Aon Global Retirement Bulletin
May 2019

Aon Global Retirement Bulletin is a very short monthly publication referencing a few changes since the latest Global Retirement Insights Quarterly. New this month on page 3 you will find an overview of upcoming Global and Regional events that might be of interest to you.

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

- Design
- Financing
- Operations
- State

- In Poland, the first deadline for the introduction of a PPK draws near. See page 3 for more information and an opportunity to join a Webinar.
- In Thailand, the Labor Protection Act has increased the statutory severance payment for workers with 20 years' service from 300 days' pay to 400 days' pay.

- In Russia, The Bank of Russia has posted a draft ordinance on rules for investing the reserves of nongovernmental pension funds (NPFs).
- In the United Kingdom, the largest ever insured annuity purchase has been carried out by Rolls-Royce.
- In the United Kingdom, further expectations have been published in relation to the Statement of Investment Principles.

- In Australia, the APRA and ASIC have issued a letter to Superannuation Trustees on various issues that need to be addressed.
- In Canada, CAPSA published various guidance about electronic communications, solvency or hypothetical wind-up liabilities, and its future strategic priorities.
- In Japan, the Diet has passed legislation that will block the benefit eligibility for dependents of foreigners living outside Japan, from April 2022 onwards.
- In Taiwan, a bill has passed that will require all foreigners with permanent residency to obtain coverage under the labor pension system.
- In the United Kingdom, the powers of the Regulator are being increased in relation to funding and corporate transactions where a DB scheme is involved.

- In the Netherlands, tripartite negotiators reached an agreement in principle on elements of pension system reform, negotiators will now flesh out the plan.

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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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 managment (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

Global:
- More formal plan governance (4-18)

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

Canada:
- Pension funding reform in many Provinces

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

Japan:
- CDC type plans
- DC governance & quality

Latin America:
- Migration from DB to DC
- Evolving investment strategies
- Communication and financial wellbeing
- 1^{st} & 2^{nd} pillar reform

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

Hong Kong:
- New tax deductions
- New administration requirements
- MPF offset removal
- New tax reporting requirements

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

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

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

Africa:
- Encouragement of saving for retirement

Australia:
- Focus on member outcomes & governance
- Strengthening Superannuation

(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

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Aon International Retirement Events & Thought Leadership Update

Global Events & Surveys

DC and Financial Wellbeing Webinar - A global webinar on the 20 June to present findings on Aon's "Living the Dream" study as well as other recent Aon studies on the topics of DC and Financial Well Being. Click on the link to register. The report on the study can also be found here.

Global Responsible Investment Survey 2019 - We are running a short survey to better understand thoughts and actions relating to responsible investing, click here (French) for registering for North America and here for UK and Europe.

2018 Global Benefits Governance and Operations Study - this Study carried out with the American Benefits Council has closed, and the full report and its main findings have been published. More information can be found by clicking on the linked page.

2019 Global Pension Risk Survey - The Global Pension Risk Survey is Aon's biennial survey of DB pension plan sponsors and trustees/fiduciaries. The survey remains open for participation in some countries, and results will be published soon for some others.

Country/Regional Events & Surveys

Poland - On 19 June and 25 June Aon is hosting Webinars on Auto-Enrolment Under the Employee Capital Plans (PPK). The implementation is staged so that employers with 250+ employees must begin preparations from 1 July 2019 and be ready to pay contributions no later than November 2019. Click the link to request more information and an invitation.

UAE - On 16 July (London) Aon is hosting a roundtable discussion on the changes to end of service provision by employers in the DIFC. Please contact Jonathan Clarey and Amanda Fraser (in link) to get more information and an invitation.

UK - On 18 June (London) and 2 July (Birmingham) Aon hosts Half Day Seminars on Risk Settlement and focus on guiding attendees through the range of de-risking solutions, and we will also share additional insights. Click the link to Register.

US/Canada - On the 26 June Aon hosts a North Americas-focused drill-down into the International DC and Financial Wellbeing Webinar being held on 20 June. Click the link to Register.

Click here to access more thought leadership in Aon's new global digital Retirement Insights hub.

For more information on any of the above, please contact your Aon international retirement consultant, your Aon global account executive, other regular Aon contacts, or Colin Haines (Partner, International Retirement).

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