



Paper

# Quality report on General Old Age Pensions Act (AOW) Statistics

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# 1. Introduction

The aim of this report is to explain the aim, process, method and publication policy in the production and use of the General Old Age Pensions Act (AOW) Statistics, hereafter called AOW-pensions Statistics, to the users. We also focus on the quality of the output. Measures that apply to all statistics are not addressed in this report. These are for instance measures to guarantee the confidentiality of the data and the quality of the output and processes. For further information see the Quality Declaration of Statistics Netherlands (2014g).

## 2. Tables

This report refers to the following StatLine tables:

[AOW-uitkeringen](#)

[AOW-uitkeringen naar regio](#)

For related tables see chapter 13.

## 3. Legislation

According to the Statistics Netherlands Act government institutions must supply their registrations to Statistics Netherlands when these are needed to make statistics (Central Government 2004). This is how the register data on AOW-pensions are obtained.

The agreement between Statistics Netherlands and the Social Security Bank (SVB), which implements social insurance schemes in the Netherlands, states that Statistics Netherlands must regularly receive SVB information about pensions paid within the framework of the AOW and other acts.

Statistics Netherlands collects and processes information about AOW-pensions to create statistics according to its own working programme.

## 4. Description of the statistics

### 4.1 General

The table shows the number of full and reduced pensions paid within the framework of the AOW.

The AOW is a general, compulsory insurance scheme for the whole population, which guarantees an income for people when they reach the state pension age (AOW-age). In the Dutch social security system this is a national insurance scheme.

In principle, everyone who has not yet reached the AOW-age and who lives in the Netherlands is insured for the AOW-pension. Those who do not live in the Netherlands, but who are employed in the Netherlands to do work on which income tax is paid, are also insured. People who work for periods abroad can insure themselves voluntarily against loss of entitlement to AOW- pension.

A person has the right to full AOW-pension if he or she was insured between the starting age for AOW-pension insurance and the AOW-age.

For every year between the starting age for AOW-pension insurance and the AOW-age in which a person did not live in the Netherlands and/or did not pay the AOW premium, the AOW pension is reduced by 2%.

The AOW-pensions are based on the net minimum wage. Different amounts apply to singles, single parents and people who are married or living together.

An AOW-pension can be transferred abroad within the framework of the Restriction on the Payment Abroad of Social Security Benefits Act (BEU Act).

## 4.2 Statistical unit

Subject measured

AOW-pensions Statistics focus on the number of AOW-pensions.

Measuring methodology

The monthly figures of the AOW-pensions Statistics are based on the number of AOW-pensions registered in the SVB administration for that month.

This methodology is often referred to as *registration methodology*.

## 4.3 Population

In the statistics on the number of AOW-pensions, the population consists of the people who received AOW-pensions at the end of the reporting period – both new and continued – or the people whose AOW-pensions were terminated during the reporting period.

## 4.4 Variables

The unit counted, *pensions* in the calculations of AOW-pensions, is broken down into personal characteristics of the recipients and the characteristics of AOW-pensions. The personal characteristics are sex, age, marital status, origin and country of residence. The key characteristic of the pensions is the distinction between a full and a reduced pension. A person has the right to full AOW-pension if he or she was insured between the starting age for AOW-pension insurance and the AOW-age. The years between the starting age for AOW-pension insurance and the AOW-age in which a person did not live in the Netherlands and/or did not pay the AOW premium result in a reduction in AOW-pension of 2% per year.

There is also a breakdown by region. When AOW-pensions are calculated, the municipality of residence of the recipient and the other regional breakdowns based on this come from the BAG register, which is a basic register of addresses and buildings. For pensions that are transferred abroad, the personal information from the SVB database are used, if no link can be made with the municipal population registers.

## 4.5 Classification systems

The figures are broken down into the following categories:

Sex, age, marital status, origin, country of residence of recipient, region (Netherlands, parts of the country, provinces, COROP areas, urban districts, urban conglomerates, RBA areas and municipalities) and pension characteristic 'full or reduced'.

It can occur that the value of one of these pension variables is unknown. In that case the pensions are included in the total, but not in the missing category. As there is no category 'Unknown' in the table, the total can be different from the sum of the categories.

## 4.6 Measuring unit

AOW-pensions.

## 4.7 Reporting period

Month. All numbers are end-of-period figures.

## 4.8 Time series

From 1947, when the Old Age Pensions (Emergency Provisions) Act (1947–1956) came into force, and the AOW (in force from 1957) to the present in a long time series.

From November 2006 to the present for the AOW-pensions.

From the fourth quarter of 2006 to the present for the AOW-pensions by region.

## 4.9 Country

A distinction is made between the Netherlands and abroad. The total for the Netherlands includes the number of pensions paid to people whose place of residence or place of abode in the Netherlands is unknown. So the total for the Netherlands is not the same as the sum of the regional categories. Abroad comprises countries in the EU, the EEA and countries with which there are agreements, excluding the Netherlands. Abroad includes the number of pensions paid to people whose country of residence is unknown. The total for the region equals the sum of the Netherlands and abroad.

The breakdown by country of residence concerns the top seven countries of residence, excluding the Netherlands. These are Belgium, Germany, Spain, Turkey, the United States of America, Canada and Australia.

# 5. Statistical process

## 5.1 Primary observation

Not applicable.

## 5.2 Secondary observation

Every month the SVB supplies data files about the number of AOW-pensions registered in the pensions administration at the end of that month.

## 5.3 Sampling

Not applicable. The SVB supplies an integral registration.

## 5.4 Response

The input is usually received within two weeks after the reporting period ended. If necessary a reminder is sent.

## 5.5 Editing

The files are edited automatically. The relevant fields are checked for the correct values. If the number of incorrect values detected is relatively high, a resubmission is requested. Inexplicable differences from the figures of the previous month are not accepted either.

## 5.6 Imputation

There is no need to impute data.

## 5.7 Outlier detection and handling

There is no need to engage in outlier detection and handling.

## 5.8 Weighting and raising

There is no weighting and raising because this is an integral observation.

## 5.9 Transformation

There is no need to change the meaning of the fields.

## 5.10 Linking

The data files are included in the System of Social Statistical Databases (SSB). At Statistics Netherlands the files on AOW-pensions are linked with the population register (BRP). The data on sex, date of birth and origin are copied from that. These data may deviate from the SVB input, but the population register is leading to ensure consistency within Statistics Netherlands. The files are also enriched with regional information from the BAG. It is possible to link data from other registers within the SSB for the purpose of new analyses.

## 5.11 Adjustments

There are no seasonal corrections, corrections for working days or similar.

# 6. External sources

During data processing the information from the pensions files are enriched with information from the population register (BRP) to determine the personal information such as the sex of the pension recipient. Furthermore, regional information from BAG is added to the pensions file.

# 7. Publication policy

The figures are published within one month after the reporting period has ended (on the last working day of the month at the latest). The two most recent reporting months are always provisional.

## 7.1 Frequency

Monthly.

## 7.2 News items

Not applicable.



### 7.3 Publications

Information about AOW-pensions can be found on the CBS website under the theme *Labour and social security* (CBS, 2014d).

The Statistical Yearbook contains information about the number of AOW-pension recipients (CBS, 2014e).

### 7.4 Microdata

Under specific conditions Statistics Netherlands may make microdata available for specific studies through the Centre for Policy Related Statistics to certain users who have obtained permission from the Central Commission for Statistics (CCS). Currently data files on AOW-pensions are available from 2007 onwards (2014k). A documentation report describes the contents and structure of the files on pensions paid to individuals under the AOW (2014c).

### 7.5 Revisions and adjustments

After two months the provisional figures become definite. Correction or revision of definite figures is only considered when calamities occur. This policy applies to all statistics on benefits/pension. This policy is laid down in an in-house protocol.

Corrections only take place sporadically because the input quality is closely monitored (intensive input checks). If needed the preferred option would be to postpone making the figures definite.

## 8. Quality management

During the statistical process there are several checks. One is a technical check of the values of the fields in the records. In another, specific developments over subsequent reporting periods are assessed. The third is a check that the data files are supplied on time. There is also a final check of the various quality aspects of the entire process.

## 9. Relevance

### 9.1 User needs

It may be interesting for internet users to know how many people in their neighbourhood receive AOW-pensions. This can be found in the key figures on municipalities *Kerncijfers Wijken en Buurten* (2014i).

## 9.2 Comprehensiveness

All statistics, tailor-made and general products and studies are published according to the Annual Plan of Statistics Netherlands (2014f).

Only if the source data are of insufficient quality there is no publication. This has never occurred with these statistics so far. Problems with the implementation of new or adjusted regulations may result in no publication or may cause a delay in publishing.

# 10. Accuracy

This is an integral observation: the input for the statistics are the SVB source files.

The main source of errors are missing or incorrect data in one or more variables in the administrative data. When entitlement to the pension is established, a record is made, but this can be incomplete or incorrect. This is adjusted later by the SVB. The Citizen Service Number may also be lacking or incorrect. When there is a relatively large number of mistakes, a resubmission is requested.

# 11. Comparability

## 11.1 Comparability between countries

The social security systems of the various countries are too different to compare the data directly. There are similar provisions within the EU countries, but the entitlements and amounts paid in old age pensions differ greatly.

## 11.2 Comparability in time

The figures from 1947 to the present are comparable to some extent. The data provide insight into the development of the total number of pensions under the Old Age Pensions (Emergency Provisions) Act (1947–1956) and the AOW (from 1957).

On 1 April 1985 the AOW, a general national insurance scheme aimed at providing an inflation-proof old age pension for people from the age of 65, was adjusted in line with the EC directives concerning equal treatment of men and women. Since then, a married man and a married woman each have an independent right to AOW-pension upon reaching the age of 65. The pension is set at 50% of the net minimum wage. Previously there was only a distinction between pensions for married and for unmarried couples. As a result, the figures from 1985 onwards cannot simply be compared with those of previous years.

The state pension age (AOW-age) is the age at which payment of AOW-pension begins. The AOW-age has been changing since 2013:

- Until 2013 the AOW-age was 65 years;
- On 1 January 2013 the AOW-age was raised to 65 years and one month;
- On 1 January 2014 the AOW-age was raised to 65 years and two months;
- In the coming years the AOW-age will increase further in stages. In 2019 the AOW-age will be 66 years and in 2023 it will be 67 years.

From 2024 the AOW-age will be linked to life expectancy.

A person's total insured period is determined by the total period that he or she was one of those insured under the AOW between his or her starting age for AOW-pension insurance and the AOW-age. Until 2013 the starting age was 15 years. This starting age is linked to AOW-age and has therefore been raised since 2013 and will continue to be raised in line with the rise in the AOW-age, given that the insured period is a maximum of 50 years:

- From 2013 the starting age was raised to 15 years and one month;
- From 2014 the starting age was raised further to 15 years and two months;

In the coming years the starting age, just as the AOW-age, will be raised further.

A recipient may be entitled to a supplement for a spouse/partner who has not yet reached the AOW-age, but the partner's income has an influence on the size of the supplement. This AOW-pension supplement was abolished from the start of 2015.

People born before 1942 can, on the basis of a transitional arrangement, be granted additional insured years for the period between their 15th birthday and 1 January 1957. Additional pension years can be granted if the person in question is a Dutch citizen, lives in the Netherlands and also lived in the Netherlands, the Netherlands Antilles or Aruba for 6 years following his or her 59th birthday, whether continuously or intermittently.

The tables in StatLine start in November 2006 for AOW-pensions. Before StatLine was introduced, there were various paper publications with detailed tables.

## 12. Coherence and consistency

### 12.1 Coherence of concepts

The following applies in the classifications used:

- For the variable 'sex' a Statistics Netherlands standard is used.
- For 'age classes' a Statistics Netherlands standard is used.
- For the variable 'marital status' a Statistics Netherlands standard is used.
- For the variable 'origin' a Statistics Netherlands standard is used.
- The variable 'country of residence' is specific for the AOW-pensions. The breakdown by country of residence concerns the top seven countries of residence, excluding the Netherlands. These are Belgium, Germany, Spain, Turkey, the United States of America, Canada and Australia.

- For the regions a Statistics Netherlands standard is used: the Netherlands, parts of the country, provinces, municipalities, COROP areas, urban districts, urban conglomerates, and RBA areas.
- The classification 'full' and 'reduced' is specific for the AOW-pensions.

## 12.2 Consistency between provisional and definite figures

In principle the provisional and definite figures are identical. After two months the provisional figures become definite. In case the figures have been resubmitted, the definite figures are based on those.

## 12.3 Consistency between short and long-term figures

The published annual figures in the StatLine table 'Time series on social security' are identical with the figures of 31 December. The key figures contain annual averages, which have been derived from the monthly figures by using consistent calculation methods.

## 12.4 Consistency with other statistics (plausibility)

These statistics do not give input for the National Accounts because these use a different measuring unit (euros and %) and different concepts. The National Accounts also take overhead costs into account. Consistency with the National Accounts is therefore not applicable.

## 12.5 Model consistency

Model consistency with other figures is not applicable.

## 12.6 Consistency between aggregates and microdata

After editing the microdata and the definite figures are consistent.

# Related tables

Below we mention some tables that also include figures on AOW-pensions.

Middle-long time series (key figures):

1. [Sociale zekerheid; kerncijfers uitkeringen naar uitkeringssoort](#)

This series covers the years 1998 to the present. These are also referred to as the key figures. Since November 2006 they have been monthly figures. Before that time they were quarterly figures.

Long time series:

2. [Tijdreeksen sociale zekerheid \(1905–heden\)](#)

This series covers the years 1905 to the present and contains annual figures on social security. There are figures on the old age pension from 1947, when the Old Age Pensions (Emergency Provisions) Act (1947–1956) came into force, and the AOW-pensions (in force from 1957) to the present.

Tailor-made table:

3. [Bruto uitgekeerde bedragen aan AOW-uitkering](#)

AOW-pension entitlements accrued:

4. [Opgebouwde AOW-rechten van personen tussen de 15 en 65 jaar](#)

The table shows the average number of insured years and the average accrual percentage for the AOW-pensions of residents of the Netherlands between the starting age for AOW-pensions insurance and the AOW-age, at the end of the reporting year.

The sector Government finances and Consumer prices (EOC) publishes financial data on the AOW-pension in the table [Overheid; sociale uitkeringen](#). There are conceptual differences with the financial data from the AOW-pensions Statistics. The publications by Government finances and Consumer prices also include overhead costs.

## Abbreviations and concepts

### **Number of pensions based on registration methodology**

Number of pensions recorded in the SVB administration at the end of the reporting month.

#### **AOW**

General Old Age Pension Act.

#### **BAG**

Basic registration of addresses and buildings.

#### **BRP**

Basic registration of persons.

#### **CBS**

Statistics Netherlands.

#### **CCS**

Central Commission for Statistics

#### **COROP (areas)**

The classification of areas consisting of 40 areas and 3 sub-areas by the COROP commission, which coordinates the regional studies program.

#### **EEA**

European Economic Area.

**EOC**

Government finances and Consumer prices.

**EU**

European Union.

**RBA (areas)**

The classification of working areas of the Regional boards for public employment services is laid down in the Labour Provisions Act (Arbeidsvoorzieningswet) dated 28 June 1991. This classification was used until the end of 2001.

**RPA (areas)**

The classification of working areas of the Regional Platforms for the labour market. This classification has been used since 2002.

**SSB**

System of Social Statistical Databases.

**SVB**

Social Insurance Bank.

## References

**Websites**

CBS (2014d). Theme page [Arbeid en sociale zekerheid](#). Web page with News, Figures, Publications and Methods including on AOW-pensions. CBS website.

CBS (2014k). Catalogue of available micro files. [Arbeid en sociale zekerheid](#). CBS website.

**Publications**

CBS (2014e). [Statistisch jaarboek 2014](#).

CBS (2014i). [Kerncijfers Wijken en Buurten 2013](#). Web page with Statline tables about recipients of AOW-pensions, broken down by areas and neighbourhoods.

**Methodology**

CBS (2014a). [Korte onderzoeksbeschrijving Algemene Ouderdomswet uitkeringenstatistiek](#).

CBS (2014b) [Korte onderzoeksbeschrijving AOW-aanspraken](#)

CBS (2014c). [Documentatierapport Algemene ouderdomswet uitkeringen. Version of 17 March 2014](#).

**Legislation**

Central government (2004). [CBS wet](#).

**Other**

CBS (2014f). [Jaarplan en jaarverslag CBS](#). Version of 5 June 2014.

CBS (2014g). [Kwaliteitsverklaring](#). Version of 14 January 2014.

## Explanation of symbols

Empty cell	Figure not applicable
.	Figure is unknown, insufficiently reliable or confidential
*	Provisional figure
**	Revised provisional figure
2014–2015	2014 to 2015 inclusive
2014/2015	Average for 2014 to 2015 inclusive
2014/'15	Crop year, financial year, school year, etc., beginning in 2014 and ending in 2015
2012/'13–2014/'15	Crop year, financial year, etc., 2012/'13 to 2014/'15 inclusive

Due to rounding, some totals may not correspond to the sum of the separate figures.

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