

MINUTES OF THE SOCIAL SECURITY SUB-COMMITTEE MEETING
HELD AT CAMPUS SURSEE, SWITZERLAND AND ONLINE
ON THURSDAY SEPTEMBER 30, 2021 FROM 09.00-12.45 CEST

The Participants list of the Meeting can be found at the end of the document as **Annex 0.1**.

1. Opening of the meeting and adoption of the agenda

Maria opened the meeting welcoming the participants. She informed them about the tab in AAE website where the members could save and share scientific documents. *[SSSC had, some time ago, referred to the need of a tab where the members may upload scientific documents.]*

The agenda was adopted.

2. Notes about the Committee's progress

Maria informed the participants about the committee's progress since the committee's virtual meeting in October 2020. Specifically:

- The committee responded to the DG NEAR TAIEX Department of the European Commission question, asked by the *Ministry of Labour of Azerbaijan*, on Covid 19 impact on demographic projections. Three committee members, Daniela Martini, David Bogataj and Raffaello Marcheloni participated by giving a presentation in the on-line event organized by the Ministry of Labour and Social Protection of Azerbaijan.
- The committee responded to the Ageing Consultation conducted by the European Commission.
- The discussion paper "The future role as Social Security Actuaries in Europe" was finalised.
- The committee was represented in the on-line conference "Long Term Care and Pension Adequacy" that took place in 12 and 13 July

- Two Conference calls took place in December 2020 and in July 2021; the main topics were the AR21 and PAR21
- The committee participated by giving comments to the EIOPA consultation on pension tracking services
- The committee participated by giving comments to the EIOPA consultation on Pension Dashboard
- A summary text describing the involvement of actuaries in Social Security in the Member States was prepared. TF Adequacy in 2020 sent a questionnaire to the committee members about "The Role of Actuaries in Social Security Systems"; *this text is based on the members' responses.*
- The first draft of the discussion paper has been developed, in the committee's normal manner following the issue of the AR21 and PAR21 reports.

3. Implementation on pension tracking service in the EU

Presentation "Pension Tracking Services according to EIOPA"

Jeroen made a presentation on the EIOPA consultation paper on pension tracking services.

Tibor said that as one aspect, in order to provide a framework for commenting on standards, a valuable start is to highlight the extent of digitalization; consideration should however be given to the standardization of IT systems. It is appropriate to start with Pension Benefit status and those pensions to be included. How best can information on costs be published? Are there any methods for standardizing costs?

Jeroen said that the assumptions and the benefits are very good starting points. Assumptions and calculation methods are separate issues. We need, he said, to think about it. This question concerns the involvement of actuaries and how to get them together.

Costas said that regarding Pension Benefits statements, we need first to get the benefits on the website. From the supervision point of view, the priority is to know the benefits and the maximum cost level.

Tibor clarified that standards are also relevant in the case of 3rd pillar and personal pensions/insurance; a suitable starting point would be to assess minimum standards of benefits and costs.

Jeroen said that we could review our response paper in order to put all comments together and to include new additions to the directive. He also pointed out that we need to find a way to promote PTS in Europe. EIOPA and EU will hopefully play a role. Regarding costs, he considered that PTS will find a way to contribute.

Mark said that in Ireland, as an experiment to see how the PTS is used, info regarding monthly income was provided.

Jeroen pointed out that info should be presented very carefully.

Falco informed the participants that EIOPA will have a meeting in the first week of October.

Costas said that as actuaries our advice is highly relevant to the setting of assumptions. Is there a plan, he asked, to set up a TF in order to provide this to EIOPA? This would enhance transparency.

Jeroen said that this is something we all need to discuss together. If we wish to be more visible, he said, we need to anticipate next steps as well.

Maria agreed that attention should be paid to taking next steps.

4. Discussion paper

Maria referred to the discussion paper the SSSC prepares periodically after the publication of the Ageing and the Pension Adequacy Reports.

She mentioned that the paper includes all topics the committee had decided to comment on. Since the committee targets a wider audience than that of actuaries, the paper should be written in a way that could be understandable to non-actuaries as well.

Costas said that the AAE can become more visible; the main objective is to convey the right message. He found the paper well-structured and proposed to include in the messages the work of the TFs in conducting actuarial valuations in accordance with actuarial standards; he noted that we have seen the application of standards in a number of areas. Costas also proposed to include in the messages the Covid19 impact. How has the pandemic affected the demographic assumptions and what have we learned from the evidence? A variety of studies during the pandemic, he said, have indicated issues that we should flesh out. These include a range of demographic developments. Costas highlighted that since there may be political implications, we need to be careful to maintain our independence.

Tibor agreed and asked those who read the first draft of the discussion paper to raise questions.

Chris referred to the population section. He said that the value of population info is considerable and the graphs contribute to a better understanding. Chris pointed out that we need to decide what our messages should be. He highlighted that fertility is not tracking the projections of Eurostat. Future trends depend on life expectancy, he said; however, the way Europop explains the purpose of the projection details is not as clear as we might wish.

5. Task Force Methodology and Projections / chairperson Mr Stavrakis

Costas referred to the involvement of TF Methodology & Projections in providing the actuarial perspective in relation to the calculation of Table 29 pension figures. He highlighted the importance of the actuarial perspective to enhancing the effective communication of T29 results.. He noted that it is a focus of the TF's work, both to provide such guidance, and to consider how the guidance documentation could be shared with the Member States in order to encourage them to develop effective communication at a national level.

The TF is now focusing on the discussion paper; the actuarial view in relation to the calculation of Table 29 pension figures will be included.

After the discussion paper is finalized, the TF will discuss its future steps.

Costas pointed out the need to consider the methodology and projections in Long Term Care and Health Care.

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

Tibor said that the TF was busy with the topics of: the projection methods which are used in the reports, the EIOPA consultation papers on Pension Tracking Services and the Pension Dashboard, the role of actuaries in social security and in intergenerational fairness.

The immediate focus of the TF is on the discussion paper, aiming to comment on these topics.

After the discussion paper is finalized, the TF will discuss its future steps - specifically on how to examine Adequacy objectively taking into consideration the actuarial aspects of methodologies and policy issues, and advise accordingly.

7. Task Force Mortality / chairperson Mr Bogataj

- 7.1** Presentation by the chairperson: "Mortality, Population Dynamics and Long-term care - comparison of Ageing report 2018 and Ageing Report 2021"

David provided an analysis on the categories of persons as presented in the Ageing Report, together with numerical examples. An important conclusion of the report, he said, is that the demand for high-quality long-term care is set to rise, and reinforcing its provision can contribute to gender equality and social fairness.

Charles asked if the report distinguishes physical dependence and mental dependence as separate categories..

David clarified that Ageing Report is focused on budgetary projections

Tatiana pointed out the importance of Long Term Care and asked how the SSSC may contribute on this topic.

8. Additional items you may wish to discuss

Maria informed the participants about the 4th European Congress of Actuaries that will take place in Madrid on 2 and 3 June.

Maria invited interested participants to make a presentation in the congress.

9. Future meetings

- 9.1** A Call will take place mid-December in order to discuss the progress of the Discussion paper.
- 9.2** End of March 2021 in conjunction with the AAE Spring Meetings in Munich

10. Close of the meeting

Maria thanked the participants for their attendance and their contribution to the discussion items wishing the next committee meeting to be for everyone a "face to face meeting".

Annex 01**Participants SSSC****Hybrid meeting September 30, 2021**

	First name	Family name	Country	Nominating association	Role
1	Hartwig	Sorger	Austria	Aktuarvereinigung Österreichs	Observer
2	Florian	Moyzisch	Austria	Aktuarvereinigung Österreichs	Delegate
3	Yves	Brys	Belgium	IA\ BE	Observer
4	Philippe	Demol	Belgium	IA\ BE	Delegate
5	Tatiana	Bitunska	Bulgaria	Bulgarian Actuarial Society	Chair Pensions Committee
6	Costas	Stavrakis	Cyprus	Cyprus Association of Actuaries	Chair TF Methodology & Projections
7	Ismo	Risku	Finland	Suomen Aktuaariyhdistys	Delegate
8	Claire	Colinas	France	Institut des Actuaire	Observer
9	John	Woodall	France	Institute and Faculty of Actuaries	Observer
10	Bernd	Muemken	Germany	Deutsche Aktuarvereinigung	Observer
11	Thilo	Volz	Germany	Deutsche Aktuarvereinigung	Observer
12	Wilhelm	Schneemeier	Germany	Deutsche Aktuarvereinigung	AAE Chairperson
13	Maria	Economou	Greece	Hellenic Actuarial Society	Chair SSSC
14	Borza	Gábor	Hungary	Magyar Aktuárius Társaság	Vice chair Pensions Committee
15	Tibor	Parniczky	Hungary	Magyar Aktuárius Társaság	Chair TF Adequacy
16	Mark	Lee	Ireland	Society of Actuaries in Ireland	Delegate
17	Raffaello	Marcelloni	Italy	Istituto Italiano degli Attuari & Consiglio Nazionale degli Attuari (ISOA)	Observer
18	Daniela	Martini	Italy	Istituto Italiano degli Attuari & Consiglio Nazionale degli Attuari (ISOA)	Observer
19	Jeroen	Van den Bosch	Netherlands	Het Koninklijk Actuarieel Genootschap	Delegate

20	Falco	Valkenburg	Netherlands	Het Koninklijk Actuarieel Genootschap	Immediate past Chair AAE
21	David	Bogataj	Slovenia	Slovensko Aktuarsko društvo	Chair TF Mortality
22	Gregorio	Gil de Rozas	Spain	Instituto de Actuarios Españoles	Delegate
23	Maitane	Mancebo	Spain	Instituto de Actuarios Españoles	Observer
24	Severine	Arnold	Switzerland	Schweizerische Aktuarvereinigung	Delegate
25	Chris	Daykin	United Kingdom	Institute and Faculty of Actuaries	Delegate
26	Charles	Cowling	United Kingdom	Institute and Faculty of Actuaries	Observer
27	Craig	Hanna	USA	American Society of Actuaries	Observer