

NOTES OF THE CONFERENCE CALL OF THE SOCIAL SECURITY SUB-COMMITTEE **Held from 12.00 – 13:00 CEST on Thursday 11 October 2018**

Participants:

Maria Economou (Chair) – Greece
Chris Daykin – UK
Costas Stavarakis – Cyprus
David Bogataj – Slovenia
Ismo Risku – Finland
John Woodall – United Kingdom
Peter Gatenby – UK
Tibor Párniczky – Hungary

Apologies:

Jeroen van Den Bosch – The Netherlands
Marianna Papamichail – Greece
Raffaello Marchelloni – Italy
Yves Brys – Belgium

1. Opening of the meeting and adoption of the agenda

Maria opened the meeting and the agenda was adopted.

2. Response to publication of the Ageing Report 2018

• 2.1 Discussion on AAE response to PAR18

Maria started the discussion on the AAE response to PAR18 informing the participants on the progress' status. In specific she said that she proceeded to the changes asked. She received some additional comments and she will revise the paper on the basis of these. Maria expects to send the updated paper by next week to her colleagues who commented for their confirmation in order to circulate it.

Ismo said that he has no further comments.

Tibor, referring on paragraph 3 he said that in EU it has not much changed; every country focused mainly on the sustainability perspective. Only half of the countries are in a better position which entails that half of the countries are in a worse position.

• 2.2 Discussion of commentary of progress on LTC

David emphasized the fact that for some countries the figures quoted in the report are not the right ones. As an example he mentioned the figures of Slovenia.

Maria said that it is difficult to mention this without specific proofs.

Tibor said that this is a different discussion topic; that this kind of coordination could be an horizontal rule for actuaries.

Chris proposed to quote as a general comment that we accept the figures presented in the Ageing report; these figures maybe differ from the corresponding ones in other reports.

Peter said that we need to highlight on the social changes that, as a consequence, affect the LTC nature in many countries. In specific it becomes more difficult to count, for LTC, on relatives and friends. Peter mentioned that by next week he will send his suggestions on this topic.

David pointed out the highest GDP deviation of 2.9% regarding the worst case scenario.

- **2.3 Discussion of commentary of progress on the other sections**

Maria started the discussion referring on section 7, Measuring social security liabilities for national accounts.

Tibor said to emphasize (on 7.4) that there is already a simulation methodology exercise and that Eurostat proceeds to a number of different exercises for later use.

Chris mentioned that from the discussions with Eurostat and EU it came out that they didn't want any reference in other exercise. He hopes that we may influence them when the seminar with Eurostat will take place.

David referred to the LTC section saying that this has been prepared on the basis of what it is described in every country's law about LTC. However, he added, there is no enough capacity to accommodate people.

Chris confirmed it by referring to the low GDP percentage of LTC costs in a number of countries as for example in Greece.

Maria confirmed that LTC in Greece is mainly based on the family.

- **2.4 Confirming the timing of finalization and publication of our report on AR18 and PAR18**

Maria said that in principle the deadline is remaining the end of October. However, she added, due to the other deadlines of the SSSC in October and to the fact that October 31st is on Wednesday, we may allow for some final remarks by the 1st weekend of November.

Chris said that October 31st should be the deadline.

Maria agreed that this is the deadline; the 2-3 days afterwards is simply for some "last moment" refinements.

3. Response to the question of the new chairperson, Esko Kivisaari

Maria asked the participants about what in their opinion should be highlighted in the SSSC response.

Tibor said to draw the attention to the European Institutions on both sustainability and adequacy. He added that the joint progress requires the contribution of actuaries on the SS issues.

Chris referred on the chapter 10 of our paper pointing out the content of paragraphs 10.2, 10.3 and 10.5 as important to be mentioned. Chris proposed to Maria to send an email to Esko in order to ask in what form he is expecting to receive the SSSC's answer.

Ismo confirmed about section 10 pointing out paragraph 10.2. He then referred to ISAP saying that ISAP1 and ISAP2 are very practical to follow while ISSA-ILO guidelines paper is

a long one. Therefore it might be too much (and unpractical) to ask everybody to follow this document.

Chris said that every country has its own SS and therefore should be sign up with the IASP guideline. He mentioned that in some countries these are under the supervision of the ministry of finance; the ministry of finance suggests memorandums that should be compatible with the international guidelines.

Tibor said that ISSA-ILO guideline is not a binding document. Either they can use the standard or not the member countries should define their own guidelines. He then referred to the actuarial function where a lot is said about the good education of the responsible person involved. However he added we should highlight that it is significant an actuary to be involved

Chris said that he will make some changes to the paper in order to strength the importance of the actuary in Social Security.

Maria asked Chris to prepare the SSSC response for Esko to send it on October 25.

- In between:

Tibor informed Costas about what it was discussed on section 7 in order to have his opinion.

Costas said that he will do some refinements to section no 7 making the link with the purpose of the report on the sustainability of the pension systems. He also referred to section 10 saying that at present there are few actuaries. We need, he continued, to highlight the importance of the actuarial work in the standards and the relevant applications so that to come up with the methodology.

4. Presentation of our paper to ECA

Everybody agreed to present our paper in the ECA.

Maria said that she will prepare the abstract to circulate it for confirmation before sending on October 30th .

5. Any other item you wish to discuss

Maria asked the participants if there is something else they wish to mention besides the related topics to our response to AR18 and PAR18.

Chris pointed out the importance that both TF Mortality and TF Projections and Methodology were reactivated.

6. Future Meetings

Maria asked for a Conference call around mid-January for discussing the Committee's future steps. She also drew the participants' attention to a face to face meeting in Sofia, during the Spring meetings.

Maria referred as well to the meetings with DGEcfm and DGEmployment after the publication of our paper.

Chris confirmed the importance of these meetings.

Maria thanked the participants and closed the Conference Call.