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SOUTH KOREA PROPOSES PENSION REFORMS

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Four policy options for revising the income replacement and contribution rates for South Korea's [national pension \(Korean\)](#) will be debated by the parliament in the coming months. The options are:

- **Maintaining the current national pension.** The income replacement rate would be reduced to 40% by 2028, 0.5% down each year from the current replacement rate of 45%. The contribution rate would be set at 9% and a basic pension of KRW 0.3m would be payable. Also, the range of beneficiaries for a basic pension would be expanded to include those with income levels of less than 70% by 2021.
- **Securing the basic pension.** The current national pension would be maintained, and the basic pension would be increased from 2022 to KRW 0.4M.
- **Securing the old-age income.** The income replacement rate would be 45% from 2021, and a 12% contribution rate would be payable from 2031, increasing by 1% every five years from 2021.
- **Securing the old-age income.** The income replacement rate would be set at 50% from 2021, and a 13% contribution rate would be payable from 2036, increasing by 1% every five years from 2021.

RELATED RESOURCES

- [Press Release \(Korean\)](#) (South Korean Government, 24 Dec 2018)

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