



Aon Global Retirement Bulletin

April 2019

Aon Global Retirement Bulletin is a very short monthly publication referencing a few changes since the latest Global Retirement Insights Quarterly.

Below are the highlighted changes and proposals that have arisen this month:

- Design
- Financing
- Operations
- State

- In [Australia](#) the leading party in the polls of the election (18 May) proposes to raise the 9.5% compulsory superannuation payment in phases up to 12% in 2025.
- In the [EU](#), the Pan-European Personal Pension Product (PEPP) rules were approved which are meant to complement, not infringe on state and occupational pensions.
- In [India](#), the definition of “Excluded Employee” has been narrowed down for EPF purposes.
- In [Poland](#) the Prime minister has delivered a briefing on plans to reform the OFE second-pillar pension fund system.
- In [Russia](#) the Finance Minister revealed that legislation on the regulatory framework for a voluntary individual account defined contribution plan is nearly completed.
- In the [UK](#) GMP equalisation conversion guidance has been published enabling next actions to start. More info can be found in our [InSight](#) publication.
- In [India](#), the PFRDA has amended investment guidelines for several NPS schemes. Effective April 1, 2019, the limits on several asset classes are raised by 5% each.
- In the [United States](#), the Trump administration released additional details regarding its fiscal 2020 budget proposal, which includes changes to the PBGC premiums.
- In the [EU](#), IORP disclosure guidance was issued which includes the timing and communications channels during the preretirement and pay-out periods.
- In the [EU](#), the biennial occupational pension stress test has started, this time featuring an evaluation of ESG exposures. Results of the test are due in December.
- In [Australia](#), the Super reform package has passed. It will grant APRA to issue penalties and intervene early when trustees of a superannuation fund are not acting in the interest of members.
- In [Egypt](#), the minimum pension is to rise by about 20% from July 1, 2019.

If you have questions please contact your Aon consultant, click on the country name or email global.retirement.mailbox@aon.com.

Please also use this mailbox to let us know how we could improve the ways in which we update you on new retirement topics of importance to you.

Visit our [website](#) to find previous issues of our update as well as our #GlobalBenefitsBulletin Highlights, Aon's monthly high-level report on benefits

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Key areas of current focus for employers

- Requirements
- Proposals
- Opportunities

North America, UK & Ireland:

- DC optimization
- De-risking DB plans
- Member options, including lump sums (1-19)
- Settlement with insurers

Netherlands:

- Government's 10-point plan with a pure DC focus (1-19)
- Deficit contributions or benefit reductions
- 2/3rds approval for cross-border plans

Common across Europe:

- Multi-employer plans to ease governance & operations
- Sustainable investment (ESG) (1-19)
- Earlier vesting: From EU Directive
- IORP II governance & risk management (4-18)
- Lower & later State pension causing ER challenges
- Member communication standards
- New mortality tables

United Kingdom & Ireland:

- Any implications from Brexit
- UK: GMP equalisation corrections (4-18)
- UK: Increasing Regulator involvement
- Ireland: Pension Reform 2023

Germany:

- Increasing pre-funding of DB plans
- DC without guarantees
- CMI-linked mortality tables
- Member lump sum options

Elsewhere across Europe:

- Belgium: voluntary DC without guarantee
- Eastern Europe: 1st & 2nd pillar reform
- France: Merging AGIRC and ARRCO (1-19)
- Poland: mandatory plan implementation (4-18)
- Turkey: auto re-enrolment rules

Japan:

- CDC type plans
- DC governance & quality

Hong Kong:

- New tax deductions
- New administration requirements
- MPF offset removal
- New tax reporting requirements

Elsewhere Asia Pacific:

- Changes to mandatory funds
- Social Security coverage expatriates
- Singapore: changes to tax for expats

Australia:

- Focus on member outcomes & governance
- Strengthening Superannuation

India:

- Financial Wellbeing
- Improving attractiveness of NPS
- Investment risk governance
- EPF contributions on all earnings

Africa:

- Encouragement of saving for retirement

Switzerland:

- Reducing annuity conversion rates
- Pure DC for high-earners
- New discount rates & deficit recovery

Italy:

- New early retirement options available in 2019 (4-18)
- Encouragement of savings for sufficient pension

Middle East:

- Pension and savings reform: young population, reducing oil
- UAE/DIFC Mandatory DC 2nd pillar proposal (4-18)
- Funding End of Service Gratuities

Latin America:

- Migration from DB to DC
- Evolving investment strategies
- Communication and financial wellbeing
- 1st & 2nd pillar reform

Brazil:

- Settle DB risks with an insurer
- Social security reform
- DC plan operations & governance

(4-18) indicates that a Hot Topic page was published in the Quarter 4 2018 edition

(1-19) indicates that a Hot Topic page is published in this Quarter 1 2019 edition