



HELLENIC
OBSERVATORY
European Institute

2013-14
Research
Seminar Series

The slow growth and sudden demise of supplementary pension provision in Cyprus

BERNARD H. CASEY

Principal Research Fellow, Institute for Employment Research,
University of Warwick; Visiting Senior Fellow, Hellenic Observatory, LSE

ABSTRACT:

Much of the discussion about the impact of societal ageing in Cyprus has concentrated on the fiscal costs associated with the public pension scheme. Less well known is the system of supplementary retirement provision in Cyprus. Since the second world war, however, a relative complex structure was built up based on provident funds and pension plans. As well as being complex, the supplementary system was inequitable – public sector employees were considerably better provided for than private sector employees, and up to a third of the workforce had no supplementary provident or pension fund coverage at all.

The financial and economic crisis, which hit Cyprus hard, had particularly dramatic consequences for its supplementary pension system. Provision for employees in the public sector was abolished completely, at least for new entrants. Provident funds, and those pension schemes that were funded, were victims of the “haircut”, since a substantial proportion of their resources were held as savings accounts in banks. These deposits were large enough to be “uninsured”, and, if they were with either of the two largest banks, they were “bailed-in” under the terms of the Troika’s rescue package.



#LSE_HO_Casey

Tuesday, 14 January 2014 @ 18:00 - 19:30

Cañada Blanch Room - COW 1.11

1st floor, Cowdray House, LSE, Portugal Street, London, WC2A 2AE

**All Hellenic Observatory Seminars are open to all with no ticket required;
entry is on a first come-first served basis.**