



Aon Global Retirement Bulletin

August 2019

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

- Globally bond yields have continued to fall leaving some countries with negative rates, and the prospect of increased costs of funding and year-end reporting
- In [Bermuda](#), the Finance Minister recently proposed that all foreign workers except those on short-term work permits should be enrolled in a registered pension plan.
- In [Saudi Arabia](#), a severance pay upgrade formula has been proposed, changing the termination benefit of two months of salary to one month's pay per year of service.
- In [Taiwan](#), a Bill to promote retirement deferral has been approved and would include changes to retirement age and entitlements for senior workers.
- In the [United States](#), the DOL's EBSA released a final regulation that expands access to affordable quality retirement savings options
- In [France](#), in regards of pension reforms 3 new retirement saving products will debut on 1st of October. All three are designed to be simple and highly portable.
- In the [United Kingdom](#), the Chancellor announced that a consultation on changing RPI to align with CPIH between 2025 and 2030 will commence in January 2020. The announcement may impact scheme funding positions and scheme inflation assumptions for financial year-end 2019.
- In [Canada](#), the Financial Services Regulatory Authority reminded plan administrators to comply with the Pension Benefits Act filing requirements in order to avoid Administrative Monetary Penalties (AMPs), and it indicated that AMPs could be avoided on filings due prior to September 30, 2019 if they are made by October 31, 2019.
- In [Egypt](#), the Social Security Reform has passed, under which a variety of changes are expected, such as changes to the retirement age and benefits.
- In [Italy](#), a new early retirement disposal has been introduced with new processes which costs less for companies than the current one with a similar level of benefits.

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

Common across North America, UK & Ireland:

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

United Kingdom & Ireland:

- UK: Any implications from Brexit
- UK: GMP equalisation corrections (2-19)
- UK: Increasing Regulator involvement
- Ireland: Pension Reform 2023

Global:

- More formal plan governance
- Global DC and financial wellbeing (4-18)

Canada:

- Pension funding reform in many Provinces
- Changes made to CPP/QPP

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

Netherlands:

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

Germany:

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

Switzerland:

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

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

India:

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

Africa:

- Encouragement of saving for retirement

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
- Data and cyber risk management

Elsewhere across Europe:

- Belgium: voluntary DC without guarantee
- Eastern Europe: 1st & 2nd pillar reform
- France: Merging AGIRC and ARRCO (1-19)
- France: Pension reforms as part of broader reforms
- Poland: mandatory plan implementation (2-19)
- Poland: OFE reforms revealed
- Turkey: auto re-enrolment rules

Hong Kong:

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

Japan:

- CDC type plans
- DC governance & quality

Elsewhere Asia Pacific:

- Changes to mandatory funds
- Development of occupational and private schemes
- Increases in retirement age
- Social Security coverage expatriates
- Singapore: changes to tax for expats
- Measures around retirement deferral

Australia:

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

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

Aon International Retirement Events & Thought Leadership Update

Global Events & Surveys

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.

Global Survey of Retirement Plan Accounting Assumptions 2019 Results published – The results of the survey may be useful to companies when setting preliminary assumptions for 2019 year-end and budgets for 2020.

2018-19 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 link.

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

APAC Surveys – **The Banking industry Employee Benefits and Wellbeing Study 2019** and **The Global Mobile Employees Study 2019** are opening for participation soon. Click the link if you would like to participate or would like further information or support on any APAC retirement.

UK – Join **Paul Rangelcroft** (Aon Practice Director, North America Retirement) and Aon Germany's Retirement practice leaders on 8 October in London and 10 October in Manchester for networking and an interactive seminar covering the latest trends in benefit design, financing and settlement of liabilities, and plan operations/management (including management of US fiduciary risks). Click on the link to send an email and register interest.

US – **The US 2019 Retirement and Investment Client Conference** will take place in Chicago on 25 and 26 September 2019. The conference will offer expert insights related to the markets, investment innovation and plan design. Click the link for more details.

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).