

**Actuarial Association of Europe
Pensions Committee (PC)
Q2 2019 Report**

1. Meeting with DG Employment

Falco Valkenburg, Maria Economou and myself met with Ana Carla Pereira, Head of the Unit and Valdis Zagorskis, Pensions Team Leader of the Unit on June 14th.

After describing our work done on the recently published “Meeting the Challenge of Aging” paper, Ana highlighted the main topics on which her team is working:

- They are placing an effort to have a joint paper between the European Policy Committee (EPC) and Consumer Protection Cooperation (CPC) regarding sustainability and Adequacy of pensions.
- An open question is how to promote supplementary pensions. They have a high-level group on supplementary pensions with DG Fisma.
- They are also aiming to explore how supplementary pensions converge for the self – employed and there is some work being done together with the OECD on this topic.
- It is important for the DG Employment to explore how pension system can adjust in the new labour market landscape and this is why they are working on a benchmarking framework for adequacy.
- The tracking initiative has just started a 3 years’ pilot phase in January 2019. A German agency (VVL) is leading the project.

They are nevertheless currently under a transition period because a new DG Employment Commissioner is expected.

2. Approval of EAN on IORP II

The Pensions and Professionalism Committees (with assistance of the Actuarial Standards Subcommittee) have now approved the draft EAN on IORP II. The final version of the first Exposure Draft is now out for formal consultation of the Member Associations until September 30th. These comments will then be discussed in the Annual meeting in Vienna in October.

3. Meeting the Challenge of Ageing in the EU Webinar

A webinar about the “Meeting the Challenge of Ageing in the EU” paper written by the Social Security Subcommittee took place in June 25th. I introduced the subject as Chairperson of the Pensions Committee, and then Maria Economou (Chairperson of the Social Security Sub Committee), Costas Stavrakis (Chairperson of the Task Force on Projections and Methodology), David Bogotaj (Chairperson of the Mortality Task Force) and Tibor Parnizky (Chairperson of the Adequacy Task Force) presented their respective topics contemplated in the report.

An article about this paper has just been published in the European Actuary magazine.

4. PEPPs developments

A call took place on June 26th with Philip Shier, Esko Kivisaari, Valéry Jost (Chairperson of the Consumer Protection WG) and myself participating in it. The topic was how the AAE could help with the development of Regulatory Technical Standards (RTS) that are required under the PEPP Regulation.

Three points in which the AAE can provide help were identified and discussed:

- Content of PEPP KID
- PEPP Benefit Statement – assumptions for projections
- Risk mitigation techniques for investment options

Philip Shier is putting a lot of time and effort in the PEPPs topic, but he will need help with some of the topics above. He agreed to prepare a note on what the AAE could do looking at the meeting with EIOPA on July 11th. This note was shared with Esko, Tony O’Riordan, Valéry and Falco Valkenburg on July 2nd.

For the first topic, the KID, Gabriel Bernardino had already shown his interest of having the AAE’s inputs. It is expected to be similar to PRIIPS, but with some differences. Valéry will try to look for volunteers in the Consumer Protection WG.

Philip is happy to have a coordination role.

5. Eurostat Table 29

During March, 2019, the TF Projections and Methodology, with the assistance of Eurostat, conducted a survey on social security pension system typology and the methodological aspects used by Member States in undertaking the Eurostat Table 29 actuarial calculations. The high response rate of 86% (24 out of 28) was welcomed by Eurostat and the AAE. It also supported the validity of the survey results.

The survey results, which were presented at the Eurostat’s pension expert workshop held on April 5 in Luxembourg, provided strong evidence of a number of methodological issues that affect negatively the cross-country comparability of Table 29 results at EU level. At the above workshop, the AAE reconfirmed its willingness to provide actuarial support in the form of technical guidelines to pension experts responsible for compiling the Table 29 figures at national level. Eurostat welcomed the AAE proposal in the context of the next Table 29 pension exercise which will take place in December 2020.

Over the next few months, the TF Projections and Methodology in collaboration with Eurostat will agree on the exact scope of the technical assistance as well as the timescale.

Maitane Mancebo
Chairperson
June 2019