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Algeria's pension payment reform

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ABSTRACT

Retirement plays an important role in achieving inter-generational social justice and within the generation itself. It is a solidarity system in which contributions from the active generation are deducted and paid to retirees. However, this system continues to be expense on the state and the latter must search for additional resources to cover these expenses. Furthermore, the current challenges that Retirement systems face is financing, its appropriateness and its sustainability. The state should consider a new pension reform similar to majority of countries that have raised the participation rate and extended the age of referral to retirement in order to obtain additional contributions, creating thus abundance of financial resources. But the question that arises is:

How does Algeria face the deficit problem?

I-Introduction :

Reforms in the field of social security have become imperative in view of the many challenges that all countries face, especially the rise in social security expenditures and the phenomenon of aging for the population and globalization. Not only has it been significant to achieve stability and tranquility among members of society, or to preserve human dignity by providing a pension in Inability to work, or even eliminate inequality between individuals and between social classes and compensate victims of risk. More importantly, it has become an integral part in the economic and social development policy since it can be taken as a policy to pool the capital needed to drive development. It can also be taken, as a means to achieve acceptable economic growth rates by increasing the productivity of the workforce and providing insurance for old age, disability and death, given that providing a work climate is able to achieve the best levels of production.

Retirement programs also contribute to economic growth by affecting income, by deducting part of the income of the ad hoc group to distribute it again among the insured.

The social security policy is not only limited to achieving social security only, but it can also be considered a means to influence economic crises and exacerbate unemployment and spread of poverty. It improves work conditions as well as the framework of living and its level in order to achieve social justice and economic development(ZIGHMI, 2012, p17).

The number of beneficiaries of the pension system is estimated at more than 3 million, saying that in 2017 more than 150 thousand workers went to retirement.

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In order to have a financial balance, it is assumed that the contributions of 5 workers should be for one pensioner. Currently, we find 2 subscribers for only one pensioner. At the sustainability of the National Pension Fund budget, the first guest stressed the necessity of employment to contribute to raising contributions. This prompted the state to enact a law requiring an extension of the retirement age in order to get rid of the problem of the fund's financing deficit.

I.1 History of Retirement

Retirement is a relatively new concept that has come about as life expectancy has increased. Little more than a century ago, the idea of retirement did not exist. Our modern-day concept of retirement developed due to a combination of increased life spans, growing popularity of pension plans in certain sectors, and the onset of government-sponsored benefits in 1935 with the creation of Social Security(DANA, 2020).

According to the dictionary, retirement is "to stop working at one's occupation"(POTVIN, 2019). Retirement refers to the time of life when one chooses to permanently leave the workforce behind. The traditional retirement age is 65 in the United States and in other developed countries, most of which have some kind of national pension or benefits system in place to supplement retirees' incomes.(JULIA, 2019, P2)

I.2 CURRENT RETIREMENT AGES:

The rules for eligibility to retire and withdraw a pension benefit are complex and often reflect conflicting objectives. This is all mirrored in the different criteria for pension benefit withdrawal in different schemes. In 2016, the OECD average normal pension age was equal to 64.3 years for men and 63.7 years for women across all schemes for an individual retiring, and assuming labour market entry at age 20.(OECD, 2017)

I.3 Normal pension age:

The lowest normal pension ages equal 58 for women in Turkey and 60.0 for men in Luxembourg, Slovenia and Turkey. Iceland, and Norway have the highest normal pension age at 67. In nine out of the 35 countries the pension ages still differ between men and women. In these countries the average pension age for men equaled 64.2 years and 61.7 for women.(OECD, 2017)

II -Pension-system Typology : .(OECD, 2017)

There have been numerous typologies of retirement-income systems. The terminology used in these categorisations has become very confusing. Perhaps the most commonly-used typology is the World Bank's "three-pillar" classification (World Bank, 1994). This system is divided as follows: "a publicly managed system with mandatory participation and limited goal of reducing poverty among the old [first pillar]; a privately managed mandatory savings system [second pillar]; and voluntary savings [third pillar]". But this is a prescriptive rather than a descriptive typology. Subsequent analysts have allocated all public pension program to the first pillar. This has included earnings-related public schemes, which certainly do not meet the original definition of the first pillar. The most recent addition is the concept of a "zero pillar", comprising non-contributory schemes aimed at alleviating poverty among older people. But this is rather closer to the original description of a first pillar. The OECD has developed a taxonomy that avoids the concept of pillars altogether. It aims, instead, for a global classification for pension plans, pension funds and pension entities that is descriptive and consistent over a range of countries with different retirement-income systems (OECD, 2004).

The approach adopted here follows this line. It is based on the role and objective of each part of the pension system. The framework has two mandatory tiers: a redistributive part and an insurance part. Redistributive components of pension systems are designed to ensure that pensioners achieve some absolute, minimum standard of living. Insurance components are designed to achieve some target standard of living in retirement compared with that when working. Voluntary provision, be it individual or employer-provided, makes up a third tier. Within these tiers, schemes are classified further by their form (public or private, defined benefit or defined contribution). This typology therefore clearly separates form from function, and description from prescription. Table 1.1 summarises the systems of the 30 OECD member countries divided into the redistributive first tier and the insurance second tier. 1. First-tier, redistributive pensions All OECD countries have safety-nets in place that aim to prevent poverty of the elderly. These schemes, called "first-tier, redistributive schemes" here, can be of four different types: social assistance, separate targeted retirement-income program, basic pension schemes and minimum pensions within earnings-related plans. All of these are provided by the public sector and are mandatory. In basic pension schemes, the benefit is either flat-rate, i.e., the same amount is paid to every retiree, or it depends only on years of work (but not on past earnings). Additional income from other sources does not change the entitlement to the basic pension. Eleven countries have a basic pension scheme.1 Targeted plans, in contrast, pay a higher benefit to poorer pensioners and reduced benefits to better-off retirees. The targeting takes three different forms. First, benefits can be pension-income tested (where the value depends only on the level of pension income a retiree receives), broader-income tested (reducing payments if, for example, a retiree has income from savings) or broader means-tested (reducing the pension to take account of both income and assets). There are 18 OECD countries with this type of pension program.

II.1 Defined benefits and defined contributions:

In the defined benefit system, the employer is the one who finances the fund, and he is the one who bears the financial risk related to contributions and the permanent risk associated with increasing life expectancy. That is, he is the one who bears the deficit. There is no link between benefits and contributions for this type of retirement plan, but only in the defined contribution system. A socially insured beneficiary is a person who bears the financial risk arising from investing contributions run by a private institution, for which pensions are paid in the form of rents. Here, benefits are linked to subscriptions.

According to the OECD, a defined benefit (DB) plan is any pension plan other than a defined contribution (DC) plan, including all plans in which the financial or longevity risks are borne by the plan sponsor. Benefits to members are typically based on a formula linked to members' wages or salaries and length of employment. Alternatively, a defined contribution plan is a pension plan by which benefits to members are based solely on the amount contributed to the plan by the sponsor or member and any return on that investment (The Social Protection Committee, 2008,P12).

DB: Defined benefit. DC: Defined contribution. Notes on first-tier schemes: Social assistance refers to general program that also cover older people. Targeted covers specific schemes for older people that are resource-tested. Basic schemes are either universal, flat-rate programs or pay a flat amount per year of coverage. Minimum pensions are redistributive parts of earnings-related schemes. Notes on second-tier schemes: Includes quasi-mandatory schemes with broad coverage. France has two programs: the public scheme and mandatory occupational plans. Denmark's scheme is a hybrid of DB and DC. Source: Based on information provided by national authorities.

Minimum pensions are similar to targeted plans since they also aim to prevent pensions from falling below a certain level. But the institutional set-up and the eligibility conditions are different. Minimum pensions, as they are defined here, are part of the rules of the second-tier, earnings-related pension provision. Usually, retirees must have paid contributions for a minimum number of years in order to receive this benefit. Minimum credits in earnings-related schemes, such as those in Belgium and the United Kingdom, have a similar effect: benefits for workers with very low earnings are calculated as if the worker had earned at a higher level. Finally, five countries do not have specific, targeted program for older people. In these cases, poor older people are entitled to the same general social-assistance benefits that are available to the whole population. Half of OECD countries rely on one primary instrument to prevent old-age poverty, but the rest have a combination of two or three schemes.

2. Second-tier, mandatory, insurance pensions: The second tier in this typology of pension schemes plays an "insurance" role. It aims to ensure that retired people have an adequate replacement rate (retirement income relative to earnings before retirement) and not just a poverty-preventing absolute standard of living. Like the first tier, it is mandatory. Only Ireland and New Zealand do not have some form of mandatory second-tier provision. Some 17 countries have public defined-benefit (DB) plans, making them by far the most common form of pension-insurance provision in OECD countries. In DB schemes, the amount a pensioner will receive depends on the number of years of contributions made throughout the working life and on some measure of individual earnings from work. The next most common form of pension-insurance provision is the defined-contribution (DC) plan. In these schemes, each worker has an individual account in which contributions are saved and invested, and the accumulated capital is

usually converted into a pension-income stream at retirement; lump-sum withdrawals are rarely permitted. Typically, the capital has to be used to buy an annuity, i.e., a guaranteed pension payment until death, which meets certain conditions (such as indexation of benefits and provision of survivors' benefits).

There are different ways in which DC schemes are organised. In Australia, employers must cover their workers through an industry-wide fund or a financial-service company. In Hungary, Mexico and Poland, DC plans are strictly individual: workers choose a pension provider without employer involvement. In Sweden, workers pay only a small contribution into the mandatory individual accounts. They have a wide range of choices of how to invest their savings. A public agency acts as a clearing house and intermediary between workers and investment managers. There is additional DC provision for most workers in Sweden under the quasi-mandatory occupational plans. In Denmark, investments under the national retirement-savings plan are managed centrally, but with choice of portfolio from 2005. Finally, some countries have earnings-related schemes that do not follow the "traditional" DB model. First, there are points systems: the French occupational plans and the German, Norwegian and Slovak public schemes. Workers earn pension points based on their individual earnings for each year of contributions. At retirement, the sum of pension points is multiplied by a pension-point value to convert them into a regular pension payment. There are also notional-accounts schemes: the public plans of Italy, Poland and Sweden. These are schemes which record each worker's contributions in an individual account and apply a rate of return to the accounts. The accounts are "notional" in that both the incoming contributions and the interest charged to them exist only on the books of the managing institution. At retirement, the accumulated notional capital in each account is converted into a stream of pension payments using a formula based on life expectancy at the time of retirement. Mandatory contributions to Swiss occupational plans look at first like a DC scheme, since individuals and their employers must pay a contribution rate that varies with age. But the government sets the minimum rate of return that the scheme must pay and a mandatory annuity rate at which the accumulation is converted into a low of pension payments. This means that the system has strong elements of a DB plan.

III- Pension reforms(PETER, 2020)

Changes in the number of years used in benefit calculation: Individual earnings are measured in different ways. Measures include earnings in the last (few) year(s) of employment, earnings over a number of best years, or life-time earnings. In the past, the last few years of earnings were commonly used to calculate public pension benefits. Today, many countries have moved towards the use of life-time earnings. Q Changing the valorisation of past earnings. Pension benefits have also been made less generous through changes in ways in which past wages enter into the benefit calculation. In many public pension systems, past earnings are re-valued to take account of changes in living standards between the time pension rights accrued and the time they are claimed. Some countries have recently moved from earnings to price valorisation or to a mix of wages and prices. Changes in valorisation can strongly influence benefit levels, since prices tend to rise more slowly than wages.

Changing indexation of pensions in payment: Some countries have moved from indexation to earnings towards full or partial indexation to prices. This means the purchasing power of pensions is preserved, but pensioners are not participating in increasing living standards enjoyed by workers. When poverty thresholds are set in relation to household income, price indexation leads to higher relative poverty rates among pensioners as the economy grows.

Q Linking pensions to higher life expectancy: Several countries have changed benefit formulae to include a factor reflecting increases in life expectancy at retirement. Incorporating such a factor is particularly simple in the notional account systems that have been introduced in recent years in some countries. Explicit links between life expectancy and pension benefits have also been introduced in defined benefit systems. The impact of these measures has varied depending on the chosen parameter, but have generally lowered the amount of public pension benefits paid to current and future generations of retirees.

III.1 Social insurance in Arab countries:

Generally, public sector workers are automatically enrolled in social insurance schemes. Enrolment is also, in most cases, mandatory for salaried employees in the private sector. However, this is often not enforced in practice, meaning that many private sector workers are employed on an informal basis and thus lack social insurance coverage. In some countries, voluntary schemes during recent decades, with various rates of success, have been set up for groups such as the self-employed and seasonal and agricultural workers. It has been estimated that around two thirds of workers in the Arab region are not covered by social insurance. Generally speaking, the rate of informality is higher in countries with a low GDP per capita. The main pillar of social insurance schemes is old-age insurance, e.g. pension benefits, which are given to insure workers once they have reached the legal retirement age. Another crucial part is made up of disability benefits, also called disability pensions. These are given to workers covered by social insurance who incur a disability. As a rule, insured workers must, in order to access the disability pension, be declared to have a specific degree of disability. He or she must also have been enrolled in the social insurance system for a certain period and/or have made a certain number of contributions within a specific timespan. In Egypt, for instance, the worker must "have at least three consecutive months or a total of six months of contributions". Furthermore, "the disability must begin while in covered employment or within a year after employment ceases; 10 years of contributions are required if the disability began more than a year after employment ceased." (ESCWA, 2017 P42)

- Countries in the Arab States region spend an average of 2.5 per cent of GDP on social protection excluding health, though with significant regional variation.(ILO,2012)
- Less than a third of the region's labour force contributes to social security on average across the Arab States
- Jordan and Saudi Arabia maintain the highest regional average pension coverage (51 percent) other GCC countries have considerably lower coverage rates due to the high numbers of foreign workers, mainly from Southern Asia and South-Eastern Asia, who do not enjoy social security coverage
- Coverage rates for women are often under half of those for men with young women fairing even worse: their labour force participation rate amounts to only 13.5 percent, while unemployment among young women stands at 49 percent.
- Only 27 percent of the region's senior citizens receive old age pensions.
- Average legal coverage of pension systems for the population of the Arab States is nearly 46 percent while coverage for women is only at 34.8 percent.
- Jordan is the sole country in the Arab States, that ratified ILO's convention on Social Security (Minimum Standards) Convention, 1952 (No. 102), in February 2014.
- Most countries in the Arab State with Jordan as an exception do not have maternity insurance schemes in place, and the burden to pay the salary during maternity leave rests with the employer.
- Bahrain, Kuwait, Jordan and Saudi Arabia have established unemployment insurance schemes. Oman and the United Arab Emirates are in the process of setting-up such a scheme for private sector workers.

III.2 Pension reform in Algeria:

-Social protection policies in Algeria: (Ammar,(2016), p 149-150)

The social and economic situation in Algeria was characterized by poverty and poor health care in the wake of independence. Therefore, both the new authorities and the population worked on how to deal with these situations toward better development programs adopted mainly on the combination of support from the State Treasury and institutions that are available at the time in the field of social security. This established for the policies of economic development with a social dimension to respond to the aspirations of the liberation revolution. These factors have contributed to the formulation of citizens' vision, and that of the authorities, and to the design and development of social protection in Algeria. So, various efforts have been made in this regard not to discriminate between the limited activities of social insurance institutions and the activities of State social protection in general. Algerian State Social Protection policies include a wide range of activities and institutions which can be divided into two main parts: the social security, and state social activity. Part I covers the total beneficiaries and those who have the rights to benefit from social protection funds raised from employee's share of standard monthly contribution and nonsalaried employees. While the second part relies on the principle of national solidarity which is guaranteed by the State in the form of cash or permanent or temporary selective support to institutions and social groups. It is paid on state public treasury account (state social activity). We will deal with both parts to highlight several fundamental points, including: legislative frameworks and key systems of social protection, the size of spending and the extent of coverage of social protection system for all classes of society. Then we will move in Part III to evaluate the system, depending on the statistical data available and the views of many civil society organizations.

-National Pension Fund: (Ammar,(2016), p 149-150)

The current National Pension Fund was established on 02 July 1983 after several amendments to the system. The basic tasks of the Fund are to ensure social protection and financial security in old age for a class of retirees in later life. Statistics, however, indicate that a significant decline in contribution revenues to the national pension fund from 90 percent in 2003 to 82 percent in 2009. This is especially when they adopted a considerable increase in pensions which has reached for some categories up to 40 percent since 2005. This financial deficit is constantly compensated from the state public treasury. The pension system witnessed significant changes in 1994, 1996, 1997 and 1999 with the implementation of legislation to cover a wide range of retired and to allow them to retire on a pension flexibly with respect to the earnings-related pension system. Within the framework of the earnings-related pension scheme, three categories of old aged people can get pension: early retirement pension, being retired by the employer and finally relative retirement without age consideration. These regulations guaranteed old-age pensions in general and provided social protection and security for a large number of employees who were threatened to be unemployed and have not reached the retirement age yet. These regulations, however, led to a sudden and large increase in the number of retirees. Causing therefore, a serious fiscal deficit and the pension fund almost went bankrupt unless the state intervened and made transfer from public treasury.

-Employment Structure(MENA, 2016)

The Algerian population was 40.4 million on January 1st, 2016. In the local 'Office National des Statistiques' (ONS), a study published as at end of 2015, the active population was 11.932 million inhabitants. The unemployed population in the same period was 11.2% with a rate of 29.9% for the youth; 9.9% for the male and 16.6% for female. Still according to the ONS, the structure of employment by sector of activity brings out a third sector (trade and services) in progress at 59.8% of the total workforce, followed by Construction at 16.6%, Industry at 13.0% and lastly Agriculture 10.6%. The breakdown according to the legal divide highlights a dominance of the private or mixed sectors, with a relative share of 58.8% of total employment, including the informal sphere which, according to the Department of Labour would concern 25 to 30% of the country's population. Salaried manpower is the dominant form of employment with 65.3% in the formal private and public sectors but with wage disparities and also significant observed differences between genders. Female employment is characterized by a greater concentration in the public sector (61.2% of total employment).

III.3 Bill on retirement: urgency to reform pension plans:

It is that time again of the State Pension Review at all levels in Algeria. A Bill on Retirement schemes is currently under discussion; it is about the review and reformation of the State Pension national plan prior to be voted in and applied as of January 1st, 2017.

Because of the demographic structure, and the prevailing retire type of economy of the country, the pension funds are entirely dependent on this legislation. It is a very sensitive issue whereby the importance of transparency in the decision process and especially of a supporting social dialogue that should be maintained at all times.

The value of the currency, the Dinar and the employment rate that are for more than 70% dependent on public expenditure mainly supported by hydrocarbons and their derivative exports revenues, are making it for the State Pension Funds somewhat difficult to meet the demand. Due to a drop in the oil price, 2 years back, these Funds were reported to be on the brink of collapse. Although the troubles that plague the State Pension Funds system get the most attention, similar dangers now threaten many other kinds of Social Security funds.

III .4 Design of the Algerian retirement system:

The retirement system in Algeria is composed of three schemes, one for militaries, one for the high civil servants & government staff, and the last one for civil workers. This least is arranged into two sub-schemes; the scheme dedicated for salaried employees is managed by "La Caisse Nationale des Retraites CNR" while the one dedicated for self-employed people is managed by "La Caisse d'Assurance Sociale des Non-Salaries CASNOS". The part of retirees covered by CNR is almost 90% of the total covered by both CNR and CASNOS. In this paper, we focus only on the salaried-employees regime. The regulatory age of retirement in the Algerian System is 60 years old. The 1st retirement benefit is calculated by the formula: $RBx = 2.5\% * n * \bar{W}[x-5,x[$ With: RBx is the retirement benefit that a newly retired receive, age x represents the age of retirement; n is the number of years of contribution;

$\overline{W}[x-5,x[$ is the average wage of the 5 years before retirement (final wage); for simplification issues, we note it $w*$. According to this formula, with 32 years of contribution, which represent the max, the first retirement benefit should represent 80% of the final wage. On the other side, the contribution rate for retirement (CRR) has evolved from 5% in 1985 to 18.25% in 2016. Interested readers can see Flici and Planchet (2019b) for a more detailed overview of the Algerian retirement system.(Farid ,2019,p 2)

The amount of the pension for each proven year is determined at a rate of 2.5% of the monthly wage subject to social security contributions. The retirement pension has a minimum and a maximum of two:

The maximum limit is 80, and for a worker who has the status of a Mujahid, this limit is raised to 100% of the wage approved for calculating the amount of the pension. The minimum limit cannot be less than 75 of the minimum national wage guaranteed for a Mujahid. The minimum is not less than twice. And half of 2.5 of the amount of the guaranteed minimum national wage.

And in all cases, the crude maximum amount of the retirement pension may not exceed 15 times the value of the guaranteed minimum national wage, according to Article 17 of Law 12-83 relating to amended retirement and supplemented by Law 99.03 of March 22, 1999.

Concerning the deficit of the pension system in Algeria reached the 288 millions of dinars in the year 2015, this is because many workers have left their job for early retirement.

IV- Methods and Materials:

This scientific research depends on the descriptive and analytical principle in the first place in order to determine the characteristics of the phenomenon of the inability of pension funds to achieve the desired efficiency and effectiveness in paying future pensions. It moves to describe the nature of this phenomenon and the quality of the relationship between its variables, causes and trends. Moreover, the statistical approach was used to collect and process quantitative data related to the National Pension Fund.

V- Results and discussion:

- The social security system in Algeria is a defined benefit and not a defined contribution, as benefits are not linked to social security contributions. Not all affiliates are shareholders, this means that not all beneficiaries of the benefits (social security services) are making contributions, such as students, for example, they get Scholarships subject to social security deductions which are very minimal, as are sponsored children, spouses and sometimes the benefits from which they benefit outweigh the contributions.

The parallel sector stands in the way of the optimal allocation of social assistance and grants allocated to aging, because there are those who have unauthorized income and benefit from social transfers, and this may increase the widening poverty gap and inequity in the distribution of income.

- The collapse of oil prices is an obstacle in the face of covering retirement expenses, especially since the Algerian economy is a rentier and unproductive economy, and it does not have a development alternative to create wealth and national income.

- The Algerian labor market is not flexible, which leads to a decline in social insurance contributions and a hindrance to financing the pension fund.

The aging of Algerian society is an additional social expense on the shoulders of the state, while the mechanisms currently in place do not allow to meet this deficit in the future.

The Algerian social protection system does not have the efficacy and effectiveness necessary to create welfare and social justice among members of society.

Wages are on the rise, which means that the pensions will be also high, so the deficit will be exacerbated at the level of the National Pension Fund.

VI-Conclusion:

The new retirement law is a double-edged sword, on the one hand it will enable us to achieve the desired efficacy to control the fund's fiscal deficit, but on the other hand it will affect social justice and the well-being of individuals, given the conflict between justice and efficacy in reform theories. It is evident that these reforms fill the current deficit at the level of pension funds, as they aim to improve the fund's financial position by making the balance achieve a surplus by increasing revenue over expenditures.

Of course, such reforms require political will, as any change that occurs to social security laws will meet popular resistance as it conflicts with the interests of the citizen, and therefore the change must be made gradually, and not at once, until it is accepted by all actors.

Extending the age of referral to retirement may exacerbate the unemployment phenomenon among certificate holders and delay their opportunity to obtain a permanent job position.

Increasing the participation rates and the age of referral to retirement in large proportions may lead to the infiltration of workers and employers who finance the system into the informal sector after overburdening them with living costs that they cannot afford, so the gap of disability widens rather than shrinks. It may also lead to the loss of rights of some groups, which requires adoption of a corrective policy on the part of the state, which enables it to deal with the defect that may affect the well-being of the group that is not served by reform. That indeed, remains always within the framework of social protection and its affiliated devices.

- Appendices:

Figure 01 :

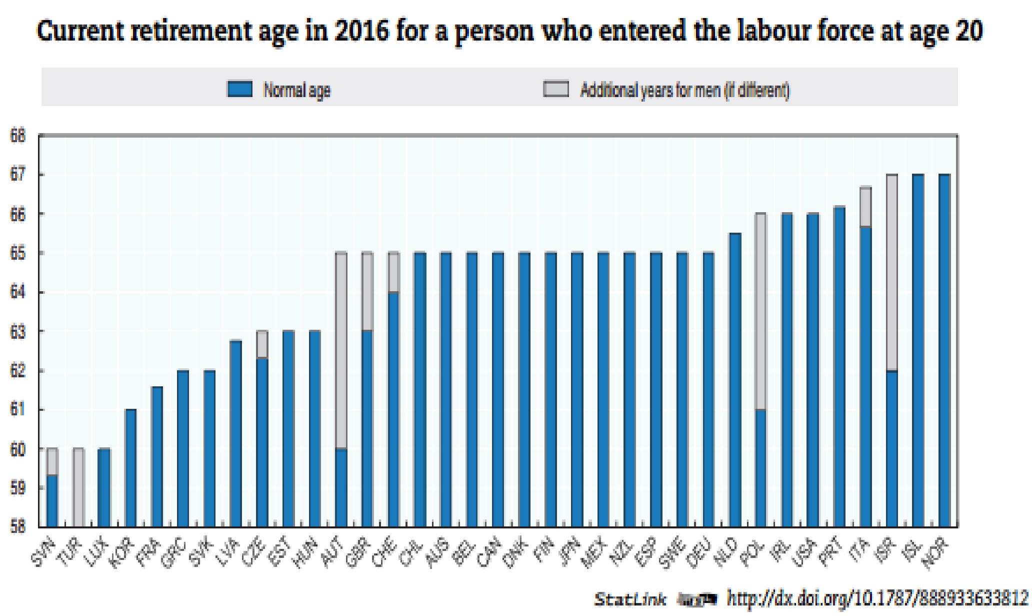


Table 1. **Structure of pension systems in OECD countries**

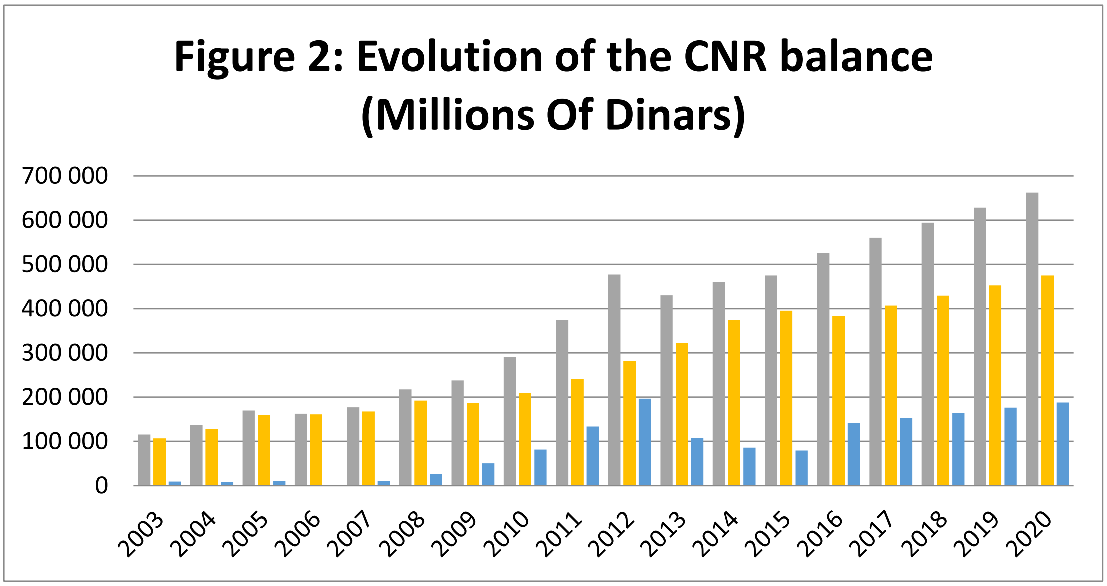
Tier: function	First tier: universal coverage, redistributive				Second tier: mandatory, insurance		
Provision	Public				Public	Private	
Type	Social assistance	Targeted	Basic	Minimum	Type	DB	DC
Australia		✓					✓
Austria		✓			DB		
Belgium		✓		✓	DB		
Canada		✓	✓		DB		
Czech Republic	✓		✓	✓	DB		
Denmark		✓	✓		DB/DC		✓
Finland		✓			DB		
France		✓		✓	DB + points		
Germany	✓				Points		
Greece		✓		✓	DB		
Hungary				✓	DB		✓
Iceland		✓				✓	
Ireland		✓	✓				
Italy	✓				Notional ac		
Japan			✓		DB		
Korea			✓		DB		
Luxembourg	✓		✓	✓	DB		
Mexico		✓					✓
Netherlands	✓		✓			✓	
New Zealand			✓				
Norway		✓	✓		Points		
Poland				✓	Notional ac		✓
Portugal		✓		✓	DB		
Slovak Republic				✓	Points		
Spain				✓	DB		
Sweden		✓			Notional ac	✓	✓
Switzerland		✓		✓	DB	Defined credit	
Turkey		✓		✓	DB		
United Kingdom		✓	✓	✓	DB		
United States		✓			DB		

The source: PRIVATELY MANAGED FUNDED PENSION PROVISION AND THEIR CONTRIBUTION TO ADEQUATE AND SUSTAINABLE PENSIONS (2008), The Social Protection Committee, pp, 12, online: file:///C:/Documents%20and%20Settings/fatima/Mes%20documents/Downloads/final_050608_en%20(1).pdf visited in 16/03/2020 at 08:50.

Table 02 : **Characteristics of the social security funds**

I	Cash transfers		
	1	Support of Education	
		1.1.	scholarships and salaries of students
		1.2.	School canteens
	2	Activities assistance and solidarity	
		2.1.	Activities for the benefit of the blind, the disabled and children ministering (Assisted Childhood)
		2.2.	Social Network
		2.3.	To compensate victims of terrorist acts funds
		2.4.	State support of the National Endowment for housing
		2.5.	State support of the National Endowment for the job promotion
		2.6.	Special Fund for National Solidarity
	3	other transfers	
		3.1.	The bonus pay for employees.
		3.2.	Pensions Mujahideen of the liberation war
		3.3.	Cultural and sporting activities (financial support for the associative activity)
		3.4.	Direct cash services
			-Family Grants
			- Compensation for the difference to the owners of small pensions
			- Compensation for the difference of the Mujahideen of the Liberation War
			- National Fund for retirement benefits.
			- Compensation for the difference in interest on loans.
II	Non-cash transfers:		
	Price support fund.		
	Health Support sector		
	Support for specialized institutions of social protection.		
	Travel costs Compensation fund.		
State Social Budget (1) + (2)			

The Source: State Pension Review at all levels in Algeria(Nov 29, 2016), Banking & Financial Institutions, Budget, Democracy, E-Government, Governance,Government, MENA, Monetary policies, online : https://mena-forum.com/21834-2/#.Xm83iNQwi-9 visited in 16/03/2020 at 09:27.



The Source: by the author from the CNR data

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