



RETIREMENT IN DENMARK

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INTRODUCTION

Denmark is a Scandinavian country located in Northern Europe (Anderson, 2019).


Its capital city is Copenhagen, and its population is currently estimated to be 5,990,000 (Anderson, 2019).

I chose Denmark because it has universal healthcare coverage (Tikkanen et al., 2020).


All residents have access to a variety of free primary, specialist, mental health, and other health care services (Tikkanen et al., 2020).




POLICY OVERVIEW



The State Pension (Folkepension) provides a universal base income for all residents in Denmark (Strozza et al., 2024).



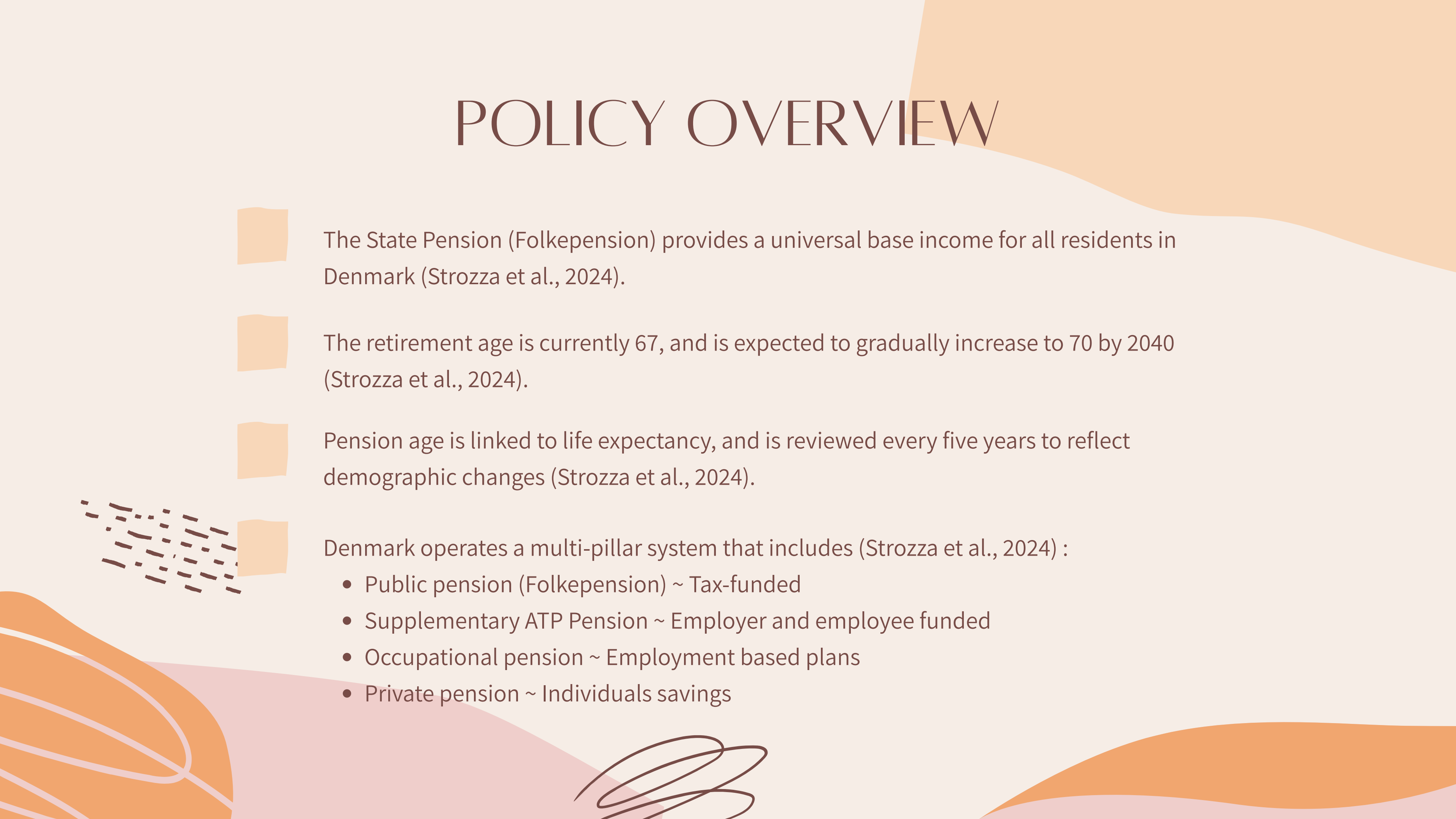
The retirement age is currently 67, and is expected to gradually increase to 70 by 2040 (Strozza et al., 2024).



Pension age is linked to life expectancy, and is reviewed every five years to reflect demographic changes (Strozza et al., 2024).



Denmark operates a multi-pillar system that includes (Strozza et al., 2024) :

- Public pension (Folkepension) ~ Tax-funded
 - Supplementary ATP Pension ~ Employer and employee funded
 - Occupational pension ~ Employment based plans
 - Private pension ~ Individuals savings
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IMPLEMENTATION & BENEFITS

Implementation

- Retirement age is 67, rising to 70 by 2040, and automatically linked to life expectancy.
- System is centrally managed, ensuring equal access and uniform standards.
- Mandatory contributions from workers and employers fund the ATP and occupational pensions.

Benefits

- Universal public pension (Folkepension) guarantees a basic income amount for all residents.
- Supplementary pensions (ATP, occupational) provide additional income tied to work history.
- Ensures financial sustainability while maintaining income security for all older adults.
- Early retirement options allow flexibility for those with long careers or reduced capacity.
- Promotes dignity and independence in old age through stable, predictable benefits.

(OECD, 2023)



CHALLENGES

- Denmark plans to raise its retirement age to 70 (Strozza et al., 2024).
- Physically demanding jobs will make working until 70 difficult for many individuals (Strozza et al., 2024).
- Individuals of a lower socioeconomic status (SES) have slower mortality improvements (Strozza et al., 2024).
- New retirement age benefits those of a higher SES.



COMPARATIVE ANALYSIS

DENMARK	U.S.A.	BOTH
Operates on a multi-pillar system: public (Folkepension), ATP, occupational, and private pensions.	Primarily Social Security and voluntary private savings.	Encourage additional private savings for higher income stability.
Retirement age is 67 (70 by 2040) and linked to life expectancy.	Retirement age is 67, fixed, and not linked to life expectancy.	Both countries provide public pensions to support older citizens.
Universal base pension provides income security for all residents.	Benefits are based on earnings history and are not universal.	Offer early retirement options with reduced benefits.
Automatic adjustments ensure long-term sustainability.	Funding challenges threaten longevity.	Both face sustainability challenges as populations age.

(OECD, 2023)

(SSA, 2025)



THANK
YOU!

RESOURCES

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