is designed around lifetime accrual and life expectancy-based divisors, macro forces such as rising longevity, slower labor-force growth and evolving work patterns translate immediately into lower annual pensions unless individuals work longer. This makes Pillar 1 the central channel through which macroeconomic pressures materialize. As benefit durations lengthen and contribution growth moderates, adequacy becomes increasingly dependent on delayed retirement and full-career participation. At the same time, labor market shifts — more part-time work, flexible careers and self-employment — create fragmented accrual in the very pillar expected to provide baseline income, reinforcing the importance of occupational and private savings that remain uneven across groups. Together, these forces concentrate their impact on Norway's public pillar, with the funded occupational and voluntary pillars rising in importance but not yet positioned to fully offset adequacy pressures for workers with irregular or incomplete career paths.

Additionally, automation and digitalization are reshaping the labor market, potentially reducing the payroll tax base and increasing income volatility. If automation reduces employment or wage growth, contributions to the National Insurance Scheme may stagnate, challenging long-term sustainability. Also, employers may shift toward more flexible, DC-based occupational pensions, transferring investment and longevity risk to individuals. Digital platforms can facilitate private savings, but also increase the risk of inadequate coverage for gig and platform workers.

Rising life expectancy and improved health in old age are positive, but increase the duration of pension payments and healthcare costs. The life expectancy adjustment mechanism helps contain costs, but may reduce adequacy for those unable to work longer. DB plans face higher liabilities; DC plans require higher contributions or later retirement to maintain adequacy. Individuals must plan for longer retirements, increasing the importance of financial literacy and early savings.

The sustainability of Norway's pension system is underpinned by the GPFG, which buffers the impact of demographic and economic shocks. The GPFG's strong returns (13.1 percent in 2024; 5.7 percent in the first half of 2025) and large size (NOK19.6 trillion) provide fiscal space, but market volatility and global shocks (e.g., AI correction, debt crisis, geopolitical fragmentation) could impact future transfers to the budget and pension system.

Norway's pension system is among the world's most sustainable and comprehensive, thanks to its multi-pillar design, strong fiscal backing from the GPFG, and ongoing reforms. However, macroeconomic forces are testing the system's resilience. The greatest vulnerabilities lie in Pillar 1's adequacy for non-standard workers and early retirees, and in the ability of Pillars 2 and 3 to deliver sufficient income for those with fragmented careers.

Opportunities for financial services

Norway's retirement market is shaped by several emerging value pools, starting with the transition of fripolis, which are guaranteed paid-up defined benefit rights, into investment choice products under new regulations designed to enhance management flexibility and improve payout structures. This shift creates opportunities for financial advisory services, risk assessment, and portfolio construction as individuals consider giving up legacy guarantees.

The Egen pensjonskonto (EPK) framework continues to drive competition, with approximately 2.21 million accounts holding around NOK641 billion as of December 2025. Its open structure allows individuals to choose their pension providers, leading to ongoing competition where DNB and Storebrand currently hold leading market positions.

Digitalization further strengthens this trend, as Norsk Pensjon, NAV and major banks integrate centralized pension data into calculators, mobile applications and digital or hybrid advisory tools, enabling seamless pension visibility and planning. Additionally, the decumulation phase has become increasingly important, supported by flexible rules that allow withdrawals from age 62, lifelong state pension payments and tax incentives. These developments highlight the growing need for personalized drawdown strategies across both employer-sponsored and individual pension arrangements.

4.5%

The 10-year annualized real return of Norway's Government Pension Fund or "Oil Fund"

Canada

Canada's retirement system is a globally recognized, multi-pillar model designed to promote financial security in retirement across its population (see Exhibit 14).¹²

Pillar 1 comprises of Old Age Security (OAS) and Guaranteed Income Supplement (GIS). The OAS is a universal, residence-based pension funded from general tax revenues, providing a basic income to seniors aged 65 and over who meet residency requirements. The GIS is an income-tested supplement for low-income seniors. OAS and GIS together provide a foundational income floor for nearly all seniors in Canada. In 2022, the full annual OAS pension was C\$7,929 for those aged 65-74 and C\$8,335 for those 75 and over. The maximum combined OAS and GIS for a single pensioner aged 65-74 was C\$19,773 and C\$20,179 for those 75+. Benefits are indexed to inflation and partially clawed back for higher-income seniors.

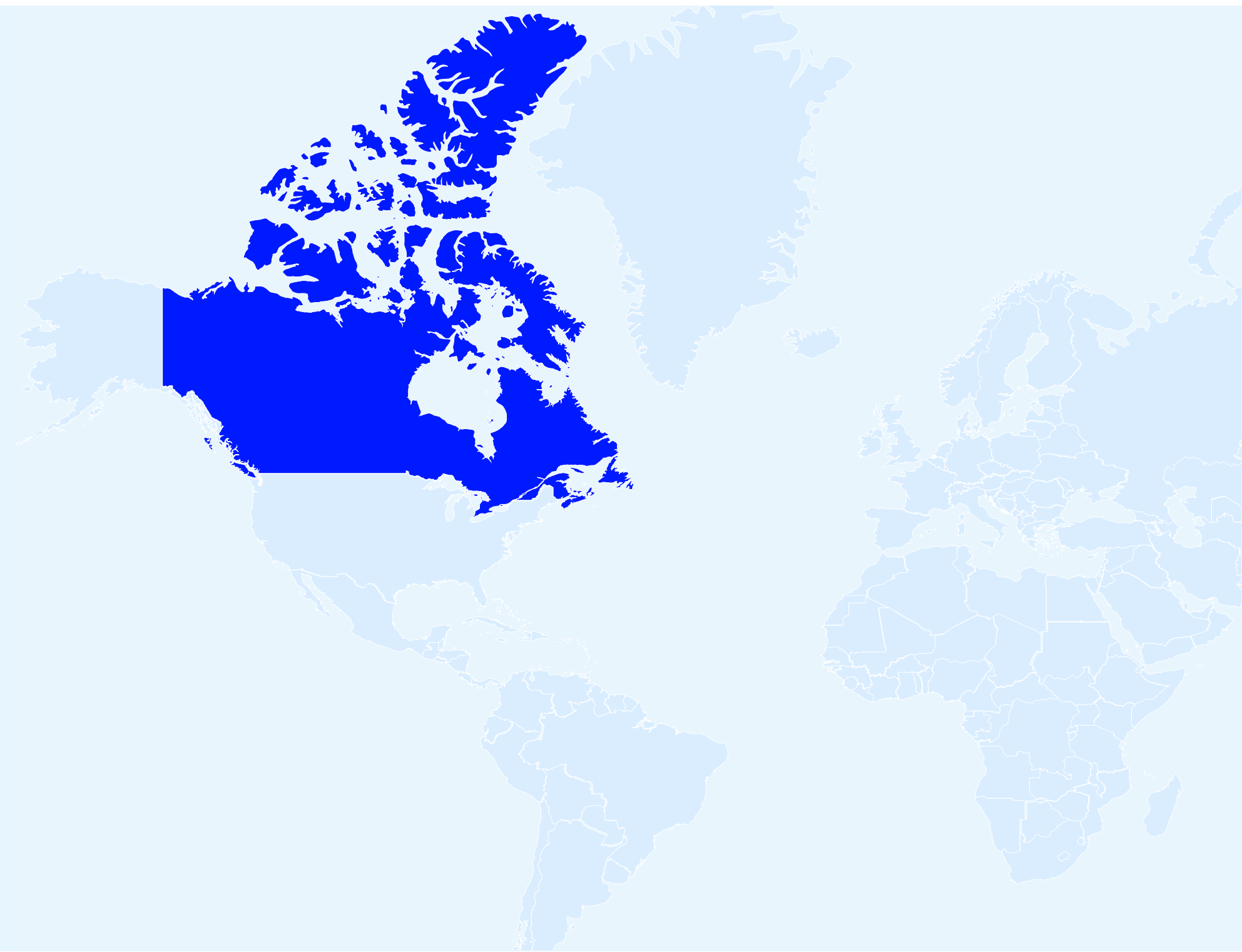


Exhibit 14: Retirement ecosystem — Canada

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
<p>Pillar 1: Mandatory public pension Universal – Old Age Security (OAS), Guaranteed Income Supplement (GIS) Contributory – Canada and Québec Pension Plan</p>	<ul style="list-style-type: none"> • OAS and GIS are universal, tax-funded benefits for seniors, administered by Service Canada, part of Employment and Social Development Canada (ESDC) • Canada Pension Plan (CPP) is a contributory public pension, federally administered with investments managed by Canada Pension Plan Investment Board (CPIB) • Québec Pension Plan (QPP) is a parallel contributory program for Québec residents — administered by Retraite Québec and invested in by the Caisse de dépôt et placement du Québec (CDPQ) 			<ul style="list-style-type: none"> • Eligible members (old age, low-income etc.) • Eligible retiree, survivors/heirs
<p>Pillar 2: Occupational/workplace Provincial/Federal plans (e.g., Ontario Teachers’ – OTPP, OMERS, HOOPP, PSP) Private (DB/DC plans)</p>	<ul style="list-style-type: none"> • Institutional consultants/pension actuaries (e.g., Mercer, Aon, WTW) • OCIO services • Actuaries (DB plans) • Fiduciary advisors/legal advisors 	<ul style="list-style-type: none"> • Asset managers (e.g., State Street Investment Management) • Insurers (Group annuities – e.g., Sun Life, Manulife etc.) • Program/recordkeeping platforms/ official TSP portal 	<ul style="list-style-type: none"> • TPAs and recordkeepers (Sun Life, Manulife etc.) • Pension admin (e.g., Telus) • Custodians (e.g., State Street) 	<ul style="list-style-type: none"> • Employees (active, deferred)/retirees • Survivors/dependents • Heirs
<p>Pillar 3: Voluntary savings Registered Retirement Savings Plan (RRSP), Pooled Registered Pension Plans, Tax Free Savings accounts</p>	<ul style="list-style-type: none"> • Financial advisors/planners/wealth managers (e.g., RBC, IG WM), private banks/robo-advisors (e.g., Wealthsimple, etc.) 	<ul style="list-style-type: none"> • Banks (e.g., RBC, TD)/D2C fintech (e.g., Wealthsimple, Questrade) • Insurance (e.g., Sun Life, Manulife etc.) • Wealth managers 	<ul style="list-style-type: none"> • Investment dealers, custodians, insurers (annuity payouts, withdrawals and conversions – RRSP to RRIF at retirement) (e.g., TD, Sun Life) 	<ul style="list-style-type: none"> • Individual saver, survivors/dependents • Heirs
<p>Regulatory layer – Federal structure – 10 regulators (One federal, nine provincial), Federal: Office of the Superintendent of Financial Institutions (OSFI); Department of Finance Canada; Provincial: FSRA Ontario, Retraite Québec; Agencies/Boards: CPP Investment Board, Canadian Association of Pension Supervisory Authorities (CAPSA)</p>				

Pillar 2 is Canada Pension Plan (CPP) and the Quebec Pension Plan (QPP). The CPP (and QPP in Quebec) is a mandatory, contributory, earnings-related public pension plan for employed and self-employed Canadians aged 18-70. It is partially funded and professionally managed by CPP Investments. Virtually all employed and self-employed Canadians outside Quebec participate in the CPP; Quebec operates the QPP, which is similar in structure. In 2025, the combined employer-employee contribution rate was 11.9 percent (split equally), applied to earnings between C\$3,500 and the Year's Maximum Pensionable Earnings (YMPE), which is C\$68,500 in 2025. The CPP is being enhanced to provide a maximum replacement rate of 33 percent of average lifetime earnings (up from 25 percent), phased in by 2025. The maximum CPP retirement benefit for 2025 was C\$16,375 per year. As of March 31, 2025, CPP Investments managed net assets of C\$714.4 billion, with a 10-year net nominal return of 8.3 percent and a 10-year net real return of 5.6 percent. The Fund's net income for fiscal 2025 was C\$59.8 billion, and the Fund is projected to reach C\$1 trillion by 2031.

Pillar 3 is the Voluntary Private Pensions and Savings. Canadians can supplement public pensions with workplace pension plans (DB or DC), group or individual Registered Retirement Savings Plans (RRSPs), and Tax-Free Savings

Accounts (TFSA). In 2023, about 37 percent of Canadian workers were members of an occupational pension plan, with coverage higher in the public sector than the private sector. RRSP participation is broad but varies by income and employment status. RRSP contributions are capped at 18 percent of earned income, up to C\$31,560 in 2025.

The system is governed by CPP Investments, which is an independent Crown corporation, governed by an arm's-length board, with investment decisions made free from political interference. The system is subject to regular actuarial reviews by the Office of the Chief Actuary.

How macro forces are reshaping the retirement landscape

Canada's retirement system is being reshaped most visibly through its partially funded public earnings-related pillar — the Canada Pension Plan (CPP/QPP), where demographic aging and rising longevity exert the most consequential pressure. Although the CPP's actuarial design and professional investment model buffer the impact relative to pure PAYG systems, the combination of a growing retiree population and longer benefit durations tightens the sustainability margin of the very pillar that anchors replacement income for most formal sector workers.

At the same time, socioeconomic shifts — including the rise of non-standard work, uneven private pension coverage, and widening income volatility — reinforce reliance on the CPP/QPP for middle- and lower-income Canadians, amplifying adequacy risks in Pillar 3 where voluntary saving is least robust. Together, these macro forces channel their impact primarily through Canada's contributory public pillar, whose stability increasingly determines whether occupational and voluntary arrangements can serve as meaningful complements rather than insufficient substitutes.

Further, the rise of gig work, non-standard employment, and income volatility challenge traditional pension coverage, especially in Pillar 3 (workplace pensions and RRSPs). While the CPP covers virtually all workers, private pension coverage is declining in the private sector. The system's multi-pillar design helps mitigate risks, but adequacy and coverage gaps persist for lower-income and non-traditional workers.

Technology is reshaping the labor market, potentially reducing the payroll tax base and increasing the need for flexible, portable retirement savings options. CPP Investments leverages technology and global expertise to diversify the Fund and manage risk. Digital platforms have expanded access to voluntary savings, but participation remains uneven.

Canadians are living longer, and longer retirements increase pension liabilities and healthcare costs. The CPP's partially funded model and regular adjustments help manage longevity risk, but adequacy concerns remain for those relying solely on OAS/GIS.

At the same time, fiscal constraints limit the ability to expand public pensions. The OAS and GIS are sensitive to fiscal health, while the CPP is insulated by its dedicated funding and investment structure. The CPP's investment returns and contribution rates are designed to ensure long-term sustainability. Fiscal pressures may prompt further reforms to OAS/GIS and tax treatment of private savings.

Opportunities for financial services

Canada's institutional value pool is anchored by the "Maple Eight" (Canada's eight largest public pension funds), whose scale and in-house operating models create durable value through lower costs and privileged access to private markets. As these funds push data and digital transformation, and their playbook diffuses to mid-sized peers, the pool broadens and deepens. High funding ratios in DB plans have unlocked a second pool in pension risk transfer, with record group annuity volumes in 2024 and continued evolution of risk-sharing structures that shift longevity and investment risk to insurers. A third pool is the decumulation and wealth-conversion opportunity: Millions of households will retire over the next decade, many facing adequacy shortfalls, opening space for hybrid, digital-first advice and tax-optimized income solutions.



Australia

Australia's retirement system is a multi-pillar model, balancing adequacy, sustainability and broad coverage (see Exhibit 15).¹³

It is often cited as a benchmark among Anglo-American countries for its integration of public and private provision, and its adaptability to changing economic conditions.

At the foundation is the Age Pension (Pillar 1), a residence-based, non-contributory public pension payable from age 67, subject to income and assets tests. Funded from general taxation, the Age Pension provides a minimum income floor for all eligible older Australians, with supplements for rent and energy costs. Around 65 percent of older Australians rely on the Age Pension or an allowance as their main source of income in retirement, making it the most common main source for retirees. Means-testing ensures support is targeted to those most in need, while indexation to wages and prices helps maintain purchasing power. However, as the population ages, fiscal sustainability pressures are mounting and there are ongoing concerns about the adequacy of benefits, especially for renters and those with limited private savings.

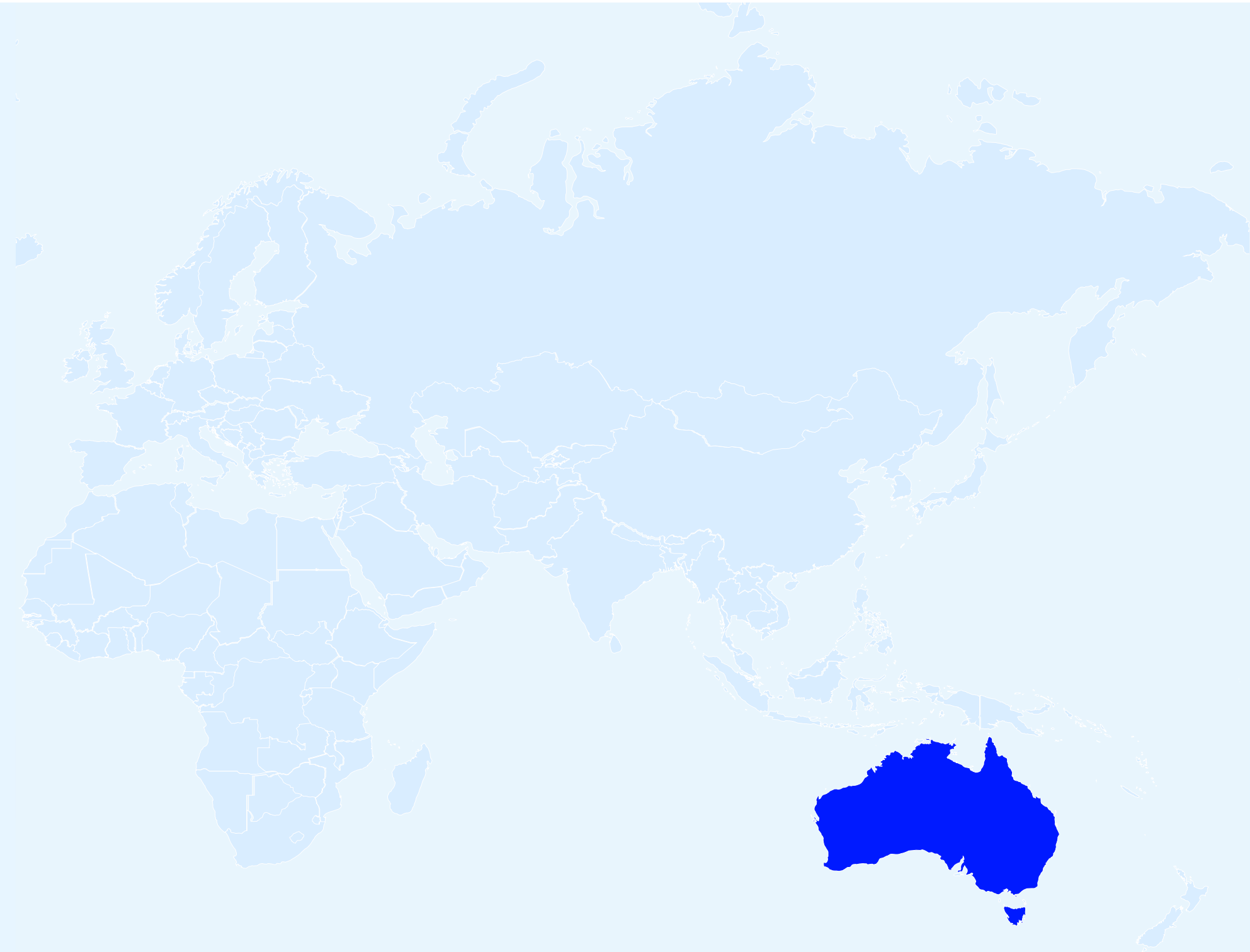
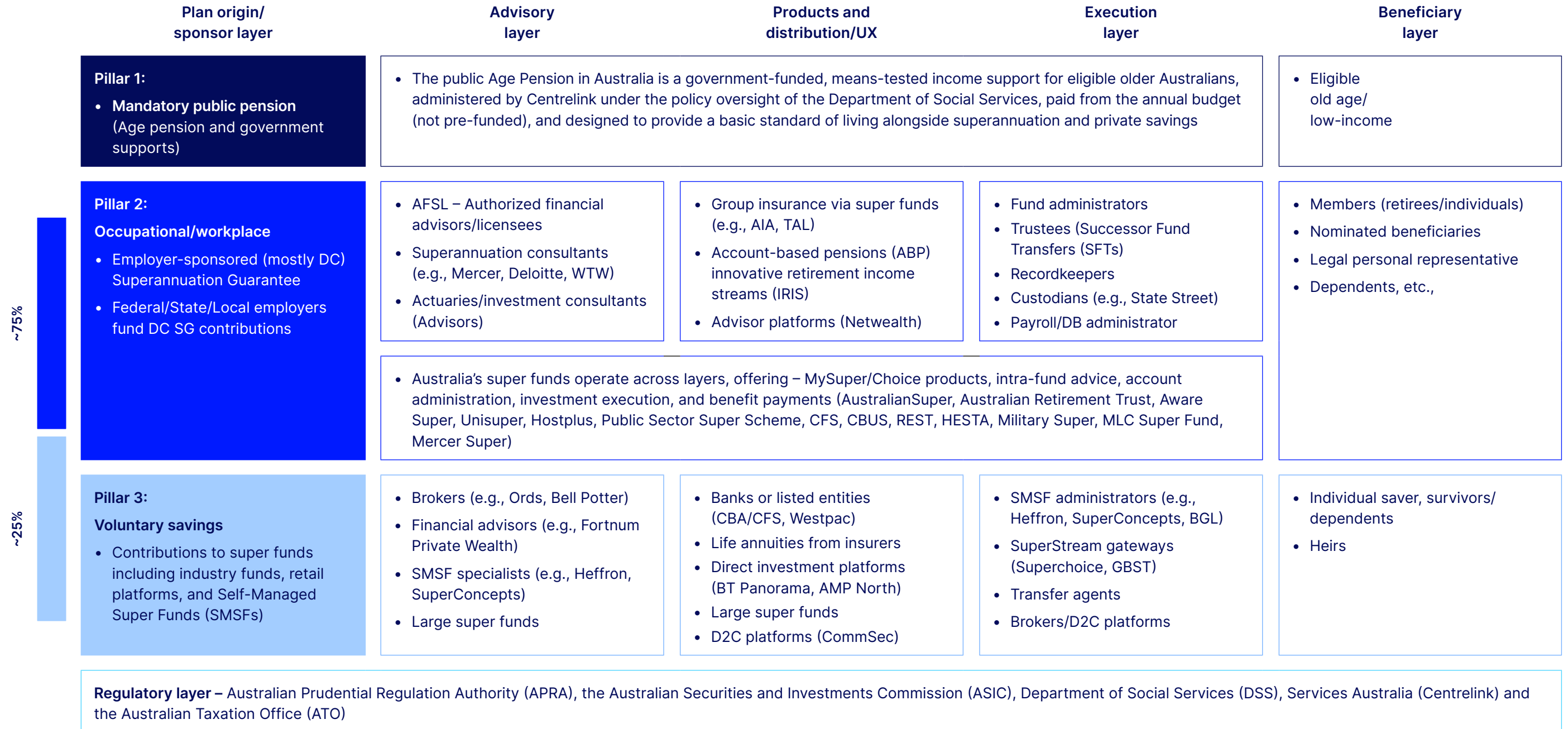


Exhibit 15: Retirement ecosystem — Australia



The second pillar is the Superannuation Guarantee (SG), a mandatory, fully funded DC system. Employers must contribute 12 percent of ordinary time earnings to private superannuation accounts for eligible employees, with the SG rate reaching its target in July 2025. Coverage is broad, extending to most employees and many contractors, and the system is supported by strong regulatory oversight from agencies such as the Australian Taxation Office (ATO) and the Australian Prudential Regulation Authority (APRA). Most members are invested in default MySuper products, which are subject to performance benchmarks and consumer protections. With limited exception, members are not permitted to withdraw from their accounts until age 60, minimizing leakage and ensuring superannuation assets are used for retirement purposes. The system has achieved impressive scale — exceeding \$A4 trillion in assets — but challenges remain around adapting to the rise of non-traditional work patterns, integration with Pillar 1 and other social security entitlements, and long-term fiscal sustainability and equity of tax concessions.

\$A4T

Assets in Australia's superfunds exceed \$A 4 trillion

Complementing the compulsory system are voluntary, tax-advantaged contributions, both concessional (before-tax) and non-concessional (after-tax), subject to annual caps and balance thresholds. The government provides additional incentives for low- and middle-income earners, such as the Low Income Super Tax Offset (LISTO) and co-contributions. This pillar is open to all savers, but engagement and take-up are uneven, with complexity and the equity of tax concessions being persistent issues.

Upon retirement, Australians can convert their superannuation balances into a range of income streams, including account-based pensions and annuities. Defined benefit schemes persist mainly in the public sector but are largely closed to new members. Recent policy developments include the Retirement Income Covenant requiring superannuation trustees to help members manage income, longevity and investment risks in retirement, and the Delivering Better Financial Outcomes package aimed at improving the quality and affordability of advice. Nevertheless, longevity and sequencing risk, product design and access to quality financial advice remain significant challenges.

The retirement system is administered and overseen by multiple agencies, including Services Australia, the Department of Social Services, the ATO, APRA, and the Australian Securities and Investments Commission (ASIC). Recent reforms have focused on improving governance, enhancing performance and ensuring the system remains fit for purpose as it matures.

How macro forces are reshaping the retirement landscape

Australia's retirement system — anchored by a public pension and complemented by compulsory and voluntary savings — now operates under a mix of demographic, economic and technological pressures that shape each pillar differently. Rapid aging and longer lifespans place the greatest strain on the Age Pension, while shifts in work patterns, wage growth and digitalization subtly influence participation and adequacy in superannuation and private savings. Although Australia is less affected by global challenges like large informal labor markets or severe inequality, gaps in coverage for non-traditional workers and uneven private savings still expose structural vulnerabilities. These forces together create a landscape where some pillars face immediate fiscal and demographic stress, while others may adapt gradually to deeper shifts in employment and long-term financial behavior.

At the heart of these shifts lies Pillar 1, the public Age Pension, which bears the heaviest impact of demographic aging. With the old-age dependency ratio rising and a shrinking pool of workers funding a growing retiree population, fiscal pressures continue to mount. Means-testing has helped moderate spending growth, but concerns about long-term sustainability are intensifying as longevity rises and labor-force participation softens. Even as the superannuation system matures, demographic headwinds risk slowing contribution growth and widening adequacy gaps, especially for those with broken work patterns.

Together, these dynamics place Pillar 1 under the greatest strain and increasingly test Pillar 2's ability to deliver consistent retirement income for a changing workforce.

Pillar 2 and Pillar 3 — compulsory superannuation and voluntary savings — are particularly exposed to shifts in the nature of work. Australia's expanding gig economy, greater income volatility and fragmented career pathways mean that many workers experience irregular or insufficient contributions to superannuation. While the Age Pension offers a foundational safety net, individuals with limited private savings may face lower retirement adequacy, especially those cycling in and out of non-standard employment. Voluntary savings, meanwhile, require stable income and sustained engagement — conditions less common among workers in precarious roles.

These socioeconomic shifts reveal widening coverage gaps across both compulsory and voluntary pillars, underscoring the need for policy innovation to maintain universality and fairness in a labor market that no longer resembles the stable, full-time model on which the system was originally built.

Technological change adds another layer of complexity. Automation risks eroding the payroll tax base that supports public pensions and feeds superannuation balances, especially if certain sectors experience large-scale job displacement. At the same time, technology opens opportunities: Digital platforms can lower administrative barriers, reduce costs and make financial tools more accessible, supporting broader participation in both

Pillar 2 and Pillar 3. Yet these benefits may not flow evenly. Workers in disrupted sectors or transient roles may remain under-covered, while the public system contends with the possibility of fewer contributors. Balancing these risks and opportunities will be crucial to ensuring that technological progress strengthens, rather than fragments, the retirement system.

Longevity trends present a dual challenge that cuts across all pillars. Longer and healthier lives are unquestionably positive, but they extend retirement durations and raise both pension liabilities and individual savings needs. For Pillar 1, this means longer periods of Age Pension payments and greater fiscal strain. For Pillar 2, retirees in defined-contribution arrangements bear increased longevity risk, potentially outliving their accumulated savings without proper risk pooling or annuitization. These pressures elevate the importance of product design, advice accessibility, and retirement-phase innovation — areas critical to ensuring that Australians not only save enough but can draw down their wealth sustainably.

Finally, fiscal constraints shape the system's trajectory from the top down. Rising sovereign debt and higher real interest rates are constraining the government's capacity to sustain generous public pensions. The Age Pension, funded from general revenue, is particularly sensitive to fiscal health, and indexation and means tests are used to manage costs. However, these measures may reduce adequacy for some groups. For superannuation funds, fiscal constraints may prompt tighter tax concessions and greater scrutiny of

public support for retirement savings. Support for Pillar 2 is predicated on the expectation its growth will ease future Age Pension outlays for lower- and mid-income retirees. However, if significant Pillar 2 tax concessions flow to higher income retirees, the combined fiscal sustainability of the Age Pension and Pillar 2 will deteriorate. This reinforces the need for a balanced approach to risk sharing and sustainability across all pillars.

Opportunities for financial services

Australia's value pools reflect powerful demographic and behavioral shifts. Women's growing stewardship of intergenerational wealth — projected to control a majority of transfers — creates demand for tailored advice, legacy planning and retirement income design. At the same time, gaps in coverage can also be gender-related as women's retirement income typically suffers from gender pay gaps, time out of the workforce for child or elder care, higher rates of part-time or casual work and longer life expectancy. At the same time, Millennials and Gen Z are intensifying digital engagement with superannuation, driving investment in mobile-first platforms, personalization and fintech partnerships that capture attention and flows. The system is nearing an inflection point where withdrawals will eventually outpace contributions, elevating the decumulation pool for pooled-income, drawdown and annuity solutions; at the same time, super funds' rising private markets allocations and data-driven decisioning are unlocking performance and personalization pools.

Chile

Chile pioneered a shift to a funded DC pension system in the early 1980s, replacing a traditional PAYG model.

Today its retirement system spans four pillars: a basic tax-funded pension (Pillar 0), mandatory private pensions (Pillar 2, effectively replacing Pillar 1), voluntary savings (Pillar 3), and informal family support (Pillar 4) (see [Exhibit 16](#)).¹⁴ This structure has delivered fiscal sustainability but has struggled with coverage and adequacy, prompting recent reforms to promote greater coverage and bolster contributions.

Chile provides a Universal Guaranteed Pension (PGU) as a basic old-age income floor. Introduced in 2022, the PGU replaced previous means-tested benefits with a near-universal payment for seniors (excluding the top 10 percent by income). The PGU, funded from general taxation, has significantly reduced old-age poverty but at a substantial fiscal cost. About 65 percent of Chilean retirees now receive the PGU, making it a crucial safety net for those with minimal savings. However, its adequacy is modest (roughly US\$300 per month) and must be balanced against budget constraints.

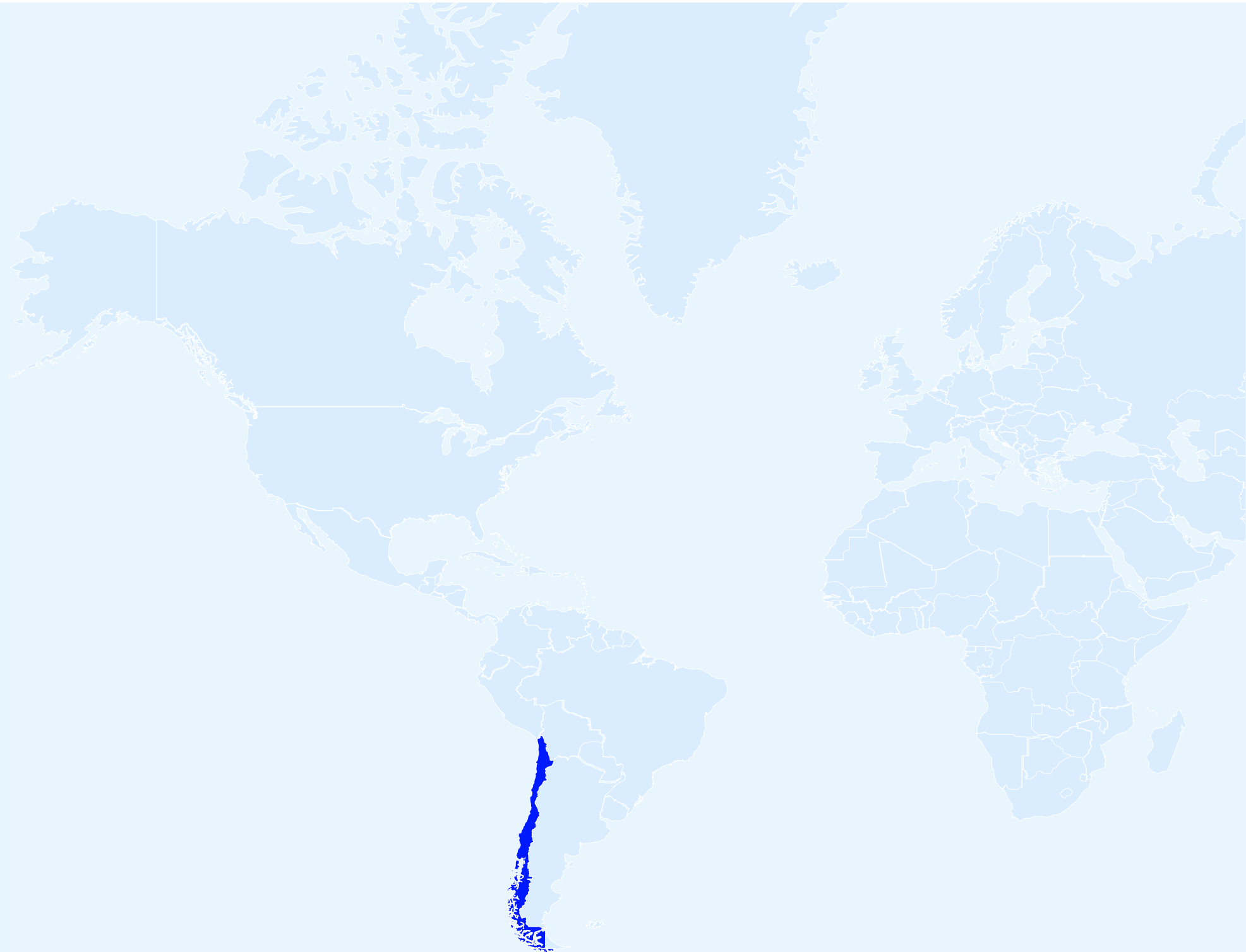


Exhibit 16: Retirement ecosystem — Chile

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
Pillar 1: Mandatory public pension (Social Security)	<ul style="list-style-type: none"> Universal Guaranteed Pension (PGU) is a non-contributory, government-funded, monthly benefit in Chile for residents aged 65 and older, provided they meet the established legal requirements, administered by Instituto de Previsión Social (IPS) 			<ul style="list-style-type: none"> Low-income senior citizens
Pillar 2: Occupational/workplace <ul style="list-style-type: none"> Individual accounts/Mixed (Mandatory): (Both employer and employee contributes) Social security insurance (*NEW) (Mandatory) Collective Voluntary Pension Saving (APVC) 	<ul style="list-style-type: none"> Pension consultants and advisors (e.g., Mercer, Aon) Actuarial advisors In-house HR/benefits designers Fondo Autónomo de Protección Previsional (FAPP) Actuarial specialists Benefits consultants (e.g., Mercer), HR benefits teams 	<ul style="list-style-type: none"> Pension Fund Administrators (AFPs) – A to E multi-funds to TDFs/Digital channels SCOMP (Annuity platform) Previred (Payroll – collection) External asset managers (via tenders) APVC portals via AFPs (AFP Capital), life insurer (Metlife) Workplace savings platforms 	<ul style="list-style-type: none"> AFPs (e.g., Provida, Habitat, Capital, Cuprum, Uno etc., – investment and administration) Recordkeepers (AFP internal or outsourced)/custodians SSPI (Social Security Pension Insurance) — benefit executor AFPs (recordkeeping and investment), custodians 	<ul style="list-style-type: none"> Employees (active, deferred)/retirees Survivors/dependents Heirs
Pillar 3: Voluntary savings <ul style="list-style-type: none"> (APV, APV-Colectivo, Cuenta 2) 	<ul style="list-style-type: none"> Asesores Previsionales (Alfredo Cruz & Cía) Industry associations (AGAP) Wealth/SCOMP advisors 	<ul style="list-style-type: none"> AFP platforms for APV Life insurers (e.g., MetLife) Banks and private wealth desks, fintech (e.g., Fintual, LAPKA) 	<ul style="list-style-type: none"> AFPs Banks offering APV/brokers Recordkeeping and TPA (e.g., Zurich) Custody 	<ul style="list-style-type: none"> Individual saver, survivors/dependents Heirs
Regulatory layer – Superintendencia of Pensions (SP), Financial Market Commission (CMF), IPS, Ministerio del Trabajo y Previsión Social (Ministry of Labor & Social Security), Gobierno de Chile/Congress (2025 reforms)				

*Note: Chile enacted a new pension law in March 2025, introducing mandatory Social Security Pension Insurance (SSPI), with employer contributions starting August 2025 and insurance-backed benefits rolling out gradually from 2026 through 2033.

Chile effectively has no traditional Pillar 1 for new retirees. In 1981, the country abolished its PAYG public pension system (except for some grandfathered benefits) and shifted to individual accounts.

Mandatory individual accounts (Pillar 2) form the core of Chile's retirement system, created by the 1981 reform. Workers must contribute 10 percent of earnings to privately managed pension accounts run by Administradoras de Fondos de Pensiones (AFPs). Initially, only employees contributed (employers paid a small share for disability and survivor insurance amounting to ~1.5 percent). The 2025 reform overhauled Pillar 2, introducing a phased employer contribution of 8.5 percent of wages (to be fully in place by 2035) with 4.5 percent going to individual accounts and 2.5 percent to a new "Social Insurance Fund" designed to provide solidarity benefits and 1.5 percent to a transitional protected-returns contribution. The reform also restructured the AFP industry: Providers must separate their asset management and administration businesses, new investment managers can enter the market and workers will be assigned by competitive tenders to low-fee providers if they do not choose. Additionally, the multi-fund system (Funds A-E by risk level) will gradually shift to "Generational Funds" (target-date funds) that automatically adjust asset allocation with the saver's age. These changes aim to boost contributions, improve investment outcomes and lower fees, ultimately to raise retirement incomes.

Chile offers tax-advantaged voluntary pension saving schemes (APV and others) as Pillar 3. These allow individuals to save extra on top of the mandatory 10 percent, with incentives like tax deductions or state matching for lower-income savers.

Traditionally, family support and informal arrangements have been an important pillar in Chile. Many retirees have depended on adult children or extended family for housing or financial help, and homeownership has served as a form of old-age security (e.g., by generating rental income). Community support networks and some employer end-of-service benefits also fit here. However, long-term trends are eroding Pillar 4's capacity.

How macro forces are reshaping the retirement landscape

Given Chile's heavy reliance on a mandatory funded Pillar 2 and a modest tax-financed PGU as the primary income floor, the system is most directly exposed to demographic aging, longevity pressures, and deep-rooted labor market informality that shape its adequacy, coverage and fiscal demands.

Chile is experiencing a rapid demographic transition toward an older society with fertility below replacement level, and rising overall life expectancy, which put enormous pressure on Pillar 2 and Pillar 0. Longevity risk is a significant concern: The likelihood of outliving one's savings is rising, especially

for women (who not only live ~5 years longer on average, but also had five fewer years of mandatory contributions due to the lower retirement age). Pillar 0 (PGU) faces rising demand as more seniors either outlive their AFP balances or never accumulated much to begin with. Demographics also strain Pillar 4, as smaller families mean fewer caregivers per elderly person, increasing the need for formal long-term care and community services. In sum, aging and longevity trends in Chile negatively impact adequacy and create a need for reforms like later retirement or higher contributions — issues the 2025 reform only partially addressed.

Chile's labor market structure and economic inequalities strongly shape retirement outcomes. One of the biggest challenges is informality — roughly 30-40 percent of workers are in informal jobs or self-employed without regular pension contributions. Even among formal workers, contribution density (the fraction of months actually contributed over a career) is low, especially for low-income earners who experience intermittent employment. This means many individuals reach retirement age without adequate balances in their AFP accounts. Socioeconomic forces also include the changing nature of work. For example, the rise of gig economy jobs and short-term contracts has expanded the share of workers who are technically required to contribute (the self-employed are mandated to contribute a portion of income, by law) but who often don't comply. Enforcement has improved (Chile now withholds pension contributions from annual tax refunds

for freelancers unless they opt out), but many still manage to skip contributions, prioritizing immediate income over retirement saving. The result is a coverage gap in Pillar 2 that has proven stubborn. Additionally, socioeconomic disparities in life expectancy mean higher earners (who live longer) benefit more from lifetime annuities and public pensions, while lower earners not only contribute less but also often have shorter retirements.

Chile has relatively high internet penetration and a modern financial sector. In recent years, AFPs and fintech startups have rolled out digital platforms for pension management. Digital advice and auto-enrollment technologies could help incorporate independent workers into the system (for instance, via apps that set aside a percentage of gig earnings into a retirement account). There's also potential for technology to streamline administrative costs in Pillar 2 – important as new competitors enter and compete on efficiency. So far, however, the positive technological impacts are incremental. Chile's fundamental issues of adequacy stem more from structural and behavioral factors than from a lack of tech solutions. One noteworthy tech-driven change is the government's use of data systems to enforce self-employed contributions (integrating tax and pension data) — an example of digital tools improving compliance. Overall, technology is an enabler, but not a primary driver, of change in Chile's retirement landscape.

It is helping reduce administrative fees and broaden access (a mild positive for Pillar 3 through online saving platforms), and it could empower Pillar 4 by allowing more Chileans to work or receive services remotely in old age (telemedicine, gig work for seniors, etc.). However, these effects are modest relative to the scale of challenges from changing demographics and a large informal labor sector.

Chile's pension benefits (AFP withdrawals plus PGU) are often not enough to cover long-term care so families often step in or the individual forgoes care. This puts pressure on Pillar 4 (family support). Traditionally, families (especially daughters or daughters-in-law) provided care for aging relatives, but smaller families and more women working mean less family capacity for care. Proposals have been made to create a long-term care insurance or support system in Chile, which would complement the pension system by handling the longevity-related care costs. Longer life and longer periods of good health could enable Chileans to work later in life, at least part time, which would be beneficial for both incomes and the economy. Chile's high annuitization rate in the past (many retirees historically used their AFP savings to buy life annuities from insurance companies) is a strength in this regard, providing stable lifelong income and pooling longevity risk. However, after pandemic withdrawals, fewer workers may have sufficient balances to annuitize.

Opportunities for financial services

Chile's 2025 pension reform (Law 21735) is expected to create new opportunity pools for stakeholders across the value chain. The reform directly addresses the coverage gap and is likely to increase pension assets via mandatory employer contributions (from 1.5 percent currently to 8.5 percent of taxable income by 2033) and expansion of the PGU to \$250,000 (CLP).

The establishment of the autonomous Fondo Autónomo de Protección Previsional (FAPP) to manage the new 'Social Insurance' funds will create opportunities for external asset managers. Simultaneously, the migration of roughly \$160 billion (CLP) in legacy multi-fund assets into 10 Target-Date Funds (TDFs) by April 2027, can unlock significant potential for product innovation, glide-path design, and risk-mitigation advisory — particularly for the 11 million affiliates. At the same time, Chile's APV has been growing, reaching nearly 3 million accounts and a 22.2 percent increase in asset balances in 2023, signaling expanded opportunities for wealth advisory firms, digital investment platforms and fintech providers.

Colombia

Colombia's pension system has long been a two-track model — a public PAYG DB scheme alongside private defined-contribution accounts — which achieved limited coverage and faced inequities.

This dual structure left many without adequate old-age support: Those in the public scheme who failed to complete the long contribution requirement (1,300 weeks) got nothing, and those in the private scheme often accumulated insufficient balances. Meanwhile, high earners in the public RPM enjoyed generous state-subsidized pensions, straining the treasury. Facing these issues, Colombia enacted sweeping pension reform in 2024 (Law 2381) to create a unified multi-pillar system (see [Exhibit 17](#)).¹⁵

As of July 1, 2025, mandatory pension contributions will be split: earnings up to 2.3x the monthly minimum wage will be contributed to the public component (Colpensiones), and earnings above 2.3x will be contributed to an individual savings component administered by private providers (within the statutory contribution ceiling).¹⁶

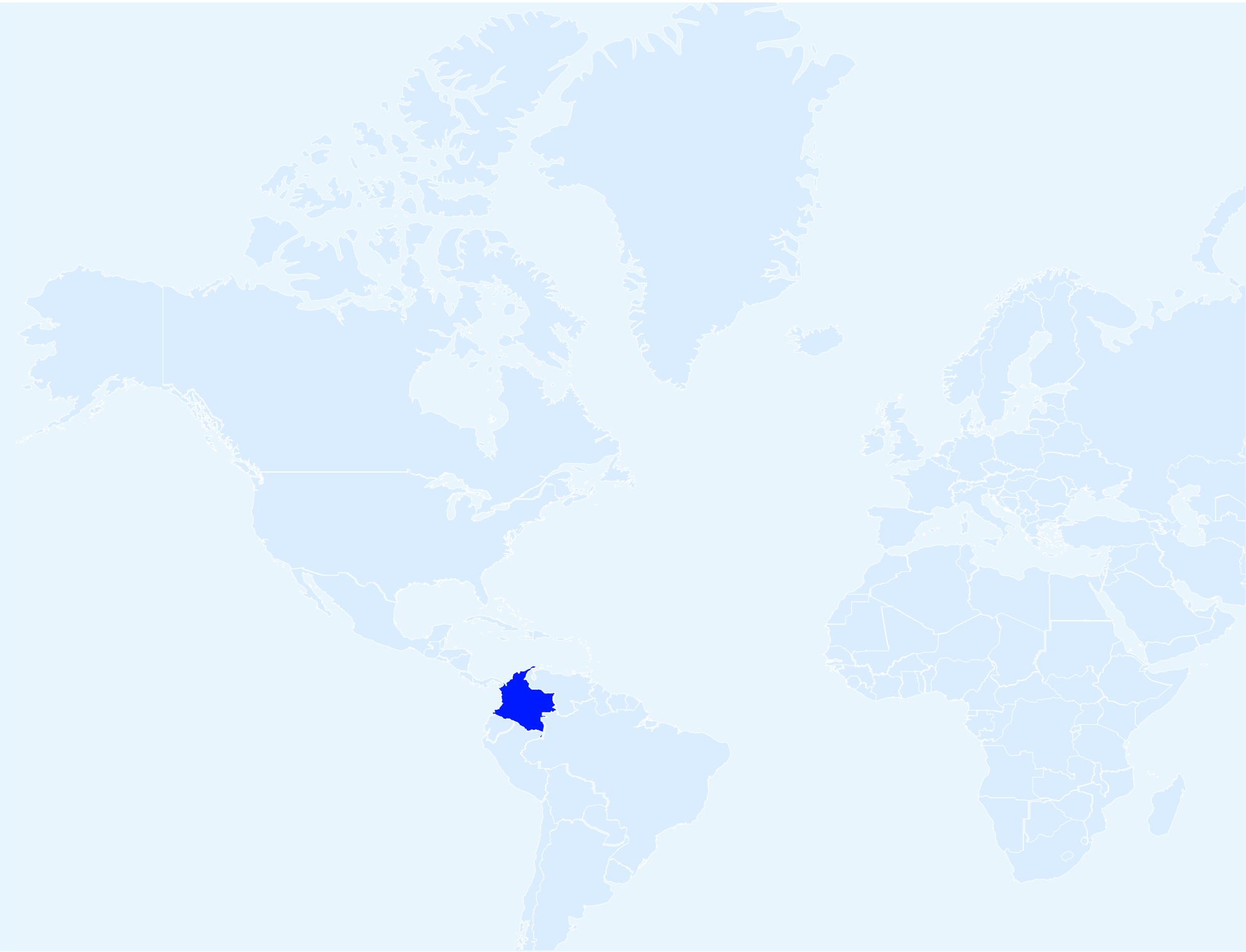


Exhibit 17: Retirement ecosystem — Colombia

	~COP 598* Tn	Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
RPM ~2%		Pillar 1: <ul style="list-style-type: none"> Mandatory public pension Régimen de Prima Media (RPM) Special regimes: FOMAG/CASUR/CREMIL 	<ul style="list-style-type: none"> RPM is the mandatory PAYG public DB pension scheme, administered by Colpensiones Special regimes such as FOMAG (for teachers, run by Fiduprevisora), CASUR (for Police), CREMIL (for Armed Forces) are run by themselves RPM contribution records are accessible through Colpensiones' electronic portals, while pension contributions can be remitted via authorized PILA operators (e.g., MiPlanilla, Aportes en Línea). Special regimes can be accessed separately 			<ul style="list-style-type: none"> RPM retirees Pensioners, disability and survivors Heirs
FPVs ~6%		Pillar 2: Occupational/workplace <ul style="list-style-type: none"> Institutional Voluntary Pension Plans (FPV) (Autonomous trusts with AFPs/fiduciaries) e.g., Porvenir, Colfondos 	<ul style="list-style-type: none"> Asset managers (AFPs), corporate teams, fiduciaries, HRs – plan design, eligibility, vesting, education (e.g., Porvenir Empresas, Colfondos Empresas) 	<ul style="list-style-type: none"> FPV Institucional (Plan Empresarial Porvenir, Plan Institucional Colfondos), fiduciary plans via Fiduciaria Bancolombia/Davivienda AFP corporate portals, employer HR/payroll integration, fiduciary portals 	<ul style="list-style-type: none"> Fiduciaries/AFP/custodians (trust administrator/recordkeeper, contributions via payroll/PILA) Fiduciary/AFP (lump sum withdrawals) FPV plan transfers 	<ul style="list-style-type: none"> Employees/FPV participants Dependents/survivors/heirs
FPO* ~92%		Pillar 3: Individual savings <ul style="list-style-type: none"> Mandatory private individual accounts (RAIS) via FPO* Voluntary individual savings (FPV from banks, BEPS via Colpensiones) 	<ul style="list-style-type: none"> Wealth managers/banks (e.g., Bancolombia, Davivienda) – FPV/long-term saving AFPs(RAIS) Insurers/brokers (annuities) 	<ul style="list-style-type: none"> RAIS (Retiro Programado, Renta Vitalicia), Dafuturo (Davivienda's FPV), BEPS (state-run micro-savings) AFP portals, bank/wealth platforms, insurer channels, Colpensiones network, etc. 	<ul style="list-style-type: none"> Administration and payments — AFPs (RAIS accounts), Custodians Fiduciaries/banks (e.g., FPV) Colpensiones (e.g., BEPS periodic income) 	<ul style="list-style-type: none"> Individual saver, survivors/dependent/heirs BEPS: Saver only
Regulatory layer – Superintendencia Financiera de Colombia (SFC), Ministry of Labor (MinTrabajo), Ministry of Finance (MinHacienda), Unidad de Proyección Normativa y Estudios de Regulación Financiera (URF), Unidad de Gestión Pensional y Contribuciones Parafiscales (UGPP), DIAN (the tax authority)						

*Note: FPO — Fondo de Pensiones Obligatorias

Colombia provides a non-contributory old-age benefit known as Colombia Mayor, which is the main social safety net for seniors without a formal pension. The benefit is modest for most eligible elders, with a higher amount for those over the age of 80. Funded from general revenues, this program covers over 1.6 million low-income seniors. The 2024 reform creates a defined “Solidarity Pillar” to broaden and enhance this support. Under the reform, all residents above age 65 who are not receiving a contributory pension will be entitled to a basic income (initially set at the Colombia Mayor level). In effect, Colombia is moving toward a more universal Pillar 0 to reduce old-age poverty. While this is a critical lifeline for the majority of the elderly, its adequacy is very low.

For decades, Colombia’s contributory pillar consisted of two parallel regimes: (1) The public RPM (Prima Media), a PAYG DB system run by Colpensiones; and (2) The private RAIS, a DC system managed by pension fund administrators (AFPs). Workers could choose either regime (with some conditions), leading to fragmented coverage. Retirement ages were 62 for men and 57 for women in both cases. The RPM required 1,300 weeks (~25 years) of contributions to qualify for a pension at all; in exchange, it offered a generous benefit formula (around 65 percent of final salary for 25 years of contributions, up to ~80 percent for 35+ years).

These pensions are financed from current worker contributions and government subsidies, since Colpensiones operates on a PAYG basis. By contrast, in RAIS the standard old age pension is not based on a minimum weeks threshold; contributions — however few — accumulate in an individual account, and the pension level depends on the capital accumulated.

The 2024 Reform fundamentally reorganizes Pillar 1 into a single “Contributory Pillar” with two components: A public DB portion and a private DC portion. Once approved by the Constitutional Court (with phased implementation), all formal workers will contribute to Colpensiones on earnings up to 2.3 times the minimum wage (2.3 SMMLV, about COP3 million or US\$750). These contributions will earn them a proportional basic pension from the RPM (effectively ensuring everyone has some floor of DB pension if they contribute for a number of years, though the exact benefit formula is adjusted to be fiscally sustainable). For any income above 2.3 SMMLV, contributions go into an individual account with an AFP, as in the old RAIS. The total contribution rate remains 16 percent of wages, but the split between employer and employee is being standardized at 75 percent/25 percent (i.e. 12 percent employer, 4 percent employee). Self-employed and gig workers are required to contribute the full 16 percent themselves (with enforcement by the UGPP audit unit).

The reform also includes “semi-contributory” provisions, under which workers who contributed some but not enough for a full pension can get a prorated benefit or join BEPS to convert their savings into a lifetime benefit, preventing the all-or-nothing outcome of the old RPM. Additionally, the law grants a significant gender-based credit: Women will receive 50 weeks of contribution credit per child (up to three children) toward the public pension requirement.¹⁷

Colombia does not have a distinct “second pillar” of mandatory occupational pensions separate from the national system. All employers fulfill their pension obligation by contributing to the general contributory system (RPM/RAIS, now unified) at the required 16 percent rate.

While voluntary pensions and savings supplements are available, they have a limited reach in Colombia’s retirement landscape. The country has a well-established framework for Voluntary Pension Funds (Fondos de Pensiones Voluntarias, or FVP), which held about COP33.1 trillion in assets as of March 2025. These funds are offered by financial institutions (including AFP affiliates and banks) and allow individuals to contribute beyond the mandatory system. Contributions to voluntary pensions receive tax incentives; within certain limits, they are deductible or exempt from income tax if held for a minimum period.

The products are typically similar to mutual funds, with various investment options (often mirroring those of the AFP multi-funds). Uptake of voluntary pensions is concentrated among higher-income and formally employed individuals, given the tax benefits appeal mostly to those who pay income tax. One notable program in this space is Beneficios Económicos Periódicos (BEPS), a government-run micro pension scheme managed by Colpensiones. BEPS is aimed at low-income informal workers who cannot afford the 16 percent formal contribution. It allows them to save very small amounts at whatever frequency possible (even a few thousand pesos at a time), which are matched by a modest government subsidy (about 20 percent match up to a ceiling). Participants do not receive a traditional pension; instead, at age 57/62 they can convert their accumulated BEPS savings into a life annuity or periodic benefit. Essentially, BEPS is a flexible voluntary pillar for informal sector workers — a bridging mechanism between Pillar 0 and Pillar 1. As of 2024, around 1.8 million people were affiliated with BEPS, though active usage is lower.

Given the historically low pension coverage, family and community networks have shouldered much of the responsibility for supporting the elderly in Colombia.

How macro forces are reshaping the retirement landscape

Given Colombia's transition from a dual-track system to a unified DB/DC architecture, the system is most directly reshaped by demographic aging, high employment informality and rising fiscal demands that test whether the 2024 reform can meaningfully improve coverage, adequacy and long-term sustainability.

Demographic forces are exerting significant pressure on Colombia's pension system as the population ages rapidly, with the share of Colombians aged 65 and older set to double by 2050. Longer life expectancy, combined with unchanged retirement ages (62 for men and 57 for women), means extended benefit durations, especially for women who may receive pensions for over 25 years. This raises both fiscal costs and adequacy concerns, as individual savings must last longer. The reform partially addressed gender gaps through caregiver credits and solidarity rules but did not raise retirement ages, leaving the system vulnerable to longevity risk. Regional disparities add complexity, as rural elderly rely heavily on Pillar 0 benefits. Additionally, aging will increase healthcare and long-term care needs, reducing effective pension adequacy and requiring coordination between pension and health policies.

Socioeconomic factors, particularly high labor market informality, severely limit pension coverage. About 55 percent of workers do not contribute, leaving millions without pension rights and dependent on social assistance. Historically, the system reinforced inequality, with subsidies favoring higher earners while low-income workers often failed to qualify for minimum guarantees. The reform aims to improve equity by pooling contributions and expanding the solidarity pillar for poor elderly, but it does not fully address informality's root causes. Gender disparities persist, as women retire earlier and have lower contribution densities, though child credits help mitigate this gap. While the new system is more redistributive, inequality will remain, and without formal job growth, coverage will stay narrow. Political and economic tensions around employer contributions and hiring costs could influence whether reforms succeed in improving inclusion.

Technological forces impact pensions through labor market disruption and administrative modernization. Automation and gig platforms risk reducing formal employment and contributions, while creating new informal work arrangements without social protection. The reform encourages voluntary contributions and digital tools to include gig workers and informal earners, leveraging mobile apps and online platforms. On the administrative side, technology enables efficient fund management, personalized

advice and interoperable databases to consolidate contribution histories. AFPs and Colpensiones are investing in IT upgrades, robo-advisory, and automation to cut costs and improve engagement. However, cybersecurity and digital literacy challenges remain. Overall, technology is an enabler for expanding coverage and efficiency, but labor law updates will be needed to integrate new work models.

Health and longevity trends amplify financial stress on the system. Rising life expectancy increases pension payout periods and risks depletion of savings under DC schemes. The mixed DB/DC structure mitigates longevity risk, but unchanged retirement ages strain sustainability. Poor health among older workers complicates raising retirement ages, requiring improvements in healthspan and employment opportunities. Growing demand for long-term care and elder support adds pressure, as families struggle to provide care and retirees face high medical costs despite universal health coverage. These factors may necessitate caregiver credits and integrated health-pension policies. While healthier aging could enable extended work and active retirement, health shocks like pandemics highlight the need for resilience in the system.

Fiscal pressures remain the most critical challenge. Pensions already consume 3-4 percent of GDP and about 20 percent of the national budget, and the reform expands obligations through the solidarity pillar and minimum pension guarantees. While shifting contributions to Colpensiones improves short-term cash flow, it creates large future liabilities. Transition costs and demographic trends will

further escalate expenses, potentially requiring tax reforms or parametric adjustments including raising retirement ages or contribution rates. Economic growth and formalization are essential for sustainability, but risks of underperformance could lead to fiscal strain. In parallel, evolving policy constraints on the investment flexibility of private AFPs — including a greater emphasis on domestic deployment of pension assets — may reshape portfolio diversification, capital-market depth and long-term return potential, with second-order effects on funding adequacy and government financing costs. Balancing pension adequacy, investment resilience and fiscal affordability will therefore remain a central policy challenge for decades.

Opportunities for financial services

Colombia's 2024 pension reform creates a new, growing public pillar asset pool where managers and platforms can help invest and operate those resources as the public component scales. In parallel, FPV also show clear momentum. According to SURA Asset Management, a leading Latin American asset manager, voluntary funds in Colombia grew by 19 percent in 2024, pointing to a solid opportunity for straightforward FPV options, both through payroll and retail, so people can build extra pension savings under the new rules. These opportunities trigger immediate transition and advisory demand as millions face regime reallocations, transfer windows and payout choices that can be streamlined with compliance-ready digital guidance that improves outcomes while working with incumbents.



Mexico

Mexico's pension system blends a universal old-age pension with a mandatory DC scheme, supplemented by voluntary savings and a new state-funded top-up for low earners (see Exhibit 18).¹⁸

Recent reforms have significantly increased contributions and introduced a pension guarantee, improving future benefits for many workers. However, the system still faces deep structural challenges. A large informal labor sector leaves about half the workforce with no contributory pension, replacement rates for average workers remain modest even after reforms, and a rapidly aging population will intensify pressure on both public finances and family support networks.

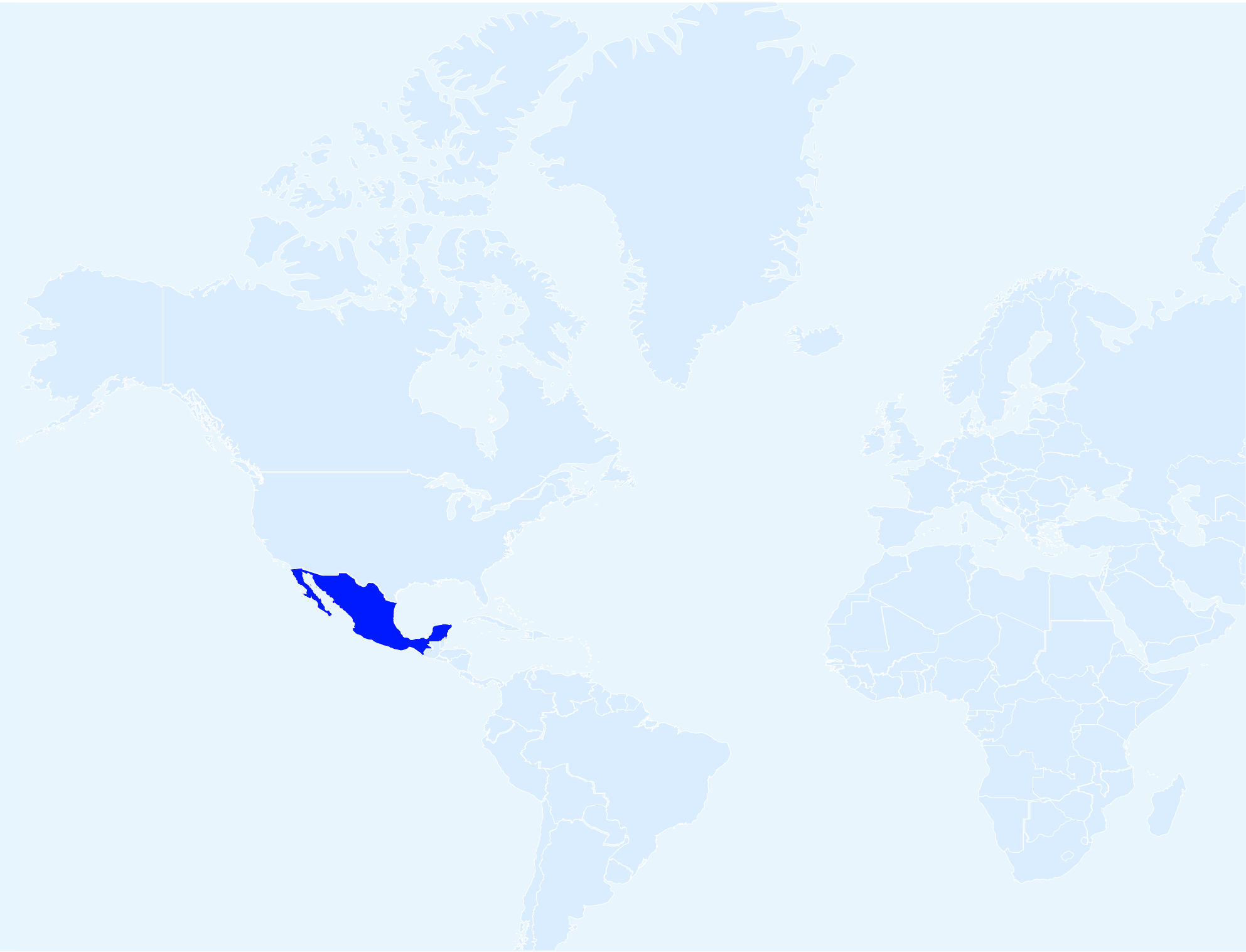


Exhibit 18: Retirement ecosystem — Mexico

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
<p>Pillar 1: Mandatory public pension Universal Social Pension, Fondo de Pensiones para el Bienestar (FPB: top-up mechanism)</p>	<ul style="list-style-type: none"> • Universal Social Pension (65+): Bimonthly payment of \$6,400 (MXN) in 2026, administered by Secretaría de Bienestar and paid via Banco del Bienestar • Contributory pension top-up (FPB): Effective July 1, 2024 the fund delivers a government-financed, inflation-indexed pension top-up for eligible IMSS and ISSSTE retirees, administered via a Banxico trust with oversight from SHCP, IMSS and ISSSTE 		<ul style="list-style-type: none"> • Eligible members (old age) • Retirees/survivors/heirs 	
<p>Pillar 2: Occupational/workplace</p> <ul style="list-style-type: none"> • Mandatory defined contribution via Administradoras de Fondos para el Retiro (AFOREs) 	<ul style="list-style-type: none"> • AFORE advisors (e.g., SURA, Profuturo, Banorte, Citibanamex) • Benefits consulting and actuarial firms (e.g., WTW, Mercer) • Private benefits/actuarial consultants 	<ul style="list-style-type: none"> • Retirement account administrators (AFOREs SURA, PensionISSSTE Citibanamex, Profuturo) • Group annuity (e.g., Principal México, GNP Seguros) • Digital AFORE platforms 	<ul style="list-style-type: none"> • AFOREs (Administer accounts, withdrawals, statements) • National recordkeeper – PROCESAR (national SAR operator, BDNSAR, e-SAR, SARTEL) 	<ul style="list-style-type: none"> • IMSS contributors (private-sector) • ISSSTE contributors (public-sector)
<p>Pillar 3: Voluntary savings</p> <ul style="list-style-type: none"> • Contributions to AFORE accounts/ Personal Retirement Plans (PPRs) 	<ul style="list-style-type: none"> • AFORE advisors/agents • CONDUSEF guidance channels • Licensed insurance agents/retirement planners (e.g., Metlife, AXA, GNP Seguros) 	<ul style="list-style-type: none"> • AFORE voluntary (Coppel stores), retail chains (7-Eleven) • Banks (e.g., Citibanamex) • Pension annuity (e.g., Profuturo Pensiones, GNP Pensiones, etc.) 	<ul style="list-style-type: none"> • AFORE operations • PROCESAR/e-SAR and SARTEL (National Recordkeeper and systems operator), banks/insurers (PPR account administrators) 	<ul style="list-style-type: none"> • Salaried and self-employed individuals using AFORE contributions and PPRs
<p>Regulatory layer – Comisión Nacional del Sistema de Ahorro para el Retiro (CON SAR) (AFORE and SIEFORE supervision), IMSS and ISSSTE (pension entitlement authorities), CNSF (insurance and annuities supervision), SHCP (fiscal and pension-fund policy), Banco de México (FPB trust fiduciary), CONDUSEF (consumer protection and financial education), UIF (AML/CFT enforcement), and PROCESAR (national SAR recordkeeping operator)</p>				

Mexico provides a non-contributory “Pensión para el Bienestar” to all residents aged 65 and over, funded entirely by general tax revenue. It has been expanded significantly in recent years — coverage was made universal in 2019 (previously it was means-tested or only for rural/indigent elderly) and the benefit level roughly tripled from 2018 to 2024. It functions as a basic income floor; for many low-income seniors it is their primary support. The fiscal burden is substantial and growing: funding this universal pension hinges on government budget capacity.

Since 1997, Mexico’s primary pension system for formal sector workers has been a fully funded DC scheme managed by private pension fund administrators (AFORES). Workers and employers contribute to individual retirement accounts, and at retirement the balance is used to provide an income (either through programmed withdrawals or by purchasing an annuity). In 2025, the total mandatory contribution was a little over 10 percent of wages (approximately 9.5 percent from the employer and 1.1 percent from the employee). A 2020 reform dramatically increases the employer’s share over time — rising to 13.9 percent by 2030 — while keeping the employee rate low. The government also pays a progressive “cuota social” (social quota) into accounts of lower-wage workers as a flat subsidy, boosting their savings. At retirement (currently age 65 for both men and women in the DC system), the account balance can be withdrawn gradually or converted to a lifelong annuity from an insurance company.

If the balance is insufficient to achieve a minimum pension, there is a government-funded minimum guaranteed pension (PMG) for those who contributed at least the required years, allowing many more workers with intermittent careers to qualify for at least the minimum benefit.

In May 2024, Mexico created the Fondo de Pensiones para el Bienestar (FPB), an innovative public trust fund that effectively adds a solidarity pillar to the DC system. The FPB provides a state-funded top-up so that eligible retirees from the AFORE system receive a pension equal to 100 percent of their last salary (up to a cap). In other words, if a worker’s accumulated savings would only buy, say, 50 percent of their final wage as a pension, the FPB will pay the extra 50 percent (provided the total doesn’t exceed the cap of \$16,778 (MXN) per month in 2024). The top-up is available to retirees aged 65+ who contributed solely under the post-1997 system (i.e. no old PAYG pension). Funding comes from government resources — initially seed money from asset sales, unclaimed AFORE/INFONAVIT accounts and other federal funds — without increasing worker or employer contributions. But unlike some countries, Mexico has no second mandatory pension scheme beyond the national DC system.

Individuals can make voluntary contributions to their AFORE accounts or other pension savings vehicles. These contributions enjoy tax advantages (e.g., deductible up to 10 percent of annual income, with certain limits). Workers can deposit extra savings into separate sub-accounts with their AFORE. Mexico has made this very accessible — one can contribute as little as 50 pesos (~US\$3.00) at convenience stores, banks or via mobile apps. In fact, the government launched the AforeMóvil app that allows instant contributions and even a feature called “GanAhorro” that automatically saves small amounts when users make everyday purchases (a form of gamified micro-savings). Banks and insurance companies offer individual retirement accounts (known as Planes Personales para el Retiro, PPRs) and annuity contracts with tax incentives. Some employers establish private pension plans (either DB or DC) as a perk. These plans (covering what we might consider Pillar 3 occupational schemes) are often found in multinationals or well-established firms and may provide benefits on top of the AFORE pension.

In Mexico, as in many Latin American cultures, the family has traditionally been a cornerstone of support for the elderly. Informal mechanisms include adult children caring for or financially assisting their parents, multi-generational households sharing resources and community support networks for the aged.

How macro forces are reshaping the retirement landscape

Since Mexico relies on a modest universal pension for adequacy and a mandatory DC system for formal sector workers, its vulnerabilities emerge most sharply where rapid aging, pervasive labor market informality, and rising fiscal pressures intersect — shaping sustainability, coverage and the true effectiveness of recent solidarity reforms.

Mexico's aging population is expected to double the old-age dependency ratio by 2050, ending its demographic bonus. This surge strains Pillar 0 (universal pension), with costs projected to rise 138 percent in real terms, creating fiscal stress. Longer life expectancy means retirees may need to fund 20-30 years, challenging Pillar 1 (contributory DC system) adequacy. Shrinking family support systems weaken Pillar 4 (informal/family care), increasing reliance on formal care and financial products.

High labor market informality (55 percent of workers) leaves millions without Pillar 1 coverage, relying solely on Pillar 0 for subsistence. Interrupted careers and low contribution density further reduces benefits, though reforms help. Income inequality and gender gaps persist, with women's balances ~40 percent lower. Gig economy growth risks widening coverage gaps unless integrated. These dynamics amplify dependence on Pillar 4 for support, while reforms aim to strengthen Pillar 1 and reduce reliance on Pillar 0.

Automation and Industry 4.0 may displace low-skill workers, reducing contributory years for Pillar 1. Gig platforms create non-traditional jobs often outside pension coverage, risking further exclusion. On the positive side, digital tools like AforeMóvil and fintech solutions improve engagement and voluntary savings, strengthening Pillar 1. Technology also enhances compliance and efficiency, but if job displacement pushes workers into informality, reliance on Pillar 4 could grow.

Longer lives and chronic illnesses increase healthcare costs, eroding pension income from Pillar 1 and Pillar 0. Rising long-term care needs strain Pillar 4, as family caregiving becomes less viable. Lack of formal LTC systems and uneven healthcare coverage worsen retirement security. While proposals for universal healthcare could ease pressure on Pillar 0, implementation is slow. Health limitations also complicate raising retirement age, affecting sustainability of Pillar 1 benefits.

Public pension spending now exceeds 20 percent of the federal budget, driven by Pillar 0 expansion and FPB top-ups for Pillar 1. Mexico's low tax base and rising deficits heighten sustainability concerns, as funding relies on limited sources and debt. Future policy options include raising the retirement age, adjusting benefit growth or increasing taxes. Economic growth and formalization could ease pressures, but without structural reforms, fiscal strain will persist. Balancing adequacy for retirees with fiscal discipline is critical.

Opportunities for financial services

Mexico's retirement system is expanding, with AFORE assets reaching \$8.29 trillion (MXN) and investment gains of \$1.12 trillion (MXN) in 2025, creating strong opportunities for financial services providers to deliver integrated decumulation products, including hybrid annuity investment income solutions aligned with the main investment funds that hold and invest workers' individual retirement savings. With 82.6 percent of savers now using mobile apps but only 7.9 percent making voluntary contributions, digital advice and behavioral nudges represent a major value pool for increasing long-term savings through AFORE voluntary channels and PPRs. Mexico's openness to foreign retirees, typically requiring about \$3,000 (MXN) in monthly income or \$50,000 to \$60,000 (MXN) in savings, further supports demand for bundled property finance and retirement income solutions. At the same time, persistent coverage gaps create opportunities for simplified autosaving products and micro contribution PPRs, especially for informal and gig economy workers newly covered by recent reforms.

Finally, rising appetite for higher yield options makes PPRs offering 8-12 percent or more returns an attractive value pool for providers seeking differentiation through performance, diversification and digital user experience.

United Arab Emirates (UAE)

The United Arab Emirates' retirement system for Emirati citizens is organized around three main pillars, reflecting a modern approach similar to that of developed economies (see Exhibit 19).¹⁹

The pensions of Emiratis are administered by different agencies such as the Abu Dhabi Pension Fund, Sharjah Social Security Fund and the General Pensions and Social Security Authority.

Pillar 1 is the mandatory public pension scheme, administered by the General Pension and Social Security Authority (GPSSA) at the federal level and by the Abu Dhabi Pension Fund for Abu Dhabi-based employees. Monthly employee contributions for newly hired Emirati workers in both the public and private sectors rose to 11% in 2023, up from 5% previously. Employer contributions remain unchanged at 15% in the public sector, while private sector employer contributions increased from 12.5% to 15%. The pensionable salary includes basic wage and key allowances, subject to caps (AED70,000 for private sector workers and AED100,000 for those in the government sector but they also primarily apply to new joiners under the latest laws).

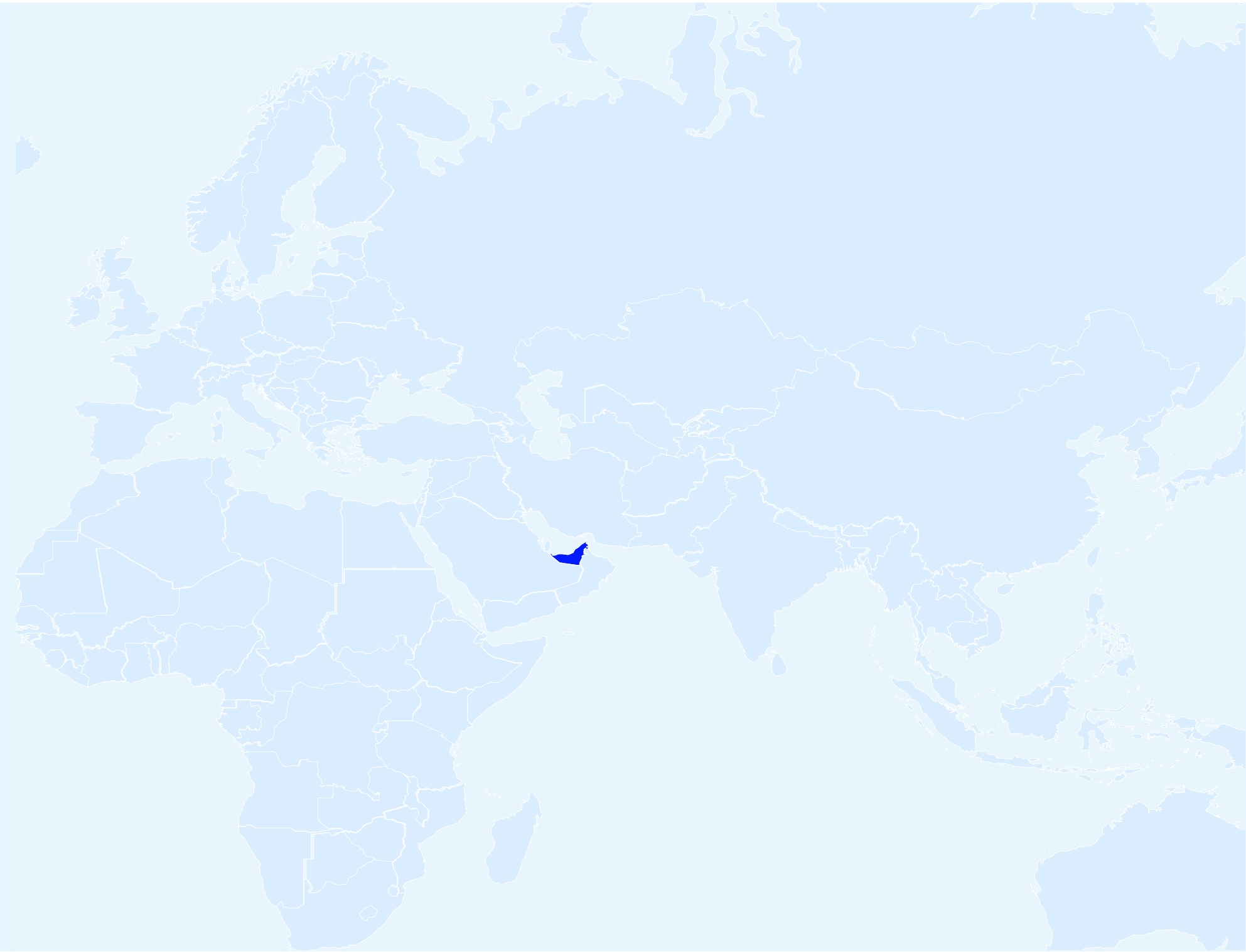


Exhibit 19: Retirement ecosystem — United Arab Emirates (UAE)

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
Pillar 1: <ul style="list-style-type: none"> Mandatory – Social Security and Assistance 	<ul style="list-style-type: none"> Universal Social Pension (65+): Bimonthly payment of \$6,400 (MXN) in 2026, administered by Secretaría de Bienestar and paid via Banco del Bienestar Contributory pension top-up (FPB): Effective July 1, 2024 the fund delivers a government-financed, inflation-indexed pension top-up for eligible IMSS and ISSSTE retirees, administered via a Banxico trust with oversight from SHCP, IMSS and ISSSTE 			<ul style="list-style-type: none"> Eligible members (old age) Retirees/survivors/heirs
Pillar 2: Occupational/workplace <ul style="list-style-type: none"> Mandatory National Pension Scheme – Emirati nationals 	Emirati nationals employed in the public/private sector are mandatorily enrolled in pension schemes: <ul style="list-style-type: none"> General Pension and Social Security Authority (GPSSA) – Applies to most Emirati employees (Total contribution – 26% (15% employer/11% employee) and government support – if applicable) Abu Dhabi Pension Fund (covers Abu Dhabi government/semi-government employees) Sharjah Social Security Fund (for Sharjah government employees) 			<ul style="list-style-type: none"> Retired Emiratis Survivors/nominee/heirs etc.,
Expatriates –Alternative End-of-Service Benefits (EoSb) <ul style="list-style-type: none"> DIFC Saving schemes 	<ul style="list-style-type: none"> EoSb – Employers contribute monthly amounts equivalent to gratuity accruals; employees may top up. Licensed providers including Lunate (Ghaf Benefits), Daman Investments, National Bonds, etc. 			<ul style="list-style-type: none"> Eligible employees Nominees
Pillar 3: Voluntary savings	<ul style="list-style-type: none"> Private banks (Emirates NBD, First Abu Dhabi Bank (FAB)) Financial advisors (Holborn Assets, Nexus Group) Robo-advisors (Sarwa) 	<ul style="list-style-type: none"> Asset managers (e.g., State Street Investment Management, Shari’a-compliant (National Bonds), Insurance (e.g., Zurich, MetLife, FPI), Digital banks (e.g., Wio, Zand) 	<ul style="list-style-type: none"> Recordkeeping and TPA (e.g., Zurich) Custody 	<ul style="list-style-type: none"> Individuals Self-employed Heirs Nominees
Regulatory layer – GPSSA – Federal authority for Emiratis (outside Abu Dhabi), Abu Dhabi Pension Fund (ADPF) and Sharjah Social Security Fund, Ministry of Human Resources and Emiratisation (MOHRE – oversees gratuity, Securities and Commodities Authority (SCA) etc.)				

Benefits are calculated based on the average salary over the last six years of service, with eligibility typically at age 60 and with a minimum of 15 years of service, though early retirement options exist for those meeting specific age and service thresholds, and special provisions are available for women and mothers.²⁰

In February 2020, the Dubai International Financial Center (DIFC) introduced its DIFC Employee Workplace Savings (DEWS) program, establishing a defined contribution funding model to people working within the financial center which allows employees to select a plan that is in line with their risk tolerance and retirement goals. The end of service benefits (EOSB) is still awarded, but has evolved to include voluntary contributions, visibility into savings balances, investment choices, and more. However, UAE and GCC nationals are exempted from the program but can participate voluntarily.

The second pillar consists of occupational and supplementary pension schemes, which are less prevalent than in some developed economies but are gradually expanding, especially in the public sector and large private organizations. These schemes may offer additional retirement benefits or savings plans, complementing the mandatory system and providing greater flexibility for employees seeking enhanced coverage.

The third pillar is voluntary personal savings and investment, including private retirement plans, insurance products and other financial instruments. While not formally integrated into the national pension system, these options are increasingly promoted to help individuals supplement their retirement income, especially as the government encourages financial literacy and long-term planning among citizens.

Together, these pillars provide Emirati nationals with a comprehensive framework for retirement security, blending mandatory public coverage with opportunities for occupational and personal savings, and supported by ongoing reforms to ensure sustainability and adequacy in a changing economic landscape.

How macro forces are reshaping the retirement landscape

Since the UAE's retirement architecture is anchored in a generous mandatory public scheme with limited funded or occupational pillars, the system is most directly shaped by demographic aging, rising longevity and evolving labor market participation that test sustainability, adequacy, and long-term coverage.

Demographic shifts, including a steadily rising proportion of Emiratis reaching retirement age, are increasing the old-age dependency ratio and placing greater pressure on the system's long-term viability. As the population ages, the need for robust actuarial oversight and periodic reforms becomes more acute, especially for schemes funded from general revenues.

Socioeconomic transformation, driven by changes in the labor market such as the rise of non-standard employment and greater participation of Emiratis in the private sector, is prompting the government to introduce incentives and flexible contribution arrangements to maintain coverage and adequacy.

The expansion of digital platforms and technology is improving access to pension services, enabling citizens to manage their retirement planning more efficiently, but also requires ongoing investment in digital infrastructure and cybersecurity. Longevity increases mean retirees are living longer, which raises pension liabilities and healthcare costs, necessitating careful management of fund assets and periodic adjustments to eligibility and benefit formulas.

Fiscal pressures, including the need to balance generous benefits with sustainable funding, have led to reforms such as capping pensionable salaries, adjusting contribution rates and introducing government subsidies for private sector employment. These macro forces are driving the UAE to continually adapt its retirement system, blending mandatory public coverage with flexible options for service recognition and early retirement, while leveraging technology and targeted incentives to ensure that the system remains inclusive, resilient and responsive to the evolving needs of Emirati citizens and their families.

Opportunities for financial services

The UAE's retirement system is undergoing a structural shift, creating several major value pools for financial institutions. The largest is the conversion of legacy end-of-service gratuity (EOSB) obligations into funded, professionally managed savings schemes. In the UAE, the primary private-sector retirement option has been the "gratuity" system, whereby an employee receives an ESB upon leaving their job. With ~90 percent of the workforce being expatriates and new reforms such as DIFC's mandatory DEWS plan and the federal MOHRE Alternative EOSB Scheme (Cabinet Resolution 96/2023), the market is rapidly formalizing.

Under Dubai's DIFC Employee Workplace Savings (DEWS) scheme, employers are required to make monthly contributions in lieu of the traditional gratuity, set at 5.83 percent of an employee's basic salary for service of less than five years and 8.33% for five years or more. These contributions are paid entirely by employers, with employees able to make voluntary additional contributions if they choose. DEWS alone surpassed the US\$1 billion mark in AUM within five years and a second provider (Sukoon's "Go Saver" plan) entered the DIFC market in 2024.

With no universal pension for expatriates, the personal retirement savings market – including individual investment accounts, insurance-based retirement plans, and high-net-worth (HNW) wealth management – is a rapidly growing value pool. This pool is driven by government's long-term residency initiatives (e.g. Retirement Visa program and expat interest). A recent survey by Zurich/YouGov found 70 percent of UAE residents want to retire in the UAE. This is likely to create opportunities in advisory and financial wellness space for both institutions and individuals.



Kingdom of Saudi Arabia (KSA)

Saudi Arabia operates a dual system: a formal social insurance pension scheme (GOSI) for Saudi nationals, and a separate, mandatory End of Service Gratuity (EOSG) that applies to all employees, including expatriates (see Exhibit 20).²¹

The EOSG is paid upon termination and is often mistakenly viewed as a pension, although it functions instead as a statutory lump sum benefit rather than a genuine retirement scheme. For Saudi nationals, GOSI is a defined benefit pension plan that has recently been revised for new entrants, while the EOSG is calculated based on salary and length of service and paid as a one off amount upon exit, making it distinct from any pension arrangement.



Exhibit 20: Retirement ecosystem — Kingdom of Saudi Arabia

Plan origin/ sponsor layer	Advisory layer	Products and distribution/UX	Execution layer	Beneficiary layer
<p>Pillar 1:</p> <ul style="list-style-type: none"> • Mandatory public pension General Organization for Social Insurance (GOSI) – Saudi nationals (in both public and private sectors) 	<ul style="list-style-type: none"> • The Kingdom of Saudi Arabia’s mandatory public pension system is administered by the GOSI, through its Annuities Branch for Saudi nationals and the Occupational Hazards Branch for work-injury insurance covering both Saudis and expatriates • Hassana Investment Company manages investments • GOSI handles enrolment, contributions, benefit processing, and distribution via its online portals 	<ul style="list-style-type: none"> • Saudi nationals (Retirees, dependents) • Expats (Work injury benefits only) 		
<p>Pillar 2:</p> <p>Occupational/workplace</p> <p>Private sector*</p> <ul style="list-style-type: none"> • (Reported) — Public Pension & Savings Programme 	<ul style="list-style-type: none"> • Public Pension and Savings Programme (Upcoming, originally reported in International Monetary Fund (IMF)’s 2025 Article IV consultation report) — Voluntary program for Saudis and foreign employees, aimed at increasing retirement savings for Saudis and expats and reducing remittances • Plan launch date and further framework details yet to be announced 		<ul style="list-style-type: none"> • Private sector employees (Saudi nationals and Expats) • Dependents 	
<p>Pillar 3:</p> <p>Voluntary savings</p> <ul style="list-style-type: none"> • Saudi nationals and Expats • CMA-regulated mutual funds and ETFs/savings/Takaful (Islamic insurance) products 	<ul style="list-style-type: none"> • Wealth managers/financial advisors at banks and independent Capital Market Institutions (CMIs) 	<ul style="list-style-type: none"> • Investment products (Mutual funds/ETFs) providers • Distribution via banks (e.g., SNB, Al Rajhi) • Insurers (takaful) (e.g., Al Rajhi Takaful, Bupa Arabia) • Digital platforms (e.g., brokerage apps – Wahed Invest) 	<ul style="list-style-type: none"> • Recordkeeping • Custody • TPAs • Brokerage platforms 	<ul style="list-style-type: none"> • Retail savers • Heirs/dependents
<p>Regulatory layer – GOSI – statutory pension regulator; administers Social Insurance Law and Occupational Hazards, Ministry of Human Resources & Social Development (HRSD/MoHRSD) – ESB regulator under Labor Law, Capital Market Authority (CMA) – investment funds regulator, savings products, fund managers, distribution and custody; Insurance Authority (IA) – regulator of cooperative and savings/Takaful insurance products</p>				

*Note: Currently private sector employers provide only End-of-Service Benefit (ESB) – Lump-sum payout at retirement/exit).

The General Organisation for Social Insurance (GOSI) has amended the Social Insurance Law, affecting contribution rates and retirement ages for Saudi nationals working in Saudi Arabia and other GCC countries. For new entrants from July 3, 2024, contribution rates will rise from 9 percent to 11 percent over four years (increasing by 0.5% annually), with retirement set at age 65, or 55 with 30 years of contributions. For existing contributors under age 50, the retirement age will gradually increase from 58 to 65.

This Pillar 1 covers Saudi nationals in formal employment nearly universally with high replacement rates (often 70-100 percent of final salary after full career), though it excludes expatriates. The exclusion of expatriate results in Pillar 1 covering only about 23 percent of the total workforce. Expatriates currently only contribute to occupational hazard insurance and are entitled to an End-of-Service Benefit (EOSB), not a pension.

KSA provides a means-tested social security pension for elderly citizens in need, which is financed fully by general revenues. Yet, coverage is targeted to the most vulnerable elders, limiting its role in the entire retirement ecosystem. Pillars 2 and 3 in KSA serve a minor role in its retirement system to date. KSA currently has no Pillar 2 mandatory savings scheme for private workers and no broad-based 401(k)-style personal pension plan among Saudis, given the generosity of the public scheme. While some large employers such as Aramco offer supplemental saving plans or end-of-service enhancements, these only cover a limited segment of employers. However, the Public Pension and

Savings Programme (PPSP) has been announced to include Saudis and expatriates; it aims to increase domestic savings and retain capital onshore. Formal program rules are pending official release.

Overall, adequacy is very high for covered Saudi retirees, often replacing 70-100 percent of final earnings after a full career, though those not covered by GOSI have no formal pension and must rely on family or other social assistance. Coverage, as a result, is narrow in scope. Nationals in government and formal private jobs are well-covered, but they comprise only 23 percent of the total workforce. Saudi Arabia's pension system has been financially manageable to date, thanks to favorable demographics and oil revenue supplementation.

How macro forces are reshaping the retirement landscape

Given KSA's dominant public DB scheme and narrow coverage beyond formal sector nationals, macro forces such as demographic aging, growing informality and evolving labor markets exert outsized influence — testing the long-term sustainability of GOSI and accelerating the need for broader coverage solutions.

GOSI currently has accumulated a large reserve fund (~32 percent of GDP with US\$320 billion in AUM) with relatively low public pension spending given the small retiree pool. The 2024 reform measures further bolster sustainability by raising retirement age gradually, increasing contributions, and reducing the benefit accrual rate for new

members. However, demographic and longevity shifts pose long-term vulnerabilities. KSA's old-age dependency ratio is projected to rise from only 4.7 percent in 2024 to 11 percent by 2050, going from about 21 working-age citizens per elder to under 10 per elder in 25 years. While these statistics are slightly more positive than in other advanced countries, they will nonetheless undermine the support ratio underpinning the PAYG system and could flip today's surpluses into large deficits. Longevity gains may amplify this, making further adaptation necessary.

Labor market shifts to informal or gig work also undermine Pillar 1 sustainability by reducing steady contributions. More Saudis working as freelancers or having intermittent careers means less-than-expected contribution income, even if population and employment figures are up. Thus, direction of future policies regarding informal labor and provision of Pillar 2 and 3 options by employers would be important to mitigate sustainability concerns for Pillar 1.

Technological shifts could be both positive and negative. While automation could reduce the overall wage bill, thereby shrinking the payroll tax base and harming Pillar 1 sustainability, productivity gains from tech might increase GDP and potentially boost wages, which could raise contributions. At the same time, technology advancement could help increase coverage by bringing previously uncovered workers into schemes via digital platforms (e.g., ride-share drivers could be auto-enrolled into a micro pension via the app) and identify those who are uncovered via data matching.

Fiscal shifts could affect sustainability, adequacy and coverage of the KSA retirement system given its concentration on Pillar 1. However, KSA's current debt-to-GDP remains relatively low today, and increasing non-oil revenue and FDI via Vision 2030 further help its fiscal sustainability.

Overall, strong GOSI reserves and 2024 reforms support the near term, but continued aging, rising longevity and smaller families will likely strain the PAYG base and weaken Pillar 4 in the long term. Growing informality in the labor market may depress contributions, while technology has offsetting effects on the payroll base and coverage. Sustainability, adequacy and coverage of KSA's retirement system will ultimately hinge on how these forces balance.

The pension reform introduced in July 2024 is expected to enhance long-term fiscal sustainability. The reform increases the retirement age, contribution periods, and contribution rates, while rationalizing benefit entitlements. According to the International Monetary Fund's (IMF) Article IV consultation report issued in August 2025, the planned voluntary pension and savings scheme open to both Saudi nationals and expatriates is a positive development, with the potential to boost household savings and moderate remittance outflows.

Opportunities for financial services

KSA's retirement ecosystem is undergoing a strategic transformation from a traditional, social security-first system to a comprehensive and digital-first ecosystem, powered by Vision 2030 and regulatory changes. Historically, KSA's roughly 10 million expats (nearly 77 percent of the insured workforce and remit over SAR144 billion annually) operated outside the formal pension system. The introduction of the Public Pension and Savings Program (2025/2026) marks a pivotal shift. Simultaneously, GOSI, through its investment arm Hassana, is diversifying its SAR1.2 trillion portfolio beyond domestic equities and real estate into global infrastructure, private equity and climate funds.

On the retail front, to meet the Vision 2030 target of increasing household savings to 10 percent (from 1.6 percent in 2018), KSA is leveraging its 90 percent smartphone penetration and fintech strategy to scale digital retirement platforms. Complementing these shifts, KSA's social insurance law (2024) introduced a phased increase in mandatory contribution rates — from 18 percent to 22 percent — and raised the retirement age to 65, which will substantially increase GOSI's investable pool.

10M

The number of expats in KSA, historically operating outside the formal pension system

Design implications for the next phase of retirement systems

Taken together, the forces reshaping retirement systems point to a consistent pattern: While national systems differ in structure, governance and funding, the pressures acting on them are increasingly shared.

Demographic aging, fiscal constraints, labor market fragmentation, and rising expectations for security and adequacy are no longer testing individual features of system design, but the way systems allocate risk and responsibility overall. What increasingly differentiates systems is not the challenge itself, but how effectively architecture translates savings into durable outcomes.

Across countries, system architecture is proving decisive. Where risk is concentrated within a single pillar or borne disproportionately by individuals, pressures surface in the form of adequacy gaps, participation shortfalls or fiscal strain. When responsibility is more deliberately shared across public, occupational and individual mechanisms — and supported by effective governance and operational coordination — systems demonstrate greater resilience, adaptability and confidence among participants. The interaction across pillars, rather than the strength of any single component, is increasingly a primary determinant of outcomes.

This has important implications for decision-makers across the retirement ecosystem (see **Box 2**). Design choices — default structures, contribution pathways, risk-sharing mechanisms, decumulation options and governance frameworks — are now strategic levers. They shape not only financial stability, but participation, trust and the ability of systems to evolve alongside changing work patterns, longevity profiles and societal expectations.

Several considerations now emerge as central across markets:

- **System coherence matters more than system type.** No single model consistently outperforms across contexts. What distinguishes more resilient systems is alignment — between policy intent, product design, operational execution and participant experience.
- **Risk is being re-priced, whether explicitly or implicitly.** Longevity, inflation, market volatility and employment risk are shifting across pillars and stakeholders. Making these trade-offs explicit — and designing mechanisms to manage them — is increasingly critical.
- **Decumulation is becoming the defining frontier.** As balances grow and retirements lengthen, the conversion of savings into income is emerging as the most consequential design challenge across systems, regardless of funding model.
- **Engagement and confidence are outcomes, not inputs.** Participation, contribution adequacy and the effective use of retirement assets depend on systems that simplify decisions, align incentives and reinforce trust over time.

Looking ahead, retirement systems are moving toward greater emphasis on outcomes over accumulation, coordination over fragmentation, and stewardship alongside administration.

For institutions, policymakers and market participants, both the opportunity and the responsibility lie in shaping architectures that not only withstand shared pressures, but actively channel them into more sustainable, inclusive and trusted retirement outcomes.

Box 2. Decision implications for institutions and intermediaries

1. Architecture is now a strategic variable — not a background condition

Retirement outcomes are increasingly shaped by how systems are structured across pillars, not by performance or participation in isolation. For institutions and intermediaries operating within and across systems, understanding underlying architecture — funding flows, risk allocation, governance, and coordination — is becoming as important as evaluating individual mandates, products, or services.

2. Risk transfer is accelerating — often without redesign

Longevity, inflation, market, and employment risks are shifting across governments, employers, institutions, intermediaries, and individuals. In many systems, this transfer has occurred incrementally rather than by design. Organizations should assess where they sit in this risk chain — whether they are absorbing, intermediating, amplifying, or mitigating risk — and whether that role is explicit, priced, and sustainable.

3. Decumulation is emerging as the primary system constraint

As balances grow and retirement durations lengthen, the conversion of savings into income is becoming the defining challenge across systems. Institutions and intermediaries positioned to support income design, pooling, drawdown strategies, and participant decision pathways will increasingly influence outcomes - regardless of whether systems are public, occupational, or personal.

4. System fragmentation creates both risk and opportunity

Breakdowns across pillars — in governance, data, accountability, and participant experience — increasingly drive inefficiency and uneven outcomes. Intermediaries often sit at these seams. Those with the capability to coordinate with stakeholders, bridge data and execution gaps, or simplify complexity are well positioned to add value at the system level. Operationally, partnering with leading recordkeepers, custodians, and administrators to deliver unified portals, straight through transfers, and resilient cybersecurity strengthens trust and lowers cost.

5. Confidence is shaped by system design, not participant sophistication

Engagement, contribution adequacy, and effective use of retirement assets depend less on education than on structures that simplify decisions and align incentives. Institutions and intermediaries that support design-led solutions — defaults, automation, and guided pathways — can materially influence confidence and long-term outcomes while scale alliances can accelerate innovation.

6. The next phase of value creation is shared stewardship

Value is shifting from transactional activity toward stewardship of retirement systems — supporting governance, risk management, income delivery, and coordination across the ecosystem. Institutions and intermediaries that help systems function better as rather than operate within silos, will increasingly define the future of retirement outcomes.

Endnotes

- For more on this analysis see: [Five forces reshaping the global economy: Insights for investors and policymakers | State Street](#) and [5 transformational trends shaping global finance | World Economic Forum](#).
- This multi-pillar framework was developed by the World Bank to analyze national retirement systems around the world. For more on this framework see [The World Bank Pension Conceptual Framework](#).
- We analyze these value pools in more detail in forthcoming modules of our *Reimagining Retirement* series to determine what the opportunities mean for the evolution of plans, products, and policy.
- We estimate US retirement assets as the sum of assets explicitly earmarked for retirement across employer sponsored plans, individual savings vehicles, and public programs. 'Individual' incl. IRAs and retail annuity reserves; 'Employer Sponsored' incl. DC (401(k), 403(b), 457, TSP) + DB (private & public); 'Public' incl. Social Security trust fund assets. Sources: Investment Company Institute (ICI 2025); Congressional Research Service (CRS, 2025).
- We estimate the UK's total retirement assets at ~£3.2 trillion (2024), spanning occupational and voluntary individual schemes. This includes DC Individual, DC Workplace (Contract and Trust based), pension annuities, and both public sector and private sector DB schemes. The State Pension operates as a PAYG system with no investable assets. Source: Pension Policy Institute (2024).
- We estimate Ireland's funded pension assets at ~€165 billion. Occupational pensions (employer sponsored schemes) account for ~€145 billion representing ~88% of total AUM. Individual/Retail pensions—including PRSAs (€18.3 billion), RACs and other personal products represent ~12% of total AUM. The Public State Pension operates on a PAYG basis. Sources: Central Bank of Ireland Pension Fund Statistics; CSO PRSA 2024.
- Germany's occupational pensions (private sector) are estimated at €727.9 billion (2023, reported as of Aug 2025) across Direktusage (€336.1 billion (46.2%))+ Pensionskassen (28.9%) + Unterstützungskassen (5.6%) +Direktversicherungen (11.1%) + Pensionsfonds (8.2%). Pillar 1 Statutory Public Pension (GRV) operates mainly on a PAYG . Pillar 2 Occupational pensions (bAV), including Pensionskassen, Pensionsfonds etc., represent the core funded component. Pillar 3 Voluntary retirement products (e.g., Riester, Rürup, private annuities) remain supplementary and are not centrally consolidated. Source: aba Arbeitsgemeinschaft für betriebliche Altersversorgung e.V. — Published: 04 Aug 2025; OCED Economic Surveys: Germany, 2025.
- We estimate Italy's complementary pension assets at €243.4bn. The funded occupational pillar amounts to €144.2bn (~60%) consisting of contractual/negotiated + pre existing funds. while The individual pillar, including open pension funds and PIPs (old and new), represents ~€99.2 billion (~40%). Source: COVIP, Supplementary Pension Funds, Italy, End 2024, (Main Data Tables 1 & 12.)
- We estimate Japan's pension assets at ~USD 2.8 trillion (OECD, 2024). The system is dominated by a large mandatory public pension comprising the National Pension (Kokumin Nenkin) and Employees' Pension Insurance (Kosei Nenkin), which together represent ~60% of total retirement assets. The public reserve fund is managed by the Government Pension Investment Fund (GPIF), which reported ¥277.6 trillion in assets at end FY2025 Q2.(Source: GPIF, 2025). Voluntary pillars—corporate pensions (DB/DC) and individual savings programs such as iDeCo and NISA—remain supplementary relative to the main public pillar.
- We estimate the Netherlands' retirement system at €1.77 trillion in assets at end Q1 2025, almost entirely within employer sponsored occupational pension funds. Personal/voluntary (third pillar) products—such as lijfrente and bank savings—are not centrally reported. The public pension (AOW) operates on a pay as you go basis. Source: Dutch pension fund data as reported by *European Pensions*, Q1 2025.

11. Norway does not publish a consolidated figure for total retirement assets. The Government Pension Fund Global (GPF) — a sovereign wealth fund supporting the fiscal budget — held NOK 21.2 trillion in assets as of Dec 2025 (Norges Bank Investment Management, NBIM). The smaller Government Pension Fund Norway (GPFN) reported ~NOK 380 billion in 2024 (Annual White Paper on the Government Pension Fund, regjeringen.no).
12. We estimate Canada's retirement assets as the sum of assets explicitly earmarked for retirement across employer sponsored plans, and public programs. Employer Sponsored DB+DC: ~\$2.4T (2023; +2.4% YoY). Public (CPP+QPP) assets: ~\$966B. Individual pillar is significant; no consolidated national total. Directionally, RRSP/RRIF, TFSA & non registered savings (not exclusive to retirement) sum to ~\$4.5T (SIMA, 2025). Sources: Statistics Canada PSA; CPP Investments; CDPQ (QPP); SIMA (2025).
13. We estimate Australia's retirement system at A\$4.33 trillion as of June, 2025. Employer Sponsored defined as (industry, retail master trusts (incl. platforms), corporate funds, public sector funds) plus EPSS (legacy DB plans- A\$177.8 bn) account for ~A\$3.22trillion (~75%), while Self Managed Super Funds (SMSFs) represent ~A\$1.05 trillion (~25%). Source: APRA Superannuation Statistics, June 2025.
14. We estimate Chile's pension assets at ~USD 240bn (Superintendencia de Pensiones; Macrobond, 2025). Occupational pillar assets: ~CLP 200 trillion. The AFP system remains the core mandatory pillar; AFP Habitat is the largest administrator (~27% market share; ~CLP 53 trillion AUM, Q2 2025). Voluntary savings (APV, APV Colectivo, Cuenta 2) belong to the individual pillar; aggregate AUM is not centrally reported. The Universal Guaranteed Pension (PGU) is tax funded.
15. We estimate Colombia's retirement assets as the sum of assets reported (2025) across the funded pillars (RAIS = FPO (mandatory) + FPV (voluntary) + FC (severance)) and the public scheme (RPM). RAIS ≈ COP \$587,9b = FPO \$524,6b + FPV \$36,7b + FC \$26,6b; RPM ≈ COP \$10,1b. Sources: Superintendencia Financiera de Colombia (SFC), *Informe Mensual de Fondos de Pensiones, FPV agregados (Nov 2025)*; *SFC Pensiones & Cesantías*; press releases; *Portafolio report 591861*.
16. The reform has been subject to Constitutional Court review/procedural challenges, creating uncertainty about the timing of full implementation pending final judicial decisions.
17. Ley 2381 de 2024 creates a contributory pillar with contributions to Colpensiones up to 2.3 SMMLV, with complementary funded contributions above that level (note: provisions are currently under Constitutional Court review/suspension).
18. We estimate Mexico's funded retirement assets basis the AFORE system, which consolidates both mandatory and voluntary (AV) accounts. AFORE net assets (Dec 2025): MXN 8.293 tn. Mexico's public social pension is PAYG/unfunded. Sources: CONSAR (Government Statistics, 2025).
19. UAE retirement provision for nationals is delivered through mandatory pension schemes operated by the General Pension & Social Security Authority (GPSSA), Abu Dhabi Pension Fund (ADPF), and Sharjah Social Security Fund. GPSSA manages ~US\$54 billion and ADPF ~US\$57 billion (Global SWF, 2024). Expatriates—~89% of the labor force—are not covered by national pensions and rely on employer funded End of Service Benefits or approved workplace savings schemes; this is gradually shifting as new funded schemes are introduced for expatriate workforces. The Dubai International Financial Centre (DIFC) administers the DEWS qualifying schemes, with assets exceeding US\$1 billion. Sources: Global SWF; Mercer; UAE Social Security legislation; Marmore; DIFC; GPSSA; ADPF.
20. Cabinet Resolution No. 96/2023 establishes a voluntary Alternative End-of-Service Savings Scheme allowing employers to fund monthly contributions to approved investment funds instead of the traditional gratuity.
21. GOSI is the unified national pension system covering both public and private sector workers following the 2021 merger. Saudi nationals contribute 18% of wage income toward annuity insurance (9% employer + 9% employee). Expatriate workers are covered only for occupational hazards insurance (2% employer), with no pension accrual. GOSI's investable assets are reported at SAR 1.2 trillion (2024). Sources: Argaam (2024); Global SWF – GOSI/PPA profile; Hassana Investment Co.

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