

Notes of a meeting of the Social Security Sub-Committee held by conference call on 7 July 2017

Participants:

Chris Daykin (chairperson) – UK	Maitane Mancebo – Spain (Instituto de Actuarios Españoles)
David Bogataj - Slovenia	Raffaello Marcelloni – Italy
Philippe Demol – Belgium (part of time)	Marianna Papamichail – Greece
Maria Economou – Greece	Falco Valkenburg – Netherlands (chair, Pensions Committee)
	John Woodall – United Kingdom

Apologies:

Yves Brys (Belgium)
Tibor Párnitzky
Ismo Risku (Finland)

1. Opening of the meeting and adoption of the agenda

Chris opened the meeting and the agenda was adopted.

2. Notes of the meeting in Barcelona on 9 May 2017

The notes of the previous meeting were confirmed.

3. Notes of meeting with DG Employment on 16 June 2017

Falco and Chris had met with the new head of unit C2 at DG Employment (Ana Carla Pereira) and Valdis Zagorskis on 16 June and had been received warmly. Much of the discussion was about the plans for the Pension Adequacy Report 2018. Mention was made of their project of cooperation with OECD on longer working lives and a seminar they were organising on 28 June, but the AAE was unable to send a representative. We were asked for our views on social protection for the self-employed and those in non-standard jobs (see <http://www.ilo.org/global/topics/non-standard-employment/lang-en/index.htm> for ILO definition of this term) and offered to gather perspectives from the different countries represented on the SSSC. This will be one of the themes of the 2018 PAR. Falco and Chris updated DG Employment on the work of the AAE and the IAA. They were interested in the discussions on Table 29 of the national accounts and the initiative with DGEcfm to enhance disclosures around accrued pension liabilities. Mention was also made of the attempts to benchmark pension adequacy of countries to sit alongside the planned benchmarks of pension sustainability.

4. Task Force on Adequacy of Pensions (TFAP)

After much further activity Maria, on behalf of the TFAP, had prepared a draft paper bringing together the different strands of work by individual members of the TFAP. This represented an encouraging step forward towards being able to produce an AAE paper dealing with these topics. The work focused on different aspects of replacement ratios and internal rates of return, alternative measures of adequacy and investigations to consider the impact of pension reforms on more vulnerable groups. The paper now summarised the work prepared by members of the TFAP, including those from Tibor Párnitzky (TP)(Hungary), Maitane Mancebo (Spain), Ismo Risku (Finland), Catherine Censier (Belgium), Raffaello

Marcelloni (Italy), David Bogataj (Slovenia) and Jeroen van den Bosch (the Netherlands), as had been discussed on the conference call on 9 May. Marianna's paper comparing an actuarial fairness index before and after the 2016 reforms in Greece was now available in Greek and would be translated shortly.

The Chairman thanked the TFAP for their continuing work and encouraged them now to refine the paper further with a view to presenting the ideas at an extended seminar in Copenhagen on 20 September. John Woodall agreed to work with Maria to improve the paper as a communication tool for the AAE's outreach to DG Employment and other interested parties.

Falco recommended that the TFAP should consider drawing out a few recommendations from the work which could be the focus of any AAE communication on the topic.

The objective was still for the AAE to promulgate a paper on measures of adequacy for use as a vehicle for communicating with stakeholders such as DGEmployment and MEPs. It was hoped that it would also form a background to the eventual update by the SSSC of the paper on The Ageing of the EU, which was planned for 2018.

5. Task Force on Pensioner Mortality

Yves Brys (Belgium) was not on the call so there was no update. It was still hoped that there might be material for a discussion on this topic at the Copenhagen meeting. Ettore Marchetti at DG Employment had expressed an interest specifically in the mechanisms embedded in national pension laws in the EU member states which link retirement age to expectation of life.

6. Planned meeting with DG ECfin

Chris, together with Costas Stavrakis and Ad Kok, would be meeting with Giuseppe Carone and Per Eckefeldt from DG ECfin on 11 July. Topics for discussion would be the Ageing Report 2018, pension cost projections, and the possible disclosure of open group measures of implicit pension debt in the Ageing Report to sit alongside the planned Table 29 disclosures on a closed group basis in the national accounts at the end of 2017, as required by Eurostat.

7. Preparation for publication of Ageing Report in 2018

It was understood from our meeting with DG Employment that publication of the Ageing Report 2018 was intended to be as early as February or March 2018 and that the Pension Adequacy Report would be published soon after this. It was important therefore for us to consider fairly soon the content of any report which we would plan to issue in response. Whilst clearly there would be much that we could not finalise before those reports are available, we understand that the separate volume on assumptions will be published in the latter part of 2017 and we could begin work on extracting demographic and other assumptions from that.

8. Future Meetings

A face to face meeting of the SSSC will be held in Copenhagen at 1500 (to 1730 or 1800) on Wednesday 20 September 2017 (preceding the meeting of the AAE Pensions Committee on 21 September).

9. Close of meeting