

## **NOTES TO OECD 'PENSION METADATA SHEET'**

- *The OECD Pension Metadata Sheet aims to provide a clear and concise overview of the content of the columns in the table on social insurance pension schemes, regarding their coverage and assumptions used in the calculation of their main results. A separate sheet is used for each column. If a column is not relevant in a country, it is requested to explicitly mention so in the relevant sheet.*
- *Relevant additional information (e.g. more detailed descriptions) could be provided as an annex to or as links within the sheets.*
- *Countries are requested to provide the metadata sheet together with the transmission of the data for the table on social insurance pension schemes.*
- *The Metadata Sheet should be updated when changes occur in national pension systems or in the compilation of the results for the table on social insurance pension schemes.*
- *The metadata provided should be publishable on the OECD website*

## TABLE 2900 - METADATA SHEET

**USA**

**January 30, 2023**

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## **1. Column A: Defined contribution schemes managed by non-general government**

<b>1. General description of schemes covered and information on calculations</b>	
<i>a. Coverage of the column</i>	
The sector for private defined contribution (DC) pension plans includes DC plans sponsored by private employers for the benefit of their employees and retirees. Under a DC plan, the most common of which is the 401(k) plan, employers and workers contribute funds to individual accounts established for each participant. Workers typically direct the investments, and they may withdraw or transfer the assets after age 59-1/2 without penalty or after separating from the employer. The sector includes all DC "qualified plans" that are required to file form 5500 with the Internal Revenue Service, the Department of Labor, and the Pension Benefit Guaranty Corporation. 403(b) plans are typically sponsored by private academic and non-profit employers. This sector includes unallocated insurance contracts purchased from life insurance companies, such as variable annuities and guaranteed investment contracts.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Data on pension entitlements and changes in entitlements from revaluations are from the Board of Governors of the Federal Reserve System statistical release, "Financial Accounts of the United States" (Z.1). Data on changes due to social contributions and pension benefits are derived from national income and product account data published by the Bureau of Economic Analysis, with some estimation to split contributions and benefits between private DC plans and government-sponsored DC plans. Changes in entitlements due to other changes in volume are calculated residually. More detailed information about the sources and methods behind each series is available in the Financial Accounts Guide, available at: <a href="https://www.federalreserve.gov/apps/fof/">https://www.federalreserve.gov/apps/fof/</a> .
<b>2. Any other comments</b>	
This sector does not include individual retirement accounts or Keogh plans. The liabilities of the private DC pension sector are equal to the value of the assets.	

## 2. Column B: Defined benefit schemes managed by non-general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>The sector for private defined benefit (DB) pension plans includes DB plans sponsored by private employers for the benefit of their employees and retirees. Under a DB plan, workers accrue promises for retirement payments, typically according to a formula based on age, years of service, and salary. Employers and employees contribute assets that are set aside to cover the promised payments; however, workers do not own or direct the assets until the funds are paid in retirement, typically as an annuity. The sector includes all DB "qualified plans" that are required to file form 5500 with the Internal Revenue Service, the Department of Labor, and the Pension Benefit Guaranty Corporation. This sector does not include pension obligations and corresponding assets funding those obligations that have been transferred to insurance companies for the purposes of paying pension benefits to retirees. This sector includes unallocated insurance contracts purchased from life insurance companies, such as variable annuities and guaranteed investment contracts. Private DB pension entitlements are equal to the actuarial liabilities of DB plans (that is, accrued benefits to be paid in the future).</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Data on pension entitlements and changes in entitlements from national income and product account data compiled by the Bureau of Economic Analysis. Pension entitlements and assets held by schemes at end-year are reported in the Board of Governors of the Federal Reserve System statistical release, "Financial Accounts of the United States" (Z.1). Changes in entitlements due to other changes in volume are calculated residually. More detailed information about the sources and methods behind each series is available in the Financial Accounts Guide, available at: <a href="https://www.federalreserve.gov/apps/fof/">https://www.federalreserve.gov/apps/fof/</a> .
<i>Discount rate (%)</i>	1968-1969: 5.00% 1970-1972: 5.50% 1973-1975: 6.50% 1976-1979: 7.50% 1980-1988: 8.00% 1989-1991: 7.00% 1992-2003: 6.00% 2004-2009: 5.50% 2010-2012: 5.00% 2013-2021: 4.00%
<i>Discount rate (info)</i>	The discount rate assumption is based on the AAA corporate bond rate published by the Federal Reserve Board.
<i>Wage growth assumption</i>	From BEA, "For privately sponsored plans, estimates of normal costs for 2000 forward are based on ABO measures reported in actuarial schedules of the Internal Revenue Service (IRS) Form 5500 (Annual Return/Report of Employee Benefit Plan)." All plans are required to report normal costs and liabilities using the ABO method referred to as "RPA '94."
<i>Demographic assumptions</i>	We do not have information about the demographic assumptions used for each plan reported by actuaries on Form 5500.
2. Any other comments	
<p>Note: Discount rates used for Column B: Defined benefit schemes managed by non-general government are the same rates as those used for State and local government defined benefit schemes, which are included with federal government plans in Column E: Defined benefit schemes for government employees, managed by general government and administered by an autonomous pension fund.</p>	

### **3. Column C: Total social insurance pension schemes managed by non-general government**

(Only to be completed if no separate information is available for columns A and B)

<b>1. General description of schemes covered and information on calculations</b>	
<i>a. Coverage of the column</i>	
<i>[Please provide a brief description of the (main) schemes recorded under column C, possibly also providing some information on their relative importance in this column (as % of the pension liabilities). If there are any specific characteristics that are worth mentioning in order to properly understand the results, please also mention them here.]</i>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	<i>[Please specify the main data source(s) for the information included in the column and/or whether it includes own calculations.]</i>
<i>Discount rate (%)</i>	<i>[Please report the (weighted average) discount rate applied in this column. If you have separate information on rates applied for the main schemes included in this column, you are encouraged to provide information at a more detailed level.]</i>
<i>Discount rate (info)</i>	<i>[Please explain whether the discount rate has been determined on the basis of long-term government bonds, high quality corporate bonds and/or another financial instrument, or whether it has been derived in a different way. If it differs across schemes, you are encouraged to provide information at a more detailed level.]</i>
<i>Wage growth assumption</i>	<i>[Please explain whether the results have been derived using the PBO approach (as recommended in the guidelines) or that results have been based on the ABO approach. If this differs across schemes, you are encouraged to provide information at a more detailed level.]</i>
<i>Demographic assumptions</i>	<i>[Please explain any specific assumptions that have been applied with regard to life expectancy, future fertility rates and migration (and/or other demographic assumptions). If this differs across schemes, you are encouraged to provide information at a more detailed level.]</i>
<b>2. Any other comments</b>	

#### 4. Column D: Defined contribution schemes managed by general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
This column includes both federal government and state and local government employee defined contribution pension plans. Federal government DC plans consist of the Federal Employees Retirement System (FERS) Thrift Savings Plan, a supplemental DC retirement option available to federal employees beginning in 1984. The sector for state and local government employee defined contribution (DC) pension plans consists of retirement systems that are administered by a recognized unit of a state or local government as defined by the Bureau of the Census and whose members are public employees compensated with public funds. The sponsors are state governments and local government entities such as counties, municipalities, townships, school districts, and special districts. US territories are excluded. Under a DC plan, employers and workers contribute funds to individual accounts established for each participant. Workers typically direct the investments, and they may withdraw or transfer the assets after age 59-1/2 or after separating from the employer without a penalty. The sector includes 403(b) and 457 plans that are sponsored by state and local governments. This sector includes unallocated insurance contracts purchased from life insurance companies, such as variable annuities and guaranteed investment contracts.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Data on pension entitlements and changes in entitlements from revaluations are from the Board of Governors of the Federal Reserve System statistical release, "Financial Accounts of the United States" (Z.1). Data on changes due to social contributions and pension benefits are derived from national income and product account data published by the Bureau of Economic Analysis, with some estimation to split contributions and benefits between private DC plans and government-sponsored DC plans. Changes in entitlements due to other changes in volume are calculated residually. More detailed information about the sources and methods behind each series is available in the Financial Accounts Guide, available at: <a href="https://www.federalreserve.gov/apps/fof/">https://www.federalreserve.gov/apps/fof/</a>
2. Any other comments	
This sector does not include individual retirement accounts or Keogh plans. For DC plans, pension entitlements are equal to assets.	

## 5. Column E: Defined benefit schemes for government employees, managed by general government and administered by an autonomous pension fund

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>This column includes both federal government and state and local government employee defined benefit pension plans. Federal government DB plans include civilian plans such as the Civil Service Retirement and Disability Fund, and an estimate for smaller civilian plans, such as the judicial retirement fund, and the Foreign Service Retirement and Disability Fund. Federal government plans also include military retirement system plans such as the Military Retirement Fund and an estimate for small plans such as the Coast Guard retirement plan. The Civil Service Retirement Fund covers the Civil Service Retirement System (CSRS)--a defined benefit plan covering federal employees hired before 1984--and the Federal Employees Retirement System (FERS)--a defined benefit plan, supplemental to Social Security, for federal employees hired after 1983 and for employees formerly covered by CSRS who elected to join FERS. Federal government pension entitlements do not include the Social Security system. The Railroad Retirement Board and the National Railroad Retirement Investment Trust are not currently included in these estimates. The sector for state and local government employee defined benefit (DB) plans include DB plans administered by a recognized unit of a state or local government as defined by the Bureau of the Census and whose members are public employees compensated with public funds. The sponsors are state governments and local government entities such as counties, municipalities, townships, school districts, and special districts. US territories are excluded. This sector does not include pension obligations and corresponding assets funding those obligations that have been transferred to insurance companies for the purposes of paying pension benefits to retirees.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	Data on pension entitlements and changes in entitlements from national income and product account data compiled by the Bureau of Economic Analysis. Pension entitlements and assets held by schemes at end-year are reported in the Board of Governors of the Federal Reserve System statistical release, "Financial Accounts of the United States" (Z.1). Changes in entitlements due to other changes in volume are calculated residually. More detailed information about the sources and methods behind each series is available in the Financial Accounts Guide, available at: <a href="https://www.federalreserve.gov/apps/fof/">https://www.federalreserve.gov/apps/fof/</a>
<i>Discount rate (%)</i>	<p>Discount rates for federal government civilian employee DB pension plans (CSRS and FERS):</p> <ul style="list-style-type: none"> <li>1968-1970: 4.50%</li> <li>1971-1977: 6.00%</li> <li>1978-1999: 7.00%</li> <li>2000-2001: 6.75%</li> <li>2002-2008: 6.25%</li> <li>2009: 5.75%</li> <li>2010-2015: 5.25%</li> <li>2016-2021: 4.25%</li> </ul> <p>Discount rates for federal government military employee DB pension plans:</p> <ul style="list-style-type: none"> <li>1968-1970: 4.50%</li> <li>1971-1977: 6.00%</li> <li>1978-1993: 7.00%</li> <li>1994-1995: 6.75%</li> <li>1996-1998: 6.50%</li> <li>1999-2005: 6.25%</li> <li>2006-2007: 6.00%</li> <li>2008-2009: 5.75%</li> </ul>

	<p>2010-2014: 5.50%      2015-2016: 5.25%      2017-2018: 5.00%      2019: 4.75%      2020: 4.25%      2021: 4.00%</p> <p>Discount rates for State and local government defined benefit schemes (included with Federal government defined benefit schemes in Column 5E) are the same as the discount rates used and specified for Column B: Defined benefit schemes managed by non-general government.</p>
<i>Discount rate (info)</i>	For federal government employee plans, discount rates used are those assumed by the actuaries in preparing their annual reports. From BEA, "Estimates of normal costs for state and local government sponsored plans are drawn from a sample (representing 85 percent of the assets of the universe) of comprehensive annual financial reports for plans back to 2000. BEA adjusts these data to reflect the same discount rate series used for private plans". The private plans discount rate is based on the rates of AAA-rated corporate bonds.
<i>Wage growth assumption</i>	State and local government and federal government employee DB pension entitlements as estimated separately using a PBO approach.
<i>Demographic assumptions</i>	We do not have information about the demographic assumptions used for each plan reported by actuaries.
<b>2. Any other comments</b>	

## 6. Column F: Defined benefit schemes for government employees, managed and administered by general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<i>[Please provide a brief description of the (main) schemes recorded under column F, possibly also providing some information on their relative importance (as % of the pension liabilities in this column). If possible, please also specify whether it concerns fully defined benefit or hybrid schemes. Furthermore, please also provide any other information that may be relevant in order to properly understand the results.]</i>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	<i>[Please specify the main data source(s) for the information included in the column and/or whether it includes own calculations.]</i>
<i>Discount rate (%)</i>	<i>[Please report the (weighted average) discount rate applied in this column. If you have separate information on rates applied for the main schemes included in this column, you are encouraged to provide information at a more detailed level.]</i>
<i>Discount rate (info)</i>	<i>[Please explain whether the discount rate has been determined on the basis of long-term government bonds, high quality corporate bonds and/or another financial instrument, or whether it has been derived in a different way. If it differs across schemes, you are encouraged to provide information at a more detailed level.]</i>
<i>Wage growth assumption</i>	<i>[Please explain whether the results have been derived using the PBO approach (as recommended in the guidelines) or that results have been based on the ABO approach. If this differs across schemes, you are encouraged to provide information at a more detailed level.]</i>
<i>Demographic assumptions</i>	<i>[Please explain any specific assumptions that have been applied with regard to life expectancy, future fertility rates and migration (and/or other demographic assumptions). If this differs across schemes, you are encouraged to provide information at a more detailed level.]</i>
2. Any other comments	

## 7. Column G: Defined benefit schemes for government employees, managed and administered by general government, for which liabilities are not included in the central framework of the SNA

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>[Please provide a brief description of the (main) schemes recorded under column G, possibly also providing some information on their relative importance (as % of the pension liabilities in this column). If possible, please also specify whether it concerns fully defined benefit or hybrid schemes. As this column specifically relates to employment-related schemes that are ‘intertwined’ with social security, also explain the main characteristics that cause this ‘intertwinement’. Furthermore, please also provide any other information that may be relevant in order to properly understand the results.]</p>	
<i>b. Information on calculations</i>	
Data sources	[Please specify the main data source(s) for the information included in the column and/or whether it includes own calculations.]
Discount rate (%)	[Please report the (weighted average) discount rate applied in this column. If you have separate information on rates applied for the main schemes included in this column, you are encouraged to provide information at a more detailed level.]
Discount rate (info)	[Please explain whether the discount rate has been determined on the basis of long-term government bonds, high quality corporate bonds and/or another financial instrument, or whether it has been derived in a different way. If it differs across schemes, you are encouraged to provide information at a more detailed level.]
Wage growth assumption	[Please explain whether the results have been derived using the PBO approach (as recommended in the guidelines) or that results have been based on the ABO approach. If this differs across schemes, you are encouraged to provide information at a more detailed level.]
Demographic assumptions	[Please explain any specific assumptions that have been applied with regard to life expectancy, future fertility rates and migration (and/or other demographic assumptions). If this differs across schemes, you are encouraged to provide information at a more detailed level.]
2. Any other comments	

## 8. Column H: Social security pension schemes

1. General description of scheme(s) covered and information on calculations	
<i>a. Coverage of the column</i>	
Social security pension schemes for the U.S. include the Old-Age and Survivors Insurance and Disability Insurance (OASDI) programs. The OASDI provides monthly benefits designed to replace, in part, the loss of income due to retirement, disability, or death. Entitlement to benefits and benefit levels are related to earnings in covered work and defined by law. Coverage is nearly universal; about 96% of U.S. jobs are covered. The program is a pay-as-you-go system where the contributions of current workers are used to pay the benefits of prior generations. It is financed by payroll and self-employment taxes with contributions from both employers and employees. The full-benefit retirement age is 67 for beneficiaries born after 1960.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	The pension entitlements for the Federal OASDI fund are calculated as the sum of the value of assets in the fund and the maximum transition cost based on a 100 year projection period. The maximum transition cost is equivalent to the unfunded accrued obligation of a plan designed to be fully-advanced-funded at the time of plan termination. Maximum transition cost data and accompanying discount rates come from the Social Security Administration Office of the Chief Actuary. Data on asset reserves and service charges are from the Social Security Administrations' OASDI Trustees Annual Report. Data on actual contributions and benefits paid from the national income and product accounts published by the Bureau of Economic Analysis. Data on changes to entitlements due to negotiated changes in scheme structure, revaluations, and other changes in volume are from the Social Security Administration's Fiscal Year Agency Financial Report. Other changes in social security pension schemes are calculated residually.
<i>Discount rate (%)</i>	Discount rates used are 5.781% from 2010-2012, 5.678 % from 2013-2014, 5.370% from 2015-2017, and 5.165% for 2018.
<i>Discount rate (info)</i>	The discount rate is determined by the Social Security Administration and is based on estimates about the real interest rate for special public-debt obligations issuable to the trust funds and the consumer price index.
<i>Wage growth assumption</i>	ABO approach - only the benefits accrued to date for current and past participants are included.
<i>Demographic assumptions</i>	Demographic assumptions are determined by the Social Security Administration and are based, primarily, on mortality projections. The mortality projections are based on age, sex, and cause of death. Details are available in the OASDI Trustees annual report.
2. Any other comments	
Because the OASDI is financed on a pay-as-you-go basis, maximum transition cost is not the appropriate measure for assessing the actuarial status of the program.	

## **9. Columns J and K: Counterparts of domestic social insurance pension liabilities (i.e. relating to resident or non-resident households)**

<b>1. General description</b>
<i>Allocation to counterpart sector</i>
<i>[Please briefly explain what type of information and assumptions are used to allocate social insurance liabilities (and related flows) (either at the aggregated level or at the level of underlying columns or schemes) to resident and non-resident households. Please also explain whether different approaches are used for employment-related and social security pension liabilities.]</i>
<b>2. Any other comments</b>

## 10. Column L: Social insurance pension entitlements of resident households with regard to the rest-of-the-world

1. General description	
<i>Information on calculations</i>	
Data sources/methods	[Please briefly explain what type of information and assumptions are used to determine social insurance pension entitlements (and related flows) of resident households with regard to non-resident pension schemes. Please also explain whether this includes both employment-related and social security pension entitlements.]
Discount rate (%)	[Please provide, if possible, information with regard to the (average) discount rate applied for the entitlements covered in this column. If separate information on rates is available for (some of the) entitlements, you are encouraged to provide information at a more detailed level.]
Discount rate (info)	[Please explain, if possible, whether the discount rate has been determined on the basis of long-term government bonds, high quality corporate bonds and/or another financial instrument, or whether it has been derived in a different way. If this differs across schemes, you are encouraged to provide information at a more detailed level.]
Wage growth assumption	[Please explain, if possible, whether the results have been derived using the PBO approach (as recommended in the guidelines) or that results have been based on the ABO approach. If this differs across schemes, you are encouraged to provide information at a more detailed level.]
Demographic assumptions	[Please explain any specific assumptions that have been applied with regard to life expectancy, future fertility rates and migration (and/or other demographic assumptions). If this differs across schemes, you are encouraged to provide information at a more detailed level.]
2. Any other comments	

## **11. Links to (national) publications providing further information on the pension schemes**

U.S.Bureau of Economic Analysis, "State Personal Income and Employment: Concepts, Data Sources, and Statistical Methods." <https://www.bea.gov/system/files/2019-03/SPI2017.pdf>. Rassier, Dylan G., "Private Defined Benefit Pension Plans in the U.S. National Accounts: Accrual Measures for the the 2013 Comprehensive Revision," U.S. Bureau of Economic Analysis. <https://www.bea.gov/index.php/system/files/papers/P2014-1.pdf>

## **ANNEX**

*[Any additional information, optional].*