

PUBLIC PENSION STATEMENTS IN SELECTED COUNTRIES: A COMPARISON

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Increases in longevity, changes in pension structure, and the shift to greater individual responsibility for retirement saving make it important for governments to provide workers with information about their public retirement benefits. Public pension statements are one way governments can do this. In this article, we compare public pension statements in Canada, Sweden, and the United States. For each of those countries, we briefly describe the public pension program and discuss the origins and content of the public pension statement. We conclude with an assessment of the information provided in the three countries' respective public pension statements.

Introduction

Retirement income security has become an important concern for workers in countries around the world. More responsibility for retirement saving is being placed on individual workers as governments make changes to their public pension systems—such as reducing benefit levels and increasing the retirement age—in response to the rapid aging of the population and employers shift from defined benefit to defined contribution plans. In most countries, life expectancy is increasing, with people spending more years in retirement. A longer retirement requires greater savings and resources to pay for the extra consumption and health-care costs of these additional years.

With the increases in longevity and the changes in pension structure, it is important that governments provide workers with information about their public retirement benefits and any changes to the programs that would affect those benefits. Public pension programs provide the foundation for retirement income for many workers, so it is essential that those workers know how much they will receive.

Public pension statements are one way countries can provide workers with information about their retirement programs. These statements contain an

individual's earnings record and past contributions as well as estimates of future retirement benefits. Statements may also contain information about future changes to the programs.

In this article, we compare public pension statements in three countries: Canada, Sweden, and the United States. For each country, we discuss the origin of the public pension statement, its contents, how often it is mailed out, to which population groups it is sent, and how its effectiveness is evaluated.

In the first section, we present brief descriptions of the retirement income systems in each of the three countries. Next, we provide a comparison of the public pension statements in each country, followed by

Selected Abbreviations

CPP	Canada Pension Plan
FRA	full retirement age
FY	fiscal year
NDC	notional defined contribution [Sweden]
SOC	<i>Statement of Contributions</i> [Canada]
SPA	Swedish Pension Agency
SSA	Social Security Administration

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detailed descriptions of those statements. Finally, we assess the content of the three countries' public pension statements and discuss the role of evaluating the effectiveness of those statements.

Description of the Public Pension Systems in Canada, Sweden, and the United States

In this section, we focus on the public pension part of the retirement income systems in the three countries under study and provide some information on the other components of those systems.¹

Canada

Canada's retirement income system consists of (1) the Old-Age Security (OAS) program, which provides a universal benefit;^{2,3} (2) the Canada Pension Plan (CPP), which provides an earnings-related benefit; (3) employer-provided registered pension plans; (4) individual savings options, such as personal registered retirement savings plans; and (5) tax-free savings accounts. The CPP covers all of Canada except the province of Quebec, which has a parallel plan—the Quebec Pension Plan (QPP)—with similar contribution and benefit provisions.

The CPP provides an earnings-related old-age pension at age 65. The employee and the employer each contribute 4.95 percent of the employee's earnings a month; in 2016, the maximum annual earnings used to calculate contributions are \$54,900. Pensioners receive a reduced benefit from ages 60 to 64. Workers who remain in the labor force after age 65 (and do not claim a benefit) receive an 8.4 percent increase in benefits for every subsequent year of work up to age 70. In addition, workers may collect a CPP retirement pension and continue working. Beginning in 2012, CPP retirees who work must continue contributing from ages 60 to 64 and may choose to contribute from ages 65 to 70. (Previously, once individuals began receiving an old-age benefit, they could continue working but would have to stop contributing.) These additional contributions finance the Post-Retirement Benefit (PRB), which is paid when the individual fully retires. (The retiree receives a combined benefit when he or she stops working.) Earnings-related old-age benefits are adjusted quarterly according to changes in the consumer price index.

The CPP and QPP have the following special measures:

- a general drop-out provision that allows periods of low or no earnings to be excluded from the CPP/QPP benefit calculation;

- a child-rearing provision that covers parents who stopped working or received lower earnings in order to raise their children up to age 7; and
- a pension-sharing provision that allows spouses and common-law partners to share pension benefits.

A CPP survivor benefit is paid to a widow(er) or common-law partner (same sex or opposite sex) and children younger than age 18 (age 25 if a student). A surviving spouse younger than age 35 who does not have dependent children or a disability is not eligible for benefits. The deceased worker must have contributed during the lesser of 10 years or one-third of the years in which contributions could have been made; the minimum contribution period is 3 years. An income-tested OAS survivor benefit is paid to low-income widow(er)s aged 60–64 who are residents of Canada and have resided in the country for at least 10 years after reaching age 18.

Sweden

Sweden's retirement income system consists of (1) the two-pillar national pension (the notional defined contribution [NDC] and the mandatory individual account [premium pension]),^{4,5} (2) occupational pensions, and (3) personal pensions.

In 1999, Sweden introduced the national pension for workers born after 1954. There is a gradual transition from the old earnings-related social insurance system to the NDC and the premium pension system for persons born between 1938 and 1953.

The NDC scheme provides an earnings-related benefit that represents the largest share of retirement income. The NDC is a pay-as-you-go (PAYG) program in which a worker and employer contribute a combined 16 percent of that worker's earnings each month to his or her "hypothetical account," which contains all contributions made during that individual's working life plus "interest." The annual notional interest rate is equal to the growth of average earnings. Benefits are adjusted annually according to changes in wages.

Credit is given for periods of time when workers were receiving some social insurance benefits (such as unemployment), years they spent at home taking care of children, and time they spent in active military service and in pursuing higher education. The NDC scheme provides a flexible retirement age—as early as age 61—and incentives to work longer. The NDC pension is calculated by dividing the amount credited to a worker's account by the average life expectancy of that worker's cohort at the time of retirement. This

means that as life expectancy rises, younger workers will need to work longer for a comparable benefit.

An automatic-balancing mechanism is applied if the system is in imbalance (liabilities are greater than assets). If that happens, both the notional interest rate and the indexation of current benefits are reduced temporarily to bring the system back into balance (Sundén 2009).

The premium pension scheme, on the other hand, is provided through privately managed individual retirement accounts, funded by combined employer and employee monthly contributions of 2.5 percent of earnings. Accountholders may choose up to five investment funds at a time and may switch from one fund to another. Those who do not make a choice are assigned to a default fund. At retirement, a worker may choose between a fixed or variable annuity. A voluntary survivor benefit is also available. The retirement age is the same as that for the NDC: flexible, beginning at age 61.

The NDC scheme does not provide a survivor benefit to the deceased worker's survivors. (Under that scheme, when an insured person dies before reaching the retirement age, his or her NDC account balance is distributed to the accounts of his or her birth cohort.) A survivor benefit is paid to the deceased worker's surviving spouse or partner under the premium pension scheme if the insured person elected coverage for that benefit.

United States

The U.S. retirement income system consists of (1) Social Security;⁶ (2) employer-provided pensions and retirement savings plans; and (3) individual savings options, such as individual retirement accounts and personal retirement savings.

Social Security benefits are based on the average of the worker's 35 highest years of earnings. The earnings are adjusted for increases in the national average wage prior to age 60. Both the employee and the employer contribute 6.2 percent of the employee's earnings a month; the maximum annual earnings used to calculate contributions are \$118,500 in 2016. Full Social Security retirement benefits are paid to individuals at age 66 (gradually rising to age 67 by 2027) with at least 10 years of coverage (40 quarters).⁷ Quarters of coverage are based on the insured person's annual earnings. In 2016, the minimum amount of earnings to receive 1 quarter of coverage is \$1,260. That amount is adjusted annually to reflect past

increases in national average wages. Reduced benefits are paid to individuals who claim from age 62 to the full retirement age (FRA). Also, from age 62 to the FRA, if an individual works and receives a retirement benefit, that individual's benefit amount is subject to an earnings test. Claiming of Social Security benefits may be deferred until age 70. An 8 percent increase is paid for each year (up to age 70) an insured worker defers claiming benefits beyond the FRA.

A spousal benefit is paid to the spouse of an insured worker beginning at age 62 or at any age if the spouse is caring for a disabled child or a child younger than age 16 who must be receiving Social Security benefits on the worker's record. To be eligible, a divorced spouse must be currently unmarried and have been married for at least 10 years. A spouse is not eligible if he or she receives or is entitled to receive a higher Social Security benefit based on his or her own earnings record. The spouse's benefit is 50 percent of the insured worker's retirement benefit; the spouse's benefit is also reduced for individuals younger than the FRA.

A survivor benefit is paid if the deceased worker is insured; that is, if the worker has 40 quarters of coverage or if he or she is younger than age 42 and has a minimum of 6 quarters of coverage and total quarters equal to at least his or her age minus 21. Individuals eligible for survivor benefits include a widow(er) aged 60 or older who was married to the insured worker at least 9 months prior to his or her death and a surviving divorced spouse if the marriage lasted at least 10 years and the surviving spouse did not enter the marriage after attaining age 60 or has not remarried. A widow(er) or surviving divorced spouse is eligible at any age if he or she is caring for a child receiving benefits as a survivor on the worker's record and that child is younger than age 16 or disabled. Other individuals eligible for survivor benefits include a disabled widow(er) or surviving divorced spouse aged 50 or older with a disability that started before or within 7 years of the insured worker's death; an unmarried child younger than age 18 (age 19 if a full-time elementary or secondary student and no age limit if disabled before age 22); and a dependent parent aged 62 or older who has not remarried since the insured worker's death and who is at least 50 percent dependent on the deceased worker at the time of his or her death. These rules also apply to same-sex marriages. Note that Social Security benefits are adjusted annually according to changes in the cost of living.

Overview of Public Pension Statements in Canada, Sweden, and the United States

In this section, we describe the main features of the public pension statements in the three countries under study and highlight both the similarities and the differences between their respective statements. (See Appendices A, B, and C for sample statements from each of the three countries. For a comparison of public pension statements in selected European Union countries, refer to Appendix D.)

Canada: Statement of Contributions

Since the inception of the CPP in 1966, there has been a legislative requirement to send workers a *Statement of Contributions (SOC)*⁸ on request. In Canada, every person aged 18 or older who earns a wage or salary and has contributed to the CPP is eligible to receive an *SOC*. There is no requirement that CPP initiate such mailings.

Contents. For statement recipients aged 30 or older, the *SOC* includes information on their contributions, pensionable earnings, retirement pension (with the benefit receivable at age 65 listed before that receivable at age 60), disability benefit, survivor benefit (varies by age of the recipient), and the lump-sum benefit payable upon those individuals' death. For statement recipients aged 18–29, the *SOC* only includes information on their contributions and pensionable earnings, omitting information on the retirement pension, disability benefit, survivor benefit, and lump-sum death benefit.⁹

The *SOC* provides recipients with information on the amount of benefits they or their survivors can expect to receive in the event of retirement, disability, or death. The information on earnings enables recipients to validate the accuracy of the data and make any necessary changes. Since 1984, the CPP has been able to correct over 1 million worker accounts, with the majority of corrections concerning earnings.

Frequency. Although there is no legislative requirement to send out *SOCs*, the CPP began mailing them out in the mid-1980s because it noticed that very few were being requested. There is no pattern as to when the CPP mails *SOCs* to people of different ages. At times, the budget limits the number of *SOCs* that can be sent out; on other occasions, the number of *SOCs* to mail out comes directly from the Canadian Parliament. In addition, when any new pension legislation directly affects certain groups of workers, the CPP sends an *SOC* to those workers most affected by the new rules to provide them with information on any

changes. Beginning in 2002, the CPP initiated “Smart *SOC*,” an approach that focused on mailing the public pension statement to new contributors to the plan; workers who were approaching retirement age (who, depending upon the year could be aged 50–54, 59–60, or 59–64); and workers who were eligible for a CPP retirement pension but had not yet applied. The last mass mailing of *SOCs* occurred in 2013. Since then, the CPP has been encouraging Canadians to access the online *SOC* or request that a printed version be mailed to them.¹⁰ The requested *SOCs* do not include inserts with information pertinent to different age groups (Service Canada staff, personal communication with the authors, September 11, 2015). Table 1 provides a chronological account of the *SOC* mailings from 1966 through the present.

Targeting specific population groups. *SOC* inserts were created for each target age group. Different information was sent to individuals new to the labor market and just beginning to contribute to the CPP, to persons nearing retirement, and to older individuals who had not yet applied for benefits. Although inserts are no longer included with the printed *SOC* that is mailed out, this information is still available in the online *SOC*.

Previously, rather than receiving a standard *SOC*, new contributors to the CPP received a welcome letter that introduced the CPP and contained valuable information about the plan. A slightly truncated version of the *SOC* was sent to individuals in the 18–29 age range. The truncated version did not include estimates for retirement, disability, and survivor benefits.

SOCs mailed to individuals aged 59–64 included a letter with information relevant to preretirees and an insert promoting online application for a CPP retirement pension. Older participants who had not yet applied for benefits were sent an *SOC*, a letter inviting them to apply for benefits, a simplified application, and an information sheet detailing the support documents required.

Online Access. The *SOC* has been available online since 2005. The creation of the online *SOC* was part of two government initiatives—Modernizing Services for Canadians and Information on the Retirement Income System—to provide services and information electronically. All workers who have contributed to the CPP are able to access information on their earnings, contributions, and estimated benefits and view a copy of their *SOC* by creating a My Service Canada account.

The use of the online *SOC* is encouraged through targeted mailing of promotional inserts in existing

mass mailings, promotional messages within standard correspondence with workers, and through the Service Canada website home page.

Surveys. The Canadian government commissioned five surveys from 1999 through 2006 that either focused directly on the *SOC* or included questions about the statement. The purpose of most of the surveys was to assess the public's awareness of the *SOC*, evaluate its impact on attitudes, and determine the usefulness of information provided. Four of the surveys focused on specific age cohorts and one survey covered workers who were eligible

for a retirement benefit but had not yet applied.

The 1999 survey applied only to younger workers who received the truncated version of the *SOC*. The 2002/2003 survey asked respondents for their views on the *SOC*'s content, frequency of delivery, and mode of delivery. However, the 2005 survey was conducted primarily to understand workers' use of the Internet and of the government's online services. The 2006 survey asked workers about their experience with the CPP and included several questions about the *SOC*. Table 2 compares some of the responses to certain questions.

Table 1.

Canada's *Statement of Contributions*: Chronology of statement mailings, 1966–the present

Time period	Development
1966	Canadian Pension Plan (CPP) was required by law to send the <i>Statement of Contributions (SOC)</i> to individuals upon request.
1984	CPP began proactive mailing to inform workers about their benefits because few workers were requesting the <i>SOC</i> . ^a
1987	Significant changes were made to Canada's pension legislation. Workers who received an <i>SOC</i> in the 1984–1986 period received an updated <i>SOC</i> .
After 1987	<i>SOCs</i> were sent out every 4 or 5 years to eligible workers.
1990s	<i>SOCs</i> were sent to younger workers with information regarding the security of their contributions, in response to media articles that the CPP was going broke.
1997	The Minister of Finance stated that <i>SOCs</i> should be sent out yearly when feasible.
1999	<i>SOCs</i> were sent to 3 million workers aged 18–28 and to 85,000 individuals aged 65 or older who were eligible for a CPP Old-Age Security pension.
2000	<i>SOCs</i> were sent to 10 million workers (included most age groups).
2001	<i>SOCs</i> were sent to all 13 million eligible workers (all age groups except the oldest) in accordance with the Minister of Finance's 1997 announcement.
After 2001	Budget money for the <i>SOC</i> program targeted smaller mailings and the creation of an online <i>SOC</i> . The "Smart <i>SOC</i> " approach was adopted. ^b <i>SOCs</i> were mailed to new earners, workers nearing retirement age, and those eligible for a CPP Old-Age Security pension but had not applied.
2005	<i>SOCs</i> were made available online. <i>SOC</i> mailings to workers aged 55–64 included an insert promoting online services. Online applications increased from 2.5 percent to 25 percent of all retirement applications from 2005 through 2010.
2010	<i>SOCs</i> were sent to 1.3 million workers aged 59–70, along with a letter and an insert explaining the recent changes and how those workers might be affected.
2012	No <i>SOCs</i> were sent out because of budgetary reasons.
2013	The CPP conducted the last mass mailing of <i>SOCs</i> to new, young earners; workers aged 59–64; and those aged 70 or older who had not already applied for their CPP retirement pension.
2014 to the present	Since 2013, Canadians have been encouraged to access online <i>SOCs</i> or request printed <i>SOCs</i> .

SOURCE: Gregg Zentner (personal communication with the authors via e-mails and internal memoranda from Service Canada, 2011–2013).

a. From the late 1970s to the early 1980s, less than one-half of 1 percent of workers had actually requested an *SOC*.

b. Under Smart *SOC*, Service Canada mailed statements to selected groups of workers based on their life stage and increased emphasis on using the Internet to view or request *SOCs*.

Table 2.
Surveys on the Canadian *Statement of Contributions*: Selected results by survey year

Variable	1999 ^a	2001	2002/2003	2005	2006
Number surveyed	801	1,200	1,218	1,211	820
Ages and age group(s) surveyed	18–29	30–49; 50–70	18–24; 25–34; 55–64	18–30; 55–59; 63	59–60; 70–80
Received the SOC	52% (ages 18–24); 79% (ages 25–29)	83%	83%	33% (ages 18–30); 85% (ages 55–59 and 63)	85% (ages 59–60); 54% (ages 70–80)
Read the SOC ^b	68%	78%	75%	70% (ages 18–30); 81% (ages 55–59 and 63)	75% (ages 59–60); 39% (ages 70–80)
Found the SOC easy to understand ^b	75%	90%	87%	--	--
Found the SOC useful	32% (ages 18–24); 44% (ages 25–29)	73%	71% (ages 25–34 and 55–64)	--	--

SOURCE: Gregg Zentner (personal communication with the authors via e-mails and internal memoranda from Service Canada, 2011–2013).

NOTE: -- denotes data not available.

a. The 1999 survey applied only to younger workers who received the truncated version of the *Statement of Contributions* (SOC).

b. Among respondents who received the SOC.

In addition to the summary results shown in Table 2, further survey findings include the following responses, some of which were limited to one survey:

- In 1999, approximately 75 percent of respondents who read the *SOC* stated that they kept both the *SOC* and the insert and that they checked their personal benefit and contribution information.
- In 2001, 81 percent of respondents said the information was important to them personally.
- In 2002/2003, 70 percent of respondents stated that having read the *SOC* and CPP informational insert, they had a better understanding of the CPP and the services it provides and were more likely to plan for their retirement. Sixty-three percent of respondents who read the *SOC* stated that they would like to receive an *SOC* every year, and 73 percent said they preferred to receive this information by regular mail.
- In 2005, 81 percent of the older respondents and 70 percent of the youngest respondents who recalled receiving a *SOC* said that they read it and filed it with their personal records.
- In 2006, 67 percent of respondents aged 70–80 knew they were eligible to receive a CPP pension.

Sweden: *Orange Envelope*

Sweden's public pension statement, the *Orange Envelope*,¹¹ was introduced in 1999 to coincide with the introduction of the new multipillar pension system.¹² At the same time, the government launched a separate public information campaign to educate workers about the new system. The statement is called the *Orange Envelope* because once a year the Swedish Pension Agency (SPA) sends it by mail in a bright orange envelope; the color orange was chosen to distinguish it from other types of government mail. According to the law, anyone with pension rights (that is, anyone who has contributed to the system) during the previous year must receive a statement (Nyqvist 2008).

Contents. The *Orange Envelope* provides personal information on the NDC and premium pension accounts (called the national public pension): (1) the value of each account (including the changes in value since the last statement), (2) pension credits for each account (based on information from 2 years before), (3) administrative and fund fees charged for each account, and (4) the amount received for the survivor bonus for each account (the pension balance of workers who have died before reaching the age of retirement, which is distributed among the surviving

members of their birth cohorts). For the premium pension account, there is also a breakdown by fund, the allocation of each fund that the accountholder chooses, and the actual distribution.

Until 2011, the statement presented estimates under two scenarios: (1) 0 percent wage growth (personal and national average income) for the NDC account plus a 3.5 percent annual rate of return for the premium pension; and (2) 2 percent wage growth for the NDC account plus a 5.5 percent annual rate of return for the premium pension. The higher assumption was removed beginning in 2011 because surveys indicated that it was too confusing. Table 3 presents a chronology of major changes to the *Orange Envelope*.

Targeting specific population groups. Since 2007, there have been three different basic versions of the *Orange Envelope* (with some variation, by population subgroup). The first version is geared to general pension savers (insured persons who have been

contributing to social security); the second version is for new pension savers (new entrants to the labor force); and the third version is for old-age pensioners (fully or partially retired). The new pension savers receive almost the same version as the one for general pension savers; new savers receive a separate insert with general information on choosing funds, while the general savers receive specific information about their premium pension choices.

There are also three different variations of the *Orange Envelope* sent to pensioners. The most common variation contains a statement of expected pension payments for the next year, the status of the individual's premium pension account, and a statement with the previous year's pension payments and tax deductions (which is also sent to the Tax Authority). The second variation applies to pensioners who are still working and paying contributions who also receive information on their pension credits for the

Table 3.
Sweden's *Orange Envelope*: Chronology of major changes, 1999–the present

Year of statement	Major content changes	Number of pages
1999 ^a	Pension rights based on 1995, 1996, and 1997 earnings records	4
2000	Expanded information on pension rights back to 1960	8
2001	Added information on the credit for pursuing higher education or military service	4
2002	Added premium pension information	6
2005	Eliminated much of the general information	6
2006	Introduced a separate statement for citizens turning age 22 in 2006, with an explanation of how the system works	6
2007	Introduced three different statements targeting specific population groups; began promoting the Minpension website	6
2009	Added two graphics: a pyramid to describe the three pillars and "piggy banks" to emphasize the importance of saving	6
2011	Eliminated the forecast of benefits using 2 percent growth in wages so that there would be only one assumption, 0 percent growth in wages; included an insert to explain the decrease in benefits for that year	6
2012	Added a transitional retirement age to forecast benefits and a graph and text to explain the relationship between increasing life expectancy and retirement age; increased the font size and added more white space; included a separate insert announcing that forecasts are available online for the total pension (national, occupational, and private)	6
2013	Redesigned the first page to announce that the <i>Orange Envelope</i> is available online and individuals may opt out of receiving a paper copy	6
2014	Eliminated the "piggy bank" graphics (because of the limited space in the shorter length) and redesigned the entire statement; provided access codes to online information and stressed the importance of all three pillars of the retirement income system.	4

SOURCES: SPA (2002–2014); Nyqvist (2008); Arne Paulsson (personal communication with the authors via e-mails, 2011–2015).

a. First *Orange Envelope*.

previous year. The third variation applies to pensioners who have drawn only their premium pension who also receive a statement of their pension payments for the next year.¹³

The statement provides projected benefit amounts for workers at different ages, depending on the age of the insured worker. For example, the statement for workers aged 60 or older provides projected benefit amounts for additional ages from 61 to 70 (the specific ages used vary according to the age of the insured worker). All statements provide a transitional age to emphasize the effect of increasing life expectancy on retirement age (the age at which the insured worker must retire in order to receive the same benefit amount that he or she would have received at age 65 if there had been no increase in life expectancy since 1995). (Parliament passed the pension reform law in 1995, and the pension reform was implemented in 1999.)

Online access. Workers can access pension information on all three components (national, occupational, and private pensions) of Sweden's retirement income system, including a combined projected pension through PensionsMyndigheten, which links to the Minpension website.¹⁴ According to the Minpension website, to date, about 96 percent of the occupational pension providers and about 90 percent of the private pension providers are linked to its website. At the beginning of 2014, common standards for forecasting pensions were introduced for all three components. Each individual must have his or her own password

to access the site. Individuals can also opt out of receiving the paper copy of the statement. Because of the 2014 advertising campaign that focused on accessing the information online, 120,000 new users registered, bringing the total number to 2.1 million; as of July 2015, there were 2.3 million users. Mobile phone users may download an "App" to their iPhone or Android, which enables online access.

The SPA also supplements the pension information in the *Orange Envelope*. The PensionsMyndigheten website makes available a detailed explanation of the most recent statement plus some other basic information regarding the country's retirement income system. The Minpension website provides a toolkit with links to additional information. Local SPA offices offer meetings with individuals at age 60 who live in the area. The purpose of those meetings is to provide more detailed information about pensions, discuss the effects of retirement at different ages, and describe the application process. The SPA advertises these meetings locally and on its website.

Surveys. About 1 week after individuals should have received the *Orange Envelope* in the mail, the SPA follows up with a survey that has been conducted every year since 1999.¹⁵ The survey involves about 2,000 phone interviews from a random sample of members of specific population groups: general pension savers, new pension savers, and old-age pensioners.

Table 4 provides selected survey results for the *Orange Envelope*, from 2007 through 2014, for each

Table 4.
Surveys on Sweden's *Orange Envelope*: Results by specific population subgroup and selected survey years 2007–2014 (in percent)

Selected survey question	General pension savers			New pension savers			Old-age pensioners		
	2008	2011	2014	2007	2011	2014	2008	2011	2014
Received the envelope	89	94	95	74	88	82	89	95	94
Opened the envelope	78	83	82	78	79	79	78	96	95
Read all of the contents ^a	14	15	21	...	14	14	14	28	33
Read part of the contents ^a	...	71	68	...	59	69	...	62	61
Did not read any of the contents ^a	...	13	10	...	26	16	...	10	6
Found the contents easy to understand ^{a,b}	57	58	64	43	62	69	57	58	69
Found the contents difficult to understand ^{a,c}	20	12	9	28	17	9	20	12	8

SOURCE: SIFO (2011–2014).

NOTE: ... = not applicable.

a. Among respondents who opened the envelope.

b. "Easy" includes "easy" and "very easy."

c. "Difficult" includes "rather difficult" and "very difficult."

of the three specific population groups. The share of respondents who acknowledged receiving the envelope and opening it has increased over time. During the same period, the portion of respondents that found the statement difficult to understand decreased, and the portion that found it easy to understand increased. In 2014, from 64 percent (general savers) to 69 percent (new savers and pensioners) of respondents found the *Orange Envelope* easy to read.

More recent results from the 2014 survey include the following:

- Most respondents (81 percent) thought the information provided was sufficient.
- Most (89 percent) would consider using the Internet to obtain more information about their pensions.
- A small portion (12 percent) would use the online version instead of a hard copy of the statement, compared with about half (51 percent) who would not do so.

Based on the results of each annual survey, the contents and/or format of the statement has changed over time. For example, the word count in the 2005 statement was half that of the 2002 statement. Table 3 shows content and format changes to the *Orange Envelope*, from the first statement in 1999 through 2014.

National advertising campaign. Every year, to raise public awareness about the *Orange Envelope* and its contents, the SPA conducts a national advertising campaign using a variety of media (television, newspapers, billboards, and so forth) that follow the annual mailing of the statement from February through March. The message has been different each year (refer to the accompanying box for selected themes from past annual media campaigns in Sweden). Banks and insurance companies often conduct their own media campaigns that coincide with the government campaign. Those companies often use the same “orange trademark” as that used by the government to advertise pension insurance and pension savings accounts (Nygqvist 2008). At the same time, reports on the public pension system, including the projected level of benefits, often appear in the various news media (Larsson, Paulsson, and Sundén 2011).

United States: Social Security Statement

The Social Security Administration (SSA) is required by law to send out the *Social Security Statement*,¹⁶ the public pension statement of the United States. The Omnibus Budget and Reconciliation Act of 1989

Themes of selected past annual media campaigns for the *Orange Envelope*

- There is a new pension system and this is where you find information about it. (1999)
- Your pension consists of three parts: the national public pension, the occupational pension, and possible private savings. (2000)
- The entire lifetime is counted. (2002)
- This year your *Orange Envelope* contains something extraordinarily valuable. (2003)
- Have you accumulated more or less than the average Svensson? (2004)
- Pictures of sliced carrots describe the different components of the national pension system. (2005)
- Piggy banks (emphasizing the importance of savings) correspond to the change in the design and format of the statement. (2009)
- Forecasts are available for everybody. (2014)

SOURCES: Nyqvist (2008); Arne Paulsson (personal communication with the authors via e-mails, 2011–2015).

(OBRA 89) amended the Social Security Act to require SSA to issue estimated benefit and earnings statements beginning in 1995. OBRA 89 mandated that SSA send statements to workers aged 60 or older in fiscal years (FYs) 1995–1999 and to workers aged 25 or older in FY 2000 and subsequent FYs. SSA modified this schedule so that statements were sent to increasingly younger groups of workers in FYs 1996–1999.

All workers in the United States who have a Social Security number, have wages or net earnings from self-employment, and are not currently receiving Social Security benefits are eligible to receive a *Social Security Statement*. Currently, SSA is sending the *Statement* to workers aged 25, 30, 35, 40, 45, 50, 55, and 60 or older who have not created a *my Social Security* account to access the *Statement* online.

Contents. Legislation determines the basic content of the *Statement*. OBRA 89 specified that *Statements* contain the worker’s earnings history; the Social Security and Medicare taxes paid by the worker; an estimate of potential retirement benefits at the early retirement age of 62, at the FRA, and at age 70; estimates of disability, survivor, and other auxiliary benefits potentially payable on the worker’s account; and a description of benefits payable under Medicare. In addition, the first page of the *Statement* contains a message from the Social Security commissioner.

In FY 2000, when SSA began sending *Statements* to all eligible workers aged 25 or older, a paragraph was added that encouraged the recipient to think about the advantages and disadvantages of retiring early. A list of publications on topics related to retirement benefits also appeared.

The Social Security Protection Act of 2004 mandated the addition of sections on the windfall elimination provision (WEP) and the government pension offset (GPO) to the *Statement* beginning in 2007. WEP and GPO determine how pensions earned through work not covered by Social Security affect receipt of Social Security benefits. Other changes to the *Statement* included adding the agency's website address to the first page and expanding the discussion of how benefit amounts are calculated.

Frequency. From FY 2000 to March 2011, SSA mailed *Statements* annually to all eligible workers aged 25 or older. In FY 2010, SSA sent out 151 million *Statements*, which equates to over 12.5 million mailed every month, or about 415,000 each day. Workers received their *Statement* approximately 3 months before their birthday.

In March 2011, after several years of increasing budget constraints, SSA suspended *Statement* mailings in order to conserve funds. In February 2012, the agency resumed targeted mailings, sending printed *Statements* to eligible workers aged 60 or older. In July, SSA resumed first-time mailings to eligible workers at age 25. However, in October, in response to an increasingly difficult budget situation, the agency suspended all *Statement* mailings, including on-request mailings.

In September 2014, SSA resumed mailing printed *Statements* to workers at ages 25, 30, 35, 40, 45, 50, 55, and those aged 60 or older who had not created a [my Social Security](#) account to access the *Statement* online. The partial restoration of mailed *Statements* was made possible by an improved budget.

Targeting specific population groups. SSA began sending out special age-targeted inserts with the *Social Security Statements*. Beginning in October 2000, the first such insert, *Thinking of retiring?*, was sent to individuals aged 55 or older. It contains information about the effects of claiming Social Security benefits at age 62, at the FRA, or at age 70, and the effects of working after claiming benefits—as well as the implications of each option for the beneficiary and his or her survivors. The insert also contains information on applying for Medicare, and

it lists websites and phone numbers providing more information about Social Security benefits, retirement planning, investment options, and housing and health issues.

In February 2009, SSA began sending an insert to workers aged 25–35, *What young workers should know about Social Security and saving*. This insert describes the future finances of Social Security, the nonretirement benefits provided by Social Security (such as disability and survivor benefits), and the importance of saving to supplement Social Security benefits. It also lists websites providing information about saving and investing.

Online access. In May 2012, SSA launched an online version of the *Social Security Statement* to provide workers with immediate access to their earnings records, estimated benefit amounts, and related information. Although the print version is mailed only to eligible workers aged 25 or older, the online *Statement* is available to all individuals aged 18 or older. An individual must set up a [my Social Security](#) account in order to have access to the online *Statement*.

The online *Statement* includes links to other information, such as an insert for workers aged 55 or older, and to other online services and tools. In the first week after its launch, more than 130,000 individuals visited the SSA website and viewed their online *Statements*. In the first 6 months of FY 2015, online *Statements* were viewed 20.2 million times.

Surveys. As the agency was implementing the *Social Security Statement*, it sought to measure the *Statement's* effect on public awareness of and knowledge about Social Security. SSA identified this objective in its strategic plans and commissioned surveys to assess the *Statement's* impact.

Strengthening public understanding of Social Security programs was one of the five goals of SSA's *Strategic Plan 1997–2002: Keeping the Promise*, issued in September 1997. In 1998, as part of that strategic plan, SSA established the Public Understanding and Management System, under which it commissioned the Gallup Organization to conduct six surveys from 1998 through 2004 to evaluate the agency's outreach efforts, including the *Statement*.

The first survey, conducted in 1998, was a baseline study to determine what the public knew about Social Security. It found Americans relatively well informed about basic program facts. Respondents recognized the three primary benefits (retirement, disability, and survivor); they understood the tax used to support

Social Security; they knew how those taxes were being used and how benefits were calculated; and they understood the challenges to long-term program finance posed by an aging population. However, Americans were less informed about specific program facts. Only 38 percent knew that the FRA in 1998 was 65, and only 46 percent knew that the early retirement age was 62. Those who stated they had received the *Social Security Statement* were better informed than those who did not recall receiving the *Statement*.

The 2001 Gallup survey found a significant increase in the number of respondents who knew about the relationship between Social Security benefits and earnings, how benefits were financed, that benefits increased automatically as the cost of living rises, and that the FRA was increasing. Slightly more than half of the respondents reported receiving the *Statement*. Respondents who reported receiving the *Statement* were more knowledgeable about the program than those who did not.

In 2008, SSA commissioned Abt SRBI to survey the public about the *Social Security Statement* and how well it provided information about SSA programs, aided financial planning, and verified earnings. A baseline survey was conducted in 2008 with follow-up surveys in 2009 and 2010. The 2010 survey found that 62 percent of respondents recalled seeing their benefit information, and 45 percent recalled seeing their earnings history. Twenty-two percent of respondents aged 55 or older reported reading the special insert, *Thinking of retiring?* Thirty percent of all respondents and 42 percent of respondents aged 55 or older reported using the *Statement* for financial planning. Seventy percent of respondents thought the information in the *Statement* was useful for retirement planning. Fifty-four percent expressed overall satisfaction with the *Statement's* information about savings and investment. The surveys found that the *Statement* was most effective in the verification of earnings, with about 95 percent of respondents reporting that their personal information was correct. Table 5 provides a chronology of the developments of the *Social Security Statement*.

National advertising campaign. SSA promotes the online *Statement* as part of the *my Social Security* national marketing campaign and the *Campaign for a Secure Retirement*. The agency uses a variety of methods including public service announcements, billboards, seminars, webinars, exhibits at conferences, outreach to advocacy groups, and advertisements posted on Facebook.

Comparison of the Public Pension Statements in Canada, Sweden, and the United States

In this section, we provide an overview of some similarities and differences between the public pension statements in all three countries (Table 6). Each of the countries is required by law to provide a statement. Sweden is the only country that must provide the statement to all active workers every year; in Canada, the requirement is to mail a statement upon request; in the United States, the requirements (which groups receive the mailings and the mailing frequency) have changed over the years. The Swedish and U.S. statements include special inserts or mailings to target groups and provide projected benefit amounts at different ages. Canada does not include any special inserts when it mails the *SOCs* (Service Canada staff, personal communication with the authors, September 11, 2015).¹⁷ Canada and the United States also provide projections for disability and survivor benefits.¹⁸ All three countries provide online projections, but only Sweden offers a projection that includes each of the three pillars of the retirement income system.

All three countries conduct or have conducted surveys regarding the statement. Sweden's survey is administered annually, after the *Orange Envelope* has been mailed. Over time, the number of survey questions has increased and new topics have been added, such as online access. The results of the Swedish surveys indicate increasing awareness of and knowledge about the information in the statement. Both the United States and Canada have conducted a series of surveys, but not on an annual basis. In the United States, the results include a rise in the number of respondents who were aware of program facts. In Canada, a relatively high percentage of respondents acknowledged receiving and reading the *SOC*.

Changes to the statement format and content in both Sweden and the United States have originated from different sources. In Sweden, the statement has been modified regularly based on the results of their annual survey. In fact, over time, the *Orange Envelope* has evolved from 10 dense pages to 4 pages with a lot of "white space." Not only the length but also the content has changed. The changes to the U.S. *Social Security Statement* have been mainly related to content. The first *Statement* reflected significant design changes (focus-group tested) from its predecessor, the *Personal Earnings and Benefit Estimate Statement*, including fewer pages. In addition, laws

Table 5.
U.S. Social Security Statement: Chronology of major developments, 1939–to present

Time period	Development
1939	The 1939 Amendments to the Social Security Act required the Social Security Board (SSB) to maintain records of wages paid to individuals, and, on request, to provide individuals with information on their wages.
1940	The SSB established regulations governing the revision of wages by individuals.
1962	The Social Security Administration (SSA) initiated the “leads” program, under which it sends information on benefit entitlements to older insured workers who have not yet claimed benefits.
1970s to early 1980s	SSA engaged in internal discussions on providing workers of all ages with benefits and earnings statements, and began doing so automatically as well as on request.
Early 1980s	SSA began sending benefit estimates to workers on request, under a little-publicized program.
1981	The National Commission on Social Security, appointed by President Carter, recommended that SSA provide information on Social Security benefits to workers, at a minimum; to those who request it; and ideally, to all workers automatically.
August 1988	Senator Moynihan introduced a bill mandating that SSA issue earnings and benefits statements. The same day, SSA Commissioner Hardy announced that the agency would begin providing the <i>Personal Earnings and Benefit Estimate Statement (PEBES)</i> on request.
1989	The Omnibus Budget Reconciliation Act of 1989 (OBRA 89) amended the Social Security Act to require SSA to issue “Social Security account statements” and to begin sending them automatically according to a set schedule. OBRA 89 also specified the information to be included in those statements. SSA modified these specifications, going beyond legislative requirements.
1994	SSA began test mailings of the <i>PEBES</i> to plan for future workloads. Questionnaires and focus groups gathered input and feedback on the wording and design of the <i>PEBES</i> .
Fiscal year (FY) 1995	SSA began phasing in automatic mailing of earnings and benefit statements to continue through FY 1999.
1996	SSA pretested its online <i>PEBES</i> .
1997	SSA began national testing of the online <i>PEBES</i> . Concerns raised by the media and Congress about the privacy of earnings records caused SSA to suspend the online <i>PEBES</i> .
1999	The <i>PEBES</i> was redesigned and renamed the <i>Social Security Statement</i> .
FY 2000	SSA began mailing <i>Social Security Statements</i> to workers aged 25 or older. The agency sent out 134.7 million <i>Statements</i> .
October 2000	SSA began mailing a special insert— <i>Thinking of retiring?</i> —to workers aged 55 or older.
2007	SSA added sections to the <i>Social Security Statement</i> on the windfall elimination provision (WEP) and the government pension offset (GPO), as mandated by the Social Security Protection Act of 2004. ^a
February 2009	SSA began mailing special inserts— <i>What young workers should know about Social Security and saving</i> —to workers aged 25–35.
March 2011	SSA Commissioner Astrue testified before Congress, stating that to conserve funds, the agency would have to temporarily suspend mailing the <i>Social Security Statement</i> . Work began on developing an online <i>Statement</i> .
2012	In February, SSA resumed annual mailings of printed <i>Social Security Statements</i> to all workers aged 60 or older; in May, the agency launched an online version of the <i>Statement</i> accessible to workers of all ages; in July, it conducted a one-time mailing of <i>Statements</i> to workers aged 25; and in October, SSA suspended <i>Statement</i> mailings.
September 2014	SSA resumed annual mailings of printed <i>Social Security Statements</i> to workers aged 25, 30, 35, 40, 45, 50, 55, and 60 or older who had not yet established a <i>my Social Security</i> account to access their <i>Statement</i> online.

SOURCE: Adapted from Smith and Couch (2014).

a. The WEP and the GPO determine how pensions earned through work not covered by Social Security affect receipt of Social Security benefits.

Table 6.
A comparison of public pension statements in Canada, Sweden, and the United States

Comparison category	Canada	Sweden	United States
Retirement ages	65 (full) 60 (early) Up to 70 (deferred)	Flexible beginning at age 61; no upper limit	66 ^a (full) 62 (early) Up to 70 (deferred)
Legal basis	2011 law	Part of the 1999 pension reform law	1989 law
Year of first mailing	1984	1999	1995 ^b
Frequency	Last mass mailing occurred in 2013; <i>Statement of Contributions (SOCs)</i> can still be requested	Yearly (from February through March)	Yearly for persons aged 60 or older; every 5 years for those younger than age 60
Current recipients	Persons aged 18 or older who earn a wage or salary and have contributed to the CPP can request SOCs	Anyone aged 28 or older who has contributed during the previous year; with no contributions, at ages 22, 30, 40, 50, 60, and 64	Persons aged 25, 30, 35, 40, 45, 50, 55, and 60 or older who have not yet set up an online account
Special insert or mailing	Inserts not included with requested SOCs	New entrants to the labor force, workers already in the labor force, and old-age pensioners	Persons aged 25–35 and those aged 55 or older
Ages for pension projections	60, 65, and 70	61 and 70 ^c	62, 66 or 67, ^a and 70
Online access	Since 2005	Since 2004	Since 2012
Forecasts for other types of public pensions	Disability and survivors	None	Disability and survivors
Surveys	1999–2006	Annual	1998–2004; 2008–2010

SOURCES: Authors' compilation using pension statement data from this article.

a. The full retirement age is currently 66 and is gradually rising to age 67 by 2027.

b. The *Social Security Statement* was first mailed out in 1999 (fiscal year 2000). Its predecessor, the *Personal Earnings and Benefit Estimate* (or *PEBES*), was first mailed out in 1995.

c. An additional age is provided that represents the increase in life expectancy—how long an individual must work to receive the same pension amount that he or she would receive at age 65 if life expectancy had remained unchanged. The pension is based on life expectancy of the individual's cohort. These rules apply to individuals born in 1954 or later. Special transition rules apply to those born between 1938 and 1953.

mandated that certain information be included in the *Social Security Statement*. Finally, the content of the Social Security commissioner's message changed when new commissioners took office. By contrast, Canada does not conduct regular reviews of the contents and format of the *SOC*. It only makes changes when new relevant legislation has been enacted or if a high-level appeal proves that the information provided in the *SOC* has been misleading (Service Canada staff, personal communication with the authors, September 11, 2015).

In Sweden, a national advertising campaign is conducted each year to correspond with the mailing of the *Orange Envelope*. The United States includes the *Social Security Statement* as part of the *my Social Security* national marketing campaign. Canada, on the other hand, does not conduct any national advertising campaigns. It does, however, provide information about the online *SOC* in Service Canada's walk-in centers and on public websites (Service Canada staff, personal communication with the authors, September 11, 2015).

Conclusion

As we have noted in this article, increases in life expectancy and changes to public and private pensions have emphasized the importance of governments providing workers with pertinent information about the public pension system and the benefits those workers can expect to receive. Adequately informing workers about their public pension benefits involves three aspects: (1) providing the appropriate content in a clear and understandable way, (2) ensuring that the content is easily accessible and readily available to the public, and (3) regularly evaluating both the content and the way in which that material is offered to the public so that the information and the way it is disseminated remain relevant in changing economic and demographic contexts. The countries reviewed here have taken different approaches to these three aspects of providing information to the public. The differences can offer insights to improving the statements in each of the three countries.

Our review of the public pension statements in Canada, Sweden, and the United States found that all three countries provide estimates of expected retirement benefit amounts. Canada and the United States also provide a record of earnings so that recipients of the public pension statement can verify that their earnings record is accurate. Surveys in the three countries indicated that the public found the statements useful and easy to understand. The U.S. *Social Security Statement* provides links to interactive retirement planning tools and cites additional retirement-related SSA publications. The Canadian *SOC* provides a hyperlink to Service Canada, but gives no additional information on where to find explanations of various aspects of the program. The Swedish *Orange Envelope* includes a web address and instructions on how to set up an online account to access specific information, as well as how to obtain information in person. For individuals who do not have a computer or are not computer literate, the methods of access discussed here may be problematic.

We also found that in general, all three countries have similar demographics, but have different experiences in making changes to their public pension systems to address the financial pressures caused by aging populations. The Social Security Amendments of 1983 gradually raised the retirement age in the United States from age 65 to 67. In the late 1990s, Canada changed the benefit formula, the contribution rates, and how the reserve fund was invested, while

Sweden switched from a pay-as-you-go public pension system to a two-pillar (NDC and premium pension) system. In addition, both Canada and Sweden set up automatic-adjustment mechanisms to keep their systems in balance.

In all three countries, the governments could consider making changes to their statements to better inform workers of the general financial state of the public pension programs. In the United States, the results of a recent Gallup (2015) poll showed that 51 percent of workers surveyed did not believe that Social Security benefits would exist when they reach retirement age. At one time, the *Social Security Statement* included a note stating that should the trust fund reserve balances reach zero, there would still be enough revenue from contributions to fund some 77 percent of a worker's benefit; SSA might consider including such information once again. Both Canada and Sweden might also consider adding some general statements regarding the positive financial state of their respective systems. In Canada, the CPP Investment Board (2015) announced that the most recent actuarial report indicated that the CPP is projected to be sustainable over the next 75 years. In Sweden, a special insert was included in the *Orange Envelope* when the automatic-adjustment mechanism was applied and benefits were temporarily reduced. Sweden might consider adding a note to the *Orange Envelope* stating the yearly status of the system.

In addition, information on benefits paid to family members is important. Both the Canadian and the U.S. statements include projected survivor benefit amounts. However, in Sweden, the NDC plan does not provide survivor benefits and the premium pension only provides survivor benefits if the insured worker purchased voluntary survivor insurance. The *Orange Envelope* does include pension credit "from deceased contributors," with no explanation. (It is the "survivor bonus" described earlier.) The United States also has spousal and children's benefits linked to the insured worker's earnings record. It would be helpful if an explanation was included in the *Social Security Statement* on how the age at which a worker claims his or her own retirement benefits affects that worker's family benefit levels.

An important aspect of disseminating information to the public is ensuring that the public receives the information—that the information is provided in a way that is accessible and accords with how the public would like to receive it. Sweden mails out

a public pension statement every year, and recent surveys found that almost all of the respondents acknowledged receiving the statement. A 2002/2003 Canadian survey found that 63 percent of respondents who read the *SOC* wanted to receive it every year, and 73 percent wanted to receive it by mail. A 2010 SSA-commissioned survey conducted by Abt SRBI found that 79 percent of respondents preferred to receive the *Social Security Statement* by mail, with 14 percent preferring online access.

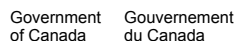
Despite the public preference for mailed statements, Canada recently suspended the regular mailing of its *SOCs*, and the United States has limited the number of *Social Security Statements* it mails. In FY 2010, the United States mailed annual *Statements* to all eligible workers aged 25 or older. Now it mails *Statements* annually to workers aged 25, 30, 35, 40, 45, 50, 55, and 60 or older who have not yet set up an online account. All three countries offer the public access to online statements. However, in the United States, there were only slightly more than 34 million visits to the online *Statement* in FY 2015. That corresponds to about 17 million unique users, compared with the 150 million workers who received a mailed *Statement* in FY 2010. As of 2011, the online *SOC* in Canada had received 1 million hits, likely corresponding to fewer unique users, compared with 13 million *SOCs* that were mailed out in the 2001–2002 period (Gregg Zentner, personal communication with the authors via e-mails and internal memoranda from Service Canada, 2011–2013).

It is expensive to disseminate public pension statements by mail. Thus, it is understandable that Canada decided to stop regular mailings of the *SOCs* (available only on request) and that the United States has limited the number of *Social Security Statements* it mails. However, because recipients prefer receiving mailed statements, Canada might consider whether mailing

SOCs every 5 years to its select population groups—new entrants, those approaching retirement, and those eligible but not yet claiming pensions—is a viable option. Both Canada and the United States might also consider commissioning surveys and research to determine how best to encourage the public to use the online statements and to identify low-cost alternative ways of providing information about pensions to the public.

All three countries conduct or have conducted evaluations of their public pension statements, with each country taking a different approach. Sweden conducts annual evaluations, with the questions focused primarily on whether the *Orange Envelope* recipients read and understood the information. Canada commissioned several surveys from 1999 through 2006 that targeted different age groups; the surveys focused on whether the *SOC* recipients read and understood the information. By contrast, the *Social Security Statement* evaluations in the United States attempt to assess how much the public understands about Social Security benefits and programs. Surveys conducted from 1998 through 2004 are tied to SSA's strategic-plan objective of improving public knowledge about Social Security. Those surveys asked specific questions about Social Security benefits and programs, enabling the agency to determine that public knowledge about various aspects of Social Security was indeed increasing. Given the switch in Canada and the United States to greater reliance on online provision of public pension statements, it would be interesting for those countries to evaluate how much the public currently knows about benefits and programs and the degree to which the change from mailed statements to online provision has had on the public's understanding of public pension benefits.

Appendix A: Canada—Statement of Contributions



Your Canada Pension Plan Statement of Contributions

Client Name

Date of Birth

Date of Statement

Year	Your total contributions (\$)	Your pensionable earnings (\$)	Year	Your total contributions (\$)	Your pensionable earnings (\$)

B - Below Basic Exemption **CQ** - CPP/QPP **CS** - Credit Split **M** - Maximum **P** - Post-Retirement
Q - Quebec Pension Plan **S** - Self-Employed

The maximum **retirement pension** at age 65 this year is \$ _____ per month.

Estimated monthly benefits:

Retirement pension

\$ PER MONTH

- If your pension were to begin next month, you could receive a **retirement pension** of -----
- If you were 65 today, based on your average pensionable earnings since age 18 or January 1, 1966, you could receive a **retirement pension** of -----
- If you apply at the age of 60, you could receive a **retirement pension** of -----
- If you apply at the age of 70, you could receive a **retirement pension** of -----

Disability benefits

- If you have a severe and prolonged disability that prevents you from working, as defined by the CPP, you could be eligible to receive a **disability benefit** of -----
- Each of your dependent children, as defined by CPP, could receive a **disabled contributor child benefit** of -----

In the event of your death

- Your survivor age 65 or older could receive a **survivor pension** of _____
- Your survivor age 45 to 65, or if under 45 and disabled, or if under 45 with dependent children, could receive a **survivor pension** of _____
- For a **survivor** aged 35 to 45 (who is not disabled or does not have dependent children), the monthly pension would be reduced for each month the survivor is under 45 at the time of the contributor's death by _____
- Each of your dependent children, as defined by CPP, could receive a **deceased contributor child benefit** of _____
- Your estate could receive a **one-time death benefit** payment of _____

MAKE SURE YOUR STATEMENT OF CONTRIBUTIONS IS ACCURATE

If your information on the front of this Statement is incorrect or missing, the amount of your benefits could be affected.

The benefit estimates in the lower section of your *Statement of Contributions* are **estimates only**. They do not take into account future earnings and contributions. In addition, they do not take into account all provisions of the Canada Pension Plan (CPP) that may affect the amount of your future benefits.

To correct your date of birth

If you are not receiving a CPP or Old Age Security (OAS) benefit or pension, the date of birth on your Statement is the date of birth registered on your Social Insurance Number (SIN) record. If this date is incorrect, call the Social Insurance Registration office toll-free number at 1-800-206-7218 (select option 3) to determine how to correct it. If you are calling from outside of Canada, the number is 506-548-7961 (long distance charges apply). For more information on the Social Insurance Number program, visit servicecanada.gc.ca.

If you are receiving a CPP or OAS benefit or pension, the date of birth on your Statement is the date of birth recorded at the time of your benefit or pension application. If this date is incorrect, contact us toll-free at 1-800-277-9914, if you use a TTY machine call 1-800-255-4786. If you are calling from outside of Canada or the United States, call 613-990-2244.

If the person named on this statement is deceased

Send a copy of the death certificate or funeral director's statement of death **and** the Social Insurance Number card to the Social Insurance Registration office at the address below. If you do not have the card, write the deceased individual's SIN on the copy of the proof of death document. The SIN can continue to be used for estate purposes.

**Social Insurance Registration
PO Box 7000
BATHURST NB E2A 4T1**

For more information on the Social Insurance Number program, visit servicecanada.gc.ca, or call the Social Insurance Registration office toll-free at **1-800-206-7218** (select option 3).

To correct your contributions and pensionable earnings

If you were employed and your contributions are not included or are incorrect on your Statement, please write to the address below. Please include a copy of your T4 slip(s), **or** any other information you can provide indicating your employer, earnings and/or your contributions to the Canada Pension Plan for the year(s) in question.

If you were self-employed, please send any information you can provide such as, a copy of your T1 Income Tax Return and/or your Notice of Assessment for the year(s) in question to the address below :

**Contributor Client Services
Canada Pension Plan
PO Box 9750 Station T
OTTAWA ON K1G 3Z4**

**For more information about the Canada Pension Plan
visit
servicecanada.gc.ca**

**or call toll-free: 1-800-277-9914
If you use a TTY machine, call 1-800-255-4786**

Demo Person

SWEDISH
PENSIONS AGENCY

Annual Statement 2014

Your National Public Pension

According to our forecast, this is how much you will receive as national public pension per month before tax. The amount may vary depending on when you decide to retire.

age 61	age 65	age 68 and 3 month	age 70
SEK 10 300	SEK 13 100	SEK 16 000	SEK 18 500

Do you have a pension from different sources?

In addition to the national public pension, most employees also have a pension from their employer. Some also have private pension savings.

National Public Pension

+


Occupational pension

+

Private pension

=

Your entire pension



Log in and see your entire pension

www.pensionsmyndigheten.se/B3

Use electronic identification or your personal code

27346

2014

You have earned this much towards your National Public Pension

Your Pension Credits

Changes during 2013 in SEK	Income pension	Premium pension	
Value 2012-12-31	854 596	106 942	
Pension credit for 2012	57 264	8 947	
From deceased contributors	603	560	
Administration and fund fees	- 277	- 985*	
Change in value	-10 382	8 709**	
Value 2013-12-31	901 804	124 173	
			Totally earned to the national public pension
			SEK 1 025 977

* Including SEK 716 discount on fund fee for 2012.

** Including SEK 135 as interest on your pension credit for 2012.

Your Premium Pension

Premium pension account 2013-12-31	Value, SEK	Change in value, per cent	Fund fee, per cent	Chosen allocation, per cent	Current allocation, per cent
Equity Fund Sverige	50 626	22	0,29	40	41
Equity Fund Global	31 156	22	0,51	25	25
Interest Fund Sverige	27 863	3	0,13	25	22
Generation Fund	14 528	13	0,20	10	12
Total	124 173	17	0,30	100	100
<i>The average pension saver</i>		21	0,31		

Mutual Fund Fee. Keep in mind that high fees mean worse performance for your savings.

Fund transfers. In order to increase safety, all fund transfers, from 20th February 2014, take place with electronic identification or Mobile BankID. You can also switch funds using a form that you order from the Swedish Pensions Agency and which will be sent to your registered address.

②

2014

How much will you get per month?

Forecast for your National Public Pension

Retirement age	age 61	age 65	age 68 and 3 month	age 70
Amount SEK/month	10 300	13 100	16 000	18 500

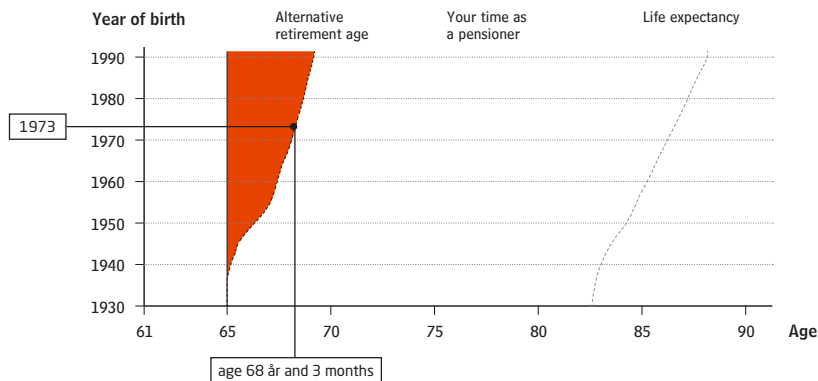
Your national public pension from age 65 (SEK 13 100 per month before tax) is estimated at SEK 9 800 in income pension and SEK 3 300 in premium pension. The pension will be paid out for the rest of your life.

We calculated as follows. The forecast is based on the SEK 1 025 977 you have earned towards your national public pension so far and your annual income until you retire. We have assumed that you will have the same pensionable income per year as in 2012, that is SEK 303 300.

The forecast is calculated in today's value. This means that you can compare the amounts in the forecast with your current earnings. The forecast is developed in accordance with the pension industry forecast standard. Read more on www.pensionsmyndigheten.se/prognosstandard.

Why 68 years and 3 months? The life expectancy in Sweden is rising. You, who were born in 1973 need to work until the age of 68 years and 3 months to receive the same pension amount you would have received at age 65 if life expectancy had remained unchanged. Your pension is calculated as your account value divided by the average remaining life expectancy of your age class.

When is the best time for you to retire? At www.pensionsmyndigheten.se/B3, you can obtain forecasts that also include your occupational pension and possible private pension. The forecasts make it easier for you to plan and make the right decisions about your future. The forecasts are generated by Minpension.se, a collaboration between the Swedish Pensions Agency and the private pension companies.



3

2013-12-05

Decision about your Pension Credits

The decision regarding your pension credits concerns 2012 since it is based on your latest established declared income.

Demo Person (eng)
Vägen 14
123 45 Landsorten

Pension credit for income pension		Pension credit for premium pension		Your total pension credits 2012
SEK 57 264	+	SEK 8 947	=	SEK 66 211

Basis for calculation of your pension credits

Pensionable income: SEK 303 300

Pensionable amount:
child years SEK 54 600

This provides a pension basis of: SEK 357 900

To request a reconsideration of the decision

The regulations that are the basis for the decision are to be found in chapters 59–61 of the Social Insurance Code (2010:110). If you want the decision to be reconsidered, please write to the Pensionsmyndigheten, Box 304, 301 08 Halmstad. Indicate the decision that you want reconsidered, how you want it changed and why. Write also your name, Swedish personal ID number, address and telephone number. If you engage a legal representative you must enclose an original power of attorney. Swedish Pensions Agency must receive the letter at the latest on 31st December 2014 or, if you have not been informed before 1st November 2014, within two months from the day you receive notice of the decision.

Contact information

Swedish Pensions Agency, www.pensionsmyndigheten.se, customer service 0771-776 776



You can also visit our service offices, see www.pensionsmyndigheten.se/servicekontor



Your payment would be about
\$1,705 a month
at full retirement age

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

January 2, 2015

Your Social Security Statement

Are you thinking about retirement? Are you ready for retirement?

We have tools that can help you!

- Estimate your future retirement benefits at ***socialsecurity.gov/estimator***
- Apply for retirement, spouse's, Medicare, or disability benefits at ***socialsecurity.gov/applyforbenefits***
- And once you receive benefits, manage your benefits at ***myaccount.socialsecurity.gov***

Your *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It also includes our record of your lifetime earnings. Check out your earnings history, and **let us know right away if you find an error**. This is important because we base your benefits on our record of your lifetime earnings.

Social Security benefits are **not intended to be your only source of income when you retire**. On average, Social Security will replace about

To view your *Social Security Statement* online anytime create a **my Social Security** account today!



my Social Security
myaccount.socialsecurity.gov

40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to live comfortably when you retire.

To see your *Statement* online anytime, create a **my Social Security** account at ***myaccount.socialsecurity.gov***.

Carolyn W. Colvin

Carolyn W. Colvin
Acting Commissioner

Follow the Social Security Administration at these social media sites.



Your Estimated Benefits

*Retirement	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...	
	your full retirement age (67 years), your payment would be about.....	\$ 1,705 a month
	age 70, your payment would be about	\$ 2,115 a month
	age 62, your payment would be about	\$ 1,186 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....	\$ 1,688 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.	
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:	
	Your child.....	\$ 1,266 a month
	Your spouse who is caring for your child.....	\$ 1,266 a month
	Your spouse, if benefits start at full retirement age.....	\$ 1,688 a month
	Total family benefits cannot be more than	\$ 3,077 a month
	Your spouse or minor child may be eligible for a special one-time death benefit of \$255.	
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.	
<p>* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2033, the payroll taxes collected will be enough to pay only about 77 percent of scheduled benefits.</p> <p>We based your benefit estimates on these facts:</p> <p>Your date of birth (please verify your name on page 1 and this date of birth)..... April 5, 1955</p> <p>Your estimated taxable earnings per year after 2015</p> <p>Your Social Security number (only the last four digits are shown to help prevent identity theft)..... XXX-XX-1234</p>		

How Your Benefits Are Estimated

To qualify for benefits, you earn “credits” through your work — up to four each year. This year, for example, you earn one credit for each \$1,220 of wages or self-employment income. When you’ve earned \$4,880, you’ve earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven’t earned enough yet to qualify for any type of benefit, we can’t give you a benefit estimate now. If you continue to work, we’ll give you an estimate when you do qualify.

What we assumed — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2015 and later (up to retirement age), we assumed you’ll continue to work and make about the same as you did in 2013 or 2014. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at www.socialsecurity.gov/estimator to obtain immediate and personalized benefit estimates.

We can’t provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates stated above because:**

- (1) Your earnings may increase or decrease in the future.
- (2) After you start receiving benefits, they will be adjusted for cost-of-living increases.

- (3) Your estimated benefits are based on current law. **The law governing benefit amounts may change.**

- (4) Your benefit amount may be affected by **military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.** Visit www.socialsecurity.gov to learn more.

Windfall Elimination Provision (WEP) — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at www.socialsecurity.gov/WEP.

Government Pension Offset (GPO) — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse’s record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at www.socialsecurity.gov/GPO.

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings	Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1971	195	195	1996	27,605	27,605
1972	513	513	1997	29,479	29,479
1973	928	928	1998	31,264	31,264
1974	1,609	1,609	1999	33,262	33,262
1975	2,288	2,288	2000	35,333	35,333
1976	2,933	2,933	2001	36,373	36,373
1977	3,731	3,731	2002	36,858	36,858
1978	5,002	5,002	2003	37,800	37,800
1979	6,417	6,417	2004	39,557	39,557
1980	7,851	7,851	2005	40,916	40,916
1981	9,467	9,467	2006	42,611	42,611
1982	10,773	10,773	2007	44,157	44,157
1983	12,029	12,029	2008	44,677	44,677
1984	13,394	13,394	2009	43,466	43,466
1985	14,570	14,570	2010	43,643	43,643
1986	15,543	15,543	2011	43,619	43,619
1987	17,043	17,043	2012	43,545	43,545
1988	18,323	18,323	2013	42,540	42,540
1989	19,458	19,458	2014	Not yet recorded	
1990	20,760	20,760			
1991	21,874	21,874			
1992	23,359	23,359			
1993	23,865	23,865			
1994	24,791	24,791			
1995	26,051	26,051			

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:

You paid: \$59,192
Your employers paid: \$60,975

Estimated taxes paid for Medicare:

You paid: \$14,261
Your employers paid: \$14,261

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to \$118,500 of your earnings and a 1.45* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to \$118,500 of your net earnings and a 2.9* percent Medicare tax on your entire net earnings.

*If you have earned income of more than \$200,000 (\$250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct.

Some or all of your earnings from **last year** may not be shown on your *Statement*. It could be that we still were

processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, all of your earnings are taxed for Medicare.)

Call us right away at 1-800-772-1213 (7 a.m.–7 p.m. your local time) if any earnings for years **before last year** are shown incorrectly. Please have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

Some Facts About Social Security

About Social Security and Medicare...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit www.medicare.gov or call 1-800-633-4227 (TTY 1-877-486-2048 if you are deaf or hard of hearing).

Retirement — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.

Some people retire before their full retirement age. You can retire as early as 62 and take benefits at a reduced rate. If you work after your full retirement age, you can receive higher benefits because of additional earnings and credits for delayed retirement.

Disability — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

- enough credits from earnings (depending on your age, you must have earned six to 20 of your credits in the three to 10 years before you became disabled); and
- a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more or result in death.

If you are filing for disability benefits, please let us know if you are on active military duty or are a recently discharged veteran, so that we can handle your claim more quickly.

Family — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children or adult children disabled before age 22 also may receive benefits. Each may qualify for up to about 50 percent of your benefit amount.

Survivors — When you die, certain members of your family may be eligible for benefits:

- your spouse age 60 or older (50 or older if disabled, or any age if caring for your children younger than age 16); and
- your children if unmarried and younger than age 18, still in school and younger than 19 years old, or adult children disabled before age 22.

If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

Extra Help with Medicare — If you know someone who is on Medicare and has limited resources and income, Extra Help is available for prescription drug costs. The Extra Help can help pay the monthly premiums, annual deductibles and prescription co-payments. To learn more or to apply, visit www.socialsecurity.gov or call 1-800-772-1213 (TTY 1-800-325-0778).

Receive benefits and still work...

You can work and still get retirement or survivors benefits. If you're younger than your full retirement age, there are limits on how much you can earn without affecting your benefit amount. When you apply for benefits, we'll tell you what the limits are and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

Before you decide to retire...

Carefully consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your monthly benefits will be reduced.

To help you decide the best time to retire, we offer a free publication, *When To Start Receiving Retirement Benefits* (Publication No. 05-10147), that identifies the many factors you should consider before applying. Most people can receive an estimate of their benefit based on their actual Social Security earnings record by going to www.socialsecurity.gov/estimator. You also can calculate future retirement benefits by using the Social Security Benefit Calculators at www.socialsecurity.gov.

Other helpful free publications include:

- *Retirement Benefits* (No. 05-10035)
- *Understanding The Benefits* (No. 05-10024)
- *Your Retirement Benefit: How It Is Figured* (No. 05-10070)
- *Windfall Elimination Provision* (No. 05-10045)
- *Government Pension Offset* (No. 05-10007)
- *Identity Theft And Your Social Security Number* (No. 05-10064)

We also have other leaflets and fact sheets with information about specific topics such as military service, self-employment or foreign employment. You can request Social Security publications at our website, www.socialsecurity.gov, or by calling us at 1-800-772-1213. Our website has a list of frequently asked questions that may answer questions you have. We have easy-to-use online applications for benefits that can save you a telephone call or a trip to a field office.

You also may qualify for government benefits outside of Social Security. For more information on these benefits, visit www.benefits.gov.

If you need more information — Contact any Social Security office, or call us toll-free at 1-800-772-1213. (If you are deaf or hard of hearing, you may call our TTY number, 1-800-325-0778.) If you have questions about your personal information, you must provide your complete Social Security number. If you are in the United States, you also may write to the Social Security Administration, Office of Earnings Operations, P.O. Box 33026, Baltimore, MD 21290-3026. If you are outside the United States, please write to the Office of International Operations, P.O. Box 17769, Baltimore, MD 21235-7769, USA.



Thinking of retiring?

www.socialsecurity.gov

Some things to consider

Retirement can have more than one meaning these days. It can mean that you have applied for Social Security retirement benefits or that you are no longer working. Or it can mean that you have chosen to receive Social Security while still working, either full or part-time. All of these choices are available to you. Your retirement decisions can have very real effects on your ability to maintain a comfortable retirement.

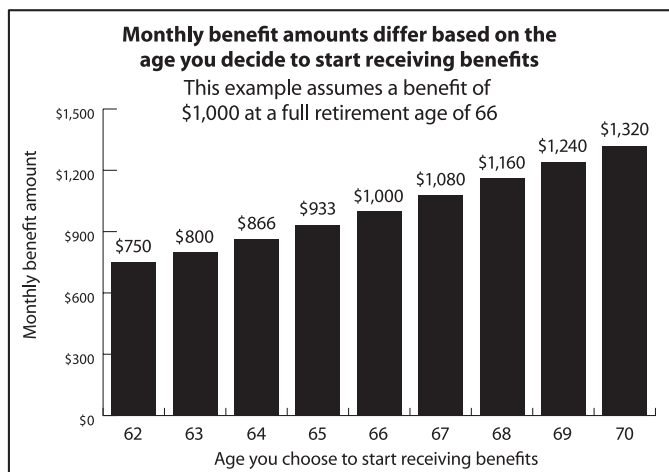
If you retire early, you may not have enough income to enjoy the years ahead of you. Likewise, if you retire late, you'll have a larger income, but fewer years to enjoy it. Everyone needs to try to find the right balance, based on his or her own circumstances.

We hope the following information will help you as you plan for your future retirement and consider your retirement options.

What is the best option for you?

Everyone's situation is different. That is why Social Security has created several retirement planners to help you decide what would be best for you and your family. Social Security has an online calculator that can provide immediate and accurate retirement benefit estimates to help you plan for your retirement.

The online Retirement Estimator is a convenient, secure, and quick financial planning tool. It uses your own earnings record information, thereby eliminating any need to manually key in years of earnings information. The estimator also will let you create "what if" scenarios. You can, for example, change your "stop work" date or expected future earnings to create and compare different retirement options. To use the Retirement Estimator, go to our website at www.socialsecurity.gov/estimator.



Avoid a Medicare Penalty Sign Up at Age 65

Even if you don't plan to receive monthly benefits, be sure to sign up for Medicare *three months before* turning age 65. If you don't sign up for Medicare Part B (medical insurance) when you're first eligible, your coverage may not start right away and you may have to pay a late enrollment penalty for as long as you have it. You can apply online. Visit www.socialsecurity.gov/medicareonly for information and to apply.

There is one more thing you should remember as you crunch the numbers for your retirement. You may need your income to be sufficient for a long time, because people are living longer than ever before, and generally, women tend to live longer than men. For example:

- The typical 65-year-old today will live to age 83;
- One in four 65-year-olds will live to age 90; and
- One in ten 65-year-olds will live to age 95.

Once you decide on the best age for you to actually retire, remember to complete your application *three months before* the month in which you want retirement benefits to begin.

It's so easy to apply online for benefits

The easiest way to apply for Social Security retirement benefits is to go online at www.socialsecurity.gov/applyforbenefits. If you do not have access to the Internet, you can call 1-800-772-1213 (TTY number, 1-800-325-0778) between 7 a.m. and 7 p.m., Monday through Friday, to apply by phone. You also can apply at any Social Security office. To avoid having to wait, call first to make an appointment.

Receiving benefits while you work

When you reach your full retirement age, you can work and earn as much as you want and still receive your full Social Security benefit payment. If you are younger than full retirement age and if your earnings exceed certain dollar amounts, some of your benefit payments during the year will be withheld.

This does not mean you must try to limit your earnings. If we withhold some of your benefits because you continue to work, we will pay you a higher monthly benefit amount when you reach your full retirement age. In other words, if you would like to work and earn more than the exempt amount, you should know that it will not, on average, reduce the total value of lifetime benefits you receive from Social Security—and may actually increase them.

Here is how this works: after you reach full retirement age, we will recalculate your benefit amount to give you credit for any months in which you did not receive some benefit because of your earnings. In addition, as long as you continue to work, we will check your record every year to see whether the additional earnings will increase your monthly benefit.

Many people can continue to work and still receive retirement benefits. If you want more information on how earnings affect your retirement benefits, ask for *How Work Affects Your Benefits* (Publication No. 05-10069), which has current annual and monthly earnings limits, and is available on our website.

Retirement age considerations

Full retirement age

For persons born during the years 1943-1954, the full retirement age is 66. If you were not born in this period, you can find your full retirement age on page 2 of your *Social Security Statement*.

Retiring early

If you've earned 40 credits (credits are explained on page 2 of your *Statement*), you can start receiving Social Security benefits at 62 or at any month between 62 and full retirement age. However, your benefits will be reduced based on the number of months you receive benefits before you reach full retirement age.

If your full retirement age is 66, benefits will be reduced:

- 25 percent at age 62;
- 20 percent at age 63;
- 13½ percent at age 64; or
- 6⅔ percent at age 65.

Delaying retirement

You may decide to wait beyond your full retirement age before choosing to receive benefits. If

so, your benefit will be increased by a certain percentage for each month you don't receive benefits between your full retirement age and age 70. This table shows the rate your benefits increase if you delay retiring.

Year of birth	Yearly increase rate
1941 - 1942	7.5%
1943 or later	8.0%

Rules that may affect your survivor

If you are married and die before your spouse, he or she may be eligible for a benefit based on your work record. If you start benefits before your full retirement age, we cannot pay your surviving spouse a full benefit from your record. Also, if you wait until after your full retirement age to begin benefits, the surviving spouse benefits based on your record will be higher.

Need more information?

You can find answers to frequently asked questions about Social Security, learn about factors that could affect your benefits, and much more by visiting Social Security online at www.socialsecurity.gov.

If you do not have access to the Internet, you can get information about Social Security by calling **1-800-772-1213 (1-800-325-0778)** for the deaf or hard of hearing) or by visiting a local Social Security office.

Other useful websites

www.mymoney.gov

This website contains calculators for financial planning and information on money-related matters, such as retirement planning and starting a small business.

www.dol.gov/ebsa/pdf/nearretirement.pdf

Have you determined how much money you will need in retirement? There are many tools available to help you, such as the *Taking the Mystery Out of Retirement Planning Workbook* available at this link.

www.sec.gov/investor/seniors.shtml

Are you looking for information about the investment options available to you as you enter retirement? The Securities and Exchange Commission has a wealth of information on different investment products and topics available at this website.

www.usa.gov/topics/seniors.shtml

This website has a variety of resources for seniors on topics including retirement planning, housing, and health.



Social Security Administration
SSA Publication No. 05-10054
May 2015 (Destroy prior editions)

Appendix D

A comparison of public pension statements in selected European Union countries

Comparison category	Austria	Belgium	Germany	United Kingdom
Retirement age	65 (men) and 60 (women); gradually rising to 65 (women) from 2024 to 2033	65 (men and women)	65 and 4 months; gradually rising to 67 (men and women) by 2029	65 (men) and 62 (women); gradually rising to 65 (women) by 2018; to age 66 from 2019 to 2020 and to age 67 from 2026 to 2028 (men and women)
Legal basis	Beginning in 2014, statements were sent to all insured workers; previously, statements were provided upon request	Mandatory for private-sector employees at age 55; voluntary for public-sector employees	Mandatory	None; administrative function of the government
Frequency	No information	Summary reviews provided annually; entire work history provided every 5 years	Provided every 3 years	Provided upon request
Current recipients	All insured persons born after 1954 with at least 1 month of contributions	Private-sector employees; expected to send to public-sector employees in the near future	Insured employees and self-employed persons aged 55 or older	Persons residing in the country who are at least 4 months younger than the State Pension Age (retirement age)
Basis of calculating an old-age pension	Contributions paid for workers who retire at the normal retirement age	Actual gross salaries for actual working period and notional salaries for equivalent periods for workers who retire at the normal retirement age (adjusted calculations for early and deferred retirement are provided upon request)	Average earnings in the past 5 years; 1 percent and 2 percent annual increase in income	Current value for workers who retire at the normal retirement age (adjusted calculations for early and deferred retirement are provided upon request)
Online access	Yes	Yes	Yes	Yes
Forecasts for other types of public pensions	None	None	Disability and spouse's pensions	None
Integrated information	None	None	None	Yes
Additional information	Internet, call center, contact provider	Internet, contact in person and by phone	Internet, informational pamphlets, contact in person and by phone ^a	Internet ^b

SOURCE: European Union (2013).

NOTE: Based on answers to country surveys.

a. In addition to the public pension statement, insured workers aged 27 or older who have at least 5 years of contributions receive a pension communication document that contains information on how pensions are calculated; a projected old-age pension based on the insured worker's average earnings in the past 5 calendar years; contribution history (both employer and employee); the current full disability pension amount; and the effect of future adjustments on that pension.

b. The government provides facilities for personal communication.

Notes

Acknowledgments: We are indebted to Arne Paulsson of the Swedish Pension Agency and to Gregg Zentner, Valérie Paré-Eberley, and their staff at Service Canada for providing a wealth of information on their countries' public pension statements. In addition, we thank John Jankowski, Ken Mannella, and Annika Sunden for their helpful comments and suggestions.

¹ In this section, the source of information is either U.S. Social Security Administration (SSA 2014) or (SSA, forthcoming) unless otherwise noted.

² OAS is a nearly universal pension financed by general revenue. Its clawback feature (also called a recovery tax) reduces or eliminates the OAS benefit for higher earners. In 2013, about 6 percent of all OAS beneficiaries were affected by either a reduced or no benefit, depending on the income level.

³ Guaranteed Income Supplement, an income-tested benefit, is provided to low-income OAS pensioners.

⁴ The different components of retirement income systems are often described as pillars. For example, first-pillar pensions in Organisation for Economic Co-operation and Development (OECD) countries are often pay-as-you-go public pension systems, and second-pillar pensions could consist of mandatory occupational pensions or of mandatory or voluntary individual accounts.

⁵ The guarantee pension, funded from general revenue, is a guaranteed income-tested benefit (income tested only against the national earnings-related pension—the NDC and premium pension) paid at age 65 to residents with no or a low earnings-related pension.

⁶ An old-age Supplemental Security Income (SSI) payment is made to individuals at age 65 with low income and limited resources. The means test (associated with SSI eligibility) is based on earned and unearned income, including benefits. Benefits are adjusted automatically according to changes in the cost of living.

⁷ Quarters of coverage are based on the insured worker's annual earnings. In 2016, the minimum amount of earnings to receive 1 quarter of coverage is \$1,260. This amount is adjusted annually to reflect past increases in average wages.

⁸ Unless otherwise noted, the source of information on the Canadian *SOC* is Gregg Zentner (personal communication with the authors via e-mails and internal memoranda from Service Canada, 2011–2013).

⁹ Included in CPP's proactive mailings in the 1980s was a Terms and Conditions (TC) document that described CPP coverage and contributions as well as eligibility and payments for all benefits including those for old-age, disability, and survivors. The TC also provided information on

appeals; international agreements; and special situations, such as the division of pension credits and the childcare drop-out provision. Although the intention in the beginning was to send a TC document along with the very first *SOC* a worker received, more recent mailings have not included that document.

¹⁰ As of 2011, the online *SOC* website had received 1 million hits, likely corresponding to fewer unique users, compared with 13 million *SOCs* that were mailed out in the 2001–2002 period (Gregg Zentner, personal communication with the authors via e-mails and internal memoranda from Service Canada, 2011–2013).

¹¹ Unless otherwise noted, the source of information on the *Orange Envelope* is Arne Paulsson (personal communication with the authors via e-mails, 2011–2015).

¹² For details of the Swedish national public pension program, refer to the section that provides a description of the public pension systems in the three countries.

¹³ The 2010, 2011, and 2014 *Orange Envelopes* that were sent to pensioners also contained an information sheet explaining that pensions were reduced because of the automatic-balancing mechanism. An automatic-balancing mechanism is applied if the system is in imbalance (assets and liabilities are not equal). Both the notional interest rate and the indexation of current benefits are reduced (temporarily) in order to bring the system back into balance.

¹⁴ PensionsMyndigheten (<http://www.pensionsmyndigheten.se>) is an SPA website devoted to retirement, which provides an individual access to a password-protected personal retirement page. In addition to accessing the information from the *Orange Envelope*, an individual may apply for an old-age pension on this website. Minpension (<http://www.minpension.se>) is an independent company comprising a public/private partnership—50 percent government and 50 percent private providers (Paulsson 2008).

¹⁵ The SPA contracts out the survey. Before the SPA was created (in 2010), the Swedish Social Insurance Agency was in charge.

¹⁶ Unless otherwise noted, the source of information on the *Social Security Statement* is Smith and Couch (2014).

¹⁷ Until 2012, Canada sent out mass mailings with targeted inserts. The information formerly contained in those inserts continues to be available online.

¹⁸ Sweden's disability program is administered by a different agency than the one that administers the old-age and survivor program. There are no survivor benefits per se under the NDC program, and survivor benefits under the premium pension are available if the insured worker purchased voluntary survivor insurance.

References

- CPP Investment Board. 2015. *Long-Term Sustainability of Canada Pension Plan*. Sustainability Backgrounder: Chief Actuary's Report. Toronto, ON Canada: Public Affairs and Communications (May). <http://www.cppib.com/content/dam/cppib/Our%20Performance/Sustainability%20of%20the%20Fund/CPPIB%20Sustainability%20Backgrounder%20Q4%20F2015.pdf>.
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