

Investment Company Institute
2015 ICI Global Retirement Savings Conference:
The Role of Public and Private Pension Provision

Current Insights on Retirement Savings Worldwide: Chile

Olga Fuentes, Deputy Chairman of Regulation, Superintendence of Pensions: Well, for the middle class, we have made some reforms in the past. Actually, the 2008 reforms improved the incentives for them to contribute, to do voluntary savings, because what we had before was tax incentives, but tax incentives were more oriented to high-income workers. So we improve incentives, and we introduce a bonus for the people that weren't attracted by the tax incentives, just for the reason that they didn't pay taxes. So that was the main change that we did. The solidarity pillar is not covered in them, given that it's a safety net that is oriented to low-income workers. So for the case of middle-income workers, they still have some volatility in their labour situation. So even though the system, the second pillar—which is the main system of our scheme—is mandatory, contributions are still determined by labour status. And labour status means that a percentage of the time, for instance for the case of men, they are self-employed workers, and they don't contribute. And for the case of women, they spend a large percentage of time out of the labour force. So the reform in 2008 also introduced some equity reforms also to improve the pension outcome for women. For instance, we have a bonus per child and some other measures to improve equity in the system.

We participate very actively in these types of activities. We come here to the OECD, to the Working Party [on Private Pensions], we also participate in the IOPS [International Organisation of Pension Supervisors] meetings. So in this way we have a lot of opportunities to tell our story and also to exchange views and also to learn from other countries. Like I said in the conference,

we are having the presidential commission evaluating the system and we are expecting a proposal of new reforms by the end of August. And I think that in general, all Latin American countries share the same type of problems with a different degree of intensity. So you have the problem of informality, you have the problem of coverage, and these type of activities actually are very useful, because we can share experience and look for solutions together.