



Aon Global Retirement Bulletin

February 2020

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

- The President of [Estonia](#) has decided not to promulgate the 2nd pillar reform bill based on constitutional concerns.
- In [India](#), a recent Supreme judgement recognised a broader definition of employee under the EPF & Miscellaneous Provision Act, 1952.
- The [Polish](#) lower house has approved a draft bill on the transfer of OFE pension funds to IKE individual retirement accounts. It will come into effect on June 1, 2020.
- In the [UK](#), consultation on the RPI reforms have started. More information can be found [here](#).

- In [India](#), the Finance Minister has presented the Annual Budget 2020-21, including an important proposal which impacts the taxation on contributions to employer sponsored Retirement plans. Aon India has analysed the impact of the proposed amendments [here](#).
- In [Ireland](#), Revenue updated the Pension Manual to reflect the amendments on tax relief for pension contributions made by a company to occupational pension schemes set up for employees of another company in certain “defined circumstances”

- In the [UK](#), The Pension Regulator (TPR) published consultation on its revised code of practice for DB funding, which can be found [here](#).

- In [Bermuda](#), amendments to the National Pension Scheme, approved by the senate, have come into full force.
- In the [UK](#), further guidance on GMP equalization has been published by HMRC. Guidance can be found [here](#).

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

Common across North America, UK & Ireland:

- DC optimization
- De-risking DB plans
- Member options, including lump sums (1-19)
- Settlement with insurers
- U.S.: SECURE act comes into effect (4-19)

United Kingdom & Ireland:

- UK: Any implications from Brexit
- UK: Redefinition (lower) of RPI inflation
- UK: Wide ranging Pensions Bill
- UK: GMP equalisation corrections (2-19)
- UK: Increasing Regulator involvement
- Ireland: Pension Reform 2023

Global:

- Cyber risk management (3-19)
- Responding to low interest rates (3-19)
- Plan consolidation (3-19)

Canada:

- Pension funding reform in many Provinces
- Commuted values law passed

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 passed (4-19)
- DC plan operations & governance

Netherlands:

- Agreement reached on pension reforms (2-19)
- Deficit contributions or benefit reductions
- 2/3rds approval for cross-border plans

Germany:

- (3-19)
- Increasing pre-funding of DB plans
 - DC without guarantees
 - CMI-linked mortality tables
 - Member lump sum options
 - Implementation of the IORP II Directive

Switzerland:

- Reducing annuity conversion rates
- Pure DC for high-earners
- Ongoing pension reforms
- Consultation on occupational pension tax adjustment – comments by 20th March

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 (4-19)
- Funding End of Service Gratuities

Africa:

- Encouragement of saving for retirement
- Mauritius: Portable Retirement Gratuity Fund (4-19)

India:

- Financial Wellbeing
- Improving attractiveness of NPS
- Investment risk governance
- Taxation employer sponsored plans
- EPF contributions on all earnings (3-19)

Australia:

- Focus on member outcomes & governance
- Strengthening Superannuation (2-19)

Common across Europe:

- Multi-employer plans to ease governance & operations
- Responsible investment (ESG) (3-19)
- 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
- Pension stress test consolidation proposed

Elsewhere across Europe:

- Belgium: non-discrimination law
- Denmark: 30-year bonds to return
- Eastern Europe: 1st & 2nd pillar reform
- France: Fully revised pension plan structure (3-19)
- Norway: Pension investment regime consultation
- Poland: mandatory plan implementation (2-19)

Japan:

- CDC type plans
- Retirement deferral
- Increases in retirement age
- DC governance & quality

Elsewhere Asia Pacific:

- Changes to mandatory funds
- Development of occupational and private schemes
- Financial Wellbeing
- Increases in retirement age
- Super-ageing population
- Promoting retirement deferral
- Social Security coverage expatriates
- Singapore: changes to tax for expats

(X-YY) indicates that a Hot Topic or Country Trends page was published in the Quarter X 20YY edition

Aon International Retirement Events & Thought Leadership Update

A special announcement for this month's update: Due to far-reaching travel bans and quarantine measures affecting many organisations globally due to fears over the spread of COVID-19, please do make sure you check for any cancellations or postponements of live events you have signed up to. Meanwhile, rest assured that we have a wide range of webinars upcoming on a variety of topics.

Global Events & Surveys

DC and Financial Wellbeing Webinar - A webinar was held 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 view the recording for the UK. The report on the study can also be found [here](#).

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 - Thank you to those who participated in the Global Pension Risk Survey 2019. Local teams have now produced outputs for all countries which can be found via the [global page](#). Please feel free to contact your regular Aon consultant to discuss findings.

Country/Regional Events & Surveys

Germany – This annual conference will be held (circumstances permitting) at the Pullman Berlin Schweizerhof. Aon Germany's Simon Mayer and Fred Marchlewski will present on financial wellbeing. Click [here](#) for details.

Netherlands – Join Heleen Vaandrager (CCO, Retirement & Investment Aon Netherlands) for a webinar discussing the upcoming changes to the Dutch pension reforms – including slowing the rate of increase in retirement age, providing early retirement solutions, lump sum options and simplified spouse/partner retirement arrangements. Two live webinars will run at 1pm (UK time) on **31 March** and **9am** (UK time) on **1 April**.

Ireland – The Ireland pension conference is planned (circumstances permitting) for 7 May 2020 at The Conrad, Dublin. The half day morning conference will address matters relevant to DB & DC sponsors and trustees. Click [here](#) to send an email registering your interest to attend.

UK – A set of Pensions conferences are being March in various cities. This conference will help you set a clear vision for your own pension scheme strategy and will include lots of real-life examples. Attendance will offer delegates the opportunity to hear experts' views and ideas on how to manage defined benefit and defined contribution pension schemes and provides a platform to learn from and network with peers.

UK – A range of events are scheduled over the coming months. A Wellbeing Briefing for Multinationals will be held in Manchester on 23 April 4-6PM., a Hot Topics Seminar on the Netherlands and Switzerland will be held in London on 6 May 3-5:45PM., as well as a Hot Topic Seminar on France, Italy, Spain and Portugal in London on 7 July 9-12:30PM. Click [here](#) if you'd like any more info on these seminars or to register.

For more information, please contact your Aon international retirement consultant, Aon account executive, other Aon contacts, or [Colin Haines](#) (Partner, International Retirement). Also see: [Aon's global Retirement Insights digital hub](#)

[Global Retirement Management](#) on [aon.com](#)

[Aon Retirement and Investment Blog](#) updated twice a week with latest information and insights, with strong focus on investment market changes.

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