

Pension experiences of non-European migrants

“Many non-European migrants are inadequately prepared for their retirement”

Jelle Lössbroek en Koen Veldman (NIDI-KNAW/RUG)

What is the focus of the paper?

Forty percent of non-European migrants in the Netherlands, aged 65 and over, live below the poverty line. But what is the reason for this? To gain insight into this, this paper examines, based on interviews, how these people deal with their pensions. Three aspects are considered: pension preparation, the use of the Supplementary Income Provision for the Elderly (AIO), and social relationships.

What are the key findings?

The pension situation of non-European migrants is influenced by a combination of socioeconomic factors (income and employment), sociocultural factors (language and knowledge), and social relationships (family and community). As a result of these factors, many migrants are vulnerable to pension poverty.

The interviews show that many non-European migrants in the Netherlands have made limited preparations for their retirement. Many respondents had little knowledge of the Dutch pension system and often only discovered shortly before retirement how their pension had been built up. Language barriers and the complexity of information also play a role. Due to low incomes, insecure employment positions, and financial obligations toward family, many also had limited opportunities to save or build up supplementary pensions.

The AIO scheme, intended as a safety net for older people with low incomes, is not always used. This is due to a lack of awareness of the scheme, fear of repayment claims, distrust of the government, and/or feelings of shame. Family and social networks therefore often play an important role. Children, for example, help with understanding pension information, applying for benefits, or providing financial support. At the same time, some older people do not want to burden their children, which leads them to ask for less help.

What are the implications?

Possible policy recommendations are:

- Better and more accessible pension communication (for example, in multiple languages).
- More support through employers and social organizations.
- Improvement of information about and accessibility of the AIO scheme.
- Possible adjustments to the pension system, such as shortening the AOW accrual period.

Want to know more? Read the paper (in Dutch):

De ervaringen van niet-Europese migranten met hun pensioen in Nederland