



**Global
Financial
Planning
Institute**

Retirement Accounts Around the World: Insights from the Mercer CFA Global Pension Index 2025

Hosted by:

Ashley Murphy, CFP® GFP Fellow

GFP Institute

Co-Founder / Executive Director

gfp.institute

GFP Disclosures



- ❖ The information provided ***does not constitute personal financial, tax or investment advice*** and it should not be relied on as such. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.
- ❖ All material has been obtained from sources believed to be reliable. There is no representation or warranty as to the accuracy of the information and Areté Wealth Strategists shall have no liability for decisions based on such information.

Style Note: GFP Institute recognizes that there are many couples who are not heterosexual and/or heteronormative; however, in this presentation, we have chosen to use heterosexual terminology throughout because the husband/wife, she/her and he/him pairings allow for discrete differentiation in explaining some of the more complicated technical concepts.

The Global Financial Planning Institute



- An organization founded in 2020 to provide education, community, tools/resources, and ongoing research for fiduciary financial advisors and affiliated professionals worldwide who work with clients whose financial lives cross borders.





Ashley Murphy, CFP® GFP (USA) Fellow

- Tri-citizen → Born in UK to Australian Dad, raised in Australia, American mother
- Financial Planning Association
 - Int'l & Cross Border Knowledge Circle Host (2017 – 2019)
- Graduate Diploma in Financial Planning - Australia (2014 - 2019)
- Adjunct-Professor at UC Berkeley Ext (2014) and Golden Gate University (2017)
- Conference speaker (FPA, XYPN, Society Financial Service Professionals)
- Executive Director, GFP Institute (2020 - present)

Matt Goren, CFP® PhD GFP (USA) Fellow

- PhD from UC Berkeley
- Adjunct Professor of Cultural Psychology at UC Berkeley (2015 - 2016)
- Adjunct Professor of Personal Finance at University of Georgia (2016 - 2018)
- Adjunct Professor of Financial Planning at The American College (2018 - 2019)
- Assistant Professor of Financial Planning at The American College (2019 - pres.)
- Director of Strategy - Brett Danko Education Center 2025 - Pres
- Director of Curriculum at the Global Financial Planning Institute (2020 - pres.)



GFP CONNECT 26



Date Jan 17 - 19 (MLK Long weekend)

Prospera Resort

Roatan, Honduras

Price: \$995 GFP members
\$1095 non-members

Feedback from GFP CONNECT events

Overall Experience 9.8/10



A large, dark blue banner with a white diagonal stripe runs across the middle of the slide. On the left, the GFPI logo is at the top. Below it, the text '26 CONNECT GFP' is prominently displayed in white, with 'CONNECT' in a smaller font above '26' and 'GFP'. A white button with the text 'REGISTER NOW' is positioned below the main title. To the right of the button, a white arrow points left, containing a location pin icon and the text 'Prospera January 2026'. At the bottom left of the banner is a blue circular icon with a white cursor arrow pointing up and to the right, followed by the website address 'www.gfp.institute'. The right side of the banner features a photograph of the Prospera Resort, showing a large, multi-story building with a red roof, a large blue swimming pool, and lush tropical landscaping with palm trees and green hills in the background. The website address 'www.gfp.institute' is also visible in small text at the bottom right of the photo.

GFP CONNECT 26



January 17

January 18

January 19

8:00 AM TO 9:00 AM

Registration and Breakfast

9:00 AM TO 10:00 AM

Presentation - Psychology

10:00 AM TO 10:50 AM

Panel - Pension Plan Considerations for Americans Retiring Abroad

10:50 AM TO 11:10 AM

Break

11:10 AM TO 12:00 PM

Presentation - Immigration

12:00 PM TO 1:00 PM

Lunch

1:00 PM TO 1:50 PM

Presentation - Tax

1:50 PM TO 2:40 PM

Guest Presentation

2:40 PM TO 3:00 PM

Break

3:00 PM TO 3:50 PM

Presentation - Life After Expatriation: Common Tax Issues

3:50 PM TO 5:00 PM

Case Study



Ashley Murphy
GFPI
Founder and President



Matt Goren
Brett Danko Educational Center
Chief Strategy Officer



Lauris Lamberg
Renaissance Wealth Advisors
Co-founder and CIO



John McNertney
Green Ocean Global Advisors, LLC
Founder and CEO



Zeev Fisher
Fresh Portugal
Founder



Miguel Sosa
Premia Global Advisors
CEO/Financial Advisor

GFPI Membership Level Comparison



A	B	C	D	E
	<u>Benefit</u>	<u>Open Membership</u>	<u>Associate Membership</u>	<u>Full Membership</u>
<u>Annual Fee</u>		\$60	\$295	\$445 but first yr incl with Master Class Registration
<u>Community</u>				
	All Member Forum (unmoderated)	X	X	X
	Member Only Forum		X	X
<u>Marketing</u>				
	- Referrals - 'Find an Advisor' Listing			X
	- Media Enquiries			X
<u>Content</u>				
	- Introductory Presentations only (no access to slide-deck) - Blog	X	X	X
	- Intermediate and Advanced Presentations (Slide-decks) - White Papers	1 per year	X	X
<u>Events</u>				
	Discounts to Conferences/Events		X	X
<u>Practice Tools</u>				
	Institutional Foreign Exchange (25 bps)	X	X	X
	Professional Services Network - Network of international and cross-border CPAs, tax-attorneys, estate-attorneys, banking & insurance professionals.	X	X	X
	HEART Exit tax Calculator			X
<u>GFP Fellow Status</u>				
	- Entitled to use 'GFP Fellow'			X

- Membership in the GFP Institute is an investment In education, a like minded community and the the creation of a global profession

Mercer CFA Institute Global Pension Index 2025

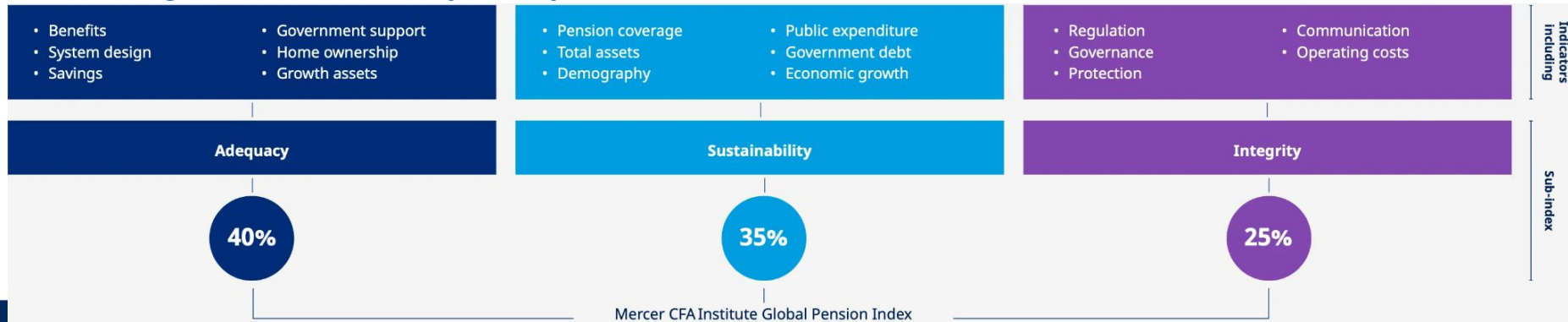


- The Mercer CFA Institute Global Pension Index is the leading international benchmark for comparing and evaluating retirement income systems worldwide. Launched in 2009, the Index has been running for 17 years, and the 2025 edition now covers 52 retirement income systems representing approximately 65% of the world's population. Each year, the study leverages the expertise of Mercer consultants, international correspondents, local pension specialists, and members of the Monash Centre for Financial Studies Advisory Board to ensure accuracy and relevance.



Rating System

- The Index systematically assesses pension systems on three equally important dimensions—adequacy, sustainability, and integrity—using more than 50 data points per country. The results enable policymakers, industry leaders, and financial professionals to benchmark systems globally, track trends and reforms, and identify best practices and areas for improvement.
- These three sub-indices are weighted: 40% for adequacy, 35% for sustainability and 25% for integrity. Since the Index was first introduced in 2009, these weightings have remained unchanged, reflecting the enduring importance of balancing immediate needs with long-term sustainability and systemic trust



Rating System

- Common features, such as inclusive access, robust governance and a minimum safety net pension, are consistently associated with stronger outcomes.
- Smaller differences (<5 points) are immaterial, but when the difference is five or more, it can be fairly concluded that the higher Index score indicates a better retirement income system.



Results

Grade	Systems			Description
A	Netherlands Iceland Denmark	Singapore Israel		A robust retirement income system that delivers good benefits, is sustainable and has a high level of integrity
B+	Sweden Australia Chile	Finland Norway		
B	Switzerland UK Kuwait Uruguay Hong Kong SAR Canada	New Zealand France Mexico Belgium Croatia Germany	Ireland Saudi Arabia Portugal Kazakhstan	A system that has a sound structure, with many good features, but has some areas for improvement that differentiate it from an A-grade system
C+	UAE Spain Colombia	USA Oman Malaysia		A system that has some good features but also has major risks and/or shortcomings that should be addressed; without these improvements, its efficacy and/or long-term sustainability can be questioned
C	Botswana Namibia Panama Poland Italy China*	Japan Brazil Peru Austria Korea Vietnam	Taiwan South Africa Indonesia Thailand	
D	Türkiye Philippines	Argentina India		A system that has some desirable features but also has major weaknesses and/or omissions that need to be addressed; without these improvements, its efficacy and sustainability are in doubt
E	Nil			A poor system that may be in the early stages of development or nonexistent

* In this report, "China" refers to the pension system in mainland China. The results for Hong Kong SAR and Taiwan are shown separately, as they have different pension systems.

Investment Restrictions

- Wide Variation in Investment Flexibility
- United States: Rated A - Highest flexibility with prudent person rule under ERISA
- Emerging Markets (China, India): Rated E - Severe restrictions with state approval requirements
- Most Developed Markets: Fall in B to C+ range with various limitations
- Equity Limits: Range from none (US, Canada, Australia) to prescribed by age (Mexico)
- Foreign Investment: Varies from unrestricted (most developed markets) to highly restricted (India, China)



Investment Restrictions (Cont'd)

- Real Estate/Alternatives: Several countries prohibit direct real estate (Japan, India, Germany's Pensionskassen)
- Employer Stock: Universally limited to 5-10% to prevent concentration risk
- Australia: Performance test creates benchmark herding behavior
- China and Malaysia: Government targets 70% domestic investment for state pension fund

Implications for Cross-Border Planning

These restrictions create several challenges:

- Limited Diversification: Clients in restricted countries cannot optimize global portfolios
- Suboptimal Returns: Asset class limits may reduce long-term performance
- Compliance Complexity: Different rules in each jurisdiction for mobile workers
- Domestic Bias: Government pressure for home country investment may not align with member interests

Investment Restrictions (Cont'd)

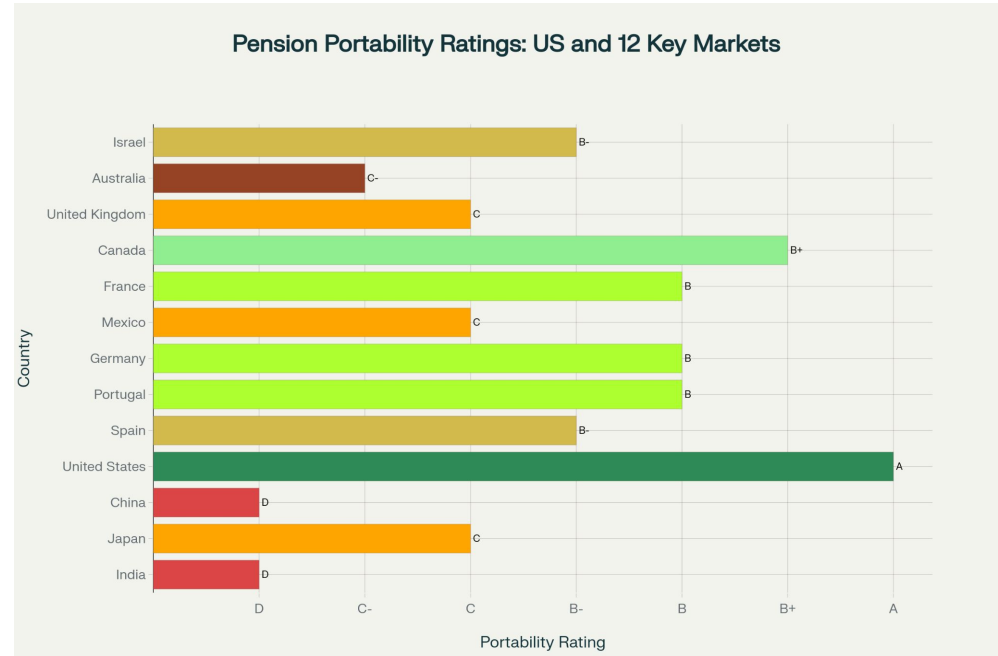
Country	Regulatory Approach	Equity Limits	Foreign Investment Limits	Real Estate Alternative Limits	Employer Stock Limits	Government Influence Level	Domestic Investment Pressure	Flexibility Rating	Key Restrictions
Israel	Asset Class Limits	Risky assets 70% total	Limited to treaty countries	Limited	10%	Medium - domestic preference	High	C - Domestic bias	70% risky asset cap; treaty country preference
Australia	Prudent Person	None	None	None	5%	High - performance test	High (performance test bias)	B - Good but performance test	Performance test creates benchmark herding
United Kingdom	Prudent Person + Voluntary Limits	None (10% illiquid limit)	None	None (but count to 10% illiquid)	5-10% typical	High - Mansion House mandates	Very High (5% UK private markets)	C - Increasing mandates	10% illiquid limit; pressure for 5% UK private markets
Canada	Prudent Person + Ownership Limits	None	None	None	30% voting shares (being removed)	Medium - removing restrictions	Medium (infrastructure focus)	B+ - Good flexibility	30% voting share limit (being removed)
France	Asset Class Ceilings	30% non-regulated markets	None	30% non-regulated markets	5-10%	Medium - asset ceilings	Medium	C+ - Significant limits	30% non-regulated markets; domestic bias
Mexico	Prescribed Life-Cycle Funds	Varies by age (life-cycle)	Varies by fund type	Within life-cycle limits	10%	High - life-cycle requirements	Medium	D - Highly prescribed	Mandatory life-cycle funds by age; limited choice
Germany	Asset Class Ceilings	35% listed (Pensionskassen)	None	None (Pensionsfonds)	10%	Medium - asset ceilings	Medium	C+ - Significant limits	35% equity for Pensionskassen; 0% direct real estate

Investment Restrictions (Cont'd)

Country	Regulatory Approach	Equity Limits	Foreign Investment Limits	Real Estate Alternative Limits	Employer Stock Limits	Government Influence Level	Domestic Investment Pressure	Flexibility Rating	Key Restrictions
Portugal	Currency + Asset Limits	None	30% non-liability currency	None	5-10%	Medium - currency limits	Low	C+ - Currency restrictions	30% non-liability currency exposure
Spain	Prudent Person + Asset Limits	None (30% non-regulated)	Must be OECD + regulated	30% real estate	5-10%	Medium - domestic preference	Medium	B - Moderate flexibility	30% non-regulated markets; OECD requirement
United States	Prudent Person (ERISA)	None (prudent person)	None (sanctioned countries)	None	10% of plan assets	Low - ERISA fiduciary standard	Low	A - High flexibility	Sanctioned countries; employer stock 10%
China	Asset Class Limits	Must get approval	Limited approval required	Limited approval required	10%	Very High - state approval	Very High (70% domestic target)	E - State control	Instrument approval required; 70% domestic pressure
Japan	Asset Class Limits	None	None	0% direct real estate	10%	High - approval required	Medium	D - Approval requirements	0% direct real estate; instruments need approval
India	Asset Class Limits	0% direct real estate	Highly restricted	0% direct real estate	10%	High - approval required	High	E - Severe restrictions	0% direct real estate; strict approval process

The 'Portability Crisis'

- The research reveals a shocking reality: No country allows direct pension transfers to/from the US, despite many having totalization agreements. This creates a major challenge for internationally mobile clients that financial planners must understand and address.



Portability - Results



Country	Portability Rating	Direct Transfer to US	Qualified' Transfer from US	Totalization Agreement US	Payment Portability Abroad	Lump Sum Withdrawal	Key Restrictions
Israel	B-	No - Cannot transfer	No - Cannot transfer	Yes	Yes - some restrictions	Partial - special conditions	Limited portability to non-treaty countries
Australia	C-	No - Cannot transfer super	No - Not qualified	Yes	Yes - paid to foreign accounts	Yes - preservation age	Cannot transfer super internationally
United Kingdom	C	No - QROPS/SIPP only	No - Not QROPS	Yes	Yes - pension paid abroad	Yes - 25% tax-free at 55+	Cannot transfer to US; 25% QROPS charge
Canada	B+	No - Social Security portable	No - Cannot transfer	Yes	Yes - CPP/OAS portable (20yr)	No - monthly payments only	CPP portable; OAS needs 20yr residence
France	B	No - Cannot transfer	No - Cannot transfer	Yes	Yes - paid to foreign accounts	No - monthly payments	Cannot transfer; Totalization counts years only
Mexico	C	No - No totalization yet	No - Cannot transfer	Signed but not ratified	Yes - portable with agreement	No - annuity required	Totalization not ratified; No transfers
Germany	B	No - Cannot transfer	No - Cannot transfer	Yes	Yes - paid to foreign accounts	No - monthly payments	Cannot transfer; Totalization counts years only

Retirement Account Portability - Results

Country	Portability Rating	Direct Transfer to US	Qualified' Transfer from US	Totalization Agreement US	Payment Portability Abroad	Lump Sum Withdrawal	Key Restrictions
Portugal	B	No - Cannot transfer	No - Cannot transfer	Yes	Yes - paid to foreign accounts	No - monthly payments	Cannot transfer; 10% NHR tax rate
Spain	B-	No - Cannot transfer	No - Cannot transfer	Yes	Yes - paid to foreign accounts	No - annuity required	No US tax treaty on pensions; No transfers
United States	A	N/A - Domestic	N/A - Domestic	N/A	Yes - worldwide	No - except hardship	Tax on distributions; No foreign transfers
China	D	No - Lump-sum refund only	No - Cannot transfer	No	Yes - if meet requirements	Yes - foreigners leaving	Refund only for foreigners; No totalization
Japan	C	No - Lump-sum withdrawal only	No - Cannot transfer	Yes	Yes - paid to foreign accounts	Yes - foreigners <2yr after exit	Lump-sum limited to 5yr contributions
India	D	No - Cannot transfer EPF/NPS	No - Cannot transfer	Yes	Limited - NPS repatriation only	Limited - EPF after unemployment	EPF/NPS not transferable abroad

- Nine of the 13 countries follow the EET (Exempt-Exempt-Taxed) pattern:
- Israel, UK, Canada, France, Mexico, Spain, China, Japan, and India
- This approach defers taxation until retirement, maximizing compound growth



- Contributions: 15% tax (concessional rate)
- Accumulation: 15% tax on earnings
- Distribution: Tax-free for age 60+
- Rationale: Front-loads some taxation but provides tax-free retirement

- Taxes investment earnings during accumulation and distribution phases
- Less common approach in OECD countries

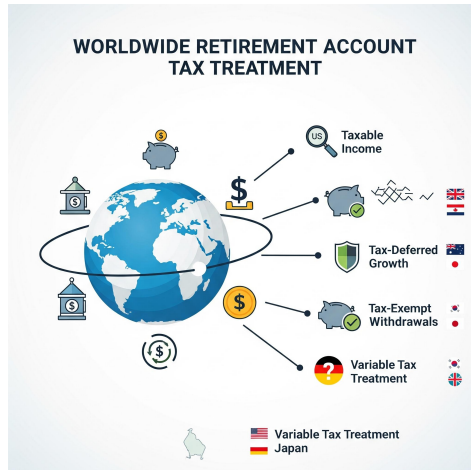
United States: Offers both EET (Traditional) and TTE (Roth) options

Retirement Account Tax Treatment Analysis

3. Distribution Phase Comparison

Tax rates on distributions vary significantly:

- Tax-Free: Australia (age 60+), Israel (up to threshold)
- Moderate: Canada (0-33%), US (10-37%)
- High: Spain (19-47%), Portugal (13.25-48%), France/Germany/UK (up to 45%)



4. Special Tax Features

- UK: 25% of lump sum tax-free
- Mexico: ~\$32,000/year tax-free on annuity; ~\$175,500 lump sum exemption
- Portugal: 10% NHR (Non-Habitual Resident) rate available for foreign pensions
- Israel: 10-year new immigrant exemption on foreign pensions
- Japan: Public pensions tax-free; private pensions taxed

Retirement Account Tax Treatment Analysis

Critical Cross-Border Tax Challenges for US Citizens Abroad:

- Foreign pension contributions typically not deductible for US tax purposes
- Foreign pension growth may be taxed annually by the US (especially if deemed PFIC)
- Double taxation risk on distributions unless treaty relief available
- FBAR and Form 8938 reporting requirements add complexity



Specific Country Issues:

- Australia: US citizens get no treaty deduction for superannuation contributions
- Mexico (AFORE): Uncertain PFIC treatment creates compliance nightmare
- Israel: Double social security (Bituach Leumi + US self-employment tax)
- UK: QROPS restrictions and potential PFIC treatment
- Most European Systems: No deduction for foreign workers contributing



Retirement Account Tax Treatment Analysis

Country	Tax Regime	Contribution Deductible	Contribution Tax Rate	Growth Tax Accumulation	Growth Tax Distribution Phase
Israel	EET	Yes (up to 35% of income)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
Australia	ttt (concessional tax)	Partial (15% tax on contribution)	15% (concessional)	15% on earnings	0% (pension phase)
United Kingdom	EET	Yes (up to limits)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
Canada	EET	Yes (up to limits)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
France	EET	Yes (up to limits)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
Mexico	EET	Yes (pretax)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
Germany	EET/tEt	Yes/Partial (varies by plan)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)

Retirement Account Tax Treatment Analysis

Country	Tax Regime	Contribution Deductible	Contribution Tax Rate	Growth Tax Accumulation	Growth Tax Distribution Phase
Portugal	ETT	Yes (up to limits)	0% (deductible)	Taxed at fund level	Taxed at fund level
Spain	EET	Yes (up to limits)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
United States	EET (Traditional) / tTE (Roth)	Yes (up to limits)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
China	EET	Yes (limited)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
Japan	EET	Yes (up to limits)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)
India	EET	Yes (Sec 80CCD limits)	0% (deductible)	Tax-deferred (0%)	Tax-deferred (0%)

Retirement Account Tax Treatment Analysis

Country	Distribution Tax Treatment	Distribution Tax Rate	Lump Sum Treatment	Special Tax Features	US Tax Treaty Impact	Cross Border Challenge
Israel	Tax-free first \$621k/yr	0% up to threshold	Severance pay rules apply	Treaty benefits; 10-yr exemption	Article 20; special rules	Double social security; PFIC risk
Australia	Tax-free over age 60	0% over age 60	Tax-free over age 60	Co-contributions; over-60 tax-free	Article 17; can be taxed in US	No treaty deduction for US citizens
United Kingdom	Ordinary income (0-45%)	0-45% (25% lump sum free)	25% tax-free then ordinary	25% lump sum tax-free	Article 17; can be taxed in US	QROPS restrictions; PFIC issues
Canada	Ordinary income (0-33%)	0-33% marginal	Ordinary income	Pension income splitting	Article XVIII; can be taxed in US	Limited foreign plan recognition
France	Ordinary income (0-45%)	0-45% (reduced rates)	Ordinary income	Reduced rates for pensioners	Article 18; can be taxed in US	No deduction for foreign workers
Mexico	Partial exemption + ordinary	Varies (exemptions apply)	Partial exemption (~\$175k)	Social quota subsidy; ~\$32k/yr free	No totalization yet ratified	PFIC treatment uncertainty; AFORE
Germany	Ordinary income (0-45%)	0-45% marginal	Ordinary income	Variable taxation by plan type	Article 17; can be taxed in US	No deduction for foreign workers

Retirement Account Tax Treatment Analysis

Country	Distribution Tax Treatment	Distribution Tax Rate	Lump Sum Treatment	Special Tax Features	US Tax Treaty Impact	Cross Border Challenge
Portugal	Ordinary income (13.25-48%)	13.25-48% marginal	Ordinary income	10% NHR rate available	Article 18; can be taxed in US	Limited treaty relief
Spain	Ordinary income (19-47%)	19-47% marginal	Ordinary income	Reduced rates for pensioners	Article 17; can be taxed in US	No pension treaty provision
United States	Ordinary income (10-37%)	10-37% marginal	Same as periodic (ordinary)	Roth option (tTE); RMDs at 73	N/A - Domestic	Foreign pensions taxed as ordinary
China	Partial exemption + ordinary	Varies (3-45%)	Partial exemption	Unified pension system (2024)	No tax treaty	Limited foreign worker access
Japan	Public: tax-free; Private: ordinary	0% public; varies private	Varies by type	Public pension tax-free	Article 17; can be taxed in US	Limited deduction for foreigners
India	Partial exemption available	Varies with exemptions	Partial exemption	80CCD deduction; NPS Tier I exempt	Article 21; can be taxed in US	No recognition of foreign plans

Join us Next Month - November 18th



Presented By:

Anna Klevtsova
Managing Partner
Klev&Vera International Law Firm

Join Us Next Month:

**Unexpected Issues and
Differences Americans
Encounter when Moving to Spain**



Tues, November 18th at 8:00 AM PT / 11:00 AM ET

In this webinar, Klev&Vera Managing Partner Anna Klevtsova will explore the unexpected issues and differences Americans encounter when moving to Spain.

We hope you can join us!



**Global
Financial
Planning
Institute**

Questions and Answers
For other follow ups, please email me at ashley@gfp.institute

gfp.institute