

PENSIONS, BENEFITS AND SOCIAL SECURITY SECTION (PBSS)
Provisional Committee Meeting
05 June 2004 – 13:30 hrs
Ingenjorshuset City Konferensen, Stockholm, Sweden

MINUTES

<u>PRESENT</u>	Chris Daykin	UK	Neil Parmenter	USA
	Hillevi Mannonen	FINLAND	Paul Thornton	UK
	Helen Martin	AUSTRALIA	Eduard Ponds	NETHERLANDS
	Masakazu Masaki	JAPAN	Jean Michel Kupper	BELGIUM

<u>EXCUSED</u>	Cinzia Ferrara	ITALY	Alf Gohdes	GERMANY
	George Psaras	CYPRUS		

<u>OBSERVERS</u>	Brent Walker	AUSTRALIA	Adrian Waddingham	UK
	Rob Brown	CANADA	Christian Levec	STAFF

PROVISIONAL COMMITTEE MEMBERSHIP Chris Daykin indicated there should be a total of 14 Committee members including two appointed by the IAA (Jean-Michel Kupper, Belgium and Paul Thornton, UK).

The Provisional Committee will serve until the November, 2004 general election in Sydney, when an ongoing Committee will be elected by the membership. Chris Daykin and Neil Parmenter agreed to organize and design the election. In that election, half of those elected will serve a four year term and the other half will serve a two year term. Service on the Provisional Committee, or for an initial two-year term, will not count towards the limit of two four-year terms for membership of the Committee.

The need for Canadian representation on the committee was noted (Brian Fitzgerald might be a possibility) as well as greater representation from the social security perspective.

MINUTES OF PRIOR MEETING The minutes of the first provisional committee meeting in Berlin, Germany on 25 November 2003 as submitted by acting secretary Neil Parmenter were approved. It was decided to post minutes in the member section of the IAA website.

TREASURER'S REPORT Neil Parmenter presented a written treasurer's report. Total expected dues revenue for fiscal year 2004 is expected to be around \$8,000. An IAA office administrative fee of \$2.00 per member (increasing to \$3.00 per member in fiscal year 2005) will be assessed at the end of the fiscal year. In time a PBSS bank account will be opened with four authorized signatures (Nicole Seguin, IAA Executive Director, Rosemary Leu, IAA Accounting Manager, Chris Daykin, PBSS Provisional Chair and Neil Parmenter, PBSS Provisional Treasurer), two of which will be required on each check written.

MEMBERSHIP

Chris Daykin presented statistics from a survey conducted earlier relative to expected PBSS membership. In order to reach potential members, a PowerPoint presentation is needed for distribution to all IAA Member Associations. Blast emails and newsletter solicitations must also be used. The advantages of membership must be marketed since it is unrealistic to expect a large number of individuals to sign up without being sold. Dues payment must be made as simple and easy as possible, although there was reluctance to accept credit card payment over the Internet.

It was noted that membership in other IAA sections was roughly as follows:

ASTIN Over 2,000 AFIR Over 1,900 IAAHS About 350 IACA About 500

WEBSITE

Christain Levec was recognized for the terrific job he did developing the PBSS website. It was suggested that links to other IAA section websites be considered.

Two highly ranked member needs were an electronic library and electronic newsletter. Committee members was asked to identify key individuals to champion these initiatives. These areas will be given PBSS financial resources priority.

FALL SEMINAR
IN SYDNEY

The proposed split of full seminar costs are PBSS – 40%, IACA – 40% and the Australian Institute of Actuaries – 20%. In view of uncertain PBSS dues revenue, signing a contract on this basis is difficult.

The proposed split of seminar profits is Australian Institute of Actuaries – 50%, PBSS – 25% and IACA – 25%. Attendance of 200 is expected to be needed for all three organizations to breakeven.

Discussion papers are being solicited. Currently have seven papers of which five are from Japan, which fortunately, is a good worldwide model. No papers will be refused, but will be worked in somewhere. Other possible topics include:

Managing the Payout Phase of Retirement (Craig Thornburg)

Social Security Topics including Privatization (Rob Brown)

Risk Analytics

Global Actuarial Principles (encourage fresh papers)

Financial Economics (avoid duplication of Vancouver seminar, accept papers geared towards a compromise between the extreme positions on this topic).

Effect of Pension Plans on Financial Markets

Solvency

Role of Guarantee Funds

IAA Pension Committee is working on a paper regarding Accounting for Pension Cost. Already have papers on this topic from Japan and Germany.

A blast email advertising this seminar will be sent soon. Some consulting actuarial organizations are already promoting.

PEER REVIEW Since the IAA Professionalism Committee is so heavily involved in this area, it is probably unnecessary for PBSS to also be heavily involved.

AREAS OF INTEREST The survey of potential PBSS members indicated almost 20 areas of interest, but the following nine areas were in particularly high demand:

- Design of pension arrangements
- Design of other employee benefits
- Funding of employer-sponsored pensions and employee benefits
- Accounting issues for pensions and employee benefits
- Investment of employer-sponsored pension plans
- Management and governance of employer-sponsored pension plans.
- Pension contracts offered by insurance companies
- Insurance of other employee benefits
- Annuities and other decumulation approaches

Papers on these nine topics will be solicited.

ICA 2006 Response deadline for requesting a space on the program is December, 2004. Decided to liaise with IAA Social Security and Pension Committees.

NEXT PBSS EVENT There was some consensus against scheduling a PBSS event in 2005. It is likely PBSS will be involved in some session or event in connection with ICA 2006. In 2007, IACA is going to Cape Town, South Africa and PBSS is also invited. This subject will be discussed further in Sydney. The effect of employer's efforts to cut travel to meetings in order to stabilize costs was discussed.

NEXT MEETING There was preference to hold the next PBSS meeting in Sydney instead of in Washington DC in connection with the IAA in November. The agenda will include development of PBSS terms of reference and 2005 PBSS plan.

Respectfully submitted

Neil Parmenter
Secretary/Treasurer