Working Party on Private Pensions

OECD GLOBAL PENSION STATISTICS: PROGRESS REPORT ON THE 2014 QUALITY REVIEW

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OECD GLOBAL PENSION STATISTICS: PROGRESS REPORT ON THE 2014 QUALITY REVIEW

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Introduction

1. The availability of data of good quality is fundamental for understanding any policy issue and for any analysis relying on them. The OECD is at the forefront in the collection and compilation of standardised data from national authorities. The OECD endeavours to ensure the quality of the data it disseminates and uses internally to produce policy recommendations. The Statistics Directorate of the OECD (STD) defines a set of general guidelines for data quality that can apply to data collected on any field (e.g. pensions, education, social policy).

2. One of STD’s guidelines to ensure data quality across the organisation is to perform a quality review of OECD databases on a regular basis. The quality review covers a set of eight dimensions: relevance, accessibility, interpretability, coherence, accuracy, timeliness, credibility, and cost-efficiency. These dimensions are defined in the document ‘Quality Framework and guidelines for OECD statistical activities’ [STD/QFS(2011)1]. Such a quality review involves a self-assessment of current practices to fulfil the data quality requirements and a consultation with external users, delegations and other OECD Directorates. This process aims at highlighting the strengths and weaknesses within each dimension and at providing a window to improve the exercise and to take on board comments from various stakeholders.

3. This document presents the preliminary outcomes of the second review of the quality of the Global Pension Statistics (GPS) database. The GPS database was initiated in 2002 by the OECD Working Party on Private Pensions (WPPP) and its Task Force on Pension Statistics (TFPS). The GPS database allows the measurement and monitoring of the private pension industry and inter-country comparisons. This statistical exercise is sector-based and can complement the System of National Accounts by gathering a wide set of financial and non-financial data at a more granular level. The geographical coverage of the GPS exercise goes beyond OECD countries thanks to a close collaboration with the International Organisation of Pension Supervisors (IOPS).¹

4. Since the launch of the GPS exercise, the quality and comparability of the data have been constantly improved. In particular, the first review conducted in 2008,² focusing on OECD countries, led to significant improvements of the statistical exercise. It provided a mechanism to detect and improve data quality. It also enabled a better understanding of the data coverage and of the funded pension systems in OECD countries by the provision of more detailed metadata. This review finally led to a refinement of the statistical questionnaire. The second review that is undertaken in 2014 is extended to non-OECD countries, covering around 70 countries.

5. The present document starts by summarising the main strengths and weaknesses that the review has highlighted. It lists as well the follow-up actions to further improve GPS data quality. It then develops these findings by focusing on each of the dimensions of the quality analysis. Each section is structured in the same way and includes the definition of the quality dimension as proposed by STD, then a self-assessment of current practices, the identification of potential issues, followed by users’ perspective based on the results of a user survey, and finally a list of recommendations together with follow-up actions to further improve data quality. Delegations to the WPPP and the IOPS are invited to answer specific questions in selected sections. The annexes contained in the document DAF/AS/PEN/WD(2014)4/ADD1 provide the details of the results that are summed up in this document.

¹. More information about the IOPS can be found at its website: http://www.oecd.org/site/iops/.

Strengths and weaknesses of the OECD GPS database

6. The strengths of the GPS identified by the preliminary assessment of the GPS database are the following:

- The GPS data are widely recognised by users as credible and relevant (95% of surveyed users of pension statistics support this) (see Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1).
- It is one of the most global exercises on funded and private pensions, covering around 70 countries (see the “Relevance” section).
- The GPS benefits by a direct access to administrative, up-to-date funded pension statistics and metadata through an annual questionnaire sent to national pension authorities (see the “Coherence” section).
- Statistics and indicators are freely disseminated through OECD.Stat Extracts and the annual report Pension Markets in Focus notably (see the “Accessibility” section).
- The provision of several tools ensures that users correctly interpret the disseminated data: control codes, metadata and descriptions of data scope (see the “Interpretability” section).

7. The weaknesses or areas to further improve the GPS exercise are the following:

- Improve the consistency and/or explain possible discrepancies between the GPS database and the other databases covering the same topic (see the “Coherence” section);
- Timeliness of the release of GPS data, that was deemed as “Weak” or “Very weak” by 10% of the surveyed users (see Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1);

8. This progress report presents the complete self-assessment and evaluation by external users of the quality of the GPS exercise. It identifies areas of improvements for each quality dimension and follow-up actions to undertake during or after the quality Review. Table 1 below presents a summary of the actions by each of the quality dimensions. Priorities will be given to these follow-up actions in the final version of this report, taking into account the available resources.

Table 1. Avenues for future improvements based on the self-assessment

<table>
<thead>
<tr>
<th>Quality dimensions</th>
<th>Follow-up actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>1. Assess the data completeness by variable and liaise with Delegations to fill incomplete time series as much as possible.</td>
</tr>
<tr>
<td></td>
<td>2. Examine the possibility to further refine the standard asset classes of the GPS exercise in order to improve comparability with those used in other pension-related exercises.</td>
</tr>
<tr>
<td></td>
<td>3. Consider the option of breaking down assets overseas with more granularity, e.g. using the same asset classes as for the general asset allocation. To keep the Excel questionnaire simple, this data request could be made in the qualitative section.</td>
</tr>
<tr>
<td>Accessibility</td>
<td>1. Liaise with the relevant Delegations to find a way to avoid discrepancies between different supports.</td>
</tr>
<tr>
<td></td>
<td>2. Specify in OECD.Stat Extracts the time of the last update.</td>
</tr>
<tr>
<td></td>
<td>3. Modify the default views in OECD.Stat Extracts: delete the least relevant views and add views that users are looking for: &quot;Number of pension funds&quot;, &quot;Occupational pension plans' assets as a % of total assets&quot;, &quot;Personal pension plans' assets as a % of total assets&quot;.</td>
</tr>
<tr>
<td>Interpretability</td>
<td>1. Continue efforts to get a description of the funded pension system for non-OECD countries for which this information is still missing.</td>
</tr>
<tr>
<td></td>
<td>2. Make the control codes (1) in OECD.Stat Extracts compliant with OECD corporate guidelines.</td>
</tr>
</tbody>
</table>
Quality dimensions

Follow-up actions

3. Check the range of years for which punctual notes on specific variables provided by countries at a given time are accurate.
4. Think about another way of displaying metadata.

Coherence

1. Send country cards to all concerned Delegations to examine identified issues during the Quality Review, and check the control codes and their consistency over the years.
2. Liaise with other OECD teams collecting data about pensions to reconcile and/or explain the identified discrepancies as much as possible.
3. Endeavour to clarify the inconsistencies identified when comparing GPS and databases managed by other organisations, and try to collect data for plans for which information is currently missing in GPS but available in other databases.

Accuracy

1. Compare in a more systematic manner in the forthcoming data collection exercises submitted data with official publications from national authorities.

Timeliness

1. Try to improve the timeliness of the publication of Pension Markets in Focus (based on GPS data) by: i) either getting estimates from national authorities for which data are available late in the year; ii) or calculating OECD estimates based on predictive models.

Credibility

1. Display on the OECD website a synthesis of the Quality Review Report.

Cost-efficiency

1. Examine with a few Delegations resources dedicated for their institutions to participate in the GPS exercise.

1. A control code is a kind of metadata, used for flagging peculiarities of individual observations (data points) such as missing values.

Relevance

STD definition

9. The relevance of data products is a qualitative assessment of the value contributed by these data. Value is characterised by the degree to which the data serves to address the purposes for which they are sought by users. It depends upon both the coverage of the required topics and the use of appropriate concepts. Value is further characterised by the merit of users’ purposes in terms of the OECD mandate, the agreements with Member Countries and the opportunity costs of producing the data.

Self-evaluation of current practices

10. Relevance is one of the main strengths of the OECD GPS database, as testified by the extent to which GPS data are used inside and outside the OECD, and also by the number of requests received from external users for information related to funded and private pensions, as developed below. Further efforts have also been made to increase its relevance thanks to the work of the sub-group of the Task Force on Quality Issues. However, there may be room to further improvements in the relevance of GPS data, for example when comparing asset classes across different data collection exercises.

11. The GPS database is a valuable exercise for comparable statistics and indicators on funded pension systems. It is an excellent vehicle for measuring and monitoring the funded pension industry, and it permits inter-country comparisons of current statistics and indicators on key aspects of retirement systems across OECD and non-OECD countries. This exercise covers around 70 countries, making the GPS database one of the most global databases on pensions in terms of geographical coverage. Data are collected yearly so that trends can be readily identified and analysed. The statistics cover an extensive range of indicators and relate to a wide definition of private pension plans, themselves subdivided into detailed categories using coherent statistical concepts, definitions and methodologies, as described in the OECD Classification and Glossary.

12. The GPS data are used in various reports prepared by the private pension unit in the Directorate for Financial and Enterprise Affairs and by other parts of the OECD. The GPS data are first displayed annually in the report *Pension Markets in Focus*, which has been published since 2005. This report provides accurate, comprehensive, comparable and up-to-date statistics on pension funds to help policy makers, regulators and market participants to measure, compare and evaluate programme developments and country experiences globally. Pension statistics are also included in OECD corporate publications with high visibility, notably the *OECD Pensions Outlook*, the *OECD Pensions at a Glance* prepared by the Directorate for Employment, Labour and Social Affairs (ELS), the *OECD Factbook* and the leaflet *OECD Work on Statistics* both prepared by STD.

13. The use of GPS data goes beyond the OECD and can be gauged by the number of subscribers to the publications containing GPS data and by the number of views of OECD webpages dedicated to pension statistics. The number of subscribers to the report *Pension Markets in Focus* reached 19,935 in 2013, which is more than 14 times bigger than eight years ago (1,397 subscribers in 2005). The Global Pension Statistics webpage was viewed 33,474 times in 2013, and the webpage about the *OECD Pensions Outlook 2012* had 20,550 hits in 2013.

14. Articles and reports published outside the OECD also refer to the GPS statistics. The *Financial Times* (especially the FTfm supplement) and the *Economist* for example regularly publish articles based on the report *Pension Markets in Focus*. In January 2013, Oxera published a report on the “Study on the position of savers in private pension products”. This report was prepared for the Financial Services User Group of the European Commission and included OECD GPS data about private pension assets, investment returns and operating costs notably.

15. The OECD is in a position to satisfy the requests of external users for major indicators pertaining to private pensions. In 2013, more than 90 requests about GPS data were received, including approximately 70 requests coming from outside the OECD. The most frequent requests received pertain to pension funds’ assets and asset allocation, the split of these assets by type of plans and the investment rates of return. These indicators are part of the annual data collection exercise and are covered in the OECD GPS database.

16. Other requests can give a hint about the interest of users and the possible extra information that they would like the OECD to collect. There is notably an interest in micro data at the fund level. Such requests can be satisfied thanks to the “Annual Survey of Large Pension Funds and Public Pension Reserve Funds”, although the statistics provided only cover the largest pension funds in each country and not all pension funds.

17. One of the potential improvements is to disaggregate the coverage of asset classes further. Several requests shed light on possible additional asset classes that could be studied separately, such as commodities, infrastructure, investments in domestic and foreign asset classes, or investments split by primary and secondary markets. Users are also looking for information about pension plan members (such as the distribution of plan members by age). Finally, users are also interested in working on long enough times series, which requires filling in some data gaps.

18. The sub-group to the Taskforce on Quality Issues was created in November 2009 to examine ways to further improve the quality of the OECD’s private/funded pension statistics in selected specific areas, in particular their relevance. It is composed of eight countries that agreed to discuss methodological questions with the Secretariat before addressing the issue with the Task Force on Pension Statistics.

Thanks to the inputs from the sub-group, the Taskforce has already agreed on important changes to the framework of the OECD GPS exercise, including:

- to use a common calculation method for the investment rate of return to increase international comparability of performance data;
- to collect separate information for administrative costs, investment expenses and tax expenses to harmonise further the reporting of cost data;
- to collect the variable “gross investment income” to increase data consistency between net investment income and cost data;
- to streamline the asset allocation breakdown to facilitate interpretation of data by end users; and,
- to collect new variables related to derivatives.

19. It was also agreed that the sub-group would help the OECD Secretariat to examine and propose necessary revisions to the OECD classification of pension plans. This work is still ongoing.

20. Another area of relevance is to assess the extent to which GPS data can be used as a benchmark for or as a complement to other pension-related in-house exercises. With data collected at the national level, the GPS exercise can indeed be used as a benchmark for the “Annual Survey of Large Pension Funds and Public Pension Reserve Funds” (LPFs & PPRFs), which collects data at the pension fund level. This exercise (see http://www.oecd.org/finance/private-pensions/survey-large-pension-funds.htm for more information) garners granular information pertaining to total assets, asset allocation, destination of investments and investment rate of returns at the pension fund level. The largest pension funds and all public pension reserve funds around the globe are invited to participate in this survey since 2011. Individual pension funds’ total assets are compared to the national level of assets in GPS. This comparison provides a hint of the market share of each individual fund. The comparison could even be extended to other indicators, such as the asset allocation or the investment rates of return. GPS data can also be used as a complement to regulatory information to illustrate in practice the impact of regulation on pension funds’ investments. The “Survey of Investment Regulation of Pension Funds (IRPF)” collects yearly data going back to 2001 and looks at limits imposed by regulation on pension funds’ investments.

21. However, further harmonisation would be needed across the GPS database, the LPFs & PPRFs survey and the IRPF survey to ease and foster the use of information between exercises, especially on asset classes. These three exercises use different asset classes and definitions. As shown in Annex 1 in DAF/AS/PEN/WD(2014)4/ADD1, for instance, real estate funds are excluded from the category “Land and buildings” in GPS whereas they are included in this category in the LPFs & PPRFs exercise. These discrepancies originate from the fact that the three exercises have been designed initially to meet different objectives. There may be room however now for further harmonisation.

22. Asset classes used to breakdown foreign investments in the GPS exercise could also be further harmonised to get closer to the asset classes used to breakdown the total investments (domestic and foreign) of pension funds. For the time being, foreign investments can only be broken down between three asset classes: cash and deposits, bills and bonds, and shares. These asset classes, unlike the ones used for

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the total investment, include direct investments and indirect investments through Collective Investments Schemes. More comparable asset classes would allow a direct comparison of foreign investments with the total investments.

**Users’ perspective**

23. At the end of 2013, a User Survey was launched to collect users’ opinion on the quality of the GPS database along all the dimensions of the quality covered by this report. The User Survey’s questionnaire is available in Annex 2 in DAF/AS/PEN/WD(2014)4/ADD1 and all the detailed results of this survey are disclosed in Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1.

24. Regarding relevance, users were invited to inform the OECD about the frequency of their use of GPS data, and additional information they would appreciate to find in the GPS exercise.

25. Most of the 153 people who replied to the survey need pension statistics regularly: 85% need pension statistics at least every year and more than 50% at least every quarter. 106 people, representing 69% of the sample, declared they had already used GPS data at least once using one of the following channels: OECD.Stat Extracts, Pension Markets in Focus or Pensions Outlook 2012. Research was the first purpose of the search of GPS data among respondents (68.9%), followed by policy (38.7%), academic studies (34.9%) and business (34.0%).

26. Overall, 95% of the respondents consider the relevance of the GPS database of at least satisfactory quality. Only 26% of them believe that some pension statistics or indicators are missing in the data collected by the OECD. These include information about funding ratios, cross border activities of pension funds and pension plan members.7

**Recommendations and follow-up actions**

27. As shown by the self-assessment and the User Survey, GPS data cover the main expectations of users and are relevant for different purposes (research, academic, business, media). They are used in publications and reports of various natures. To make sure that complete time series are available to external users, the Secretariat will assess data completeness by variable and liaise with Delegations to complete data gaps as much as possible.

28. The relevance of GPS data could be further enhanced by defining a common framework for defining asset classes for all related exercises. The Secretariat would like to take advantage of the 2014 Quality Review to consider the option of refining the asset classes of the GPS exercise in order to harmonise them with other pension-related exercises and potentially include some of the suggestions of users at the same time. The Secretariat is currently assessing how to increase the synergy between the GPS, LPFs & PPRFs and IRPF exercises while allowing some leeway to fulfil their different purposes. For this purpose the Secretariat will come back in December with a proposal for discussion of a possible harmonisation of the different asset classes in each of these exercises. Other existing exercises inside and outside the OECD can give ideas of ways of refining the asset classes, and may be taken into account when considering a potential new set of asset classes. Changing asset classes may create breaks in series as some labels or definitions would have to change following any proposal.

29. Eventually, a modification of the asset classes pertaining to foreign investments in the GPS exercise could be also considered, as for the time being, foreign investments are broken down into three

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7. Information about plan members are actually collected but not displayed to external users because of multiple counting issues.
asset classes (cash and deposits, bills and bonds and shares) only. These three asset classes include pension funds’ indirect investments abroad through mutual funds. Having a detailed information on the breakdown of foreign investments in GPS would enable: i) to further check that foreign investments are actually included in the total asset allocation as expected, ii) to reply to users’ requests about foreign investments by asset class, and iii) to consider showing a more granular foreign investment allocation in the Principal Global Indicators website, which gathers OECD data about pension funds’ foreign investments. This finer breakdown could be collected during the data collection exercise either in the Excel questionnaire, or in the qualitative questionnaire to keep the Excel questionnaire the simplest possible.

**Questions to Delegations**

- **Would Delegates find useful to adopt a common list of asset classes for all pension-related exercises (GPS, LPFs & PPRFs and IRPF)?**

- **Would Delegates agree to use in the GPS exercise the same asset classes for the breakdown of foreign investments as the ones for the general asset allocation?**

**Accessibility**

**STD definition**

30. The accessibility of data products reflects how readily the data can be located and accessed from within OECD data holdings. The range of different users leads to such considerations as multiple dissemination formats and selective presentation of metadata. Thus, accessibility includes the suitability of the form in which the data are available, the media of dissemination, and the availability of metadata and user support services. It also includes the affordability of the data to users in relation to its value to them and whether the user has reasonable opportunity to know that the data are available and how to access them.

**Self-evaluation of current practices**

31. GPS data and indicators can be accessed by external users through a range of supports. In particular, default views of statistics and indicators help users to easily find frequently requested information on funded private pensions. These default views could however be updated, to fit more closely users’ needs. In addition, coherence between different supports could be further improved.

32. Users can access GPS data using the following channels:

1. **Two OECD.Stat Extracts databases**: OECD.Stat Extracts is the OECD data warehouse. It includes two databases on funded and private pensions. The database “Funded Pension Statistics” displays raw data (http://stats.oecd.org/Index.aspx?DataSetCode=PNN_NEW) and the database “Funded Pension Indicators” displays indicators calculated based on these raw data (http://stats.oecd.org/Index.aspx?DataSetCode=PNNI_NEW). Both databases are updated each year between July and October, once the report *Pension Markets in Focus* has been published, and after any update sent by national authorities thereafter. Both databases also provide default views following the most common users’ requests. For the indicators, these views are organised around four themes: “Structure of Pension Systems”, “Pension funds: Wealth and Investments”, “Pension funds: Benefits and Contributions”, and “Pension funds: Operating expenses” (see Table 2). Users can also customise the view according to their needs and download data in Excel format.
2. **Global Pension Statistics (GPS) webpage** ([www.oecd.org/daf/pensions/gps](http://www.oecd.org/daf/pensions/gps)): access to key views about pension funds’ indicators is available. Links are given to OECD.Stat Extracts where these indicators can be found out.

3. **Pension Markets in Focus report**: The report can be freely downloaded at [www.oecd.org/daf/pensions/pensionmarkets](http://www.oecd.org/daf/pensions/pensionmarkets). For the convenience of readers, all the tables and charts published in the report are also available from the web site in an Excel format since the 2008 edition.

4. **OECD Statistics webpage** ([http://www.oecd.org/statistics/](http://www.oecd.org/statistics/)): funded pension data can be found under the themes “Pensions” and “Retirement”. Four indicators are available under both themes: i) Pension funds’ asset allocation, ii) Pension funds’ assets, iii) Pension funds’ assets as a % of GDP, and iv) Public and private expenditure on pensions.

5. **Other OECD publications**: figures and tables from publications such as *OECD Pensions Outlook 2012*, *Pensions at a Glance 2013*, *OECD Factbook* are available using MS-Excel DOI-Statlinks. However, these files are only accessible through these publications, and cannot be directly found in a search engine such as Google.

33. Regarding OECD.Stat Extracts databases, the OECD Secretariat has prepared default views to help users who are not acquainted with OECD.Stat Extracts to find out the major data or indicators without any manipulation.

34. In order to check whether these default views are still relevant, they have been compared to the most frequently used statistics and indicators. As shown in Table 2, most of the default views are used directly in publications (*Pension Markets in Focus*, *Pensions Outlook*, or *Pensions at a Glance*), used in the calculations of indicators, or requested by external users. However, some views are not sought as much or displayed in publications, and could potentially be removed. For instance, in 2013 the Secretariat did not receive any request about “DB pension plans' assets as a % of occupational assets” nor about “DC pension plans' assets as a % of occupational assets”. Furthermore, these indicators require a complete coverage of occupational plans and the ability of the data providers to split occupational pension plans’ assets between DB and DC plans. The number of missing values hampers the use of these indicators except for a limited number of countries. Likewise, neither the indicators “Occupational pension funds' assets as a % of GDP” and “Personal pension funds' assets as a % of GDP” were requested by users to the OECD, nor were they shown in any OECD publications. On the contrary, other views could be added to better fit users’ needs. For example, the split of occupational and personal pension plans’ assets is not available by default in OECD.Stat Extracts even if it has already been shown in the *Pension Markets in Focus* and the *Pensions Outlook 2008*, and is a recurrent subject of internal and external users’ queries. The number of pension funds which was disclosed in the 2013 *Pension Markets in Focus* and in the *Pensions Outlook 2012*, would also maybe deserve more visibility in OECD.Stat Extracts.
35. The more ways there are to find out GPS data, the less likely users are to miss information they are looking for when they access the OECD website. However, the multiplicity of ways of conveying information and providing data increases the risk for differences to appear between the different supports. For instance, Japan completes the GPS questionnaire based on data collected by the Ministry of Health, Labour and Welfare. These official statistics are disseminated in OECD.Stat Extracts. However, they do not include DB corporate funds, which were introduced in 2002 and represent an increasing share of the pension market in Japan. These data are therefore not appropriate for analytical use. For this reason, data from Bank of Japan, which encompass the whole system, are favoured and used in the report Pension Markets in Focus. Similarly, two sources are used for Australia. The GPS questionnaire is filled in by the Australian Prudential Regulation Authority (APRA) and these data are displayed in OECD.Stat Extracts. However, APRA’s data on asset allocation do not include the look-through investments in mutual funds into other asset classes. Data from the Australian Bureau of Statistics are therefore used in publications as they do provide the look-through.
**Users’ perspective**

36. The User Survey enquired about the GPS statistics that users had been looking for and whether they found it easy to find them. Among the 106 respondents who declared having already used GPS data and related products, 78% were looking for total assets, 73% for asset allocation, 68% for net investment income, 67% for contributions, 58% for members, 58% for number of funds, 57% for benefits, 54% for the relative share of assets between DB and DC plans. Statistical information was easy to find for nine users out of ten.

37. The ease to use GPS data is valued by 95% of the respondents. GPS data, either shown in OECD publications or in OECD.Stat Extracts, are always available in an Excel format, and gives the possibility for users to reformate the tables the way that best suits them and produce new charts.

38. As a general evaluation of the accessibility of data, more than 99% of respondents deemed it as at least satisfactory, with 58% even considering it of “Strong” or “Very Strong” quality.

**Recommendations and follow-up actions**

39. The OECD Secretariat will examine with the relevant Delegations ways to avoid discrepancies between different supports.

40. The Secretariat will also specify in OECD.Stat Extracts the time when data have been last updated. This should allow users to identify differences due to differences in timeliness across different OECD products.

41. The Quality Review of the GPS database gives the opportunity to modify the main default views that are provided to users. The Secretariat proposes to stop showing by default in OECD.Stat Extracts the following views, because of missing values or a lesser interest in these indicators by users, making these views less attractive for a default:

- “DB pension plans’ assets as a % of occupational assets”;
- “DC pension plans’ assets as a % of occupational assets”;
- “Occupational pension funds' assets as a % of GDP”;
- “Personal pension funds' assets as a % of GDP”.

42. Instead, the Secretariat suggests to add the following indicators in the list of default views:

- “Number of pension funds”;
- “Occupational pension plans’ assets as a % of total assets”;
- “Personal pension plans’ assets as a % of total assets”.

43. Thus, the Secretariat suggests to have in the end the following default views in this particular order (names of views underlined below are not available by default for the time being):

- Funded Pension Statistics: “Autonomous pension funds’ assets”, “Occupational pension funds’ assets”, “Personal pension funds’ assets”, “Pension insurance contracts’ assets”, “Total all funds’
assets”, “Pension fund foreign investments”, “GPS PGI_CrossBorder”, 8 “Autonomous pension funds’ contributions received”, “Autonomous pension funds’ benefits paid”, “Number of pension funds”.

- Funded Pension Indicators:
  - Structure of Pension Systems: “Assets by type of financing vehicle”, “DB pension plans’ assets as a % of total assets”, “DC pension plans’ assets as a % of total assets”, “Occupational pension plans’ assets as a % of total assets”, “Personal pension plans’ assets as a % of total assets”.
  - Pension funds: Wealth and Investments: “Geographical distribution”, “Asset allocation”, “Autonomous pension funds’ assets as a % of GDP”, “Non-OECD pension funds’ assets as a % of GDP”, “Percent change compared to previous year”.
  - Pension funds: Benefits and Contributions: “Net income in millions of USD”, “Benefits paid as a % of GDP”, “Contributions as a % of GDP”, “Employees’ contributions as a % of total contributions”, “Employers’ contributions as a % of total contributions”.
  - Pension funds: Operating expenses: “Operating expenses as a % of total assets”

Questions to Delegations

- Do Delegates consider the default views above useful? Could you please suggest additional views?

Interpretability

STD definition

44. The interpretability of data products reflects the ease with which the user may understand and properly use and analyse the data. The adequacy of the definitions of concepts, target populations, variables and terminology, underlying the data, and information describing the limitations of the data, if any, largely determines the degree of interpretability.

Self-evaluation of current practices

45. The OECD Secretariat uses several tools to allow users correctly interpret the disseminated data: control codes, metadata and descriptions of data scope. There may be room to improve how this extra information is presented to make sure it is found and understood by users.

46. To help users of the GPS database to understand the scope of the data and the meaning of each variable, all the variables and concepts are defined and these definitions are given in OECD.Stat Extracts as metadata. The definitions of the variables are reported in Annex 4 in DAF/AS/PEN/WD(2014)4/ADD1. The definitions of the types of pension plans and funding entities covered by the GPS exercise are reported in Annex 5 in DAF/AS/PEN/WD(2014)4/ADD1. Most definitions come from the publication Private

8. This view was created to enable the IMF to feed the Principal Global Indicators database.
Pensions: OECD Classification and Glossary, which was released in 2005 and is quoted in OECD.Stat Extracts.

47. The Secretariat developed a useful tool describing the funded pension system in all OECD countries and some non-OECD countries in a very detailed way. This description uses the OECD pension taxonomy and provides the coverage of the GPS database. It is displayed in OECD.Stat Extracts and can be downloaded in a pdf format. It is updated every year.

48. A work with the WPPP and the TFPS is currently in progress to potentially revise the classification of private pension plans. A working document, ‘Discussing the need to revise the OECD classification of funded pension plans’ [DAF/AS/PEN/WD(2013)15] was presented in December 2013 to the WPPP Delegates. Options were suggested to adjust the current classification of funded pension plans to better reflect the wide variety of pension plans currently available to individuals in different OECD and non-OECD countries, and to bridge the differences in definitions across countries and across different international organisations.

49. Based on the descriptions of the funded pension systems, control codes are provided in OECD.Stat Extracts to specify the nature of a missing value. By this means, users can know the reason why there is no number in a particular cell. At the present time, the control codes are used: “ND” or “d” is used when data are not available; “NA” or “a” is used when data are not applicable (e.g. if book reserve plans do not exist in a given country, all the fields for all the variables should be “NA” or “a”); “C” or “c” is used to identify confidential data.

50. The control codes that are in place do not follow at the present time OECD standard list of control codes, as revealed by the self-assessment of open-data readiness of GPS databases performed in collaboration with the STD Directorate. The OECD standard control codes, that are relevant for the GPS database, are: “L”: Missing value; data exist but were not collected; “M”: Missing value; data cannot exist; “C”: Non-publishable and confidential value.

51. Many efforts have been done to document coverage of data, breaks in series and deviations from the proposed OECD definitions. These notes are provided by Delegates in the statistical questionnaire every year. They are displayed in OECD.Stat Extracts and in publications where appropriate to help users to properly interpret the data.

52. These notes may however need to be checked again by Delegates to ensure consistency across years. For example, when a deviation from the OECD definition is documented for a variable in a given year, it is not always clear whether it only applies to that year or at all times. There is consequently a need to check with Delegates these notes more systematically and ensure the period for which these notes are valid. This check would guarantee the best interpretability of the data.

53. There are several ways to show metadata and specific notes across the OECD in OECD.Stat Extracts. A review of the ways of displaying metadata gives food for thought to potentially revise the layout of metadata for the GPS database. A few databases available in OECD.Stat Extracts have been taken as examples to show the variety of ways of disseminating metadata, and the advantages of each way:

- Health Database (http://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT): metadata are gathered in several Word documents attached to each variable in OECD.Stat Extracts. In each document, specific notes are given by country when appropriate. Hyperlinks to all the Word documents are compiled in a standalone document (http://www.oecd.org/els/health-systems/Table-of-Content-Metadata-OECD-Health-Statistics-2013.pdf). This way of gathering metadata enables to encompass all the notes in a single document.
• SOCX database (http://stats.oecd.org/Index.aspx?DataSetCode=SOCX_AGG): a pdf file is available at the country level, including the coverage of the statistics and specific notes. It enables to have complete metadata in a visible way (e.g. text in a table).

• ITF Transport infrastructure investment and maintenance spending database (http://stats.oecd.org/Index.aspx?DataSetCode=ITF_INV-MTN_DATA): each metadata is available at the specific place the note refers to (white “i” in a blue circle). However, this note cannot be downloaded at the same time as the data (in Excel, or in any other statistical software).

54. For the time being, the GPS database has taken a stance between SOCX and ITF databases. A pdf file is available to describe the coverage of the GPS data for each country, and all the specific notes are shown at the precise data point they are relevant.

55. The Secretariat will envisage keeping metadata at the place they refer to in OECD.Stat Extracts, and in addition generate a standalone document by country compiling all the metadata (description of the funded system and specific notes) accessible from OECD.Stat Extracts and the GPS webpage (as currently done in the SOCX database).

**Users’ perspective**

56. Six questions were asked to users to evaluate the interpretability of GPS data. Users notably had to indicate whether they found the metadata easily accessible, clear or whether definitions were lacking or requiring further explanations. They were also asked to rate and comment on the overall interpretability of GPS data (see Annex 2 in DAF/AS/PEN/WD(2014)4/ADD1).

57. Among GPS data users, 46% assess interpretability as “Satisfactory”, 42% as “Strong” and 8% as “Very Strong”. Some users added that it was “an excellent work”, “the statistics are straight-forward to interpret”, “clearly presented”.

58. However, there is room for improvement on the way of disseminating metadata: 29% of users found the metadata not easy to find (see Figure 11 in Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1), 30% found the metadata not clear enough (see Figure 12 in Annex 3 of the same document), and 41% thought further definitions would be needed (see Figure 13 in Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1): DB/DC classification by country, occupational and personal plans, benefits (see the full list of expected definitions in Table 9 in Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1). Although some of these definitions are already available, they may not be easy enough to find.

**Recommendations and follow-up actions**

59. To further improve the completeness and thoroughness of metadata, efforts on non-OECD countries will be pursued to get a description of the funded pension system when it is still missing.

60. The OECD will rename control codes according to the new standardised OECD categories, as defined in the framework of the “Open-data programme”.

61. In order to check for which periods all the specific notes provided in different years are valid, the OECD Secretariat has started to prepare a document compiling all the notes in a single document by country. This document will be sent to all Delegations for checking purposes. The review of these notes can shed light on unknown issues or changes in methodology which users should be informed about.

62. As shown by the User Survey further visibility should be given to metadata as some users were looking for definitions of variables that were already provided in OECD.Stat Extracts,. Compiling them in
a single document by country together with the description of the funded pension system should maybe be further envisaged. Keeping the metadata close to the data it refers to would still be helpful when analysing the data. Having both metadata at the place it is the most relevant and in addition a compilation of all the metadata in a standalone document by country would probably meet both the need for a quick overview and an easy access to metadata and the need to have it at the most relevant place.

**Questions to Delegations**

- **Would Delegations advise any other way of showing metadata?**

**Coherence**

**STD definition**

63. The coherence of data products reflects the degree to which they are logically connected and mutually consistent. Coherence implies that the same term should not be used without explanation for different concepts or data items; that different terms should not be used without explanation for the same concept or data item; and that variations in methodology that might affect data values should not be made without explanation. Coherence in its loosest sense implies the data are "at least reconcilable." For example, if two data series purporting to cover the same phenomena differ, the differences in time of recording, valuation, and coverage should be identified so that the series can be reconciled. Coherence has four important sub-dimensions: within a dataset, across datasets, over time, and across countries.

**Self-evaluation of current practices**

64. Several aspects have to be examined to guarantee the coherence of a database: internal coherence (coherence across countries, internal coherence within a year across variables, coherence over the years within the same country) and external coherence (coherence with other databases and coherence with national publications). For most of these aspects, actions have already been carried out and need to be continued.

**Internal coherence**

65. To ensure coherence across countries, the data-processing for GPS is as straightforward as possible. Data are collected from national pension supervision authorities thanks to a single Excel questionnaire. Collected data are mostly administrative data. Data providers need to follow the OECD classification of private pension plans. All the variables that have to be completed are defined in the questionnaire (see definitions in Annex 4 in DAF/AS/PEN/WD(2014)4/ADD1), and countries are invited to provide only raw data by funding vehicle and by type of plan (see definitions in Annex 5 in DAF/AS/PEN/WD(2014)4/ADD1).

66. Automatic controls are implemented within the questionnaire to ensure the internal consistency of the submitted data for a given year, and are activated when inconsistent numbers are entered in the questionnaire. Thanks to these controls, Delegates and the OECD Secretariat can immediately have a broad look at the overall quality of the provided data and identify numbers that do not comply with the consistency rules that were set up when elaborating the controls. These rules are defined according to the relationships that variables and the different types of pension plans should normally verify (see Annex 6 in DAF/AS/PEN/WD(2014)4/ADD1). Delegations are contacted if any identified issue remains unclarified.

67. Comparisons with data submitted during previous exercises are made to find any potential break in series or unexpected trend notably. The threshold has been set to 25% of increase or decrease for all the
variables. This test permits to identify problems of data completeness, breaks in series and errors in reporting.

68. To help checking and analysing the data, Delegates are requested every year to complete a short qualitative questionnaire. This annual questionnaire usually includes questions about: i) the general development and trends in the private pension sector, ii) financial health, performance and efficiency of the private pension sector, iii) private pension market structure and internationalisation, iv) methodological questions regarding the Excel questionnaire, v) Reference of statistical information on private pension. This document is partially used for selected variables (mostly the nominal investment rates of return) to compare results based on the submitted data in the Excel questionnaire. This document could however be more systematically used to compare other indicators such as the amount of assets held in the funded pension system, or the asset allocation.

69. During this Quality Review process, the Secretariat has started implementing systematic checks using the SAS programming language to fully review the whole database (all years, all plans, and all countries). All detected errors will be listed, excluding the ones for which explanations have already been provided, and put together in country cards to be sent to countries as of May. The list of controls performed will be available in the final version of this report. The OECD will also review the control codes that are shown in OECD.Stat Extracts to indicate if a field is empty because data is not applicable, not available or confidential. These codes should be consistent with the description of the funded pension system and the coverage of GPS data as described in OECD.Stat Extracts.

External coherence

70. The coherence of GPS data can be assessed relatively to other databases covering the same topic or part of it, inside and outside the OECD. Inside the OECD, five other databases have been identified to have data on funded and private pensions: Social Expenditure database (SOCX); Financial balance sheets (FBS); Households’ financial and non-financial assets and liabilities (HAL); Institutional Investors’ Assets (IIA) database; Global Insurance Statistics (GIS) database. Outside the OECD, some of the main sources on funded and private pensions are the following: Asociación Internacional de Organismos de Supervisión de Fondos de Pensiones (AIOS), European Central Bank (ECB), European Insurance and Occupational Pensions Authority (EIOPA), Eurostat, International Federation of Pension Funds Administrators (FIAP), PensionsEurope. The scope of each of the exercises carried out inside or outside the OECD is presented in Table 3 below.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Type of organisation</th>
<th>Database</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD</td>
<td>International organisation</td>
<td>Global Pension Statistics (GPS)</td>
<td>Funded and private pension plans, subdivided by type of plan (occupational/personal; DB/DC) and by financing vehicle (autonomous pension funds, book-reserves, pension insurance contracts, banks and investment companies managed funds).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Expenditure (SOCX)</td>
<td>Social programmes of public and private (mandatory and voluntary) expenditure along several social policy areas, including old-age and survivors’ pensions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial Balance Sheet (FBS)</td>
<td>Institutional sector (non-financial corporations, financial corporations, general government, households and non-profit institutions serving households, total economy and rest of the world).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Households’ financial and non-financial assets and liabilities (HAL)</td>
<td>Investment funds shares, net equity of households in life insurance reserves and net equity of households in pension funds reserves as well as some non-financial assets.</td>
</tr>
</tbody>
</table>
### Table 4. Variables or indicators collected in GPS and other statistical exercises managed inside and outside the OECD

<table>
<thead>
<tr>
<th>Statistics / Indicators</th>
<th>OECD</th>
<th>Other international organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GPS</td>
<td>SOCX</td>
</tr>
<tr>
<td>Investments / Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset allocation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment rates of return</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Split DB/DC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Split occupational / personal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Not publicly available in GPS. In EIOPA, active members only are shown.

#### 71. All these databases do not necessarily collect the same information. Table 4 indicates which variables are in common with the GPS exercise. The complete results of the comparisons that have been performed so far between the GPS and the other databases can be found out from Annex 7 to Annex 13 in DAF/AS/PEN/WD(2014)4/ADD1.

#### 72. As an outcome of the comparability exercises performed between GPS and other databases, several reasons emerge to justify the discrepancies between GPS and other in-house and outer databases
covering pensions. The first one is the purpose for which the database was designed, influencing the focus which is chosen to achieve this purpose and consequently the scope of the data collection exercise. For instance, SOCX intends to measure all social expenditures, including pension-related expenditures. Social spending is defined as all the spending with a part of redistribution or which is socially supported through tax advantages, etc. The organisation which is managing the pension stream (public or private administration) defines whether the spending is considered as ‘public’ or ‘private’. All the pension benefits coming from individuals’ own savings in private entities without any social support are considered as exclusively private and excluded form SOCX, while they are totally part of the funded system and consequently are included in GPS. This explains why generally the GPS database theoretically covers more plans for the voluntary part of the system, like for Austria, Belgium, Estonia, Hungary, Iceland, Korea, Luxembourg, Poland, Portugal, Turkey (see Annex 7 in DAF/AS/PEN/WD(2014)4/ADD1).

73. Different definitions underlying the same concepts can also explain some of the gaps between databases. EIOPA does not define the split between DB and DC pension plans in the same way as the OECD. As already mentioned above, SOCX does not consider private pension spending in the same way as in GPS. In SOCX and GPS, a different perspective has been adopted, leading to different definitions for “mandatory” and “voluntary”. In SOCX, a programme is mandatory if benefits paid include a social support by legislation. In GPS, an occupational plan is defined as mandatory when employers are obliged by law to participate in the plan, and a personal plan is mandatory if individuals must join or are eligible to receive mandatory pension contributions. This difference in perspective leads to different classifications of private plans in SOCX and GPS as “mandatory” or “voluntary”, like for the Czech Republic, Denmark, France, Japan, and the Netherlands (see Table 15 in Annex 7 in DAF/AS/PEN/WD(2014)4/ADD1). However, for the Netherlands for instance, in OECD publications from ELS or DAF using either SOCX or GPS data, these plans that are classified differently in both databases are considered as “quasi-mandatory”.

74. When databases are supposed to cover the same field for a given type of pension plan, the coverage of data for each country may differ from one database to another one, probably due to different data providers for different exercises. For instance, the provider of GPS data for Estonia is the Ministry of Finance. For the IIA database, the data provider is Statistics Estonia. In the GPS database, the Ministry of Finance of Estonia only provides data for the mandatory part of the Estonian system and no data is available for the voluntary system. In IIA, numbers of pension funds’ total assets are bigger and probably include the voluntary part of the Estonian funded pension system (see Annex 8 in DAF/AS/PEN/WD(2014)4/ADD1). This is confirmed by EIOPA numbers which are close to the IIA ones when the mandatory and voluntary parts are added up. EIOPA collects data and notably total assets for the voluntary system (see Annex 10 in DAF/AS/PEN/WD(2014)4/ADD1). The ECB also covers the whole Estonian funded system (mandatory and voluntary), which also explains the difference between GPS and the ECB (see Annex 9 in DAF/AS/PEN/WD(2014)4/ADD1). By contrast, GPS coverage is wider for Italy for which some pension plans may not be available in the IIA and in the ECB databases.

75. Differences may also arise between different databases covering the pension topic when the sources used by data providers to feed these databases differ. For instance, in Austria, GPS data stem from the quarterly financial statement, delivered by the pension companies, whereas the IIA data are taken from a (different) Investment Funds database, accounting for some discrepancies for a few years. Likewise, in Canada, the GPS data are based on the Quarterly Survey of Trusteed Pension Funds whereas the IIA submission is based on the National Balance Sheet Accounts framework.

76. Even with an identical theoretical coverage, and the same data provider, data can differ, maybe because of the time of submission of the data. For instance, Statistics Netherlands provides data for the IIA and GPS databases, and data about pension funds should be the same. However, there is difference higher than 5% between IIA value of assets and GPS (compared to GPS data) in 2007 and 2008 (see Annex 8 in DAF/AS/PEN/WD(2014)4/ADD1). The moment data are submitted to each organisation could also
explain some variations between the available data. But to confirm this, the time each survey is launched and the deadline would be helpful to allow for a proper comparison.

77. The time of the year data refer to can also be a factor accounting for discrepancies. Australian data in GPS refer to the end of June of each year, whereas it probably refers to the end of the year in IIA.

Users’ perspective

78. Overall, 95% of the respondents to the 2014 GPS User Survey found the coherence of GPS data “Satisfactory”, “Strong” or “Very strong”.

Recommendations and follow-up actions

79. Country cards will be prepared and sent to OECD and IOPS countries to fix or explain the source of the identified internal inconsistencies in the GPS database. Furthermore, indicators such as asset allocation and investment returns will be compared to the provided information in the qualitative questionnaire for as many years as possible in a more systematic manner. In addition, control codes will be reviewed to make sure they are used properly and their consistency over the years will be checked.

80. The GPS database (data, definitions and notes) was compared with other existing databases within the OECD (National Accounts, the Households’ financial and non-financial assets and liabilities database, IIA and SOCX), and other international organisations (ECB, Eurostat, EIOPA …). As a follow-up of these comparisons, the Secretariat envisages the following actions:

- The Secretariat will contact the team managing the SOCX database to check how to prevent confusions among users by clarifying the taxonomy of pension schemes (“public”, “private”, “mandatory”, “voluntary”).
- The Secretariat will get in touch with STD to find ways of finding the reasons of unknown discrepancies between the GPS and IIA databases.
- The Secretariat will approach Delegations for which other organisations have data (e.g. assets pertaining to the voluntary system in Estonia) to try to find a way to collect similar information in the GPS database.
- The Secretariat will continue its comparisons of GPS data with the remaining databases (not analysed at this stage): FBS, HAL, GIS, and AIOS.

Questions to Delegations

− Could the concerned Delegates explain the reasons for the discrepancies found between the GPS database and the other databases from Annex 7 to Annex 13 in DAF/AS/PEN/WD(2014)4/ADD1?

Accuracy

STD definition

81. The accuracy of data products is the degree to which the data correctly estimate or describe the quantities or characteristics they are designed to measure. Accuracy refers to the closeness between the values provided and the (unknown) true values. Accuracy has many attributes, and in practical terms there
is no single aggregate or overall measure of it. Of necessity these attributes are typically measured or described in terms of the error, or the potential significance of error, introduced through individual sources.

Self-evaluation of current practices

82. A guide is provided to national data providers at the same time as the statistical (Excel) questionnaire that they are required to fill in for the GPS data collection exercise. This guide provides explanations on how to complete the questionnaire and definitions of the variables and types of funding entities and pension plans. These definitions are also directly reported in the statistical questionnaire and should avoid wrong interpretations by Delegations of what should be completed. This guidance should ensure the accuracy of the data. In addition, data are collected from national pension supervisory authorities, which are usually the main data source in each country for information on funded and private pensions. Finally, collected data are administrative data and not survey data, which ensures that they represent the whole pension industry, and not just a sample of it.

Users’ perspective

83. Accuracy of GPS data was valued as “Strong” or “Very Strong” by 58% of the respondents. An additional 34% found it satisfactory. 8% of the respondents had a less positive assessment and deemed the accuracy as “Weak”.

Recommendations and follow-up actions

84. Institutions providing data to the OECD for the GPS data collection exercise are usually the primary source in each country for funded/private pension data. The OECD Secretariat already asks data providers to provide links to national publications on funded and private pensions. In the forthcoming data collection exercises, the OECD Secretariat will therefore compare in a more systematic way the data submitted with those published as a way of ensuring data accuracy. If the GPS data do not match data in official national publications, a follow-up will be done with the countries concerned to understand the differences.

Timeliness

STD definition

85. The timeliness of data products reflects the length of time between their availability and the event or phenomenon they describe, but considered in the context of the time period that permits the information to be of value and still acted upon. The concept applies equally to short-term or structural data; the only difference is the timeframe.

Self-evaluation of current practices

86. The timing of the data collection takes into account as much as possible the timetable for the availability of national data, in order to maximise the coverage of the reported data while reflecting the need to deliver timely results. The current timeline for the GPS exercise is the following:

- The questionnaire is sent out in the first half of April to designated correspondents responsible for funded pension data. Collected data refer to December of the previous year and data providers are invited to send any updates for the years before at the same time. The OECD Secretariat supports the provision of preliminary data to ensure timely data for users.
Generally, responses to the questionnaire are requested by May and the data validation and processing take place in June. Even if most of the contributions are available in May or June, some key market players like Switzerland or Sweden are missing at the end of June, and completed questionnaires are sent back in September or even later for these countries.

The last two editions of the report *Pension Markets in Focus* have been released during the fall. The databases in OECD.Stat Extracts are updated as soon as the report is out, and immediately after any update is received thereafter.

**Users’ perspective**

87. Despite a rather positive assessment of timeliness of GPS data by users, the OECD should focus its efforts on this quality dimension as it lags behind the other quality dimensions (see Table 5 in Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1). Even though 90% of respondents considered the timeliness of GPS data as “Satisfactory”, “Strong” or “Very Strong”, 8% thought it was “Weak” and 2% “Very Weak”.

**Recommendations and follow-up actions**

88. There is a trade-off between country coverage and timeliness for the publication of the report *Pension Markets in Focus* every year. In 2010 and 2011, the report has been published in July, but some key market players were missing. In 2012 and 2013, the report has been published in October, with all the countries.

89. Some other sources manage to publish private pension data earlier than the OECD with the use of estimations. The consulting firm Towers Watson for example provides values for key indicators (i.e. total assets, asset allocation, split of asset between DB and DC plans) using estimates for key market players such as Australia, Brazil, Canada, France, Germany, Hong Kong, Ireland, Japan, the Netherlands, South Africa, Switzerland, the United Kingdom and the United States. These estimations are available one month after the end of the previous year.

90. The OECD Secretariat supports the provision of preliminary or estimated data by the countries themselves. When not available, a way of handling both country coverage and timeliness for the publication of *Pension Markets in Focus* could be to use sources where data are available early (such as Towers Watson’s Global Pension Assets Study) or to create predictive models to calculate OECD estimates. These models could be assessed on the basis of actual past values and the resulting estimates could be submitted to the concerned Delegates before publication for approval. The OECD Secretariat suggests to test some of the following methods to predict total assets:

- using only previous values of assets:
  - application of the average growth of assets (over the longest period available) to the latest value of assets available to get a prediction;
  - elaboration of a time series model (such as ARMA) to predict total assets after making the series stationary;

- using other variables:

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9. In 2010 and 2011, the report has been released in July, but countries like Switzerland and Sweden were absent from the publication.
− linear regression of assets on GDP using the ordinary least squares method, and prediction of assets based on GDP;
− linear regression of assets on GDP, population, and other economic aggregates to be selected;
− time series regression with lagged variables;
− dynamic panel model (with fixed effects) using the same covariates as listed above, that could enable to take into account correlations between countries.

91. The listed models would be tested retrospectively on observed values (e.g. 2012) if and when time permitted and submitted to the countries concerned in order to potentially reach an agreement on the model best suited for their data.

Questions to Delegations

• Can the Delegations for which pension funds’ total assets are available after June provide their own estimate of key variables such as total assets? If not, would you agree to let the OECD use a prediction of total assets or another source in its publications until the actual value is available?

• In case Delegations prefer the OECD to use its own predictive model, which model would you invite the OECD to use? Do Delegations advise any other predictive model that could be used to forecast total assets?

Credibility

STD definition

92. The credibility of data products refers to the confidence that users place in those products based simply on their image of the data producer, i.e., the brand image. Confidence by users is built over time. One important aspect is trust in the objectivity of the data. This implies that the data are perceived to be produced professionally in accordance with appropriate statistical standards, and that policies and practices are transparent. For example, data are not manipulated, nor their release timed in response to political pressure.

Self-evaluation of current practices

93. One of the strengths of the GPS exercise is the privileged access by the OECD Secretariat to administrative, up-to-date funded pension statistics and its metadata. Since its launch in 2002, the OECD has continuously worked on providing internationally comparable, high quality statistics pertaining to private pensions. Since 2005, the report Pension Markets in Focus has been released once a year. To allow disseminating data on funded pensions to a broader audience, two fully-fledged OECD publications have also been released in 2008 and 2012 (OECD Private Pensions Outlook 2008 and OECD Pensions Outlook 2012).

94. The credibility of GPS data at the international level is testified by the inclusion of these data in an interface developed by the IMF and the FSB. This interface, called Principal Global Indicators (PGI), has been created as part of the G20 Data Gaps Initiative to fulfil one “Recommendation 14”. This project

was set up in order to improve the availability and comparability of economic and financial data, in the aftermath of 2008 financial crisis. The OECD (STD and DAF) together with the IMF, BIS and the ECB have developed standard templates covering the international exposures of large non-bank financial institutions. A navigation tool has been developed for publication of the dedicated templates on the Principal Global Indicators website. In this context, the Secretariat provides data on pension funds’ foreign investments.

95. The use of GPS statistics in reports produced for or by other organisations (e.g. the European Commission) or in newspapers testifies the credibility of GPS data. As discussed in the “Relevance” section, the views and search for GPS data by external users have increased over the years, suggesting a gain of visibility and credibility over the years.

96. The credibility of an exercise can be granted by the routine of controls of the received data and the regular in-depth reviews of the statistical data and process of the data collection. The second Quality Review which is undertaken intends to give an additional sign of confidence in our data.

Users’ perspective

97. The User Survey was designed to assess notably the credibility of the GPS exercise. The credibility of the GPS exercise is rated as “Strong” or “Very Strong” by almost 70% of the persons who completed the questionnaire and asserted to use GPS data. More results about the User Survey are displayed in Annex 3 in DAF/AS/PEN/WD(2014)4/ADD1.

Recommendations and follow-up actions

98. After validation of all the bodies involved in the production of the Quality Review of the GPS database, the results of the Quality Review could be disseminated publicly on our webpage.

Questions to Delegations

• Would the Delegations agree to publish the final version of this document reviewing the GPS database online?

Cost-efficiency

STD definition

99. The cost-efficiency with which a product is produced is a measure of the costs and provider burden relative to the output. Provider burden is a cost that happens to be borne by the provider, but is a cost nevertheless. Whilst the OECD does not regard cost-efficiency as a dimension of quality, it is a factor that must be taken into account in any analysis of quality as it can affect quality in all dimensions. If a product can be produced more efficiently with the same quality, then resources released can be used to improve the quality of that product or other products.

Self-evaluation of current practices

100. Cost-efficiency is not really a dimension of quality of the data. It is rather an indication of the burden of the OECD data request to the national data providers. This burden can have an impact on the timeliness and on the general quality of the data. To analyse this criteria, selected Delegates to the WPPP and Members to the IOPS will be consulted.
101. Since 2012, the management (development and maintenance) of the GPS exercise involves one database coordinator (B4 project-post), one private pension analyst (A2) and one administrator (A3). The key input to the production of the database clearly comes from national data correspondents in the 34 OECD countries and participating non-OECD countries, who supply most of the data and metadata contained in the GPS.

Recommendations and follow-up actions

102. A question will be circulated to some OECD countries to enquire about the costs of participating in the GPS exercise. The objective is to assess the potential burden of the GPS exercise on data providers. An evaluation of the costs using the responses will be in the final version of the Quality Review report.