

NOTES OF A MEETING OF THE SOCIAL SECURITY SUB-COMMITTEE

HELD AT 14.30 HRS CET ON THURSDAY 3 MAY 2018

AT SOFITEL WARSAW VICTORIA, WARSAW

Participants:

Chris Daykin (Chair) – UK
David Bogataj – Slovenia
Gábor Borza – Hungary (Vice Chair, Pensions Committee)
Philippe Demol – Belgium
Richard Deville – France
Maria Economou – Greece
Rafaello Marcelloni – Italy
Tibor Párniczky – Hungary
Gábor Pásztor – Hungary
Ismo Risku – Finland
Hartwig Sorger - Austria
Costas Stavrakis – Cyprus
Jeroen van den Bosch – Netherlands

Apologies:

Maitane Mancebo – (Chair, Pensions Committee)
Peter Gatenby – UK

1. Opening of the meeting and adoption of the agenda

Chris opened the meeting and the agenda was adopted.

2. Notes of Conference Call held on 31 January 2018

The notes of the previous meeting were confirmed.

3. Notes of Meetings with Eurostat held on 19 March 2018

The records of the meetings that the Chairman and Costas Stavrakis had held at Eurostat with John Verrinder (national accounts) and Giampaolo Lanzieri (demography) were noted.

4. Pension liabilities in national accounts (Table 29 disclosures)

Costas Stavrakis gave a presentation on the background to the new Table 29 disclosures of pension liabilities in national accounts (as at 31 December 2017) and some of the problems of lack of comparability between countries and dangers of misunderstanding. A copy of his presentation will be attached to these minutes. Costas had circulated a questionnaire to members of the Task Force on Projections and Methodology and now had four completed responses. Answers from other countries were needed in order to be able to illustrate the impact for different types of social

security arrangement. It was agreed to seek additional responses, perhaps through the Pensions Committee, but Costas would also ask John Verrinder if it would be possible to use his network of contacts of people involved in preparing the figures for Table 29. The aim is to produce a paper which might be presented at the Workshop which Eurostat would be organising on methodology in October/November. It would also be desirable to include some comments on Table 29 in the AAE response to The Ageing Report 2018 in the autumn.

5. Preparation for publication of the Ageing and Pension Adequacy Reports 2018

The Methodology and Assumptions Volume for the Ageing Report had been published in November 2017 and the Pension Adequacy Report 2018 (in 2 volumes) had been published on 30 April 2018. The main Ageing Report was now expected at the end of May or early June. There would be a lot of work to do on analysing the Ageing Report and drafting our paper in response. We should aim to have an advanced draft available for a face to face meeting in Utrecht on 19 September and be ready to publish in October or November.

It was hoped to identify a subgroup to look at the health and long-term care projections.

6. Task Force on Adequacy of Pensions (TFAP)

Maria Economou provided an update on the future plans of the Adequacy Task Force. In the immediate future they would be reading the Pension Adequacy Report 2018 and considering our response.

Regarding future work Tibor Parniczky spoke about studying the use of the Automatic Balancing Mechanism (ABM) approach as an indicator for an adequacy threshold and not just as a strategy for achieving sustainability. He drew attention to Table II.A2.4 in the Assumptions and Methodology volume of the Ageing Report which shows how many countries are now using some form of automatic adjustment mechanism or sustainability factor. Ismo Risku will also contribute from the Finnish experience of using ABM approaches for analysis. David Bogataj gave a presentation on some collaborative research on the impact of later retirement age on industrial workforces and how the problems could be mitigated by technology and flexible approaches to work. To the extent that mitigation was not possible by these routes there could also be pension design solutions.

Raffaello Marcelloni spoke about considering pension wealth as an indicator of adequacy instead of replacement ratios.

7. Survey on social security provision for the self-employed

There had been no further developments but it was intended to make the report available to DGEmployment when we next go to visit them.

8. Future meetings

Chris would set up a meeting with DGEmployment in June/July. Since Maitane Mancebo was currently on maternity leave, it was hoped that Gábor Borza would participate as the Vice Chair of the Pensions Committee.

A conference call would be scheduled for late June or early July and a face to face meeting in Utrecht on 19 September (subject to someone other than Chris taking the chair, as he would not be able to come to Utrecht).

Chris Daykin
Chairman, Social Security Subcommittee