Aon Global Retirement Bulletin
August 2018

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

- Design
- Financing
- Operations
- State

August was a relatively quiet month in regards to Retirement around the world. Below are the highlighted adjustments and proposals:

- In Georgia, Parliament has passed in a third and final reading the law on compulsory accumulative pensions.
- In Poland, the latest proposal of the PPK legislation has been approved by Council of Ministers, pending approval of Parliament.
- In the United States, an Executive Order was issued by President Trump that aims at expanding access to Multiple Employer Plans.

- In Belgium, draft legislation has been approved on the establishment of a Private Supplementary Pension for Employees.
- In the United Kingdom, the Institute and Faculty of Actuaries published a paper on issues faced by mature defined benefit schemes and gave recommendations.

- In the EU, the European Commission has sent the Netherlands reasoned opinion over taxation of pension distributions, they think it violates EU rules on free movement of workers, services, and capital. The case will be referred to the European Court of Justice if there is not a satisfactory response within two months.
- In the United Kingdom, the High Court hearing on Guaranteed Minimum Pension equalisation has concluded, and a ruling is expected in September or October.

- Pension reforms continue to happen, with proposals being discussed or introduced in Bulgaria, Mexico, Moldova, Poland and Russia.
- In Australia, the government has scrapped plans to raise the pension age to 70.
- In Bahrain, the state pension reform blue print has been released and will mostly impact public sector workers.
- In Kazakhstan, foreign workers can now participate in the social security system.

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

Prepared by Aon
Consulting | Retirement and Investment

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Reminder: Key areas of current focus for employers

- Requirements
- Proposals
- Opportunities

United Kingdom:
- White Paper on DB member protection
- Liability settlement and asset hedging
- Supporting retirement decisions
- Various possible implications of Brexit

Ireland:
- Highlighting members' transfer option
- Exploring funding alternatives
- Roadmap for Pension Reform

Netherlands:
- Increased governance expectations
- Responding to insurer consolidation
- Exploring use of a cross-border plan

Switzerland:
- Lump sums instead of annuities
- Pure DC (1e) for high-earners
- Transfer to multi-employer funds

Germany:
- Potential new pure DC plans
- DB de-risking and external financing
- Plan harmonization and governance
- Accounting for DC guarantees
- New mortality tables were published

Rest of Europe:
- 1st & 2nd pillar reform in many countries
- Austria: new mortality tables
- Belgium: accelerated pension vesting
- Denmark: longer residency requirement for state pension
- France: President's reform agenda
  Lithuania: Pension reforms passed
- Norway: solvency investment constraints
- Poland: mandatory plan proposals
- Spain: social security challenges & options
- Sweden: Bill to implement IORP II

Canada:
- Re-design to reflect State changes
- Funding reform in many Provinces
- Settlement with insurers
- More formal governance

EU/EEA:
- IORP2 governance
- Sustainable investment
- Employer action code
- Implementation of Mobility Directive

United States:
- Opportunities from tax reforms
- Defined contribution optimization
- Managing and settling DB liabilities
- Improving plan governance

Italy:
- Impact of New Government
- Early retirement options
- State retirement age incease to 67 from 2019
- New Government's proposed changes

South Korea:
- Increased minimum DB funding

Japan:
- New risk-sharing plan
- DC quality requirements

Mexico:
- Migration from DB to DC
- Life-cycle investment funds
- Communication and financial wellbeing
- New voluntary second-pillar structure

China:
- Growth of supplemental plans
- Financial wellbeing where low Province benefits
- Tax benefits of commercial pension insurance

Hong Kong:
- Various Hong Kong MPF changes

India:
- Gratuity limit enhancement
- Increased equity choice

Rest of Asia Pacific:
- Various changes to Provident Funds

Brazil:
- Migration from DB to DC
- Pension issues in pending national election
- Settle DB risks with an insurer
- Loss of flexibility on Social contributions

Australia:
- Risk-pooling exploration
- Member-outcomes focus
- Wide-ranging new Budget
- New retirement income system being developed

Global:
- New IAS19 special events calculation rules
- Aon recently held a Webinar on Financial Wellbeing, more info here and here

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