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**GLOBAL  
AGING  
DATA**

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# Gateway Policy Explorer: Retirement Series

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## Germany

### Public Own Old-Age Benefit Plan Details

**1992-2023**

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## Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact [policy@g2aging.org](mailto:policy@g2aging.org).

## Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

*Why are we tracking past policy?* Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

## Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

# Germany

Own Old-Age Benefits  
Plan details 1992-2023 <sup>\*</sup> <sup>†</sup>

Gesetzliche Rentenversicherung (GRV) is the German compulsory old age public pension system that provides a defined benefit to workers based on their contribution history. Contributions are converted in points in the year they are paid and those points are converted to an annual benefit based on a pension point value that is updated annually. Since 1992, the main design of the pension system has remained largely the same, but reforms have led to a gradual increase in benefit eligibility ages and the introduction of incentives to delay starting benefits.

## Key Dates

First law: 1889

Major changes since 1992: 1999, 2001, 2004, 2007

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<sup>\*</sup> If you have questions or suggestions, please contact [policy@g2aging.org](mailto:policy@g2aging.org).

<sup>†</sup> Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

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## Chapter 1: Policy enacted 1992-1995

### Overview

Gesetzliche Rentenversicherung (GRV) is the German compulsory old-age public pension system. This system depends on current contributions to make current benefit payments (i.e., it is “pay as you go”). Pension benefits are based on a worker’s accumulated pension points. A worker accrues pension points each year based on the ratio of their taxable earnings relative to the average earnings of all GRV-covered workers. For retirement income beyond GRV, individuals may also contribute to voluntary occupational pension schemes (Betriebliche Altersvorsorge) through their employers that supplement GRV or to voluntary private savings schemes.

Following the reunification of Germany in 1989, a pension reform was passed in the same year that was effective from January 1992. It merged the social security systems of the Federal Republic of Germany (FRG, also known as West Germany) and the German Democratic Republic (GDR, also known as East Germany). This document focuses on the history of GRV from this reform.

### Contributions

- **Employee contribution rate**  
8.85% in 1992 but varies by year ([Table 1](#) provides rates by year)
  - **Employer contribution rate**  
8.85% in 1992 but varies by year ([Table 1](#) provides rates by year)
  - **Self-employed contribution rate**  
17.70% in 1992 but varies by year ([Table 1](#) provides rates by year)
- Note:* Participation in [GRV](#) may be voluntary for some categories of self-employed workers. See §2 and §6 of SGB VI ([BMJV, 2023](#))

### Eligibility

#### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**  
Age 65 although earlier ages are possible:
  - Age 60 for women and unemployed and part-time workers
  - Age 63 long-term insured and severely disabled
- **Does SRA vary by birth year?** Answer: No
- **Does SRA vary by sex?** Answer: Yes

#### Contribution requirements to be eligible to receive benefit

[GRV](#) has five [eligibility tracks](#). An insured worker must satisfy at least one track’s requirement to be eligible for full benefits. Contribution years in Germany include credits for periods of schooling after age 17, periods for childbearing and childrearing up to age 10 without contributions, and periods of unemployment (see §57, 58, SGB VI, [DRV, 2023d](#), as amended).

##### Eligibility Track 1: Regular old-age pension (Regelaltersrente)

- Age requirement: 65
- Contribution requirement: 5 years

##### Eligibility Track 2: Long-term insured persons (Altersrente für langjährig Versicherte)

- Age requirement: 63
- Contribution requirement: 35 years

##### Eligibility Track 3: Severely disabled (Altersrente für schwerbehinderte Menschen)

- Age requirement: 60
- Contribution requirement: 35 years
- Other requirements: Must qualify as severely disabled

##### Eligibility Track 4: Women (Altersrente für Frauen)

- Age requirement: 60
- Contribution requirement: 15 years with at least 10 years of paid contributions since age 40
- Other requirements: Women

Eligibility Track 5: Unemployed workers or workers in part-time employment (Altersrente wegen Arbeitslosigkeit oder nach Altersteilzeitarbeit)

- Age requirement: 60
- Contribution requirement: 15 years
- Other requirements (must satisfy one condition):
  - Unemployed for 1 year after age 58 and 6 months
  - In part-time work for at least 24 months before age 60 and have at least 8 years of contributions during the 10 most recent years before retirement

#### Alternative eligibility requirements that permit starting benefits early, but with a penalty

- Can an individual start benefits before SRA? Answer: No

## Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

### Payment type

- Payment options (i.e., Annuity, cash balance, or **lump sum**): Annuitable

### Factors effecting computation of benefit entitlement

- Does the formula for computing benefit entitlement differ by birth year? Answer: No
- Is the formula for computing benefit entitlement **progressive**? Answer: No
- Does the benefit entitlement depend on the individual's own contribution/work history? Answer: Yes
- Does the benefit entitlement depend on **national income**? Answer: Yes
- Does an individual receive credits for military service (above any credits normally received for employment)? Answer: No
- Does an individual receive credits for number of children? Answer: Yes
- Does an individual receive credits for unemployment? Answer: Yes

*Details:* The unemployment insurance system contributes to the pension scheme on behalf of the unemployed. During the first period of unemployment benefits (UB1, Arbeitslosengeld I), contributions are paid on the basis of 80% of previous gross earnings. The first period lasts between 6 and 24 months depending both on age and contribution years. Thereafter, the unemployed person moves to the second type of unemployment benefit (UB2, Arbeitslosengeld II), which is means-tested and paid at a lower rate. For this period, the unemployment insurance provides no financial contributions to the pension scheme. Only the first period of unemployment benefits (UB1) is credited for old-age pension.

- Are future benefit entitlements adjusted for **cost of living**? Answer: Yes
- If so, what measure is used for adjustment?

Pensions currently being paid are adjusted the same way as pension point values. Pension point values are adjusted annually according to growth in net wages.

### Benefit formula for claiming at SRA

**GRV** old-age pension benefits are based on a point system with insured individuals accruing points throughout their career. For each year of contribution an insured person receives pension points, which reflect the employees' relative earnings position in each year (see [Formula 1](#)). Contributing one year at the level of average earnings of contributors, which are approximately equal to the national average earnings, results in one pension point. At retirement, the pension points accrued over a person's work history are summed up. Adjustments to cumulative pension points are made for a number of lifecycle events:

- For low-income workers (less than 75% of the value of contributions for average earnings of all insured) with 35 years of coverage, the value of compulsory contributions paid before 1991 is increased to 1.5 times the value, up to a maximum of 75% of the value of contribution for average earnings of all insured persons.
- Mothers and fathers who are in employment during the first 10 years of their child's lives, but who earn less than the average (for instance because they work part-time), receive a higher pension evaluation than actual earnings for these periods. The value of contributions paid after 1992 is increased by 50%, to a maximum of the average income, if the carer can show at least 25 contributory years.
- Parents born in 1921 (West Germany) or 1927 (East Germany) or later are credited with the first 12 months (36 months for children born from 1992 onwards) after the birth of a child, if they stayed at home to care for the child. If no gainful employment is carried out due to the simultaneous care of two or more children aged under 10, a pension credit is granted as compensation. This credit corresponds to the maximum additional pension entitlement that can be attained by working with below-average earnings while caring for a child.

The individual pension benefit on and after retirement is based on the cumulative pension points multiplied by the pension point value in that year. The pension point value is adjusted in relation to the gross wage growth. See [Formula 2](#) for computational details.

For detailed reference tables used in the calculation of benefits, see:

- [Table 2](#) for pension contribution limit and national average earnings by year for East and West Germany
- [Table 3](#) for states in East and West Germany
- [Table 4](#) for pension point value by year for East and West Germany

#### Notes

1. Due to existing differences in per capita income between the Western and the Eastern part of Germany, the pension-related contributory average income levels differ. Hence, the calculation of the pension point value distinguishes between both German regions by considering the respective average wages.
2. The state of Berlin, the result of a merger between East and West Berlin, is usually not considered one of the newly established states in East Germany although many of its residents are former East Germans.

#### Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: No

#### Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: Yes
- **If so, what is the latest claiming age where benefits are adjusted?** Answer: No age limit on benefit adjustment for deferring the start of old-age pension benefits
- **Adjustment formula**  
Postponing the start of benefits after the [SRA](#) will permanently increase benefits by 0.5% for each calendar month the pension is not taken (6% per year). See [Formula 3](#) for computational details.

#### Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes, benefits are reduced while working before the standard retirement age (see [Table 5](#) for standard retirement ages by birth year)
- **Adjustment formula**  
Before the standard retirement age ([Table 5](#)), if earnings exceed a lower threshold, then benefits are reduced by 33%, 50%, 66%, or 100% depending on current earnings relative to the earnings level in final year prior to starting benefits. See [Formula 4](#) for computational details and [Table 6](#) for reference values. After the standard retirement age, benefits are not reduced based on current earnings.
- **If benefits are reduced while working, does it effect future benefits?** Answer: No

#### Additional Benefit Adjustments

- **Adjustment 1:** Caregivers
- **Adjustment 1 details:** Certain caregivers receive pension credits in the form of paid contributions for providing unpaid care of at least 14 hours a week. The caregiver must have a caregiving allowance below a certain threshold and not have more than 30 hours of paid employment a week.
- **Adjustment 2:** Credits for childcare
- **Adjustment 2 details:** For births since 1992, a parent providing care to a child aged 0 to 3 receives one pension point each year for up to three years; for births before 1992, up to two years. For parents with at least 25 years of paid or credited contributions who continue to work part time while providing care to a child aged 0 to 10, the value of contributions paid is increased to 1.5 times the value, up to the value of contributions for average earnings of all insured persons; nonworking parents providing care to at least two children aged 10 or younger receive 0.33 pension points per year.

Also, carers who are in employment during the first 10 years of their child's lives, but who earn less than the average (e.g. because they work part-time), receive pension point credit equivalent to an increase of 50% for these periods.

## Chapter 2: Policy enacted 1996-2000

### Policy change in 1996

The 1996 pension reform, known as Growth and Employment Act [“Wachstums- und Beschäftigungsgesetz”] was passed September 27, 1996. It gradually increased age requirements for full benefits to 65 across all eligibility tracks except for the severely disabled. The law also permitted starting benefits at the previous eligibility ages but with reduced benefits (early claiming).

Other more minor reforms during this period include:

- The 1999 pension reform [“Rentenreform 1999”] gradual phased out special eligibility tracks for women and unemployed by raising eligibility ages such that there would be no distinction between men and women after 2015.
- A 2000 pension reform [Budget restructuring law, “Haushaltssanierungsgesetz”] temporarily changed benefit adjustment to being based on prices rather than wages

See [Bäcker \(2021\)](#) for a detailed chronology of pension system reforms from 1998.

## Overview

Gesetzliche Rentenversicherung (GRV) is the German compulsory old-age public pension system. This system depends on current contributions to make current benefit payments (i.e., it is “pay as you go”). Pension benefits are based on a worker’s accumulated pension points. A worker accrues pension points each year based on the ratio of their taxable earnings relative to the average earnings of all GRV-covered workers. For retirement income beyond GRV, individuals may also contribute to voluntary occupational pension schemes (Betriebliche Altersvorsorge) through their employers that supplement GRV or to voluntary private savings schemes.

## Contributions

- **Employee contribution rate**  
9.60% in 1996 but varies by year ([Table 1](#) provides rates by year)
  - **Employer contribution rate**  
9.60% in 1996 but varies by year ([Table 1](#) provides rates by year)
  - **Self-employed contribution rate**  
19.20% in 1996 but varies by year ([Table 1](#) provides rates by year)
- Note:* Participation in [GRV](#) may be voluntary for some categories of self-employed workers. See §2 and §6 of SGB VI ([BMJV, 2023](#))

## Eligibility

### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**  
Age 65 although earlier ages are possible:
  - Age 60 for women and unemployed and part-time workers (increasing to age 65 depending on birth year)
  - Age 63 long-term insured and severely disabled (increasing to age 65 for long-term insured depending on birth year)
- **Does SRA vary by birth year?** Answer: Yes
- **Does SRA vary by sex?** Answer: Yes
- **Details by birth year:** Varies for some [eligibility tracks](#):
  - [Long-term insured](#): [Table 7](#)
  - [Women](#): [Table 8](#)
  - [Unemployed and part-time workers](#): [Table 9](#)

### Contribution requirements to be eligible to receive benefit

[GRV](#) has five [eligibility tracks](#). An insured worker must satisfy at least one track’s requirement to be eligible for full benefits. Contribution years in Germany include credits for periods of schooling after age 17, periods for childbearing and childrearing up to age 10 without contributions, and periods of unemployment (see §50-58, SGB VI, [DRV, 2023d](#), as amended).

Eligibility Track 1: Regular old-age pension (Regelaltersrente)

- Age requirement: 65



- Contribution requirement: 5 years

Eligibility Track 2: Long-term insured persons (Altersrente für langjährig Versicherte)

- Age requirement: 63 for persons born before 1937 and gradually increasing to age 65 for persons born after 1939 (see [Table 7](#) for details by birth date)
- Contribution requirement: 35 years

Eligibility Track 3: Severely disabled (Altersrente für schwerbehinderte Menschen)

- Age requirement: 60
- Contribution requirement: 35 years
- Other requirements: Must qualify as severely disabled

Eligibility Track 4: Women (Altersrente für Frauen)

- Age requirement: 60 for women born before 1940 and gradually increasing to 65 depending on birth year and month (see [Table 8](#) for age requirements by birth date)
- Contribution requirement: 15 years with at least 10 years of paid contributions since age 40
- Other requirements: Women

Eligibility Track 5: Unemployed workers or workers in part-time employment (Altersrente wegen Arbeitslosigkeit oder nach Altersteilzeitarbeit)

- Age requirement: 60 for persons born before 1937 and gradually increasing to 65 (see [Table 9](#) for age requirements by birth date)
- Contribution requirement: 15 years
- Other requirements (must satisfy one condition):
  - Unemployed for 1 year after age 58 and 6 months
  - In part-time work for at least 24 months before age 60 and have at least 8 years of contributions during the 10 most recent years before retirement

**Alternative eligibility requirements that permit starting benefits early, but with a penalty**

- **Can an individual start benefits before SRA?** Answer: Yes
- **Earliest eligibility**  
Varies by [eligibility track](#):

[Eligibility Track 1](#): Regular old-age pension

- Early eligibility not available

[Eligibility Track 2](#): Long-term insured persons

- Age requirement: 63
- Must satisfy other requirements for full benefits

[Eligibility Track 3](#): Severely disabled

- Age requirement: 60
- Must satisfy other requirements for full benefits

[Eligibility Track 4](#): Women

- Age requirement: 60
- Must satisfy other requirements for full benefits

[Eligibility Track 5](#): Unemployed workers or workers in part-time employment

- Age requirement: 60 (see [Table 10](#) for age requirements by year based on 1999 reform)
- Must satisfy other requirements for full benefits

- **See the subsection *Adjustments for starting benefits before SRA (Early claiming or retirement)* within the *Benefits* section for details on the penalty applied for claiming at earliest eligibility.**

## Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

### Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuitable

### Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: No
- **Is the formula for computing benefit entitlement progressive?** Answer: No
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on national income?** Answer: Yes
- **Does an individual receive credits for military service (above any credits normally received for employment)?** Answer: No
- **Does an individual receive credits for number of children?** Answer: Yes
- **Does an individual receive credits for unemployment?** Answer: Yes

*Details:* The unemployment insurance system contributes to the pension scheme on behalf of the unemployed. During the first period of unemployment benefits (UB1, Arbeitslosengeld I), contributions are paid on the basis of 80% of previous gross earnings. The first period lasts between 6 and 24 months depending both on age and contribution years. Thereafter, the unemployed person moves to the second type of unemployment benefit (UB2, Arbeitslosengeld II), which is means-tested and paid at a lower rate. For this period, the unemployment insurance provides no financial contributions to the pension scheme. Only the first period of unemployment benefits (UB1) is credited for old-age pension.

- **Are future benefit entitlements adjusted for cost of living?** Answer: Yes
- **If so, what measure is used for adjustment?**

Pensions currently being paid are adjusted the same way as pension point values. Pension point values are adjusted annually according to growth in net wages.

### Benefit formula for claiming at SRA

**GRV** old-age pension benefits are based on a point system with insured individuals accruing points throughout their career. For each year of contribution an insured person receives pension points, which reflect the employees' relative earnings position in each year (see [Formula 1](#)). Contributing one year at the level of average earnings of contributors, which are approximately equal to the national average earnings, results in one pension point. At retirement, the pension points accrued over a person's work history are summed up. Adjustments to cumulative pension points are made for a number of lifecycle events:

- For low-income workers (less than 75% of the value of contributions for average earnings of all insured) with 35 years of coverage, the value of compulsory contributions paid before 1991 is increased to 1.5 times the value, up to a maximum of 75% of the value of contribution for average earnings of all insured persons.
- Mothers and fathers who are in employment during the first 10 years of their child's lives, but who earn less than the average (for instance because they work part-time), receive a higher pension evaluation than actual earnings for these periods. The value of contributions paid after 1992 is increased by 50%, to a maximum of the average income, if the carer can show at least 25 contributory years.
- Parents born in 1921 (West Germany) or 1927 (East Germany) or later are credited with the first 12 months (36 months for children born from 1992 onwards) after the birth of a child, if they stayed at home to care for the child. If no gainful employment is carried out due to the simultaneous care of two or more children aged under 10, a pension credit is granted as compensation. This credit corresponds to the maximum additional pension entitlement that can be attained by working with below-average earnings while caring for a child.

The individual pension benefit on and after retirement is based on the cumulative pension points multiplied by the pension point value in that year. The pension point value is adjusted in relation to the gross wage growth. See [Formula 2](#) for computational details.

For detailed reference tables used in the calculation of benefits, see:

- [Table 2](#) for pension contribution limit and national average earnings by year for East and West Germany
- [Table 3](#) for states in East and West Germany
- [Table 4](#) for pension point value by year for East and West Germany

### Notes

1. Due to existing differences in per capita income between the Western and the Eastern part of Germany, the pension-related contributory average income levels differ. Hence, the calculation of the pension point value distinguishes between both German regions by considering the respective average wages.

2. The state of Berlin, the result of a merger between East and West Berlin, is usually not considered one of the newly established states in East Germany although many of its residents are former East Germans.

### Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: Yes
- **Is so, what is the earliest eligibility?**

Varies by [eligibility track](#):

[Eligibility Track 1](#): Regular old-age pension

- Early eligibility not available

[Eligibility Track 2](#): Long-term insured persons

- Age requirement: 63
- Must satisfy other requirements for full benefits

[Eligibility Track 3](#): Severely disabled

- Age requirement: 60
- Must satisfy other requirements for full benefits

[Eligibility Track 4](#): Women

- Age requirement: 60
- Must satisfy other requirements for full benefits

[Eligibility Track 5](#): Unemployed workers or workers in part-time employment

- Age requirement: 60 (see [Table 10](#) for age requirements by year based on 1999 reform)
- Must satisfy other requirements for full benefits

- **Adjustment formula**

Individuals satisfying all of the following conditions can start their benefits:

1. non-age requirements within at least one [eligibility track](#) in the *Eligibility* section
2. age eligibility conditions for starting benefits early within the same eligibility track

However, their benefits will be permanently reduced by 0.3% for each calendar month the pension is taken before the [SRA](#) (3.6% per year). See [Formula 5](#) for computational details.

### Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: Yes
- **If so, what is the latest claiming age where benefits are adjusted?** Answer: No age limit on benefit adjustment for deferring the start of old-age pension benefits
- **Adjustment formula**

Postponing the start of benefits after the [SRA](#) will permanently increase benefits by 0.5% for each calendar month the pension is not taken (6% per year). See [Formula 3](#) for computational details.

### Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes, benefits are reduced while working before the standard retirement age (see [Table 5](#) for standard retirement ages by birth year)
- **Adjustment formula**  
Before the standard retirement age ([Table 5](#)), if earnings exceed a lower threshold, then benefits are reduced by 33%, 50%, 66%, or 100% depending on current earnings relative to the earnings level in the three years prior to starting benefits. See [Formula 4](#) for computational details before 2000, [Formula 6](#) for 2000 and beyond, and [Table 6](#) for reference values. After the standard retirement age, benefits are not reduced based on current earnings.
- **If benefits are reduced while working, does it effect future benefits?** Answer: No

### Additional Benefit Adjustments

- **Adjustment 1**: Caregivers
- **Adjustment 1 details**: Certain caregivers receive pension credits in the form of paid contributions for providing unpaid care of at least 14 hours a week. The caregiver must have a caregiving allowance below a certain threshold and not have more than 30 hours of paid employment a week.
- **Adjustment 2**: Childcare

- **Adjustment 2 details:** For births since 1992, a parent providing care to a child aged 0 to 3 receives one pension point each year for up to three years; for births before 1992, up to two years. For parents with at least 25 years of paid or credited contributions who continue to work part time while providing care to a child aged 0 to 10, the value of contributions paid is increased to 1.5 times the value, up to the value of contributions for average earnings of all insured persons; nonworking parents providing care to at least two children aged 10 or younger receive 0.33 pension points per year.

Also, carers who are in employment during the first 10 years of their child's lives, but who earn less than the average (e.g. because they work part-time), receive pension point credit equivalent to an increase of 50% for these periods.

## Chapter 3: Policy enacted 2001-2006

### Policy change in 2001

Two acts in 2001 (Retirement Asset Supplement Act [Altersvermögensergänzungsgesetz] and the Retirement Assets Act [Altersvermögensergänzungsgesetz]) changed the German system of old-age provision to a multi-pillar system effective January 2002. It marked the beginning of a sequence of reforms aimed at limiting growth in the pension contribution rate. Major reform measures include:

- A change in the annual pension adjustment to be based on a function considering changes in gross (as opposed to net) earnings and a contribution factor that considers changes in current and lagged contribution rates
- Introduction of a needs-oriented basic income (minimum social security guarantee for old age)
- Introduction of Riester pension (voluntary private pension schemes) and a government match for contributions

Other reforms during this period include:

- A December 2000 reform, known as the Law on the reform of pensions due to reduced employability [Gesetz zur Reform der Renten wegen verminderter Erwerbsfähigkeit], gradually raised the eligibility age for full benefits for severely disabled from age 60 to 63 effective January 2001
- A 2002/2003 pension reform, known as the Contribution Rate Protection Act [Beitragssatzsicherungsgesetz], limited the combined pension contribution rate to 19.5%
- A 2004 pension reform, known as the RV Sustainability Act [Rentenversicherungsnachhaltigkeitsgesetz] and effective July 2005, was intended to make benefits payments responsive to changes in the system's funding. In addition to the changes in the annual pension adjustment from the 2001 reforms, this reform added a sustainability factor reflecting changes in the ratio of pensioners to contributors. It also further revised the computation of the contribution factor. The sustainability and contribution are intended to slow adjustments in benefit payments in the long run as the population ages.
  - Sustainability factor: this measure captures the change in the number of standardized pensioners relative to the number of standardized contributors (i.e., the system's dependency ratio).
  - Contribution factor: this measure accounts for changes of the contribution rate to the statutory pension scheme and to the subsidized (voluntary) private pension schemes.
- A 2004 pension reform, known as the Retirement Income Act [Alterseinkünftegesetz], gradually increased the taxable fraction of retirement income, including pension income, so that all pension income would be taxable by 2040.

See [Bäcker \(2021\)](#) for a detailed chronology of pension system reforms during this period.

## Overview

Gesetzliche Rentenversicherung (GRV) is the German compulsory old-age public pension system. This system depends on current contributions to make current benefit payments (i.e., it is “pay as you go”). Pension benefits are based on a worker's accumulated pension points. A worker accrues pension points each year based on the ratio of their taxable earnings relative to the average earnings of all GRV-covered workers. For retirement income beyond GRV, individuals may also contribute to voluntary occupational pension schemes (Betriebliche Altersvorsorge) through their employers that supplement GRV or to voluntary private savings schemes. In 2002, a private saving scheme was introduced, known as the Riester Pension. The government subsequently offered subsidized matching contributions to Riester accounts. In 2005, an alternative government-subsidized saving scheme was introduced, known as the Rürup Pension, targeted at self-employed workers who are usually not eligible for the Riester Pension, although the Rürup Pension was not limited to self-employed.

## Contributions

- **Employee contribution rate**  
9.55% in 2001 but varies by year ([Table 1](#) provides rates by year)
  - **Employer contribution rate**  
9.55% in 2001 but varies by year ([Table 1](#) provides rates by year)
  - **Self-employed contribution rate**  
19.10% in 2001 but varies by year ([Table 1](#) provides rates by year)
- Note:* Participation in GRV may be voluntary for some categories of self-employed workers. See §2 and §6 of SGB VI ([BMJV, 2023](#))

## Eligibility

### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**  
Age 65 although earlier ages are possible:
  - Age 60 for women and unemployed and part-time workers born before 1952 (increasing to age 65 depending on birth year)
  - Age 63 long-term insured and severely disabled (increasing to age 65 for long-term insured depending on birth year)
- **Does SRA vary by birth year?** Answer: Yes
- **Does SRA vary by sex?** Answer: Yes
- **Details by birth year:** Varies for some [eligibility tracks](#):
  - [Long-term insured](#): [Table 7](#)
  - [Women](#): [Table 8](#)
  - [Unemployed and part-time workers](#): [Table 9](#)

### Contribution requirements to be eligible to receive benefit

GRV has five [eligibility tracks](#). An insured worker must satisfy at least one track's requirement to be eligible for full benefits. Contribution years in Germany include credits for periods of schooling after age 17, periods for childbearing and childrearing up to age 10 without contributions, and periods of unemployment (see §50-58, SGB VI, [DRV, 2023d](#), as amended).

#### Eligibility Track 1: Regular old-age pension (Regelaltersrente)

- Age requirement: 65
- Contribution requirement: 5 years

#### Eligibility Track 2: Long-term insured persons (Altersrente für langjährig Versicherte)

- Age requirement: 63 for persons born before 1937 and gradually increasing to age 65 for persons born after 1939 (see [Table 7](#) for details by birth date)
- Contribution requirement: 35 years

#### Eligibility Track 3: Severely disabled (Altersrente für schwerbehinderte Menschen)

- Age requirement: 60 for persons born before 1941 and gradually increasing to age 63 for persons born after 1943 (see [Table 11](#) for details by birth date)
- Contribution requirement: 35 years
- Other requirements: Must qualify as severely disabled

#### Eligibility Track 4: Women (Altersrente für Frauen)

- Age requirement: 60 for women born before 1940 and gradually increasing to 65 depending on birth year and month (see [Table 8](#) for age requirements by birth date)
- Contribution requirement: 15 years with at least 10 years of paid contributions since age 40
- Other requirements: Women

#### Eligibility Track 5: Unemployed workers or workers in part-time employment (Altersrente wegen Arbeitslosigkeit oder nach Altersteilzeitarbeit)

- Age requirement: 60 for persons born before 1937 and gradually increasing to 65 (see [Table 9](#) for age requirements by birth date)
- Contribution requirement: 15 years
- Other requirements (must satisfy one condition):
  - Unemployed for 1 year after age 58 and 6 months
  - In part-time work for at least 24 months before age 60 and have at least 8 years of contributions during the 10 most recent years before retirement

### Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: Yes
- **Earliest eligibility**  
Varies by [eligibility track](#):

#### [Eligibility Track 1](#): Regular old-age pension

- Early eligibility not available

**Eligibility Track 2:** Long-term insured persons

- Age requirement: 63
- Must satisfy other requirements for full benefits

**Eligibility Track 3:** Severely disabled

- Age requirement: 60
- Must satisfy other requirements for full benefits

**Eligibility Track 4:** Women

- Age requirement: 60
- Must satisfy other requirements for full benefits

**Eligibility Track 5:** Unemployed workers or workers in part-time employment

- Age requirement
  - \* Before July 2004: 60
  - \* From July 2004: 60 gradually increasing to 63 (see [Table 10](#) for age requirements by year based on the 2004 RV Sustainability Act)
- Must satisfy other requirements for full benefits

- See the subsection **Adjustments for starting benefits before SRA (Early claiming or retirement)** within the **Benefits** section for details on the penalty applied for claiming at earliest eligibility.

## Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

### Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuitable

### Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: No
- **Is the formula for computing benefit entitlement progressive?** Answer: No
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on national income?** Answer: Yes
- **Does an individual receive credits for military service (above any credits normally received for employment)?** Answer: No
- **Does an individual receive credits for number of children?** Answer: Yes
- **Does an individual receive credits for unemployment?** Answer: Yes

*Details:* The unemployment insurance system contributes to the pension scheme on behalf of the unemployed. During the first period of unemployment benefits (UB1, Arbeitslosengeld I), contributions are paid on the basis of 80% of previous gross earnings. The first period lasts between 6 and 24 months depending both on age and contribution years. Thereafter, the unemployed person moves to the second type of unemployment benefit (UB2, Arbeitslosengeld II), which is means-tested and paid at a lower rate. For this period, the unemployment insurance provides no financial contributions to the pension scheme. Only the first period of unemployment benefits (UB1) is credited for old-age pension.

- **Are future benefit entitlements adjusted for cost of living?** Answer: Yes
- **If so, what measure is used for adjustment?**

Pensions currently being paid are adjusted the same way as pension point values. The Old Age Assets Act 2001 introduced a complex new formula for annual adjustments to the pension point valuation based on lagged changes in gross income. It was further altered in 2005 by the Pension Income Sustainability Act, which introduced a sustainability factor to the annual adjustment of the pension point valuation. See [Formula 7](#) for this computation after 2004 and [Table 12](#) for reference values.

### Notes

- Irrespective of the year of retirement all pensions are adjusted annually with the current pension point value at mid-year. Hence, the pension point value is set to be fix for the period July 1st in year  $t$  to June 30th in year  $t + 1$ .
- Due to existing differences in per capita income between the Western and the Eastern part of Germany, the pension-related contributory average income levels differ. Hence, the calculation of the pension point value distinguishes between both German regions by considering the respective average wages.



### Benefit formula for claiming at SRA

**GRV** old-age pension benefits are based on a point system with insured individuals accruing points throughout their career. For each year of contribution an insured person receives pension points, which reflect the employees' relative earnings position in each year (see [Formula 1](#)). Contributing one year at the level of average earnings of contributors, which are approximately equal to the national average earnings, results in one pension point. At retirement, the pension points accrued over a person's work history are summed up. Adjustments to cumulative pension points are made for a number of lifecycle events:

- For low-income workers (less than 75% of the value of contributions for average earnings of all insured) with 35 years of coverage, the value of compulsory contributions paid before 1991 is increased to 1.5 times the value, up to a maximum of 75% of the value of contribution for average earnings of all insured persons.
- Mothers and fathers who are in employment during the first 10 years of their child's lives, but who earn less than the average (for instance because they work part-time), receive a higher pension evaluation than actual earnings for these periods. The value of contributions paid after 1992 is increased by 50%, to a maximum of the average income, if the carer can show at least 25 contributory years.
- Parents born in 1921 (West Germany) or 1927 (East Germany) or later are credited with the first 12 months (36 months for children born from 1992 onwards) after the birth of a child, if they stayed at home to care for the child. If no gainful employment is carried out due to the simultaneous care of two or more children aged under 10, a pension credit is granted as compensation. This credit corresponds to the maximum additional pension entitlement that can be attained by working with below-average earnings while caring for a child.

The individual pension benefit on and after retirement is based on the cumulative pension points multiplied by the pension point value in that year. The pension point value is adjusted in relation to the gross wage growth. See [Formula 2](#) for computational details.

For detailed reference tables used in the calculation of benefits, see:

- [Table 2](#) for pension contribution limit and national average earnings by year for East and West Germany
- [Table 3](#) for states in East and West Germany
- [Table 4](#) for pension point value by year for East and West Germany

### Notes

1. Due to existing differences in per capita income between the Western and the Eastern part of Germany, the pension-related contributory average income levels differ. Hence, the calculation of the pension point value distinguishes between both German regions by considering the respective average wages.
2. The state of Berlin, the result of a merger between East and West Berlin, is usually not considered one of the newly established states in East Germany although many of its residents are former East Germans.

### Adjustments for starting benefits before SRA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before SRA?** Answer: Yes
- **Is so, what is the earliest eligibility?**  
Varies by [eligibility track](#):

#### [Eligibility Track 1](#): Regular old-age pension

- Early eligibility not available

#### [Eligibility Track 2](#): Long-term insured persons

- Age requirement: 63
- Must satisfy other requirements for full benefits

#### [Eligibility Track 3](#): Severely disabled

- Age requirement: 60
- Must satisfy other requirements for full benefits

#### [Eligibility Track 4](#): Women

- Age requirement: 60
- Must satisfy other requirements for full benefits

#### [Eligibility Track 5](#): Unemployed workers or workers in part-time employment

- Age requirement
  - \* Before July 2004: 60
  - \* From July 2004: 60 gradually increasing to 63 (see [Table 10](#) for age requirements by year based on the 2004 RV)



Sustainability Act)

- Must satisfy other requirements for full benefits

- **Adjustment formula**

Individuals satisfying all of the following conditions can start their benefits:

1. non-age requirements within at least one [eligibility track](#) in the *Eligibility* section
2. age eligibility conditions for starting benefits early within the same eligibility track

However, their benefits will be permanently reduced by 0.3% for each calendar month the pension is taken before the [SRA](#) (3.6% per year). See [Formula 5](#) for computational details.

#### Adjustments for starting benefits after SRA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after SRA?** Answer: Yes
- **If so, what is the latest claiming age where benefits are adjusted?** Answer: No age limit on benefit adjustment for deferring the start of old-age pension benefits
- **Adjustment formula**  
Postponing the start of benefits after the [SRA](#) will permanently increase benefits by 0.5% for each calendar month the pension is not taken (6% per year). See [Formula 3](#) for computational details.

#### Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes, benefits are reduced while working before the standard retirement age (see [Table 5](#) for standard retirement ages by birth year)
- **Adjustment formula**  
Before the standard retirement age ([Table 5](#)), if earnings exceed a lower threshold, then benefits are reduced by 33%, 50%, 66%, or 100% depending on current earnings relative to the earnings level in the three years prior to starting benefits. See [Formula 6](#) for computational details and [Table 6](#) for reference values. After the standard retirement age, benefits are not reduced based on current earnings.
- **If benefits are reduced while working, does it effect future benefits?** Answer: No

#### Additional Benefit Adjustments

- **Adjustment 1:** Caregivers
- **Adjustment 1 details:** Certain caregivers receive pension credits in the form of paid contributions for providing unpaid care of at least 14 hours a week. The caregiver must have a caregiving allowance below a certain threshold and not have more than 30 hours of paid employment a week.
- **Adjustment 2:** Childcare
- **Adjustment 2 details:** For births since 1992, a parent providing care to a child aged 0 to 3 receives one pension point each year for up to three years; for births before 1992, up to two years. For parents with at least 25 years of paid or credited contributions who continue to work part time while providing care to a child aged 0 to 10, the value of contributions paid is increased to 1.5 times the value, up to the value of contributions for average earnings of all insured persons; nonworking parents providing care to at least two children aged 10 or younger receive 0.33 pension points per year.

Also, carers who are in employment during the first 10 years of their child's lives, but who earn less than the average (e.g. because they work part-time), receive pension point credit equivalent to an increase of 50% for these periods.

## Chapter 4: Policy enacted 2007-2023

### Policy change in 2007

In April 2007, the Age Limit Adjustment Act [Altersgrenzenanpassungsgesetz], introduced the following reforms effective from January 2012:

- Gradually increase the SRA from age 65 to age 67 for those born after 1946 and before 1964 (i.e., reaching SRA between 2012 and 2029) for eligibility track 1 (regular old-age benefits), track 2 (long-term insured),
- Gradually increase the SRA from age 63 to age 65 for those born after 1946 and before 1964 (i.e., reaching SRA between 2012 and 2029) and the earliest eligibility age from 60 to 62 for eligibility track 3 (severely disabled)
- Introduction of a new eligibility track for full benefits for those with at least 45 years of contribution

Other reforms during this period include:

- A 2014 reform, known as the Pension Insurance Performance Improvement Act [Rentenversicherungs-Leistungsverbesserungsgesetz], adds a second pension point per child for child-rearing from July 2014 for parents with children born before 1992 and establishes a gradual increase in the age requirement for the particularly long-insured benefit eligibility track from age 63 to age 65
- A 2016 reform [Gesetz zur Flexibilisierung des Übergangs vom Erwerbsleben] introduced more flexibility for workers to work beyond the SRA by reducing the penalty for working while receiving a pension benefit and raised the earnings limit threshold above which pension benefits are reduced for additional work
- A 2018 reform, known as the RV Performance Improvement and Stabilization Act [RV-Leistungsverbesserungs- und -Stabilisierungsgesetz], adds 0.5 pension point per child for child-rearing from 2019 for parents with children born before 1992
- A 2020 reform further raised the earnings limit threshold above which pension benefits are reduced for additional work
- A 2022 reform, effective January 2023, eliminated the earnings test before the SRA ([Bundesgesetzblatt, 2022](#))

See [Bäcker \(2021\)](#) for a detailed chronology of pension system reforms from 2007 to 2021.

## Overview

Gesetzliche Rentenversicherung (GRV) is the German compulsory old-age public pension system. This system depends on current contributions to make current benefit payments (i.e., it is “pay as you go”). Pension benefits are based on a worker’s accumulated pension points. A worker accrues pension points each year based on the ratio of their taxable earnings relative to the average earnings of all GRV-covered workers. For retirement income beyond GRV, individuals may also contribute to voluntary occupational pension schemes (Betriebliche Altersvorsorge) through their employers that supplement GRV or to voluntary private savings schemes. In 2002, a private saving scheme was introduced, known as the Riester Pension. The government subsequently offered subsidized matching contributions to Riester accounts. In 2005, an alternative government-subsidized saving scheme was introduced, known as the Rürup Pension, targeted at self-employed workers who are usually not eligible for the Riester Pension, although the Rürup Pension was not limited to self-employed.

## Contributions

- **Employee contribution rate**  
9.95% in 1996 but varies by year ([Table 1](#) provides rates by year)
  - **Employer contribution rate**  
9.95% in 1996 but varies by year ([Table 1](#) provides rates by year)
  - **Self-employed contribution rate**  
19.90% in 1996 but varies by year ([Table 1](#) provides rates by year)
- Note:* Participation in GRV may be voluntary for some categories of self-employed workers. See §2 and §6 of SGB VI ([BMJV, 2023](#))

## Eligibility

### Age requirements to start benefits without penalty

- **Statutory retirement age (SRA)**
  - Age 65 to 67 depending on birth year although earlier ages are possible:
    - Age 60 for women and unemployed and part-time workers born before 1952 (increasing to age 65 depending on birth year)
    - Age 63 long-term insured and severely disabled (increasing to age 65 for long-term insured depending on birth year)
- **Does SRA vary by birth year?** Answer: Yes
- **Does SRA vary by sex?** Answer: Yes
- **Details by birth year:** Varies for some [eligibility tracks](#):
  - [Long-term insured](#) (35+ contribution, consideration, and credit years): [Table 13](#)
  - [Women](#): [Table 8](#)
  - [Unemployed and part-time workers](#): [Table 9](#)
  - [Particularly long-term insured from July 2014](#) (45+ contribution and consideration years): [Table 15](#)

### Contribution requirements to be eligible to receive benefit

GRV has six [eligibility tracks](#). An insured worker must satisfy at least one track's requirement to be eligible for full benefits. Contribution years in Germany include credits for periods of schooling after age 17, periods for childbearing and childrearing up to age 10 without contributions, and periods of unemployment (see §50-58, SGB VI, [DRV, 2023d](#), as amended).

#### Eligibility Track 1: Regular old-age pension (Regelaltersrente)

- Age requirement: 65 (see [Table 5](#) for age requirements by birth year)
- Contribution requirement: 5 years

#### Eligibility Track 2: Long-term insured persons (Altersrente für langjährig Versicherte)

- Age requirement: 63 for persons born before 1937 and gradually increasing to age 67 for persons born after 1963 (see [Table 13](#) for age requirements by birth date)
- Contribution requirement: 35 years

#### Eligibility Track 3: Severely disabled (Altersrente für schwerbehinderte Menschen)

- Age requirement: 60 for persons born before 1941 and gradually increasing to age 65 for persons born after 1963 (see [Table 14](#) for age requirements by birth year)
- Contribution requirement: 35 years
- Other requirements: Must qualify as severely disabled

#### Eligibility Track 4: Women (Altersrente für Frauen)

- Age requirement: 60 for women born before 1940 and gradually increasing to 65 based on birth year and month (see [Table 8](#) for age requirements by birth date based on 1999 reform)
- Contribution requirement: 15 years with at least 10 years of paid contributions since age 40
- Other requirements (must satisfy all): Women and born before January 1, 1952

#### Eligibility Track 5: Unemployed workers or workers in part-time employment (Altersrente wegen Arbeitslosigkeit oder nach Altersteilzeitarbeit)

- Age requirement: 60 for persons born before 1937 and gradually increasing to 65 based on birth year and month (see [Table 9](#) for age requirements by birth date)
- Contribution requirement: 15 years
- Other requirements (must satisfy all conditions): born before January 1, 1952
- Other requirements (must satisfy one condition):
  - Unemployed for 1 year after age 58 and 6 months
  - In part-time work for at least 24 months before age 60 and have at least 8 years of contributions during the 10 most recent years before retirement

#### Eligibility Track 6 (available from 2012): Particularly long-term insured persons (Altersrente für besonders langjährig Versicherte)

- Age requirement
  - Before July 2014: 63
  - On and after July 2014: 63 for persons born before 1953 and gradually increasing to age 65 for persons born after 1963 (see [Table 15](#) for age requirements by birth year)

- Contribution requirement: 45 years, including contribution years from employment, consideration time for child-rearing, and periods receiving unemployment benefits, but excluding certain other creditable periods (e.g., schooling) —details of qualifying years are in §51 with additional definitions in §54–58, SGB VI (DRV, 2023d)

#### Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before SRA?** Answer: Yes

#### • **Earliest eligibility**

Varies by **eligibility track**:

##### Eligibility Track 1: Regular old-age pension

- Early eligibility not available

##### Eligibility Track 2: Long-term insured persons

- Age requirement: 63
- Must satisfy other requirements for full benefits

##### Eligibility Track 3: Severely disabled

- Age requirement: 60 gradually increasing to 62 (see Table 16 for age requirements by year)
- Must satisfy other requirements for full benefits

##### Eligibility Track 4: Women

- Age requirement: 60
- Must satisfy other requirements for full benefits

##### Eligibility Track 5: Unemployed workers or workers in part-time employment

- Age requirement: 60 gradually increasing to 63 (see Table 10 for age requirements by year based on the 2004 RV Sustainability Act)
- Must satisfy other requirements for full benefits

##### Eligibility Track 6: Particularly long-term insured persons

- Early eligibility not available

- **See the subsection *Adjustments for starting benefits before SRA (Early claiming or retirement)* within the *Benefits* section for details on the penalty applied for claiming at earliest eligibility.**

## Benefits

To receive a benefit, **does an individual have to claim it?** Answer: Yes

#### Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuitable

#### Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: No
- **Is the formula for computing benefit entitlement **progressive**?** Answer: No
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on **national income**?** Answer: Yes
- **Does an individual receive credits for military service (above any credits normally received for employment)?** Answer: No
- **Does an individual receive credits for number of children?** Answer: Yes
- **Does an individual receive credits for unemployment?** Answer: Yes

*Details:* The unemployment insurance system contributes to the pension scheme on behalf of the unemployed. During the first period of unemployment benefits (UB1, Arbeitslosengeld I), contributions are paid on the basis of 80% of previous gross earnings. The first period lasts between 6 and 24 months depending both on age and contribution years. Thereafter, the unemployed person moves to the second type of unemployment benefit (UB2, Arbeitslosengeld II), which is means-tested and paid at a lower rate. For this period, the unemployment insurance provides no financial contributions to the pension scheme. Only the first period of unemployment benefits (UB1) is credited for old-age pension.

- **Are future benefit entitlements adjusted for **cost of living**?** Answer: Yes

• **If so, what measure is used for adjustment?**

Pensions currently being paid are adjusted the same way as pension point values. The Old Age Assets Act 2001 introduced a complex new formula for annual adjustments to the pension point valuation based on lagged changes in gross income. It was further altered in 2005 by the Pension Income Sustainability Act, which introduced a sustainability factor to the annual adjustment of the pension point valuation. See [Formula 7](#) for this computation after 2004 and [Table 12](#) for reference values.

**Notes**

- Irrespective of the year of retirement all pensions are adjusted annually with the current pension point value at mid-year. Hence, the pension point value is set to be fix for the period July 1st in year  $t$  to June 30th in year  $t + 1$ .
- Due to existing differences in per capita income between the Western and the Eastern part of Germany, the pension-related contributory average income levels differ. Hence, the calculation of the pension point value distinguishes between both German regions by considering the respective average wages.

**Benefit formula for claiming at SRA**

**GRV** old-age pension benefits are based on a point system with insured individuals accruing points throughout their career. For each year of contribution an insured person receives pension points, which reflect the employees' relative earnings position in each year (see [Formula 1](#)). Contributing one year at the level of average earnings of contributors, which are approximately equal to the national average earnings, results in one pension point. At retirement, the pension points accrued over a person's work history are summed up. Adjustments to cumulative pension points are made for a number of lifecycle events:

- For low-income workers (less than 75% of the value of contributions for average earnings of all insured) with 35 years of coverage, the value of compulsory contributions paid before 1991 is increased to 1.5 times the value, up to a maximum of 75% of the value of contribution for average earnings of all insured persons.
- Mothers and fathers who are in employment during the first 10 years of their child's lives, but who earn less than the average (for instance because they work part-time), receive a higher pension evaluation than actual earnings for these periods. The value of contributions paid after 1992 is increased by 50%, to a maximum of the average income, if the carer can show at least 25 contributory years.
- Parents born in 1921 (West Germany) or 1927 (East Germany) or later are credited with the first 12 months (36 months for children born from 1992 onwards) after the birth of a child, if they stayed at home to care for the child. If no gainful employment is carried out due to the simultaneous care of two or more children aged under 10, a pension credit is granted as compensation. This credit corresponds to the maximum additional pension entitlement that can be attained by working with below-average earnings while caring for a child.

The individual pension benefit on and after retirement is based on the cumulative pension points multiplied by the pension point value in that year. The pension point value is adjusted in relation to the gross wage growth. See [Formula 2](#) for computational details.

For detailed reference tables used in the calculation of benefits, see:

- [Table 2](#) for pension contribution limit and national average earnings by year for East and West Germany
- [Table 3](#) for states in East and West Germany
- [Table 4](#) for pension point value by year for East and West Germany

**Notes**

1. Due to existing differences in per capita income between the Western and the Eastern part of Germany, the pension-related contributory average income levels differ. Hence, the calculation of the pension point value distinguishes between both German regions by considering the respective average wages.
2. The state of Berlin, the result of a merger between East and West Berlin, is usually not considered one of the newly established states in East Germany although many of its residents are former East Germans.

**Adjustments for starting benefits before SRA (Early claiming or retirement)**

- **Are benefits reduced for starting benefits before SRA?** Answer: Yes
- **Is so, what is the earliest eligibility?**  
Varies by [eligibility track](#):

[Eligibility Track 1](#): Regular old-age pension

- Early eligibility not available

[Eligibility Track 2](#): Long-term insured persons

- Age requirement: 63
- Must satisfy other requirements for full benefits

**Eligibility Track 3:** Severely disabled

- Age requirement: 60 gradually increasing to 62 (see [Table 16](#) for age requirements by year)
- Must satisfy other requirements for full benefits

**Eligibility Track 4:** Women

- Age requirement: 60
- Must satisfy other requirements for full benefits

**Eligibility Track 5:** Unemployed workers or workers in part-time employment

- Age requirement: 60 gradually increasing to 63 (see [Table 10](#) for age requirements by year based on the 2004 RV Sustainability Act)
- Must satisfy other requirements for full benefits

**Eligibility Track 6:** Particularly long-term insured persons

- Early eligibility not available

• **Adjustment formula**

Individuals satisfying all of the following conditions can start their benefits:

1. non-age requirements within at least one [eligibility track](#) in the *Eligibility* section
2. age eligibility conditions for starting benefits early within the same eligibility track

However, their benefits will be permanently reduced by 0.3% for each calendar month the pension is taken before the [SRA](#) (3.6% per year). See [Formula 5](#) for computational details.

**Adjustments for starting benefits after SRA (Delayed claiming or retirement)**

- **Are benefits increased for starting benefits after SRA?** Answer: Yes
- **If so, what is the latest claiming age where benefits are adjusted?** Answer: No age limit on benefit adjustment for deferring the start of old-age pension benefits
- **Adjustment formula**  
Postponing the start of benefits after the [SRA](#) will permanently increase benefits by 0.5% for each calendar month the pension is not taken (6% per year). See [Formula 3](#) for computational details.

**Adjustments for starting benefits and continuing to work (Earnings Test)**

- **Are benefits reduced or eliminated while working?** Answer: Yes, benefits are reduced while working before the standard retirement age (see [Table 5](#) for standard retirement ages by birth year)
- **Adjustment formula**  
Before 2017  
Before the standard retirement age ([Table 5](#)), if earnings exceed a lower threshold, then benefits are reduced by 33%, 50%, 66%, or 100% depending on current earnings relative to the earnings level in the three years prior to starting benefits. See [Formula 6](#) for computational details and [Table 6](#) for reference values. After the standard retirement age, benefits are not reduced based on current earnings.  
  
2017 – 2022  
Before the standard retirement age ([Table 5](#)), if earnings exceed a lower threshold, then benefits are reduced by 0.40€ for every 1€ of earnings. If earnings exceed an upper threshold, then benefits are further reduced. The upper threshold is the best number of pension points accrued in a single calendar year in the 15 years prior to starting benefits. See [Formula 8](#) for computational details and [Table 6](#) for reference values. After the standard retirement age, benefits are not reduced based on current earnings.  
  
From 2023  
No earnings test.
- **If benefits are reduced while working, does it effect future benefits?** Answer: No

**Additional Benefit Adjustments**

- **Adjustment 1:** Caregivers
- **Adjustment 1 details:** Certain caregivers receive pension credits in the form of paid contributions for providing unpaid care of at least 14 hours a week. The caregiver must have a caregiving allowance below a certain threshold and not have more than 30 hours of paid employment a week.
- **Adjustment 2:** Childcare
- **Adjustment 2 details:** For births since 1992, a parent providing care to a child aged 0 to 3 receives one pension point each year

for up to three years; for births before 1992, up to two years. For parents with at least 25 years of paid or credited contributions who continue to work part time while providing care to a child aged 0 to 10, the value of contributions paid is increased to 1.5 times the value, up to the value of contributions for average earnings of all insured persons; nonworking parents providing care to at least two children aged 10 or younger receive 0.33 pension points per year.

Also, carers who are in employment during the first 10 years of their child's lives, but who earn less than the average (e.g. because they work part-time), receive pension point credit equivalent to an increase of 50% for these periods.

## Tables and Formulas

**Table 1: Contribution Rates by Year**

Period	GRV Employer/Employee	GRV Self-employed
1991 - 1992	8.85 %	17.70 %
1993	8.75	17.50
1994	9.60	19.20
1995	9.30	18.60
1996	9.60	19.20
1997 - 1998	10.15	20.30
1999	9.75	19.50
2000	9.65	19.30
2001 - 2002	9.55	19.10
2003 - 2006	9.75	19.50
2007 - 2011	9.95	19.90
2012	9.80	19.60
2013 - 2014	9.45	18.90
2015 - 2017	9.35	18.70
2018 - 2023	9.30	18.60

Source: DRV (2023b, p. 4-5)

### Formula 1: Computation of Pension Points

$$pp_{i,t} = \frac{\text{earnings}_{i,t}}{\text{avgearn}_t}$$

- $pp_{i,t}$  = Individual  $i$ 's pension points in year  $t$
- $\text{earnings}_{i,t}$  = Individual  $i$ 's earnings in year  $t$  up to a limit (see Table 2 for contribution limit by East/West Germany and Table 3 for states in East and West Germany)
- $\text{avgearn}_t$  = Average nationwide earnings of all contributions in year  $t$  (see Table 2 for average national earnings by East/West Germany)

Source: §70 of SGB VI (BMJV, 2023)



**Formula 2: GRV Pension Benefit at SRA**

$$B_{OA,i,t} = ppv_t \times \sum_{s=\text{year of first GRV contribution}}^t pp_{i,s}$$

- $B_{OA,i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if benefit started at SRA
- $pp_{i,s}$  = Individual  $i$ 's pension points in year  $s \leq t$  (see [Formula 1](#) for computational details)
- $ppv_t$  = Pension point value in year  $t$  (see [Table 4](#) for pension point values by year)

Source: §64, 67 of SGB VI ([BMJV, 2023](#))

**Table 2: Pension contribution limit and average nation-wide earnings**

Year	Pension contribution limit (maximum earnings), Western Germany	Pension contribution limit (maximum earnings), Eastern Germany	Average gross earnings, Western Germany	Average gross earnings, Eastern Germany
1992	DM 81,600	DM 57,600	DM 46,820	DM 32,530
1993	86,400	63,600	48,178	36,507
1994	91,200	70,800	49,142	38,734
1995	93,600	76,800	50,665	41,134
1996	96,000	81,600	51,678	42,328
1997	98,400	85,200	52,143	43,133
1998	100,800	84,000	52,925	43,693
1999	102,000	86,400	53,507	44,389
2000	103,200	85,200	54,256	45,101
2001	104,400	87,600	55,216	46,002
2002	54,000 €	45,000 €	28,626 €	23,910 €
2003	61,200	51,000	28,938	24,230
2004	61,800	52,200	29,060	24,354
2005	62,400	52,800	29,202	24,690
2006	63,000	52,800	29,494	24,937
2007	63,000	54,600	29,951	25,294
2008	63,600	54,000	30,625	25,828
2009	64,800	54,600	30,506	26,046
2010	66,000	55,800	31,144	26,528
2011	66,000	57,600	32,100	27,342
2012	67,200	57,600	33,002	28,003
2013	69,600	58,800	33,659	28,616
2014	71,400	60,000	34,514	29,587
2015	72,600	62,400	35,363	30,745
2016	74,400	64,800	36,187	31,701
2017	76,200	68,400	37,077	32,598
2018	78,000	69,600	38,212	33,700
2019	80,400	73,800	39,301	36,256
2020	82,800	77,400	39,167	36,605
2021	85,200	80,400	40,463	38,317
2022	84,600	81,000	38,901 (provisional)	37,333 (provisional)
2023	87,600	85,200	43,142 (provisional)	41,967 (provisional)

**Sources:** Pension contribution limit reported in Annex 2 for West Germany and Annex 2a for East Germany of SGB VI ([BMJV, 2023](#)); Average gross earnings, Western Germany, reported in Annex 1 of SGB VI ([BMJV, 2023](#)); Conversion rate for average gross earnings from West to East Germany reported in Annex 10 of SGB VI ([BMJV, 2023](#))

**Table 3: States in East and West Germany**

Region	States
East Germany (5 states)	Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt, Thuringia
West Germany (10 states)	Baden-Württemberg, Bavaria, Bremen, Hamburg, Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Schleswig-Holstein

**Table 4: Pension Point Value by Year**

Reference Year	Pension point value, Western Germany	Pension point value, Eastern Germany
January 1992 - June 1992	DM 41.44	DM 23.57
July 1992 - December 1992	42.63	26.57
January 1993 - June 1993	42.63	28.19
July 1993 - December 1993	44.49	32.17
January 1994 - June 1994	44.49	33.34
July 1994 - December 1994	46.00	34.49
January 1995 - June 1995	46.00	35.45
July 1995 - December 1995	46.23	36.33
January 1996 - June 1996	46.23	37.92
July 1996 - December 1996	46.67	38.38
1997	47.44	40.51
1998	47.65	40.87
1999	48.29	42.01
2000	48.58	42.26
2001	49.51	43.15
2002	25.86 €	22.70 €
2003	26.13	22.97
2004	26.13	22.97
2005	26.13	22.97
2006	26.13	22.97
2007	26.27	23.09
2008	26.56	23.34
2009	27.20	24.13
2010	27.20	24.13
2011	27.47	24.37
2012	28.07	24.92
2013	28.14	25.74
2014	28.61	26.39
2015	29.21	27.05
2016	30.45	28.66
2017	31.03	29.69
2018	32.03	30.69
2019	33.05	31.89
2020	34.19	33.23
2021	34.19	33.47 <sup>1</sup>
2022	36.02	35.52
2023	37.60	37.60

**Source:** Deutsche Rentenversicherung (2023a, p. 16-17).

**Note:** Unless otherwise noted, pension point values are effective from July of the reference period's year to June of the year after.

<sup>1</sup> In 2021, there would not be an annual pension adjustment according to [Formula 7](#). As a result, §255a of SGB IV ([BMJV, 2023](#)) applies. This section mandates the convergence of pension point values by July 2023 and places a minimum difference between West and East pension point values. For 2021, this value was 0.979, which led to an increase from 33.23€ to 33.47€ for states in East Germany.

**Formula 3: GRV Pension Benefit If Started After SRA (Delayed Claiming)**

$$B_{OA(delay),i,t} = (1 + 0.005 \times n) \times B_{OA,i,t}$$

- $B_{OA(delay),i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if  $i$  started benefits  $n$  months after SRA
- $B_{OA,i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if benefit started at SRA
- $n$  = Number of months after SRA that benefits start

Source: §77 of SGB VI (BMJV, 2023)

**Table 5: Statutory Retirement Age (SRA) by Birth Year for Regular Old-Age Pension (Eligibility Track 1)**

Birth Year	SRA
Before 1947	65 years
1947 - 1957	Varies, increases by one month per year. <b>Formula:</b> $y$ months + 65 years where $y$ is the number of years a person was born after 1946 <b>Example:</b> $y = 6$ if a person was born in January 1952, so they would be eligible at age 65 and 6 months (July 2017)
1958	66 years
1959-1963	Varies, increases by two months per year. <b>Formula:</b> $2 \times y$ months + 66 years where $y$ is the number of years a person was born after 1958 <b>Example:</b> $y = 4$ if a person was born in January 1960, so they would be eligible at age 66 and 4 months (May 2026)
After 1963	67 years

Source: §235 of SGB VI (BMJV, 2023).

**Formula 4: Reduced Pension Benefit if Working Before SRA (Earnings Test), 1992-1999**

$$B_{OA(work),i,t} = \begin{cases} B_{OA,i,t} & \text{if } EARN_{i,t} \leq ELB_t \\ \frac{2}{3} \times B_{OA,i,t} & \text{if } ELB_t < EARN_{i,t} \leq BP1_t \\ \frac{1}{2} \times B_{OA,i,t} & \text{if } BP1_t < EARN_{i,t} \leq BP2_t \\ \frac{1}{3} \times B_{OA,i,t} & \text{if } BP2_t < EARN_{i,t} \leq EUB_t \\ 0 & \text{if } EUB_t < EARN_{i,t} \end{cases}$$

- $B_{OA(work),i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if  $i$  is receiving income from work and  $i$  is below age 65
- $B_{OA,i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  (see [Formula 2](#)). If the GRV benefit started before SRA, then the reduced benefit applies ([Formula 5](#) for computational details).
- $EARN_{i,t}$  = Individual  $i$ 's monthly earnings in year  $t$
- $ELB_t$  = The lower bound on earnings from work per month in year  $t$  (see [Table 6](#) for values by year)
- $BP1_{i,t}$  = Individual  $i$ 's first earnings break point per month in year  $t$

$$BP1_{i,t} = 35 \times pp1_i \times ppv_t$$

- $pp1_i$  = Individual  $i$ 's cumulative pension points earned in the last calendar year preceding the start of benefits (see [Formula 1](#) for computation of pension points). If this value is less than 0.5, then  $pp1_i = 0.5$ .
- $ppv_t$  = Pension point value in year  $t$  (see [Table 4](#) for pension point values by year)

- $BP2_{i,t}$  = Individual  $i$ 's second earnings break point per month in year  $t$

$$BP2_{i,t} = 52.5 \times pp1_i \times ppv_t$$

- $EUB_{i,t}$  = Individual  $i$ 's upper earnings limit per month in year  $t$

$$EUB_{i,t} = 70 \times pp1_i \times ppv_t$$

**Source:** §34 of SGB VI as amended January 1, 1992 ([DRV, 2022a](#))

**Note:** These thresholds are applied on a monthly basis, however, policy permitted earnings to exceed these the bounds and breakpoints twice per year. Therefore, to convert these monthly measures to annual measures, the thresholds and breakpoints should be multiplied by 14.

**Table 6: Additional Earnings Thresholds by Year (1992 - 2023)**

Period	Earnings Lower Bound (Additional Income Limit)	Monthly Reference Value West Germany	Monthly Reference Value East Germany
1992	DM 500 <sup>1</sup>	DM 3,500	DM 2,100
1993	530 <sup>1</sup>	3,710	2,730
1994	560 <sup>1</sup>	3,920	3,080
1995	580 <sup>1</sup>	4,060	3,290
1996	590 <sup>1</sup>	4,130	3,500
1997	610 <sup>1</sup>	4,270	3,640
1998	620 <sup>1</sup>	4,340	3,640
January 1999 - March 1999	630 <sup>1</sup>	4,410	3,710
April 1999 - December 1999	630	4,410	3,710
2000	630	4,480	3,640
2001	630	4,480	3,780
2002	325 €	2,345 €	1,960 €
January 2003 - March 2003	325	2,380	1,995
April 2003 - December 2003	340 <sup>1</sup>	2,380	1,995
2004	345 <sup>1</sup>	2,415	2,030
2005	345 <sup>1</sup>	2,415	2,030
2006	350 <sup>1</sup>	2,450	2,065
2007	350 <sup>1</sup>	2,450	2,100
2008	400	2,485	2,100
2009	400	2,520	2,135
2010	400	2,555	2,170
2011	400	2,555	2,170
2012	400	2,625	2,240
2013	450	2,695	2,275
2014	450	2,765	2,345
2015	450	2,835	2,415
2016	450	2,905	2,520
January 2017 - June 2017	450	2,975	2,660
July 2017 - December 2017	6,300	2,975	2,660
2018	6,300	3,045	2,695
2019	6,300	3,115	2,870
2020	44,590 <sup>2</sup>	3,185	3,010
2021	46,060 <sup>2</sup>	3,290	3,115
2022	46,060 <sup>2</sup>	3,290	3,150
2023	not applicable	3,395	3,290

**Source:** DRV (2022b, p. 2, 31; 2023b, p. 2)

**Notes:** (1) During these periods, the monthly earnings lower bound was 1/7 of the monthly reference value. This computation is based on §34 of SGB VI as amended during this period. (2) Increases in 2020 and 2021 are temporary and in response to the coronavirus pandemic. The additional income limit is no longer applicable from January 1, 2023 as the earnings test was eliminated.

**Table 7: Statutory Retirement Age (SRA) by Birth Date for Long-Term Insured (Eligibility Track 2) from 1997**

Birth Date	SRA
Before 1937	63 years
January 1937 - November 1938	Varies, increases by one month per month. <b>Formula:</b> $m$ months + 63 years where $m$ is the number of months a person was born after December 1936 <b>Example:</b> $y = 14$ if a person was born in February 1938, so they would be eligible at age 64 and 2 months (April 2002)
After November 1938	65 years

**Source:** Annex 21 in [BMJV \(1996\)](#)**Table 8: Statutory Retirement Age (SRA) by Birth Date for Women's Old-Age Pension (Eligibility Track 4)**

Birth Year and Month	Statutory Retirement Age (Full Benefits)
Before 1939	60 years
January 1940 - November 1944	Varies, increases by one month per month. <b>Formula:</b> $m + 60$ years where $m$ is the number of months a person was born after December 1939 <b>Example:</b> $m = 14$ if a person was born in February 1941, so she would be eligible at age 61 and 2 months (April 2002)
December 1944 - December 1951	65 years
After 1951	Women's old-age pension eligibility track eliminated as part of the 1999 pension reform

**Source:** §237a and Annex 20 of SGB VI ([BMJV, 2023](#))**Table 9: Statutory Retirement Age (SRA) by Birth Date for Unemployed and Part-Time Workers (Eligibility Track 5)**

Birth Year and Month	Statutory Retirement Age (Full Benefits)
Before 1937	60 years
January 1937 - November 1941	Varies, increases by one month per month. <b>Formula:</b> $m + 60$ years where $m$ is the number of months a person was born after December 1936 <b>Example:</b> $m = 26$ if a person was born in February 1939, so she would be eligible at age 62 and 2 months (April 2001)
December 1941 - December 1951	65 years
After 1951	Unemployed or part-time worker old-age pension eligibility track eliminated as part of the 1999 pension reform

**Source:** §237 and Annex 19 of SGB VI ([BMJV, 2023](#))

**Table 10: Earliest Eligibility Age by Birth Date for Unemployed and Part-Time Workers (Eligibility Track 5) from July 2004**

Birth Year and Month	Earliest Eligibility Age (Reduced Benefits)
Before 1946	60 years
January 1946 - November 1948	Varies, increases by one month per month. <b>Formula:</b> $m + 60$ years where $m$ is the number of months a person was born after December 1945 <b>Example:</b> $m = 26$ if a person was born in February 1948, so they would be eligible at age 62 and 2 months (April 2010)
December 1948 - December 1951	63 years
After 1951	Unemployed or part-time worker old-age pension eligibility track eliminated

**Source:** Annex 19 of SGB VI (BMJV, 2023)

**Formula 5: GRV Pension Benefit If Started Before SRA (Early Claiming)**

$$B_{OA(early),i,t} = (1 - 0.003 \times n) \times B_{OA,i,t}$$

- $B_{OA(early),i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if  $i$  started benefits  $n$  months before SRA
- $B_{OA,i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if benefit started at SRA
- $n$  = Number of months that fall short of SRA

**Source:** §77 of SGB VI (BMJV, 2023)



**Formula 6: Reduced Pension Benefit if Working Before SRA (Earnings Test), 2000-2007**

$$B_{OA(work),i,t} = \begin{cases} B_{OA,i,t} & \text{if } EARN_{i,t} \leq ELB_t \\ \frac{2}{3} \times B_{OA,i,t} & \text{if } ELB_t < EARN_{i,t} \leq BP1_t \\ \frac{1}{2} \times B_{OA,i,t} & \text{if } BP1_t < EARN_{i,t} \leq BP2_t \\ \frac{1}{3} \times B_{OA,i,t} & \text{if } BP2_t < EARN_{i,t} \leq EUB_t \\ 0 & \text{if } EUB_t < EARN_{i,t} \end{cases}$$

- $B_{OA(work),i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if  $i$  is receiving income from work and  $i$  is below age 65
- $B_{OA,i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  (see [Formula 2](#)). If the GRV benefit started before SRA, then the reduced benefit applies ([Formula 5](#) for computational details).
- $EARN_{i,t}$  = Individual  $i$ 's monthly earnings in year  $t$
- $ELB_t$  = The lower bound on earnings from work per month in year  $t$  (see [Table 6](#) for values by year)
- $BP1_{i,t}$  = Individual  $i$ 's first earnings break point per month in year  $t$

$$BP1_{i,t} = 11.7 \times pp3_i \times ppv_t$$

- $pp3_i$  = Individual  $i$ 's cumulative pension points earned in the last 3 calendar years preceding the start of benefits (see [Formula 1](#) for computation of pension points). If this value is less than 1.5, then  $pp3_i = 1.5$ .
- $ppv_t$  = Pension point value in year  $t$  (see [Table 4](#) for pension point values by year)

- $BP2_{i,t}$  = Individual  $i$ 's second earnings break point per month in year  $t$

$$BP2_{i,t} = 17.5 \times pp3_i \times ppv_t$$

- $EUB_{i,t}$  = Individual  $i$ 's upper earnings limit per month in year  $t$

$$EUB_{i,t} = 23.3 \times pp3_i \times ppv_t$$

**Source:** §34 of SGB VI as amended January 1, 2000 ([DRV, 2022a](#))

**Note:** These thresholds are applied on a monthly basis, however, policy permitted earnings to exceed these the bounds and breakpoints twice per year. Therefore, to convert these monthly measures to annual measures, the thresholds and breakpoints should be multiplied by 14.

**Table 11: Statutory Retirement Age (SRA) by Birth Date for Severely Disabled (Eligibility Track 3) from 2001**

Birth Date	SRA
Before 1941	60 years
January 1941 - November 1943	Varies, increases by one month per month. <b>Formula:</b> $m$ months + 60 years where $m$ is the number of months a person was born after December 1940 <b>Example:</b> $y = 14$ if a person was born in February 1942, so they would be eligible at age 61 and 2 months (April 2003)
After November 1943	63 years

**Source:** Annex 22 in [Bundesgesetzblatt \(2000\)](#)

**Formula 7: Annual Pension Adjustment After 2004**

$$ppv_t = ppv_{t-1} \times wf_{t-1} \times cf_{t-1} \times sf_{t-1}$$

- $ppv_t$  = Pension point value in year  $t$  (see [Table 4](#) for pension point values by year)
- $wf_{t-1}$  = wage factor in year  $t-1$  (see [Table 12](#) for values by year for East/West Germany and [Table 3](#) for states in East and West Germany)
- $cf_{t-1}$  = contribution factor in year  $t-1$  (see [Table 12](#) for values by year)
- $sf_{t-1}$  = sustainability factor in year  $t-1$  (see [Table 12](#) for values by year)

**Source:** §68 of SGB VI ([BMJV, 2023](#))

**Table 12: Indexation Factors by Year**

Year	Wage factor, Western Germany	Wage factor, Eastern Germany	Contribution factor (Beitragssatzfaktor)	Sustainability factor (Nachhaltigkeitsfaktor)
2005	1.0012	1.0021	.9938	.9939
2006	1.0012	1.0021	.9938	.9939
2007	1.0012	1.0021	.9938	.9939
2008	1.0012	1.0021	.9938	.9939
2009	1.0012	1.0021	.9938	.9939
2010	.9904	1.0061	.9936	.9949
2011	.9904	1.0061	.9936	.9949
2012	1.0295	1.0228	.9935	1.0209
2013	1.0150	1.0432	.9974	.9928
2014	1.0138	1.0178	1.0092	.9981
2015	1.0208	1.0250	1.0000	1.0001
2016	1.0378	1.0548	1.0026	1.0018
2017	1.0206	1.0374	1.0000	.9986
2018	1.0293	1.0306	1.0000	1.0029
2019	1.0293	1.0299	1.0013	1.0064
2020	1.0328	1.0383	1.0000	1.0017
2021	0.9766	0.9986	1.0000	0.9908
2022	1.0580	1.0532	1.0000	1.0076
2023	1.0450	1.0678	1.0000	0.9990

**Source:** For 2005 - 2021, based on authors' review of annual ordinances for determining the pension values in the statutory pension insurance ([Bundesrat, 1992-2021](#)). For 2022-23, from annual publications on adjustment factors —see [DRV \(2023c\)](#) for an example.

**Table 13: Statutory Retirement Age (SRA) by Birth Date for Long-Term Insured (Eligibility Track 2) from 2007**

Birth Date	SRA
Before 1937	63 years
January 1937 - November 1938	Varies, increases by one month per month. <b>Formula:</b> $m$ months + 63 years where $m$ is the number of months a person was born after December 1936 <b>Example:</b> $y = 14$ if a person was born in February 1938, so they would be eligible at age 64 and 2 months (April 2002)
December 1938 - December 1948	65 years
January 1949	65 years and 1 month
February 1949	65 years and 2 months
March - December 1949	65 years and 3 months
1950 - 1957	Varies, increases by one month per year. <b>Formula:</b> $y$ months + 65 years where $y$ is the number of years a person was born after 1946 <b>Example:</b> $y = 6$ if a person was born in January 1952, so they would be eligible at age 65 and 6 months (July 2017)
1958	66 years
1959-1963	Varies, increases by two months per year. <b>Formula:</b> $2 \times y$ months + 66 years where $y$ is the number of years a person was born after 1958 <b>Example:</b> $y = 4$ if a person was born in January 1960, so they would be eligible at age 66 and 4 months (May 2026)
After 1963	67 years

**Source:** Annex 21 in [BMJV \(1996\)](#); §236 of SGB VI ([BMJV, 2023](#))

**Table 14: Statutory Retirement Age (SRA) by Birth Date for Severely Disabled (Eligibility Track 3) from 2007**

Birth Date	SRA
Before 1941	60 years
January 1941 - November 1943	Varies, increases by one month per month. <b>Formula:</b> $m$ months + 60 years where $m$ is the number of months a person was born after December 1940 <b>Example:</b> $y = 14$ if a person was born in February 1942, so they would be eligible at age 61 and 2 months (April 2003)
December 1943 - December 1952	63 years
January 1952	63 years and 1 month
February 1952	63 years and 2 months
March 1952	63 years and 3 months
April 1952	63 years and 4 months
May 1952	63 years and 5 months
June - December 1952	63 years and 6 months
1953 - 1957	Varies, increases by one month per year. <b>Formula:</b> $y$ months + 63 years where $y$ is the number of years a person was born after 1946 <b>Example:</b> $y = 9$ if a person was born in January 1955, so they would be eligible at age 63 and 9 months (October 2018)
1958	64 years
1959-1963	Varies, increases by two months per year. <b>Formula:</b> $2 \times y$ months + 64 years where $y$ is the number of years a person was born after 1958 <b>Example:</b> $y = 4$ if a person was born in January 1960, so they would be eligible at age 64 and 4 months (May 2024)
After 1963	65 years

**Source:** Annex 22 in [Bundesgesetzblatt \(2000\)](#); §236a of SGB VI ([BMJV, 2023](#))

**Table 15: Statutory Retirement Age (SRA) by Birth Year for the Particularly Long-Term Insured (Eligibility Track 6) from July 2014**

Birth Date	SRA
Before 1953	63 years
1953 - 1963	Varies, increases by two months per year. <b>Formula:</b> $2 \times y$ months + 63 years where $y$ is the number of years a person was born after 1952 <b>Example:</b> $y = 16$ if a person was born in January 1960, so they would be eligible at age 64 and 4 months (May 2024)
After 1963	65 years

**Source:** §236b of SGB VI ([BMJV, 2023](#))

**Table 16: Earliest Eligibility Age by Birth Date for Severely Disabled (Eligibility Track 3) from 2007**

Birth Date	Earliest Eligibility Age (Reduced Benefits)
Before 1952	60 years
January 1952	60 years and 1 month
February 1952	60 years and 2 months
March 1952	60 years and 3 months
April 1952	60 years and 4 months
May 1952	60 years and 5 months
June - December 1952	60 years and 6 months
1953 - 1957	Varies, increases by one month per year. <b>Formula:</b> $y$ months + 60 years where $y$ is the number of years a person was born after 1946 <b>Example:</b> $y = 9$ if a person was born in January 1955, so they would be eligible at age 60 and 9 months (October 2015)
1958	61 years
1959-1963	Varies, increases by two months per year. <b>Formula:</b> $2 \times y$ months + 61 years where $y$ is the number of years a person was born after 1958 <b>Example:</b> $y = 4$ if a person was born in January 1960, so they would be eligible at age 61 and 4 months (May 2021)
After 1963	62 years

**Source:** §236a of SGB VI (BMJV, 2023)**Formula 8: Reduction in Pension Benefit if Working Before SRA (Earnings Test), July 2017 - December 2022**

$$B_{OA(work),i,t} = \begin{cases} B_{OA,i,t} & \text{if } EARN_{i,t} \leq \frac{ELB_t}{12} \\ \max\left\{B_{OA,i,t} - 0.4 \times \left(EARN_{i,t} - \frac{ELB_t}{12}\right), 0\right\} & \text{if } \frac{ELB_t}{12} < EARN_{i,t} \leq EUB_{i,t} \\ \max\left\{EUB_t - \left(B_{OA,i,t} - 0.4 \times \left(EARN_{i,t} - \frac{ELB_t}{12}\right)\right), 0\right\} & \text{if } EUB_t < EARN_{i,t} \end{cases}$$

- $B_{OA(work),i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  if  $i$  is receiving income from work and  $i$  is still below his or her SRA
- $B_{OA,i,t}$  = Individual  $i$ 's own monthly old-age benefit from GRV in year  $t$  (see [Formula 2](#)). If the GRV benefit started before SRA, then the reduced benefit applies ([Formula 5](#) for computational details).
- $EARN_{i,t}$  = Individual  $i$ 's monthly earnings in year  $t$
- $ELB_t$  = The lower bound on earnings from work in year  $t$  (this is an annual measure; see [Table 6](#) for values by year)
- $EUB_{i,t}$  = Individual  $i$ 's upper earnings limit in year  $t$

$$EUB_{i,t} = bestpp15_i \times MRV_t$$

- $bestpp15_i$  = Individual  $i$ 's greatest number of pension points accrued in a calendar year in the 15 years preceding the start of benefits (see [Formula 1](#) for computation of pension points).
- $MRV_t$  = Monthly reference value in year  $t$  (see [Table 6](#) for monthly reference values by year for West and East Germany)

**Source:** §34 of SGB VI (DRV, 2022a)

## Sources

This section records key sources consulted when we collected the institutional details reported in this document. Archived versions of these sources are available at the Gateway Policy Explorer website (<http://g2aging.org/policy-explorer>).

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Bundesministerium der Justiz und für Verbraucherschutz [BMJV, Federal Ministry of Justice and Consumer Protection] (2023). Sozialgesetzbuch Sechstes Buch, Gesetzliche Rentenversicherung [SGB VI, Social Code Sixth Book, Statutory Pension Insurance]. Available only in German. As of August 15, 2023. [\[Link\]](#)

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Deutsche Rentenversicherung [DRV, German Pension Insurance] (2022a) §34 SGB VI: Prerequisites for entitlement to a pension and additional earnings limit. *rvRecht - legal portal of the German pension insurance*. Available only in German. [\[Link\]](#)

—(2022b). Zahlen und Tabellen der gesetzlichen Rentenversicherung – Werte West (ohne Knappschaft) – 01.01. - 30.06.2022 [Figures and tables of the statutory pension insurance - values west (without miners' union) January to June 2022]. [\[Link\]](#)

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—(2023d). Sozialgesetzbuch (SGB) Sechstes Buch (VI) - Gesetzliche Rentenversicherung [Social Code (SGB) Sixth Book (VI) - Statutory Pension Insurance]. *rvRecht - legal portal of the German pension insurance*. Available only in German. As of August 16, 2023. [\[Link\]](#)

## Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

**Annuitable System:** A pension system that provides a periodic payment for life after the benefit begins.

**Cash Balance System:** A pension system that provides each individual an account that is drawn down over time.

**Claimable Benefit:** A pension where the beneficiary must actively file a claim for benefits with the government's pension authority.

**Cost-of-Living Adjustments (COLA):** Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

**Earliest eligibility:** Earliest age and/or years of contributions required to be eligible to start receipt of a particular type of benefit. Earliest eligibility is the same as statutory eligibility in countries where there is no benefit penalty for claiming before the statutory retirement age.

**Eligibility Track 1:** Regular old-age pension (Regelaltersrente) is an eligibility track for unreduced old-age benefits that is based primarily on age with a minimal number of required contribution years.

**Eligibility Track 2:** Old-age pension for long-term insured persons (Altersrente für langjährig Versicherte) is an eligibility track for unreduced old-age benefits that permits starting benefits at an earlier age than eligibility track 1 if the person has 35 GRV contribution years.

**Eligibility Track 3:** Old-age pension for severely disabled (Altersrente für schwerbehinderte Menschen) is an eligibility track for unreduced old-age benefits that permits starting benefits at an earlier age than eligibility track 2 if the person has 35 GRV contribution years and is disabled.

**Eligibility Track 4:** Old-age pension for women (Altersrente für Frauen) is an eligibility track for unreduced old-age benefits that permits women to start benefits at an earlier age than eligibility track 1. In 2007, it is eliminated for women born after 1951.

**Eligibility Track 5:** Old-age pension for unemployed workers or workers in part-time employment (Altersrente wegen Arbeitslosigkeit oder nach Altersteilzeitarbeit) is an eligibility track for unreduced old-age benefits that permits individuals that are unemployed or working part-time to start benefits at an earlier age than eligibility track 1. In 2007, it is eliminated for persons born after 1951.

**Eligibility Track 6:** Old-age pension for particularly long-term insured persons (Altersrente für besonders langjährig Versicherte) is an eligibility track for unreduced old-age benefits that permits starting benefits at an earlier age than eligibility track 2 if the person has 45 contribution years. It was first introduced in 2012.

**Eligibility Track:** Requirements for an individual to start receiving an unreduced old-age pension benefit. An individual typically must satisfy only one eligibility track.

**FRG:** Federal Republic of Germany, also known as West Germany

**GDR:** German Democratic Republic, also known as East Germany

**GKV:** German statutory health insurance (Gesetzliche Krankenversicherung) regulated by the Fifth Book of the German Social Code (SGB V)

**GRV:** German compulsory old-age public pension system (Gesetzliche Rentenversicherung)

**Latest claiming age:** Latest age where a benefit may be claimed such that benefit payments are increased as an incentive for delaying the start of benefits past the statutory retirement age. Latest claiming age is the same as statutory retirement age in countries where there is no benefit to delayed claiming. Not applicable for non-claimable benefits.

**Lump Sum Benefit:** A pension system that provides an individual with a one-time or limited number of payments. Lump sum benefits are distinct from annuitable or cash balance benefits because they do not continue past a specified time frame. Lump sum benefits use varies by country, but they are sometimes used as death benefits, incentives to delay claiming, or payments to individuals with an insufficient contribution history to be eligible for annuitable benefits.

**National Income Measure:** In some pension systems, the benefit is dependent on a national income measure, such as average wages. We indicate a pension system depends on the national income measure if the benefit paid is determined by a national income measure (as opposed to an individual's earnings history). For example, the benefit level for the United Kingdom Basic State Pension depends on a level set by the government and does not depend on an individual's earnings. This distinction does not include systems that adjust annual benefits based on a national income measure or index past earnings using a national income measure.

**Progressive Benefit:** A benefit is progressive if people with lower earnings have a greater replacement rate for their contributions.

**Qualified Benefit:** A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

**Statutory Retirement Age (SRA):** The age at which individuals are eligible to receive their full benefit. In the United States, this is

known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

## Version information

*Current Version: 2.1 (August 2023)*

### Version History

- 1.0 (March 2021): First version
- 2.0 (May 2022): Content updated and references added
- 2.1 (August 2023): Updated format and values through 2023, revised eligibility track 6 (Chapter 4), and noted elimination of earnings test from 2023 (Chapter 4)

## Additional resources

The following resources provide additional details for the interested reader:

Deutsche Rentenversicherung (2023) *rvRecht - legal portal of the German pension insurance*.

Available at: <https://rvrecht.deutsche-rentenversicherung.de> [Full link embedded due to length]

Features: Provides current and historical versions to German pension insurance laws.

Other papers of interest include:

- European Commission (2019). Employment, Social Affairs & Inclusion, Germany: Pensions and Old-age Benefits.  
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