

## Pension problems

First, the good news. According to this year's iteration of the Melbourne Mercer Global Pension Index, India's pension system is more sustainable than that of economic heavyweights such as Germany, Japan and China. And its index value rose from 43.4 last year to 44.9 this year.

Now the bad news. India's pension system is still ranked 28 out of the 30 countries—accounting for 60% of the global population—covered by the index. Little wonder, when only 7.4% of the country's working age population is covered under a pension programme, as per the World Economic Forum.

According to the recent Committee on Household Finance report, 77% of Indian households have not planned for retirement or don't plan to retire at all. That means either a large burden on the public exchequer or a social and health crisis among older age cohorts in a couple of decades.

From greater formalization of the economy to strengthening the pension sector and diversifying pension offerings, addressing this problem is important.

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