

**Pensions and Employee Benefits Committee (PEBC) Meeting**  
**Estrel Berlin Hotel, Berlin, Germany**  
**Thursday, May 31, 2018, 9:00 – 12:30**  
**and Friday, June 1, 2018, 13:45 – 15:45**

**Minutes**

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

**1. Opening of the meeting**

Yasuyuki Fuji, Chair of the Pensions and Employee 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 5 October 2017 in Chicago, were approved as presented.

**3. PEBC Workplan**

The Chair spoke about the project plan for the committee. A former member of the committee had initiated a project on de-risking but her departure put the project at risk. The committee decided that it was an important topic for the pension community. A survey of types of risk transfer or a document to explain the increase of de-risking transactions could be useful. Tonya Manning will lead the effort with the assistance of Abe Hernandez. First task will be to determine the scope of the project.

**Action :** Tonya will develop a suggestion of scope for the de-risking project and share with the committee.

**4. Update from Budapest**

Philip Shier and Yas Fujii provided some feedback from recent comment letters and assistance from meetings with IOPS and OECD.

**5. Funding Monograph**

Chair reported the results of the PEBC ballot previously executed electronically as approved by 100% votes being supportive. The monograph, with foreword provided by the OECD, has been published on the IAA website.

Charles Cowling provided an overview of the funding monograph presentation that will be presented at the ICA.

Discussions followed on the topic. Several points were made on the possibility of expanding the document to include different types of plans to demonstrate flexibility of different models of pension schemes.

The committee agreed that it will discuss updating the monograph annually, in particular on each country's developments, and will update the monograph biennially, in order to keep the monograph to be living.

**Action** : Standing item on agenda to discuss monograph on a regular basis to update document. Charles will lead effort in the next 12 months to update document and expand country list.

## **6. Actuaries and DC plans**

Tim Furlan led a discussion on the role that actuaries play in DC plans. A discussion took place on areas where actuaries could play a role in the DC space. Several committee members provided examples of where Actuaries played a role but also provided suggestions as to where they could play a role. One of the observations shared by most was the various types of legislation and regulations around the world which would make difficult to have a unique work that would apply to all.

The committee agreed it will continue to discuss on this topic and consider whether it is possible for the PEBC to produce a statement or other piece of work on this matter.

**Action** : Tim will consider if the committee could produce a statement on the role of Actuaries in DC plans

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

Tim Furlan updated the Committee on PBAS activities which was discussed in more details at the PBAS meeting on May 30<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. A research project on asset return linked benefit is expected to commence shortly.

FASB has lost interest in pensions standards, given the decline in DB plans in the US.

## **8. [OECD and IOPS](#)**

Christelle Dieudonné presented a video presentation from Pablo Antonin describing the role of the OECD with the pension industry and the role of the IAA plays as experts with the OECD. She also discussed the reason why the IAA is involved and what its presence has accomplished so far in the OECD.

Esko gave an update on IOPS activity. He gave a brief summary of a paper on micro and macro dimensions issues.

## **9. German Experience**

Jurgen Fodor of the German Actuarial Association, provided an overview of the German pension environment.

The presentation provided an historical perspective of the pension system as well as current benefits under social program and occupational program.

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

- Belgium – Government trying to put a new statutory system in place but employees are not in favour of such program
- Portugal – No major changes in the pension market to report in the last year. The main challenge remain associated with the current low interest rate environment on funded private pensions schemes, and no significant impact is expected from IORPS II.
- Netherlands – Citizen are frustrated with the system that transferred the risk to employees. Lots of discussion to look to alternative model as younger not certain that promise will still exist at retirement. Movement towards defined contribution plans especially for non-union employees.
- Japan – [New governance code for pension plans](#). Introduction of risk sharing plans in 2017 but still not very popular amongst employer.
- US – Not much change since last meeting. Issues are still underfunding of multi-employer (union) and public plans, and possible insolvency of PBGC multi-employer fund.
- UK – Failure of large company with significant pension liabilities causing discussions. Setting up large pension schemes without employer sponsor to consolidate liabilities from other schemes.
- Canada – Removal of buy-out basis.
- Norway – No major changes in the pension market. The pension funds are still waiting for new solvency rules.
- Australia – Trying to solve for the impact of fees and insurance costs on participants having investments in multiple superannuation funds. Working on the introduction of a post-retirement system with longevity pooling similar to CDC
- Sweden and Ireland – Waiting for implementation of the IORP Directive to determine impact.

## **11. PBSS Colloquia**

Abe Hernandez provided an overview of the upcoming ICA in Berlin. A colloquium will take place in Cape Town, South Africa in April 2019.

## **12. Next Meeting**

The next meeting of the IAA will be in Mexico city, Mexico on 27 November 2018 to 2 December 2018.

**Attendance:**

<b>Attendees</b>	<b>Thursday, May 31, 2018</b>	<b>Friday, June 1, 2018</b>
Yasuyuki Fujii, Chairperson	✓	✓
Jason Malone, Co-Vice-Chair	✓	✓
Charles Cowling, Co-Vice-Chair	✓	
Urs Barmettler	✓	✓
Nils Berner	✓	✓
Barbara D'Ambrogi-Ola	✓	
Philippe Dermal	✓	✓
Jürgen Fodor	✓	✓
Tim Furlan	✓	✓
Ken Hohman	✓	✓
Jan Kars	✓	✓
Thomas Levy	✓	✓
Tonya Manning	✓	
Shinji Mukaikubo	✓	✓
Ana Margarida Ramos	✓	✓
Bob Scott	✓	✓
Kenji Sekine	✓	✓
Philip Shier	✓	✓
Odd Svendsen	✓	✓
<b>Ex-Officio</b>		
Christelle Dieudonné	✓	
Esko Kivisaari	✓	✓
<b>Observers</b>		
Morteza Aalabaf-Sabaghi	✓	
Ayse Arik		✓
Marcos Barretto Júnior	✓	
Tatiana Bitunska	✓	✓
Rob Brown	✓	
Martin Collins		
Hans de Mik		
Richard Deville	✓	
Louis Doiron	✓	
Marius Du Toit	✓	✓
Don Fuerst	✓	
Alfred Gohdes	✓	✓

Ted Goldman	✓	✓
Giovani Gracianti	✓	✓
Dale Hall	✓	✓
Craig Hanna	✓	✓
Hiroto Ito		✓
Anne Magnussen		✓
Helge-Ivar Magnussen		✓
Abraham Hernández Pacheco	✓	✓
John Lowell	✓	
Martin Lunnan	✓	✓
Hans Michael Øvergaard	✓	
Allan Paldarius		✓
Ed Pudlowski	✓	
Junichi Sakamoto	✓	✓
Fernanda Salas Avendaño	✓	
Viatcheslav Sherstnev		✓
Nobu Shimizu	✓	✓
Neil Tagoe	✓	
James Verlautz		✓
Lisa Wade	✓	✓
Maurice Whymys		✓
Lan Wu		✓
Stephen Yeboah	✓	