



**INTERNATIONAL ACTUARIAL ASSOCIATION**  
**Pensions and Employee Benefits Committee (PEBC) Meeting**  
**Chicago, Illinois, the US**

**Thursday, October 5, 2017 – 14:00 – 18:30**  
**Minutes**

*The list of attendees is at the end of these minutes.*

**1. Opening of the meeting**

Yasuyuki Fuji, Chair of the Pension and Benefits Committee (PEBC), opened the meeting and welcomed all attendees. Following introductions of committee members and observers.

**2. Minutes**

The minutes of the last meeting held on 20 and 21 April 2017 in Budapest, were approved as presented.

**3. Background / 4. PEBC Workplan 2018 / 5. Update from Budapest**

The Chair mentioned to the attendees that he was available for any questions or interest to discuss the workplan but it would not be discussed in detail during the scheduled meeting due to time constraints.

The Chair introduced Andrea Gluyas, the representative of New Zealand, to discuss a paper on decumulation in defined contribution plans. A short discussion followed and it was agreed that the committee should focus on this topic going forward.

**6. Funding Monograph**

Charles Cowling provided an update on the process to publish the monograph and current discussion with the OECD on the content. A webinar might be held to discuss the monograph and he is currently looking to present the monograph at the Berlin ICA. The committee had a discussion on the format of the final document as well as how to publish and whether or not the OECD could help us to disseminate the document. A point was made that there should be regularly scheduled calls to update the document to make sure it is a living document and the case studies remain relevant.

**7. De-Risking**

Heidi Rackley led a discussion on a potential project to draft a document to better understand retirement plan risk transfers and risk-sharing mechanisms within DB and DC plans. An initial abstract was drafted but it was concerned that there wasn't sufficient interest or motivation for committee members to complete the paper. As such, it was agreed to withdraw the paper from consideration for the ICA in Berlin and consider other potential research topics for a future Colloquium.

**Action** : Committee members to submit potential research ideas for discussion for the June 2018 meeting in Berlin.

## **8. Actuaries and DC plan**

Tim Furlan led a discussion on the role that actuaries play in DC plans. A discussion took place on a potential project to draft a document to explain different roles that pension actuaries could play in the DC space.

**Action** : Tim will review the project and return with suggestions at the next meeting in Berlin.

## **9. Pensions and Benefits Accounting Subcommittee**

Tim Furlan updated the Committee on PBAS activities which was discussed in more detail at the PBAS meeting on October 4<sup>th</sup>

The main focus of the work has been on the projects currently underway at the IASB including an amendment of IAS 19/IFRIC 14 and the upcoming hybrid project under IAS19 as well as developments in the US with the decision not to go forward with a project for pension accounting or convergence between IASB and FASB accounting standards for pensions and benefits.

## **10. OECD / 11. IOPS**

Christelle Dieudonné and Philip Shier updated the committee on OECD and IOPS activity since the Budapest meeting.

## **12. US Experience**

C. David Gustafson, Chief Policy Actuary of the US Pension Benefit Guarantee Corporation (PBGC), Heidi Rackley, Joe Nichols and Tonya Manning detailed three key challenges face by the US retirement plans:

- Mr. Gustafson provided an overview of multi-employer pension plans in the United States and financial difficulties they face.
- Joe Nichols provided an overview of the public (governmental) pension plans in the United States and the funding challenges they face.
- Tonya Manning discussed several challenges to lifetime income adequacy, including lump sum payments from DB pension plans, lack of annuity payout options under DC plans and potential future reductions in social security.

## **13. Round robin update of national developments**

- Canada – Jason Malone described the current movement to change the funding mechanisms in the various provinces in Canada.
- Actuarial Association of Europe – Philip Shier reported discussions of the AAE pension committee, Chair of which has been replaced recently.

## 14. PBSS Colloquiuua

Abe Hernandez reported on the PBSS colloquium in Cancun Mexico in June 2017, and welcomed everyone to the ICA in Berlin in June in 2018. The Chair encouraged all attendees to attend the ICA which will be held in conjunction with the IAA Council and Committee Meetings.

## 15. Webinar possibilities

Funding monograph; as discussed in the item 6 above.  
Global Pension Index; declined.

## 16. Next Meeting

The next meeting will be in Berlin, Germany from 30 May – 2 June 2018.

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### Attendance:

<b>Members</b>
Yasuyuki Fujii, Chairperson
Jason Malone, Co-Vice-Chair
Charles Cowling, Co-Vice-Chair
Safia Lekehal
Philip Shier
Philippe Dermol
Jan Kars
Ken Hohman
Heidi Rackley
Kenji Sekine
Odd A. Svendsen
Bob Scott
Thomas Levy
Tonya Manning
Joseph Nichols
<b>Ex-Officio</b>
Tim Furlan
Christelle Dieudonné
<b>Observers</b>
Martin Collins
Richard Deville
Andrea Gluyas

Alfred Godhes
Dave Gustafson
Heather Jerbi
Marius Du Toit
Shinji Mukaikubo
Allan Paldanius
Junichi Sakamoto
Fernanda Salas Avendano
Nobu Shimizu
Abraham Hernandez Pacheco
Neil Tagoe
JLisa Wade
Jim Verlautz