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PENSION ENTITLEMENTS IN THE REPUBLIC OF CROATIA, 2021

Accrued-to-date pension entitlements in the Republic of Croatia at the end of 2021 were estimated in accordance with the Eurostat methodological guidelines. For social security pension schemes, three discount rates were applied: 4% for the basic scenario, and 3% and 5% for the sensitivity analysis. According to the basic scenario of 4%, pension entitlements (column H, row 10 in tables 1, 2 and 3) were estimated at 1 409.20 billion kuna or 320.22% of GDP. Applying the discount rates of 3% and 5%, pension entitlements were estimated at 1 668.56 billion kuna or 379.16% of GDP, and 1 208.02 billion kuna or 274.50% of GDP, respectively. The sensitivity analysis indicates that if the discount rate is changed by one percentage point, estimated social security pension schemes will change by more than 200 billion kuna. Additionally, pension entitlements according to defined contribution schemes (column A, row 10 in tables 1, 2 and 3) were estimated at 134.50 billion kuna. Total pension entitlements amounted to 1 543.70 billion kuna at a discount rate of 4%, 1 803.06 billion kuna at a discount rate of 3% and 1 342.53 billion kuna at a discount rate of 5%.

1 ACCRUED-TO-DATE PENSION ENTITLEMENTS AT A DISCOUNT RATE OF 4%

mln kuna

Row number	ESA code	Flow description	Total (I)	Defined contribution schemes (A)	Social security pension scheme (H)
1	F63	Pension entitlements (incl. contingent pension entitlements)	1 476 890	119 964	1 356 926
2	D61	Increase in pension entitlements due to social contributions (2.1 + 2.2 + 2.3 + 2.4 - 2.5)	88 293	9 541	78 752
2.1	D6111	Employer actual social contributions	1 233	106	1 127
2.2	D6121	Employer imputed social contributions	-	-	-
2.3	D6131	Household actual social contributions	30 698	7 350	23 348
2.4	D6141	Household social contribution supplements	56 722	2 445	54 277
2.5	D61SC	Less: Pension scheme service charges	360	360	0
3	D619	Other (actuarial) change of pension entitlements in social security pension schemes	16 154	-	16 154
4	D62	Reduction in pension entitlements due to payment of pension benefits	43 738	234	43 504
5	D8	Changes in pension entitlements due to social contributions and pension benefits (2 + 3 - 4)	60 708	9 307	51 401
6	D81	Transfers of pension entitlements between schemes	0	-877	877
7	D82	Change in entitlements due to negotiated changes in scheme structure	0	0	0
8	K7	Changes in entitlements due to revaluations	6 110	6 110	0
9	K5	Changes in entitlements due to other changes in volume	0	0	0
10	F63	Pension entitlements (incl. contingent pension entitlements (1 + Σ 5 to 9))	1 543 709	134 505	1 409 204

2 ACCRUED-TO-DATE PENSION ENTITLEMENTS AT A DISCOUNT RATE OF 3%

mln kuna

Row number	ESA code	Flow description	Total (I)	Defined contribution schemes (A)	Social security pension scheme (H)
1	F63	Pension entitlements (incl. contingent pension entitlements)	1 728 580	119 964	1 608 616
2	D61	Increase in pension entitlements due to social contributions (2.1 + 2.2 + 2.3 + 2.4 – 2.5)	82 274	9 541	72 733
2.1	D6111	Employer actual social contributions	1 233	106	1 127
2.2	D6121	Employer imputed social contributions	-	-	-
2.3	D6131	Household actual social contributions	30 698	7 350	23 348
2.4	D6141	Household social contribution supplements	50 703	2 445	48 258
2.5	D615C	Less: Pension scheme service charges	360	360	0
3	D619	Other (actuarial) change of pension entitlements in social security pension schemes	29 840	-	29 840
4	D62	Reduction in pension entitlements due to payment of pension benefits	43 738	234	43 504
5	D8	Changes in pension entitlements due to social contributions and pension benefits (2 + 3 – 4)	68 375	9 307	59 068
6	D81	Transfers of pension entitlements between schemes	0	-877	877
7	D82	Change in entitlements due to negotiated changes in scheme structure	0	0	0
8	K7	Changes in entitlements due to revaluations	6 110	6 110	0
9	K5	Changes in entitlements due to other changes in volume	0	0	0
10	F63	Pension entitlements (incl. contingent pension entitlements (1 + Σ 5 to 9))	1 803 066	134 505	1 668 561

3 ACCRUED-TO-DATE PENSION ENTITLEMENTS AT A DISCOUNT RATE OF 5%

mln kuna

Row number	ESA code	Flow description	Total (I)	Defined contribution schemes (A)	Social security pension scheme (H)
1	F63	Pension entitlements (incl. contingent pension entitlements)	1 281 682	119 964	1 161 718
2	D61	Increase in pension entitlements due to social contributions (2.1 + 2.2 + 2.3 + 2.4 – 2.5)	92 101	9 541	82 560
2.1	D6111	Employer actual social contributions	1 233	106	1 127
2.2	D6121	Employer imputed social contributions	-	-	-
2.3	D6131	Household actual social contributions	30 698	7 350	23 348
2.4	D6141	Household social contribution supplements	60 531	2 445	58 086
2.5	D615C	Less: Pension scheme service charges	360	360	0
3	D619	Other (actuarial) change of pension entitlements in social security pension schemes	6 375	-	6 375
4	D62	Reduction in pension entitlements due to payment of pension benefits	43 738	234	43 504
5	D8	Changes in pension entitlements due to social contributions and pension benefits (2 + 3 – 4)	54 738	9 307	45 431
6	D81	Transfers of pension entitlements between schemes	0	-877	877
7	D82	Change in entitlements due to negotiated changes in scheme structure	0	0	0
8	K7	Changes in entitlements due to revaluations	6 110	6 110	0
9	K5	Changes in entitlements due to other changes in volume	0	0	0
10	F63	Pension entitlements (incl. contingent pension entitlements (1 + Σ 5 to 9))	1 342 531	134 505	1 208 026

NOTES ON METHODOLOGY

Legal basis

Accrued-to-date pension entitlements are defined in Regulation (EU) No 549/2013 and introduced by the European System of Accounts 2010. The pension entitlements are compiled in the Supplementary table on accrued-to-date pension entitlements in social insurance (Table 29), which is a structured table showing the initial (at the beginning of the year, row 1) and the final (at the end of the year, row 10) stock of pension entitlements along with their flows (rows 2 to 9). In addition to the rows, Table 29 also contains columns, of which only A (the second pillar) and H (the first pillar) refer to the Republic of Croatia, while the third pillar is excluded from the estimation procedure. All transactions in Table 29 are recorded in gross amounts, that is, they include taxes and service charges.

Calculation methods and data sources

The calculation is made in two parts: for defined contribution schemes (column A) and for social security pension schemes (column H). The main data sources for column A, that is, for defined contribution schemes are: REGOS (rows 2.1, 2.3, 4 and 6), HANFA (rows 1, 2.4, 2.5 and 10) and RMOD and HRMOD (row 4), while row 8 was obtained as a residual. Unlike column A, the calculation for column H is based on data sources from the Ministry of Finance (data for social security pension schemes) and on the actuarial modelling (rows 1, 2.4, 3, 7 and 10 in Table 29) for projections for the period of one hundred years, whereby the calculation procedure is divided by sex, pension type for pensioners and current contributors. The input parameters of the model are discount rate, wage growth, inflation, mortality rates (taken over from the Eurostat population projections – EUROPOP 2021) and retirement age in accordance with the national legislation.

Abbreviations

GDP	gross domestic product
ESA	European System of Accounts
EU	European Union
Eurostat	Statistical Office of the European Union
HANFA	Croatian Financial Services Supervisory Agency
HRMOD	Croatian Pension Insurance Company
mln	million
REGOS	Central Registry of Insured Persons
RMOD	Raiffeisen Pension Insurance Company

Symbols

0	value not zero but less than 0.5 of the unit of measure used
-	no occurrence
Σ	summation

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