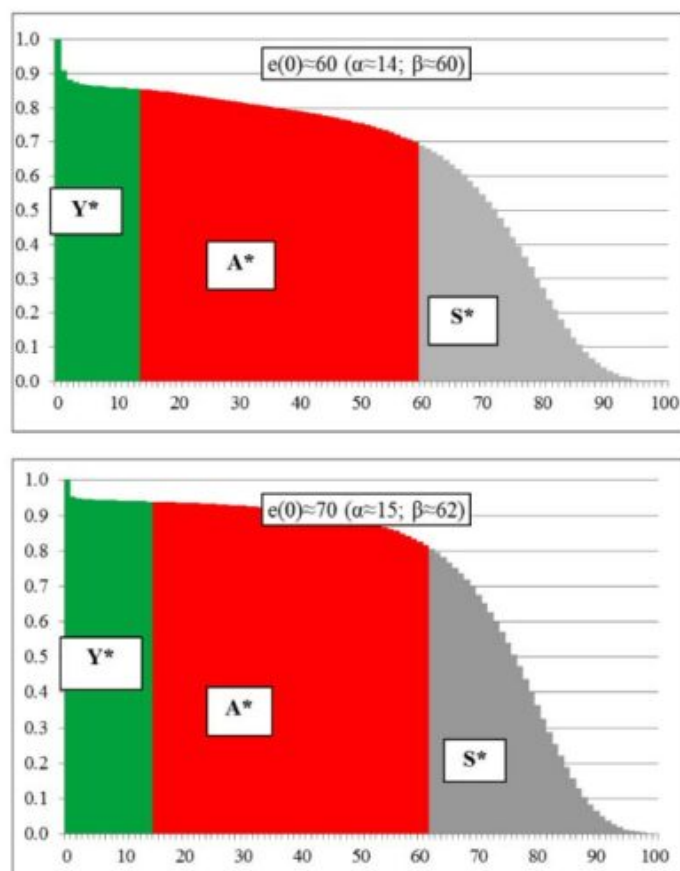


Did you know

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As the average life span expands, if threshold ages, including the “normal” retirement age, are not properly adjusted the need for intergenerational transfers increases. Threshold ages can be raised in such a way that the proportion of the life span spent in the various phases (e.g., in youth Y^* , adulthood A^* , and old age S^*) remains the same. Here is an example of what this criterion produces as $e(0)$ increases from 60 to 86, while Y^* (20%), A^* (60%), and S^* (20%) are kept constant.