

ABSTRACT  
MICROSIMULATION MODEL OF THE PENSION SYSTEM IN INDONESIA  
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Indonesia is an archipelago with the fourth largest population in the world, the problem that Indonesia is facing right now is regarding a pension system that is not yet adequate or not effective. The pension is one of the most important things for the government and the population because it involves welfare in old age. For the government, retirees themselves are how is the cost or budget prepared for retirees and the residents themselves how their lives after 25 years.

If compared to the pension system between Europe and Asia, Europe has a better pension system. Unlikely in Europe, a comprehensive pension system in much of Asia still needs further development.

In Asia, the aspect of social protection almost always fails to keep up with economic growth, even though in the latest World Bank research, the process of increasing the number of older adults will be the fastest in many Asian countries, especially China. Unfortunately, the pension system reform policy still left many shortcomings.

Indonesia especially Riau province (it is my birth place) is considered not to pay enough attention to in detail other factors that influence the guarantee of retirees. Indonesia's newest system does not accommodate long-lived parents, which causes greater state responsibility. there are many papers doing a simulation of a birth rate and death rate estimation method, in this paper I got the knowledge about birth rate and death rate estimation method from the Lee-Carter model, Kaplan- Meier estimation, poisson model and etc.

With Microsimulation method I solve the problem and generate the data set 2017 follow real of distribution of population, and in the generate will simulate for 5 years from 2018-2023 with the purpose want to know about the movement of population in Riau province year by year and even simulate the salary obtained for retirees.

And from this paper, I can be taken a lesson that to do a pension simulation we must know the real information regarding retirement itself.