Corrigendum

Personal longevity risk: Defined contribution pensions and the introduction of an ‘equilibrium retirement age’

Chris Madsen and Martijn Tans

Pensions (2012) **17**, 349–350. doi:10.1057/pm.2012.31

Correction to: *Pensions* (2012) **17**(3) 169–176. doi: 10.1057/pm.2012.19

The text appearing beneath equation (3) on page 172 appeared as

$$A(RA) = R \cdot Sal_{RA} \cdot \sum_{t=RA}^{LE} (1+r)^{-(i-RA)} \quad (3)$$

$A(RA)$ is the capital required at retirement to be able to receive a constant annual income stream to the amount of the replacement rate R times the salary at retirement Sal_{RA} . R is the discount factor.

The text appearing beneath equation (3) on page 172 should have appeared as

$$A(RA) = R \cdot Sal_{RA} \cdot \sum_{t=RA}^{LE} (1+r)^{-(i-RA)} \quad (3)$$

$A(RA)$ is the capital required at retirement to be able to receive a constant annual income stream to the amount of the replacement rate R times the salary at retirement Sal_{RA} . r is the discount factor.

The equation appearing on p. 173 of the article appeared incorrectly as
(2) can be rewritten as follows:

$$V(RA) = \frac{C \cdot Sal_{BA}}{s - g} \times \left[1 - \left(\frac{1+g}{1+s} \right)^{RA-BA} \right] \quad (4)$$

and

$$VA(RA) = C \times Sal_{BA} \times \frac{(1+s)^{RA-BA} - (1+g)^{(RA-BA)}}{s - g} \quad (5)$$

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$$V(RA) = \frac{C \times Sal_{BA}}{s - g} \times (1 + s)^{RA - BA} \times \left[1 - \left(\frac{1 + g}{1 + s} \right)^{RA - BA} \right] \quad (4)$$

and

$$VA(RA) = C \times Sal_{BA} \times \frac{(1 + s)^{RA - BA} - (1 + g)^{(RA - BA)}}{s - g} \quad (5)$$