

CENTRE FOR APPLIED FINANCE AND ECONOMICS

Seminar

George Kurdna, Senior Research Fellow

Presentation Title: Sustainable and Equitable Pensions with Means Testing

Abstract: A means-tested pension system has a distinct feature that tailors the level of pension benefits according to individual economic status. In the context of population ageing, this feature generates an automatic adjustment mechanism that (i) mitigates the pressing fiscal cost of an old-age public pension program; and (ii) redistributes pension benefits to those in need with shorter life expectancies. To evaluate this mechanism, we employ an overlapping generations model with heterogeneous households to investigate the macroeconomic and welfare effects of means-tested public pensions under different population ageing scenarios. Our results indicate that more pronounced ageing scenarios with widening mortality gaps between high- and low-income groups of individuals strengthen the automatic adjustment role of means testing in providing sustainable and equitable pensions.

Coffee and Tea will be provided

Date: Wednesday 23 May 2018

Time: 12:00pm – 1:30pm

Location: GK5.15 (Level 5, Room 15, Sir George Kingston Building) City West [[campus map](#)]

For any further information and enquiries please contact

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