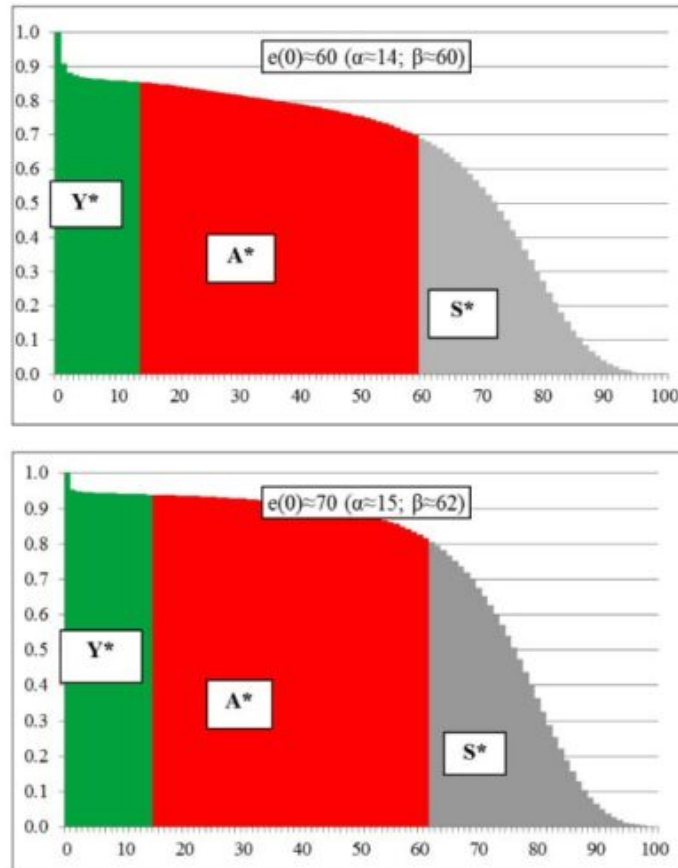


Did you know

N-IUSSP | May 16, 2016



As the average life span expands, if threshold ages, including the “normal” retirement age, are not properly adjusted the need for intergenerational transfers increases. Threshold ages can be raised in such a way that the proportion of the life span spent in the various phases (e.g., in youth Y*, adulthood A*, and old age S*) remains the same. Here is an example of what this criterion produces as $e(0)$ increases from 60 to 86, while Y* (20%), A* (60%), and S* (20%) are kept constant.