

MINUTES OF THE SOCIAL SECURITY SUB-COMMITTEE CONFERENCE CALL HELD ON JULY 21, 2020 FROM 11:00 – 12:00 CEST

The Participants list of the Conference Call can be found at the end of the document as Annex 0.1.

1. Opening of the Conference Call and adoption of the agenda

- Maria welcomed everyone to the Conference Call.
- The agenda was adopted.

2. Brief information about the SSSC steps after the virtual spring meeting / Notes about the Committee's progress

Maria referred to the virtual meetings she attended on behalf of the SSSC; in specific:

- She attended the SSC of IAA. The main topic was the COVID 19 impact on the Social Security.
- She attended the Pension expert group meeting. The main topic was the Eurostat Technical manual. Thanks to the contribution of the TF Methodology and Projections the actuarial perspective in relation to the T29 calculations was provided at a high extent.

Maria informed the committee members about:

- The comments she sent to the chairperson of the Pensions Committee on the *Final report of the High Level Forum on the Capital Markets Union - A new vision for Europe's capital markets; the report published on June 10.*
- The Conference Call between the chair persons of the TFs and herself on June 24 in order to discuss the SSSC progress.

3. COVID 19

Maria referred to the discussion she attended in the SSC of IAA and in a session organized in the Paris colloquium. She pointed out the importance of this topic and proposed to the committee to focus on COVID 19 impact on specific areas; the vulnerable groups the Long Term Care – LTC role the Health care systems finances.

David said that in Slovenia the difficulties faced, when COVID 19 started, were due to the unpreparedness of the Health Care system for the pandemic and not because of cost cuttings. After a two months "learning period" he said, the situation in the hospitals turned back to normal.

Jeroen said that it is too early to have any conclusions on the effect of COVID 19 on the vulnerable groups. We need to collect data, he said, on how the vulnerable groups were affected by the pandemic. He proposed to wait till more statistical data are available.

Costas referred to the LTC. He said that European Commission, OECD, ISSA and other organizations are very interested in the topic and they are currently studying it, particularly in the context of assessing the COVID 19 impact. Among other aspects of LTC, a high priority is set by the above organizations towards the analysis of the LTC costs, benefits and financing. We need to review, he said, what has been or is being undertaken by the above organizations and see from an actuarial perspective the area(s) we could contribute. Costas agreed to collect information/ data on the topic in order to become fully aware of the current situation, and decide on how to proceed and add value to the above international discussion on LTC.

Raffaello referred to his recent paper regarding the trend of accidents at work due to Covid 19. Data for 21 million workers, the 40% of the population, were gathered on their profession and working activities. They tried to find out what the most affected areas of Italy were. The aim was to focus closer attention to the places most affected by the contagious.

Maria confirmed that she will circulate the paper of Raffaello.

Ismo pointed out that the most consequences of COVID 19 are indirect; so time is needed to see the effects. Ismo mentioned that the mortality rates in Finland have been within normal range during whole 2020.

4. Task Force Methodology and Projections / chairperson Mr Stavrakis

Costas informed the committee about the TF contribution on the update of the Eurostat Technical manual which was undertaken during the first half of 2020. The TF Methodology & Projections was asked by Eurostat to get involved in order to provide the actuarial perspective in relation to the methodological aspects related to the calculation of Table 29 pension figures. In particular, the AAE contribution towards the Eurostat Technical manual

was developed in the following parts: the determination of assumptions (ch. 5, particularly section 5.3), the data sources (ch. 6, particularly section 6.2.3.a) and the methodologies used (ch. 7, particularly section 7.2). It was also proposed to include a new chapter on communication.

Costas also noted that in developing the AAE contribution towards the upgrade of the Technical Manual, they respected the relevant EU regulation on ESA 2010 methodological framework and they tried in a subtle way to introduce new sections and make comments, primarily through footnotes and boxes.

Regarding the proposed new chapter on communication, Costas pointed out that Eurostat, even though is supportive of the communication aspects of the Table 29 exercise, requires not only to get support from member states, but also to assess the best way of disseminating such material. Therefore, it has been agreed with Eurostat that AAE communication material should be analysed later in the year and jointly agree how to use it.

Gregorio asked Costas what should be the next step: What will be, he said, our role as Member States after this is done?

Costas replied that we, at AAE, need to focus on the communication. In particular, it is important to develop a framework for effective communication and interpretation of the Table 29 figures for social security schemes he said. We have to encourage at a National or at a European level to adopt such a framework so that appropriate and comprehensive information is conveyed and the risk of misinterpretation and misuse is minimised.

Eurostat is supportive. We can also consider, he said, to expand the membership of the project team in dealing with Eurostat; we welcome all those who wish to join our discussions.

5. Task Force Mortality / Chairperson Mr Bogataj

David referred to the comparison between the Eurostat 2015 and Europop2019 population projections which will be our basis for comments in the Ageing report of 2021. The biggest change he said is the exit of the UK. There are included though Switzerland, Iceland and Lichtenstein.

David informed the committee on the changes in life expectancy, fertility and migration. As he pointed out Life expectancy decreased in Bulgaria and Check Republic while it increased in Estonia. In Spain the life expectancy for women at birth is 86.6 years. Fertility rate decreased in most Member States.

David said that the population projections are mostly lower than the corresponding ones in 2015.

The comparison results will be circulated to the committee.

Maria asked David about the questionnaire on the discrepancies of the life expectancy in the Member states.

David said that he is planning to send it to our colleagues since it is important to have more info on the reasons behind the possible changes and to discuss the assumption basis.

Maria proposed to circulate the questionnaire to the colleagues of the pension committee as well.

6. Task Force on Adequacy of Pensions / Chairperson Mr Parniczky

Maria informed the committee about the questionnaire on the role of the Social Security actuary and on the TF discussion on the topics the TF wishes to focus on.

Maria asked Jeroen if he received adequate information on the relevant issues on intergenerational and the techniques used to measure intergenerational fairness in the different countries. She also asked him to give some feedback on this topic.

Jeroen said that he received some responses from our colleagues and he discussed this info with Agnes*. Agnes is processing this info and it is expected after holiday to have a first draft.

Maria pointed out the importance of the questionnaire and thanked Maitane for her support and for distributing it to our colleagues of the Pension Committee. Maria invited the participants to respond to it.

Richard mentioned that he knows one Social security actuary who maybe is retired. In France he said the actuaries are not involved in the Social Security. In the national statistical institute there are no actuaries.

7. Additional items you may wish to discuss

Richard referred to the meeting in Munich pointing out the importance of the face to face meetings; he strongly recommends having a face to face meeting at least once a year.

Maria said that she agrees and is really looking forward for a face to face meeting as soon as that becomes possible due to COVID 19.

8. Closing of the Conference Call

Maria thanked the participants for their attendance and their contribution to the discussion items.

* Agnes Joseph and Jeroen are leading the Taskforce together

Annex 0.1

Participants SSSC

Conference Call | 21-July 2020

	First name	Family name	Country	Nominating association	Role
1	Costas	Stavrakis	Cyprus	Cyprus Association of Actuaries	Chair TF Meth & Projections
2	Ismo	Risku	Finland	Suomen Aktuaariyhdistys	Delegate
3	Daniela	Martini	Italy	ISOA	Observer
4	David	Bogataj	Slovenia	Slovensko Aktuarsko društvo	Chair TF Mortality
5	Gregorio	Gil de Rozas	Spain	Instituto de Actuarios Espanoles	Delegate
6	Jeroen	Van den Bosch	Netherlands	Het Koninklijk Actuarieel Genootschap	Delegate
7	John	Woodall	France	Institute and Faculty of Actuaries	Observer
8	Maitane	Mancebo	Spain	Instituto de Actuarios Espanoles	Chair of Pensions Committee
9	Maria	Economou	Greece	Hellenic Actuarial Society	Chair
10	Raffaello	Marcelloni	Italy	ISOA	Observer
11	Richard	Deville	France	Institut des Actuaires	Observer
12	Thilo	Volz	Germany	Deutsche Aktuarvereinigung	Observer

Apologies:

- Chris Daykin – UK
- Tibor Parniczky – Hungary Chair TF Adequacy