



issa

INTERNATIONAL SOCIAL SECURITY ASSOCIATION

Survey Report

Public information programmes on public pension schemes

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Introduction

The International Social Security Association (ISSA), in cooperation with the Social Insurance Agency of Japan (SIA), undertook a limited survey of public information programmes pertaining to public pension schemes in the countries of various ISSA members, with a focus on industrialized countries. This paper reports on the summarized findings of the survey, illustrating a number of experiences in this area provided by the targeted institutions.

1. Background and objectives

As a result of ongoing demographic changes, particularly population ageing in many countries, reform of public pension schemes has been undertaken in order to ensure the long-term financial sustainability of public pensions.

Although pension reform is a vital challenge in providing, and also often necessary to maintain, adequate and sustainable public pension schemes, it can result in public controversy, particularly with regard to intergenerational equity. Therefore, increasing public understanding, raising awareness and reaching consensus on public pensions are ongoing key tasks in the drive for the establishment of not only financially but also socially-sustainable pension schemes.

Public information programmes on public pension schemes conducted by public pension authorities can enhance significantly public understanding of pension matters, build trust in such schemes, help to foster a spirit of social solidarity and intergenerational support, move towards delivering integrated programmes, improve compliance, mitigate pension fraud, and encourage debate on pension policy, thereby ensuring sustainable public pension systems. Such efforts can also serve to further familiarize the public with pension schemes, and improve accessibility to pension rights as well as to the services provided.

This subject was defined not only as an ISSA member priority in an ISSA 2006 survey, but has also been recognized as a key challenge by the European Commission (EC)¹ and the Organisation for Economic Co-operation and Development (OECD)², in promoting public awareness on pension matters, especially regarding the financial information required in preparing for retirement. Information programmes on public pensions are therefore a major task for public pension administrations.

¹ European Commission: *Adequate and Sustainable Pensions: Synthesis report 2006*, August 2006.

European Commission: *Public Information on Pension Systems and Pension System Changes, Peer Reviews*, May 2008.

² OECD: *Recommendation on Good Practices for Financial Education relating to Private Pensions*, March 2008.

In order to assist the working-age population, in particular the younger contributors to public pension schemes, a promising approach is to provide appropriate education and information so as to build greater consensus on sustainable pension schemes. In general, young people are thought to have less interest and knowledge on the different aspects of pension matters than other age categories.

The principal aim of this report is to analyse information programmes on public pension schemes provided by the targeted ISSA members in the survey. With the ISSA's conceptual framework of Dynamic Social Security in mind, the report also attempts to describe and identify members' proactive and practical approaches with regard to communication with the public to meet different needs.

2. Targeted institutions and survey method

Clearly, a major challenge for social security administrations in developed as well as in developing countries is to raise public awareness on the importance of public pensions. In this survey, however, it was decided to focus on industrialized countries, particularly those facing rapid population ageing. The ISSA and the SIA selected and approached around 20 ISSA member institutions in 19 industrialized countries that are responsible for administering and/or supervising public pension schemes in their countries.

A questionnaire (Annex 1) was drawn up in order to collect information on information programmes and activities pertaining to public pensions, taking into account regional variations and viewpoints.

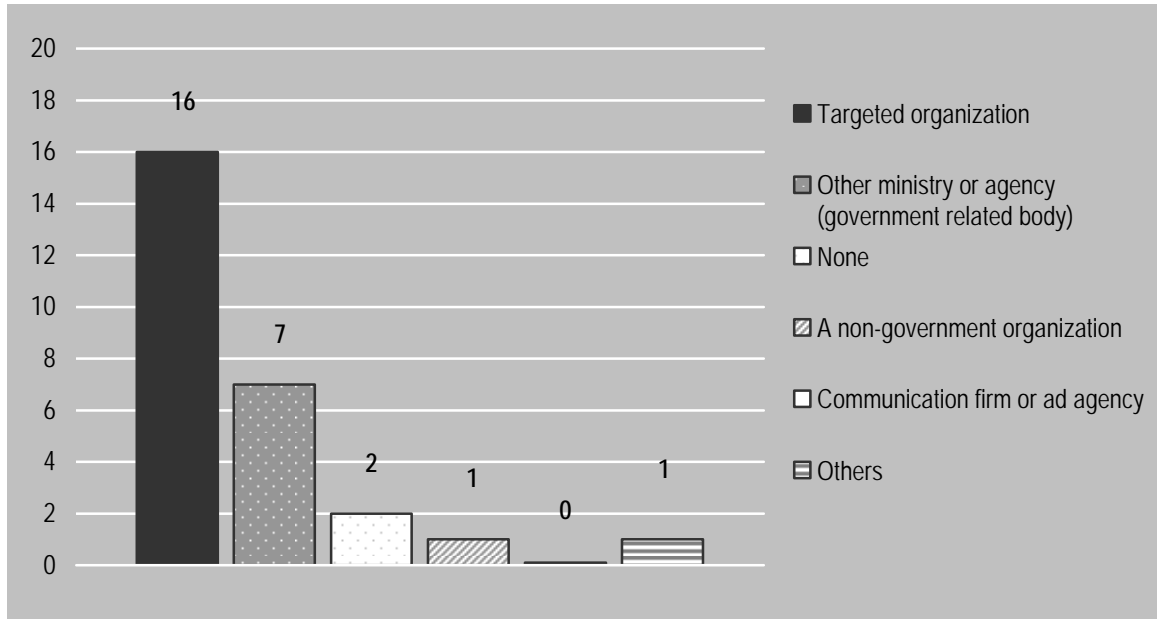
3. Findings

The survey received responses from 18 ISSA members in 17 industrialized-countries (Annex 2). In addition, although the SIA of Japan was not a targeted organization in the study, SIA experience in this area, as an originator of the project, is also provided in this report.

The first finding was that not all of the pension administrations deal with information programmes on public pensions (figure 1). However, this does not mean that the public is not provided with relevant information.

The Social Insurance Institution (Kela) of Finland, for instance, explained that it had no particular information programme and/or campaign as none was required, given that its role concerned minimum pension benefits, and that the majority of Finns were well-informed. However, general information on the national pension is available on the Kela Website and from publications.

Figure 1. Organizations responsible for implementing information programmes on public pensions

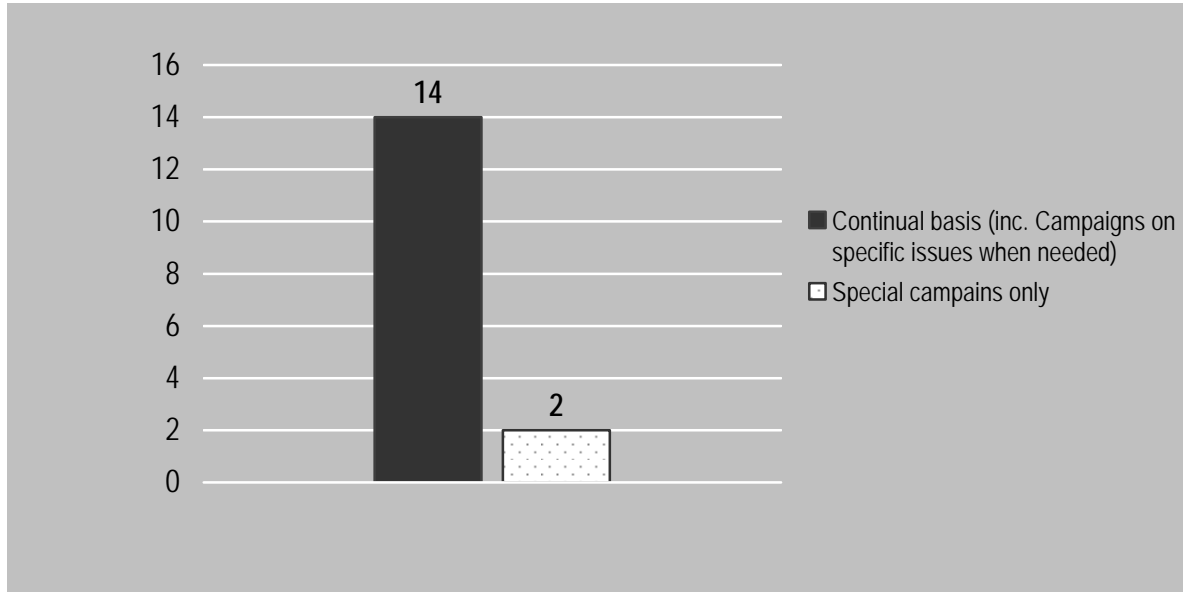


The survey confirms that 16 of the 18 members have the responsibility to disseminate relevant information on pension matters to the public, and indeed all 16 have actually conducted such information programmes. Most of them have an internal department of information and/or communication to plan and implement the programmes. In addition, other ministries and/or governmental agencies in some member countries also play a part.

Fourteen of the 16 members run continuous information programmes on public pensions (figure 2). Several reported that information campaigns on specific issues were also carried out. According to the Federal Social Insurance Office (OFAS), Switzerland, special information campaigns can be used for referendums related to proposed legislative changes.

On the other hand, although providing general information, two organizations, the National Old-Age Pension Fund (CNAV), France, and the Social Insurance Bank (SVB), Netherlands, reported that only special information campaigns were carried out. In addition, the CNAV was committed to undertake annual three-week intensive information campaigns on a particular issue of pension reform, values or services.

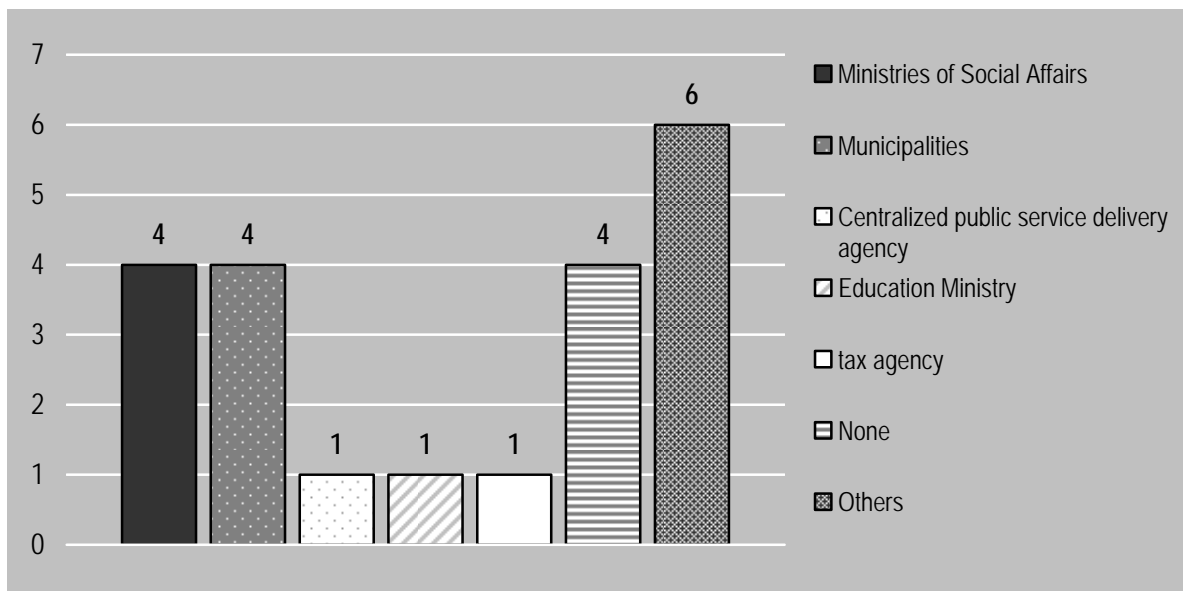
Figure 2. Method of conducting information programmes on public pensions



3.1 Partners for information programmes

In order to familiarize the public with public pension matters, organizations in both the public and private sectors play an important role in supporting members' information programmes and activities. Figure 3 shows the range of partners.

Figure 3. Partner organizations for information programmes on public pensions



Whereas some have no specific partner for information programmes, others work closely with municipalities and ministries providing general supervision on pension schemes. The table below lists these partners for each member concerned.

Organization responsible	Cooperating partners
Human Resources and Social Development Canada (HRSDC)	<ul style="list-style-type: none"> • Canada Revenue Agency responsible for collecting the Canada Pension Plan (CPP) contributions • - Service Canada: the Government of Canada's one-stop service delivery network
National Institute of Social Security (INSS), Spain	<ul style="list-style-type: none"> • The Ministry of Education at this stage is negotiating various initiatives and methods to educate students about public pensions in schools
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), Australia	<ul style="list-style-type: none"> • Centrelink: Australian government statutory agency responsible for social security income support payments
The Ministry of Social Development (MSD), New Zealand	<ul style="list-style-type: none"> • The Civil Advice Bureau: NGO providing relevant information, advice, advocacy and support to individuals
The National Old-Age Pension Fund (CNAV), France	<ul style="list-style-type: none"> • Public Interest Group on the Right to Information (Groupement d'intérêt public droit à l'information) responsible for pension statements and working closely with some 35 different pension authorities
The Department of Social and Family Affairs (DSFA), Ireland	<ul style="list-style-type: none"> • The Citizens Information Board: statutory body • The Pensions Board: statutory body • The pension Ombudsman

According to the Social Security Administration (SSA) of the United States, the SSA receives some cooperation from non-profit and for-profit organizations. Although it makes use of their services in educating the public, the SSA provides no financial support for their efforts.

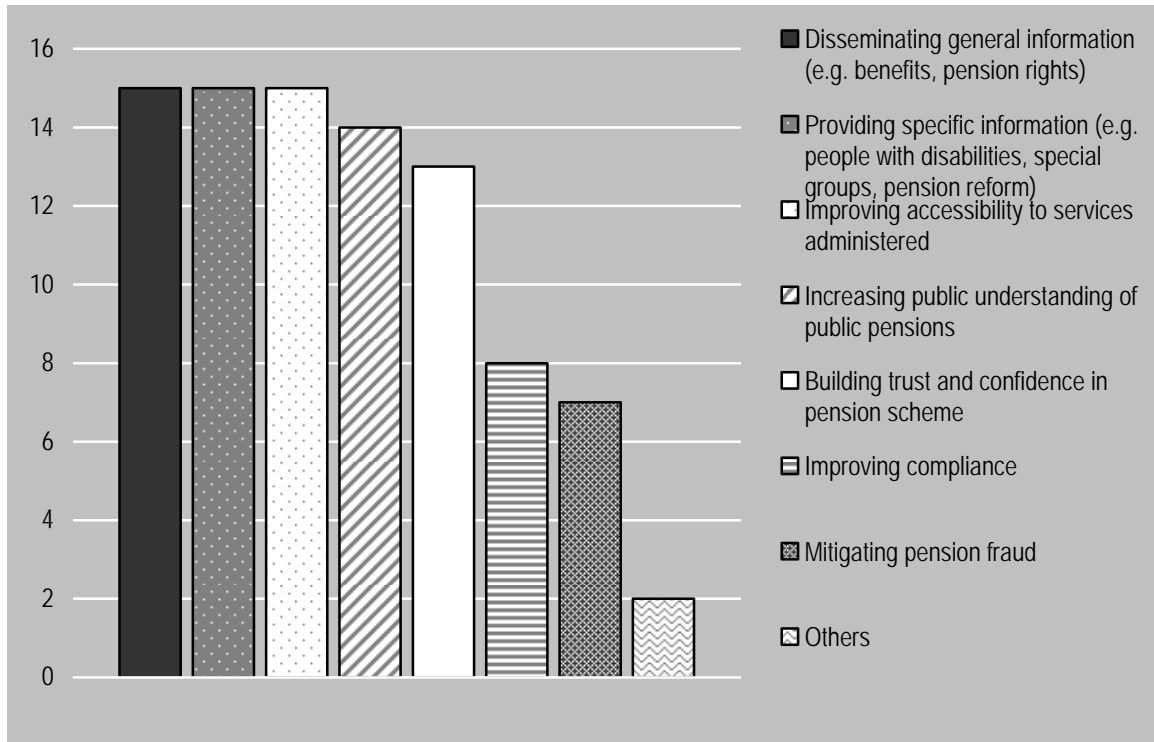
In Japan, the SIA also has a wide range of partners such as the Ministry of Health, Labour and Welfare (MHLW, supervises public pensions), municipalities, the National Tax Administration, the Ministry of Education, Culture, Sports, Science and Technology (MEXT), and the Government Public Relations office. Furthermore, specialists and experts in social insurance schemes are involved in promoting public awareness of public pensions.

3.2. Information programmes on public pension objectives

As shown in figure 4, the main objectives of the information programmes of surveyed organizations can be summarized as follows:

- Informing the public appropriately and accurately on public pensions (e.g. benefits, eligibility, rights and obligations, and contribution rates);
- Building trust and raising public awareness and understanding in public pension schemes;
- Improving accessibility to services provided by pension authorities.

Figure 4. Information programme on public pension objects



A number of specific aims are listed below:

- The SSA reported that, in addition to the above objectives and based on the public's right-to-know in the United States, it informs all citizens on how social security programmes are administered and financed as well as on the issues facing the US Social Security Program.
- A major aim of HRSDC of Canada information programmes is to improve accessibility to services and benefits for vulnerable populations (e.g. persons with disabilities, the homeless and near homeless, immigrants and aboriginal people).
- As pension reform is of great interest to the public, the Finnish Centre for Pensions (ETK) reported the experience of the information programmes on the major pension reform in 2005, which was carried out by the ETK in cooperation with pension providers and the Finnish Pension Alliance through, for instance, media and lectures during 2004-2005.
- It is a defined aim of the SIA of Japan information programmes to inform the public on relevant pension information, including the reform of pension operations, and on the activities of the new administrative institutions for public pensions: the Japan Pension Service is to be launched in January 2010, and the Japan Health Insurance Association was established in October 2008.

- The SVB of the Netherlands stated that a specific aim was to inform the public about tasks and management by direct communication through a number of media such as the Internet, telephone and information desks.

In addition, a number of the surveyed organizations pointed out that improving compliance and mitigating pension fraud were also an important aims of the information programmes.

According to the FaHCSIA of Australia, there are certain types of fraud, such as unreported or wrongly-reported income and/or assets, or unreported deaths of customers or their partners, where efforts must be made. To handle these issues, targeted campaigns were conducted through letters and articles in seniors' magazines, including education campaigns.

The SIA, as the organization responsible for collecting government-managed pension contributions, makes significant use of information programmes to enhance compliance via a number of activities, for example, payment of National Pension (NP) contributions by credit card and exemption from NP contributions.

3.3. Target groups of information programmes on public pensions

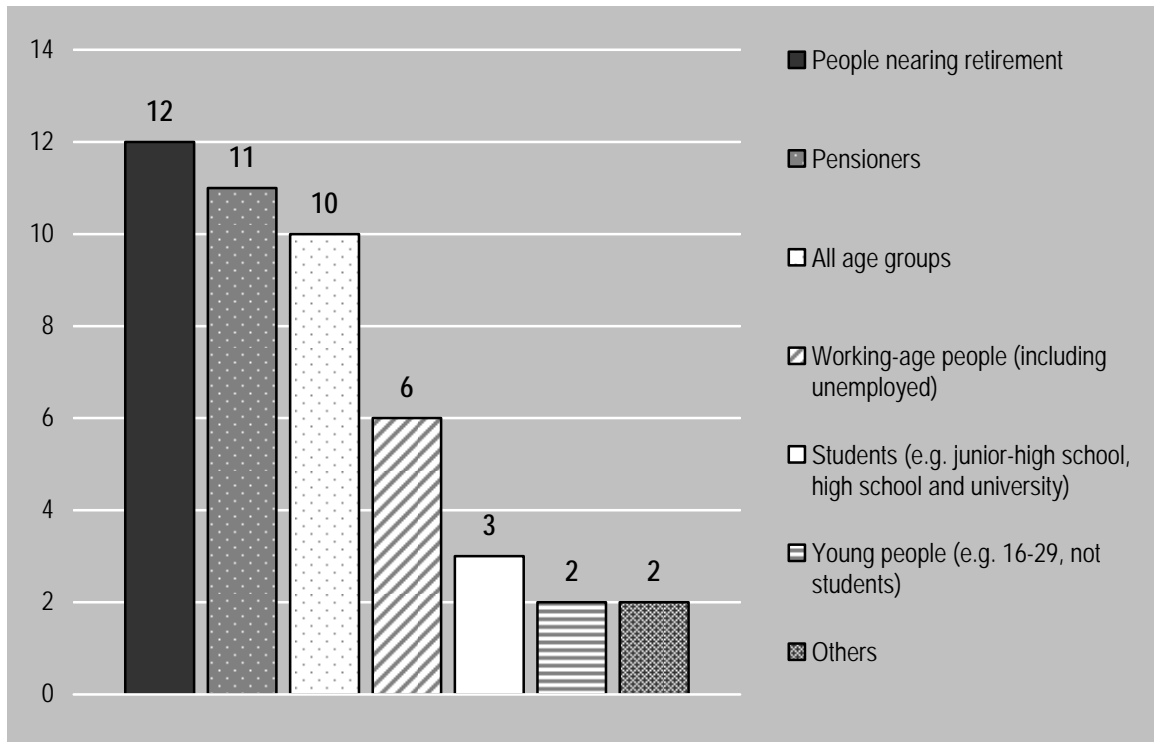
It is generally considered that there are widely varied groups to be targeted by information programmes. They are categorized here by age segment in order to determine the age category focus. A wide range of age groups is targeted by many of the members. As noted in figure 5, the majority of members focus more on pensioners and those nearing retirement.

For instance, the MSD of New Zealand directly addresses those approaching 65 years of age to provide them with advice on application procedures for benefits and how pensions are administered.

According to the DSFA of Ireland, all age groups are targeted but with a special emphasis on people nearing retirement, in order to address a number of demographic and sustainability changes, including issues relating to work flexibility in old age, which were described in the Green Paper on Pensions³ in 2007.

³ Government of Ireland: *the Green Paper on Pensions*, October 2007.

Figure 5. Groups targeted in information programmes on public pensions



Some ISSA members, such as the Swedish Social Insurance Agency (SSIA), the ETK of Finland, the INSS of Spain and the CNAV of France, place special emphasis on targeting young people.

Since 2007 the Federal German Pension Insurance (DRV) has initiated two educational information campaigns on old-age pension provisions through special Websites named 'Rentenblicker' (a look at pensions) aimed at the 16 to 27 age group, and 'Altersvorsorge macht Schule' (old-age provision becoming popular) at the 30 to 45 age group.

In Switzerland, the OFAS focuses on specific groups such as employers, foreigners and people leaving the country. For example, employers are informed about their social insurance obligations, including deductions and payment of contributions, and employee membership.

3.4. Specific locations used for delivering information on public pensions by various actors involved

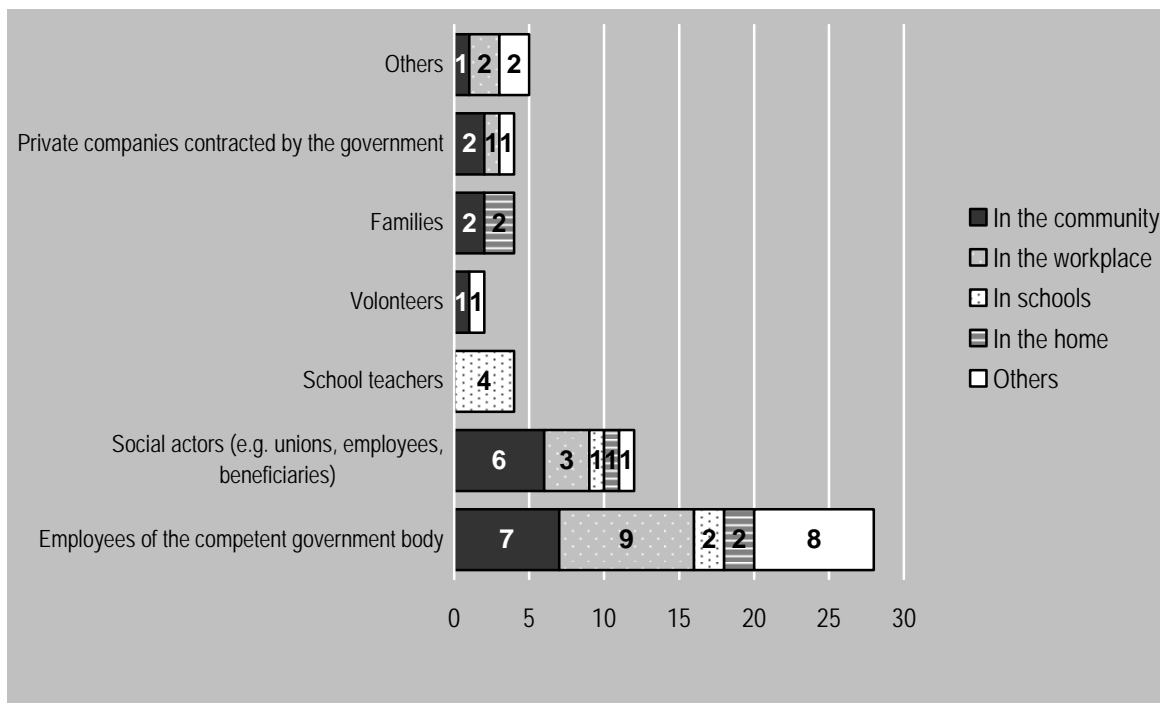
The information programmes on public pensions have a significant role in improving communication between the public and pension authorities to allow the authorities to deliver appropriate knowledge, information and describe the issues faced by pension schemes.

The employees of competent government bodies in most of the responding organizations in their countries are significantly involved in information activities in a variety of locations, principally workplaces and communities (figure 6).

There is a wide range of information activities in those locations organized by the competent officials though seminars, consultations and events related to pensions. Moreover, they also deliver information on public pensions to homes through the Internet, notices and the media.

In Australia, the FaHCSIA and Centrelink are the actors concerned, and they conduct information programmes in order to provide appropriate and accurate relevant information to targeted audiences.

Figure 6. Locations and actors



Several of the surveyed institutions reported that social actors (e.g. unions, employers and NGOs) participate actively in information programmes on pension matters. Furthermore, school teachers in some of the member countries deal with public pensions in the social studies curriculum. Further details and examples are reported in section 5.

In the DSFA of Ireland, volunteers serve at the Citizen Information Centre, providing information on public pensions. The National Social Insurance Institute (INPS) of Italy and the MSD of New Zealand reported that families play a role in disseminating knowledge on pensions in the home. The ETK of Finland reported that authorized companies in the private

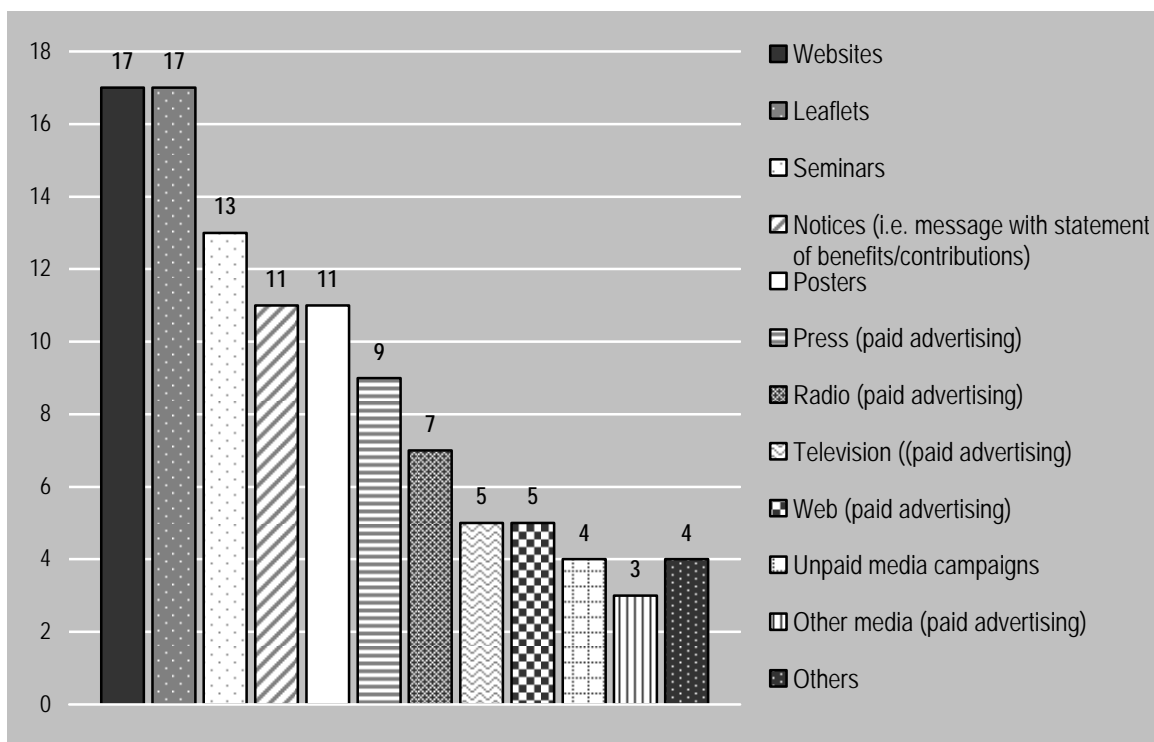
sector that are pension providers for earnings-related pension schemes have a duty to provide relevant information.

3.5. Communication tools

When public pension authorities conduct information programmes, available communication tools are optimized along with objectives and policies. Figure 7 shows that, as a priority, members use the different tools in a complementary way in order to extend their reach to as many categories as possible.

The SSA of the U.S. noted that it uses all the tools listed in figure 7 (excluding paid advertising) since these tools are cost-effective and can be directed to their targeted audiences.

Figure 7. Communication tools



All of the surveyed public pension organizations have their own official Websites to provide the public with accessible information on public pensions. In addition, individual information on pension contributions and/or coverage records can be accessed on some sites, as well as a projection of the amount of pension entitlement at retirement age. Some members, such as the DRV of Germany, the SSA of the U.S and the SIA of Japan have created special Websites designed to provide young people with information on social security including pensions. In addition, the SIA of Japan provides movie clips on its Website to explain Japanese public pension schemes.

Leaflets are commonly used by all of the institutions to deliver information. Many members hold seminars for targeted groups, to develop knowledge concerning retirement and to provide information on the application procedures required for pension benefits. In order to reach the widest public possible, a number of the institutions utilize TV, radio and press for relevant information on public pensions.

In 2008, the first special communication campaign focusing particularly on young people was conducted by the CNAV of France using opinion leaders to deliver the message. The main themes were the role of young people in the French pension scheme and intergenerational solidarity.

The SIA of Japan carries out intensive information campaigns during one month every autumn and in March to raise public awareness on public pensions, using several media, especially the press. As a follow-up, the SIA measures impact. During the campaigns, opening hours of pension consultation desks at local offices are extended.

A few of the public pension administrations run unpaid media campaigns. Posters as well as notices are used by most members. According to the INSS of Spain, notices are used for annual information campaigns as well as for one-off dissemination of special information usually concerning changes in the regulations affecting a particularly important group.

Notifications of personalized information on pension estimation and/or pension contribution records are disseminated to those who generally have insured records by some of the administrations, such as the Orange Envelope (OE) initiated by the SSIA of Sweden and aimed at detailing individual pension entitlements, confirming contribution payment and/or earnings records used for calculating the amount of pension benefits, and encouraging the public to consider additional pension savings for retirement. In addition, the SSIA, using public opinion surveys and telephone interviews to measure the level of satisfaction, continues to improve the OE to better make it more readable and understandable.

Other than the OE, some experiences of pension statements from other members are briefly reported as follows.

In France, people have a right to information on the amount of pension benefits under a law passed following significant pension reform in 2003. From 2007, the Public Interest Group on the Right to Information in collaboration with the CNAV and 36 other pension authorities initiated individual information programmes to distribute pension credit records and pension estimations on a pilot basis to certain age categories of people. Full implementation of this programme is expected in 2010.

According to the HRSDC, the Government of Canada sends an annual Statement of Contributions (SOC) regarding the contributory Canada Pension Plan (CPP) to every

contributor. Furthermore, the SOC is targeted – it is sent with a letter edited to include information relevant to each specific age segment of the population selected for the mass mailing (i.e. clients aged 70 are sent a letter of invitation to apply for their CPP Retirement Pension).

In 2008, the ETK of Finland in cooperation with various pension providers and the Finnish Pension Alliance began implementing an information programme for pension records called the White Envelope to be mailed to all persons 18 to 68, except pensioners and people living abroad, and those whose career is in the public sector. Moreover, those aged 50 and over receive an estimate of their pension benefits for ages 63, 65 and 68, together with their pension records. In 2009, an electronic version will also be available.

The annual letter of personalized pension information is sent to all people aged 27 and over is identified as a major information programme in the DRV of Germany.

Since December 2007, the SIA of Japan dispatches a pension coverage records statement to pensioners as well as to all those who have pension coverage, and provides persons aged 50 and over with a pension estimate on a request basis.

The SVB of Netherlands reports that it has initiated a project to inform the public of their insurance records.

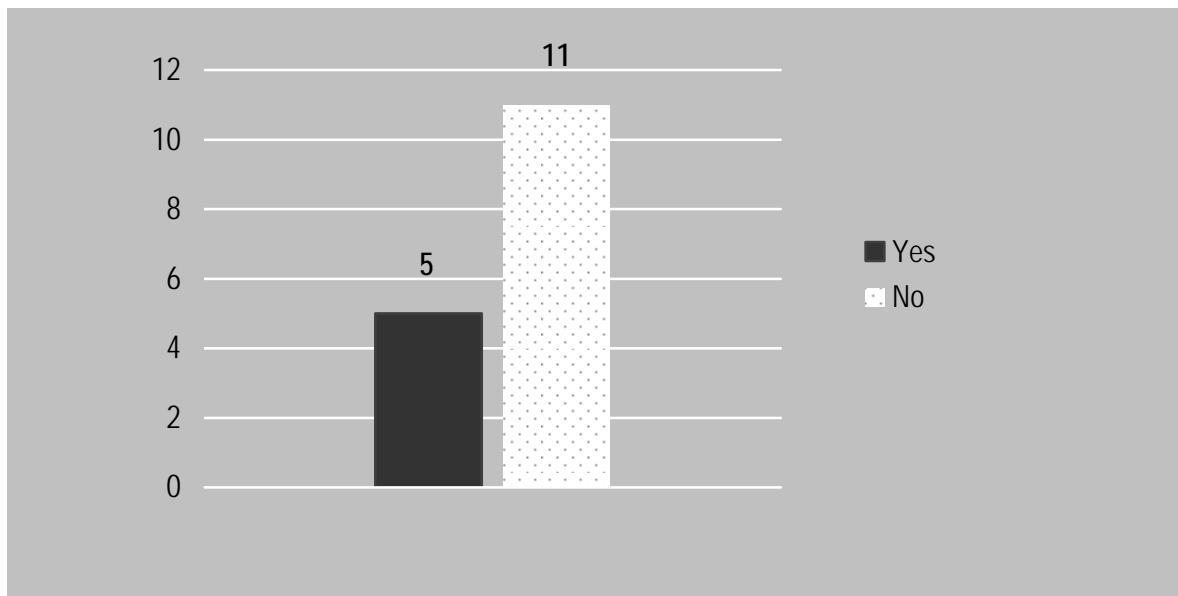
4. Pension education in schools

Young people, especially students, do not generally have adequate knowledge of public pensions. This is a significant challenge for public pension authorities.

In addition, the OECD has recently defined a good practice⁴ that governments and other public authorities should work on in order to ensure that financial education relating to pensions begins as early as possible – potentially as part of the school curriculum – in order to encourage individuals to start saving from as young an age as possible, which is particularly important in relation to defined contribution-type pension plans.

⁴ OECD: op.cit., March 2008.

Figure 8. Education on public pension schemes in the school curriculum



As figure 8 shows, some two-thirds of the members reported that there was no education curriculum in schools on public pensions.

The SSA provided the US example where the creation and implementation of social security programs are part of the social studies curriculum for middle and high school students.

Other public pension organizations reported on their involvement in pension education in schools as follows:

- The HRSDC is currently piloting the delivery of public pension information by school teachers in one Canadian province.
- The INSS of Spain has been in negotiations with the Ministry of Education to include information concerning the pension system in school programmes. Upon an agreement being reached, it would lead to the creation of a pedagogical space open to the academic community for the circulation of information concerning the state social security system. Moreover, an ad hoc Internet facility will be set up in the form of a virtual classroom.
- The DRV of Germany has prepared educational materials concerning old-age provision for teachers and students on the dedicated Website called 'Rentenblicker' (a look at pensions).
- According to the Federation of Austrian Social Insurance Institutions, a travelling exhibit concerning social security for schools is used as an educational tool.

The HRSDC noted the importance of pension education in schools. Financial Planning for Retirement is most effective when carried out over the full cycle of a career. Creating

awareness of these concepts before an individual enters the workforce can positively influence the next generation of seniors for a successful retirement. Not only does the component raise awareness of the CPP retirement pensions, but also of the full range of benefits and provisions under the CPP, which the students can share with their families.

The INSS also stated that the fundamental values of contribution, responsibility and solidarity underlying the Social Security System are essential in an education system which supports social cohesion and progress.

The SIA of Japan endeavours to educate students concerning public pensions as a way of improving understanding and raising awareness of participation in public pension schemes. The SIA in cooperation with the MEXT of Japan introduced a pension education programme in schools in 1993. The main activities are:

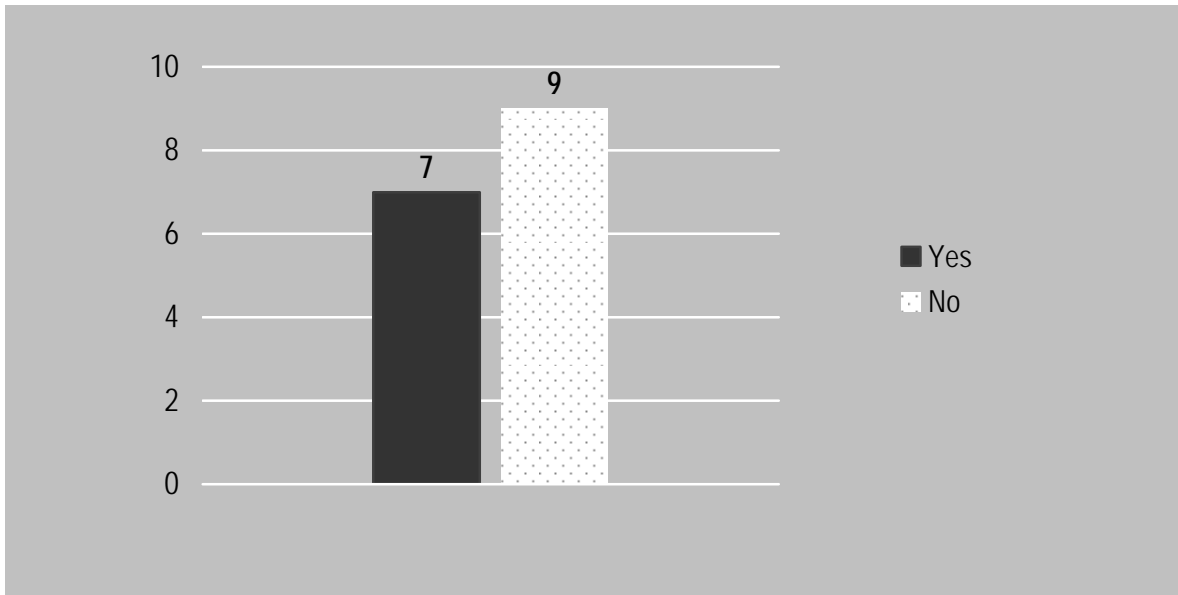
- 1) Special seminars relating to public pensions for targeted students at colleges, high- and junior-high schools.
- 2) Seminars for teachers of social studies at high- and junior-high schools, aimed at improving teachers' understanding of the roles and importance of public pensions in order to encourage them to take up this theme in their schools.
- 3) Public pension contests (e.g. awards for posters on public pensions which are submitted by high- and junior-high students)

Moreover, for junior-high school and high-school students and teachers, the SIA published supplementary illustrated materials designed to explain the importance of public pension schemes. The materials allow the student's public pension comprehension level to be tested when the study is completed.

5. Evaluation

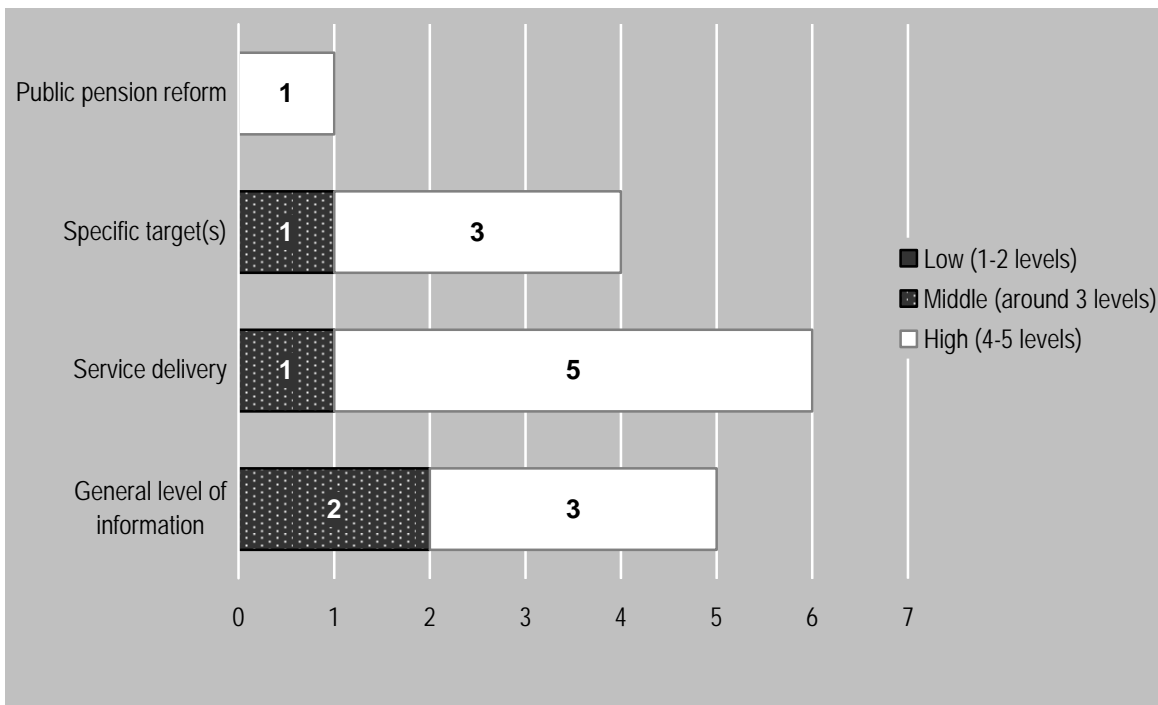
In order to improve information programmes on public pensions, evaluation and analysis of the effectiveness of these programmes are examined after they have been conducted. As figure 9 shows, 7 of the 16 organizations reporting that an information programme on public pensions had been carried out, evaluated effectiveness of their information programmes.

Figure 9. Evaluation of information programmes



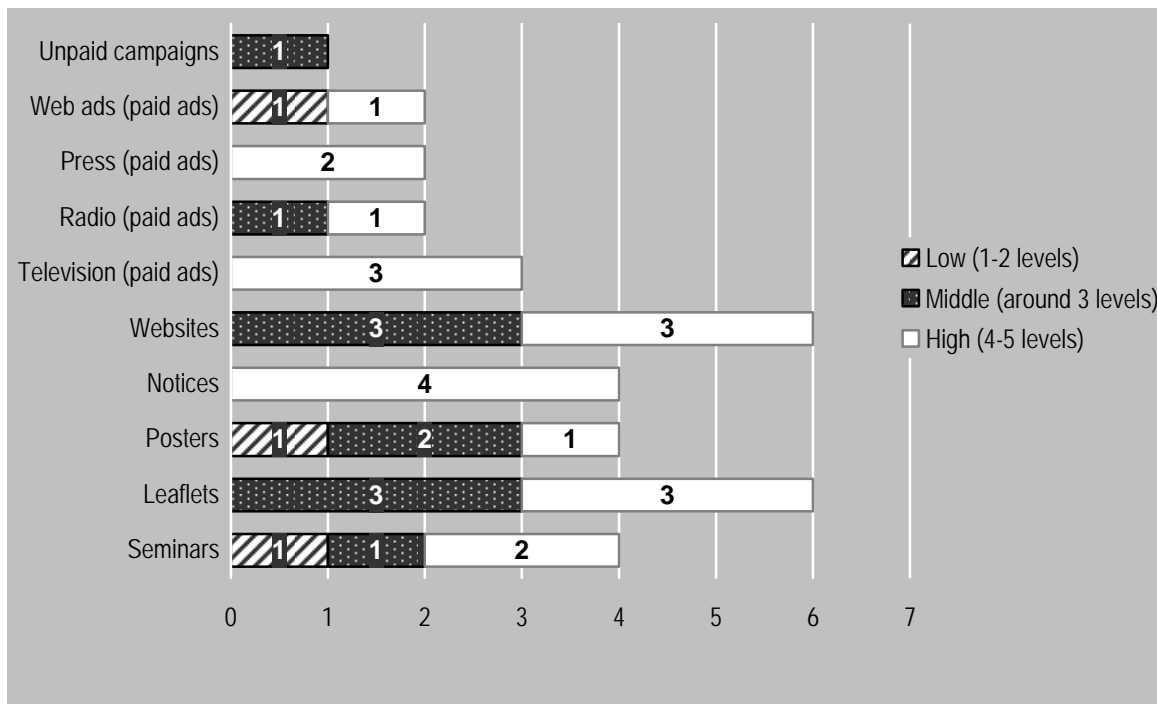
Most indicated the level of public satisfaction on a scale of 1 to 5 with regard to information programmes and tools. There are, however, difficulties in establishing comparative data from members' responses. Therefore, replies concerning evaluations are summarized in figures 10 and 11.

Figure 10. Level of public satisfaction with information programmes



According to their replies, the public was satisfied with their information programmes regarding the general level of information, service delivery and specific targets (e.g. people with disabilities and people nearing retirement). As regards an information programme on pension reform, the INPS of Italy reported that this programme was appreciated.

Figure 11. Most effective communication tools for information programmes



Seminars, notices, web and paid advertising such as TV and press seem to be effective. However, this effectiveness may not be proven in all these member organizations. For example, whereas seminars are regarded as an effective vehicle for disseminating appropriate information to individuals in the FaHCSIA of Australia as well as the SSIA of Sweden, they are considered ineffective by the INPS of the Italy.

Nevertheless, FaHCSIA reported on the effectiveness of the evaluation conducted in 2005 for information on public pensions and planning for retirement, which is provided through Centrelink's Financial Information Service (FIS). This is a free and confidential information service available to all Australians and aimed at educating and informing a wide range of people on financial issues including pensions. FIS officers conduct face-to-face interviews, telephone interviews and public seminars. Each of these methods has been found to be an effective means of encouraging people to plan for their retirement.

The HRSDC reported that the mailing of the Statement of Contributions had been well received in the past and continued to be well received. In March 2003, this evaluation was carried out by a research company. According to the evaluation, more than 75% of customers

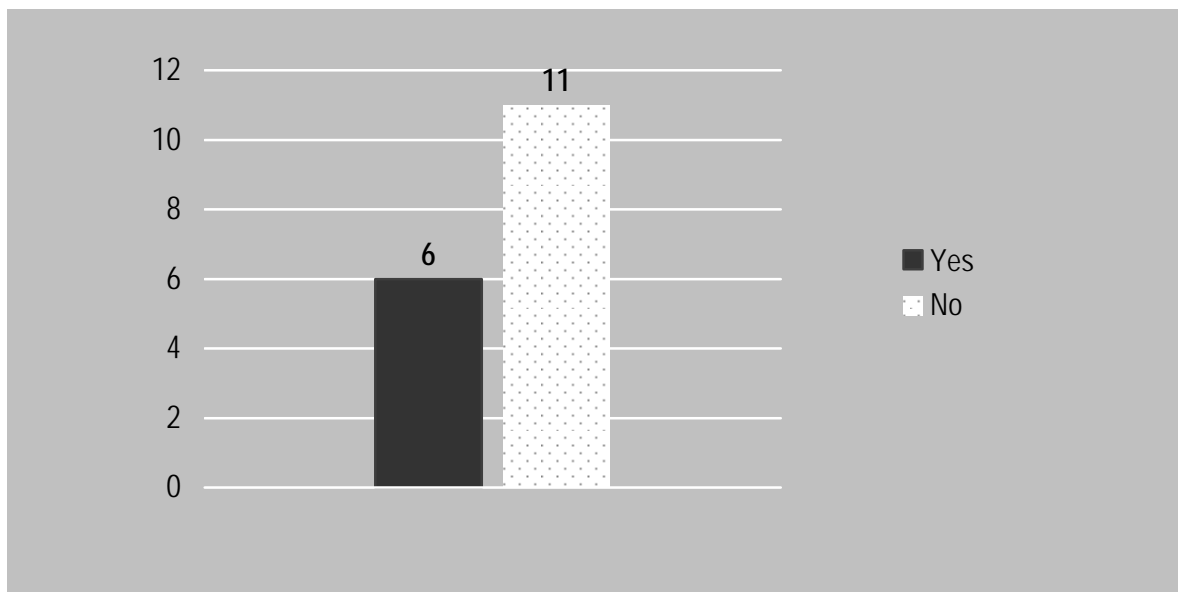
kept the Statement, and 81% verified their personal information and earnings and contributions. Finally, the documents in the mailing received high marks in terms of clarity and importance.

The DSFA of Ireland emphasized that information stands provided at shows and exhibitions generated considerable interest with large numbers of people coming to the stands, particularly those events designed for older people, such as ‘over 50s’ shows.

6. General attitude towards pensioners

As a part of the survey, the pension administrations, as public organizations, were asked whether a survey concerning people’s general attitude towards pensioners in the respective organization’s country had been undertaken. Most reported that no such opinion survey has been carried out. On the other hand, this type of opinion poll was conducted by governmental organizations or private companies in six countries namely Austria, Czech Republic, Finland, Ireland, Netherlands and Spain.

Figure 12. *Was a survey on general attitudes to pensioners undertaken in the member country?*



Countries reported that pensioners who have contributed (directly or through income taxes) to the public pension scheme are relatively highly respected. According to the SSA of the US, although it does not conduct surveys specifically related to those who are currently receiving benefits, anecdotally, beneficiaries are well respected as they are collecting what they have already contributed to the pension scheme through social security taxes.

The organizations were also asked in what way public institutions privilege elderly persons who may or may not be pension recipients. Elderly persons in a general way enjoy some privileges provided by public authorities such as discounts for public utilities, public transport and cultural events as well as museums in most member countries.

The FaHCSIA reported that the Australian Government issues pensioners with a ‘Pensioner Concession Card’ which provides access to the Pharmaceutical Benefits Scheme prescription items and certain Medicare services, at a cheaper rate. The State, territory and local governments provide a range of concessions to Pensioner Concession Card holders. These may include reduced fares on public transport, and reduced rates utilities and motor vehicle registration charges. In addition, Australian seniors who do not qualify for an Age Pension and have an annual adjustable taxable income of less than AUD 50,000 for a single person or AUD 80,000 for a couple combined, can obtain the other type of concession card called ‘the Commonwealth Seniors Health Card’.

The MSD reported that the ‘SuperGold Card’ is issued free to all eligible seniors and veterans in recognition of the contribution they have made, and continue to make to New Zealand society. It provides commercial discounts from participating businesses and facilitates easy access to concessions on government and local authority services.

7. Conclusions

Information programmes on public pensions managed by the targeted organizations are described in the report. Public pension administrations can pursue a number of complementary objectives by means of public information programmes. As this study has found, the recent focus of many institutions has been on building confidence in public retirement systems as well as on informing the public and in particular younger generations, on retirement planning. While contributing to ensuring the financial sustainability of public pension schemes, this focus in the light of demographic changes and a general tendency to reduce benefit levels under public retirement arrangements indicates the important role that public pension institutions have for both protecting individuals and for encouraging them to make adequate provisions for retirement.

In a rapidly ageing society, the role of young people in public pension schemes is increasing in importance. Some pension organizations take special measures to focus on delivering the values and mechanisms of public pensions to the younger generation. It has become a necessity and a key for pension authorities to conduct proper information programmes not for only pensioners and people nearing retirement but also for the working age population to prepare and ensure retirement from an early stage.

There is some difficulty in identifying the most common effective and practical tools used in the information programmes of the pension institutions. It appears that most of the

institutions communicate using available information tools which can reach the greatest number of people. Nevertheless, personalized targeted pension information can be recognized as a popular tool since the number of members using this approach has increased.

Finally, pension authorities are further expected to have continuous communication with the public by providing easy-to-follow and valid information on public pensions. This challenge will be a great help to better establish financially and socially sustainable pension schemes.