PENSIONS, BENEFITS AND SOCIAL SECURITY SECTION (PBSS)

Minutes of the 41st Board Meeting of the PBSS Section
held on Monday, 28th November 2022 from 06:10 to 07:08 hrs EDT
(Virtual meeting via ZOOM)

Table of Contents

1 Welcome and Apologies 1
2 Adoption of Agenda 1
3 Approval of the draft minutes of the Board meetings held on Tuesday, 29 March 2022 and Tuesday, 19 May 2022 1
4 Confirmation of the draft minutes of the AGM held on Wednesday, 16 March 2022 1
5 Future conferences 1
6 2023 Board meetings/AGM/Elections. Hold in Sydney? 2
7 Contribution to Actuaries du Monde 2
8 IAA Sustainability Report 3
9 Webinar proposal: ISSA-ILO Guidelines on Actuarial Work for Social Security 5
10 Other Business/Next meeting(s) 6
11 Close 7
Attendance Register 8

1 Welcome and Apologies

The Chair (Mr. Douglas Carey) welcomed everybody to the virtual meeting. Twelve elected PBSS Board members, an Honorary Chair (Mr. Christopher Daykin) and one IAA delegate (Ms. Tonya Manning) attended the meeting (all participation via Zoom, see the table on page 8). There being quorum present of elected Board members and the meeting was established, satisfying the requirements stated in Article 13b. of the Rules of PBSS.

2 Adoption of Agenda

Doug quickly went through the agenda items and the agenda was adopted without change.

3 Approval of the draft minutes of the Board meetings held on Tuesday, 29 March 2022 and Tuesday, 19 May 2022

Doug invited the Secretary (Mr. Nobuhiro Shimizu) to comment on the draft minutes. Nobu said that he wanted to get approval of both the draft minutes of the 38th Board meeting (held on 26th October 2021), which had been fixed after the 39th Board meeting (held on 29th March 2022), and the one of the 39th Board meeting. He explained that he had sent both of the draft minutes to every Board member in advance of the 41st Board meeting. No objection was raised on the two draft minutes and they were approved without change. The draft minutes of the 40th Board meeting held on 19th May 2022 was not prepared yet. The Secretary was absent from the meeting and it had been agreed that somebody else should prepare the draft.

4 Confirmation of the draft minutes of the AGM held on Wednesday, 16 March 2022

Doug invited Nobu to comment on the draft minutes of the last PBSS AGM. Nobu explained that the role of the chair had been transferred from the Chair to the Vice-Chair during the AGM, but the Chair had still been Mr. Ken Buffin, so he had composed the draft minutes based on that understanding. He also explained that the draft involved a table, based on which the Treasurer (Mr. Raffaello Marcelloni) had made his report, because it would be much easier to understand the Treasure's report than without the table. No objection was raised on the draft minutes and was confirmed by the Board.

5 Future conferences

5.1 ICA 2023

Doug said that as for ICA 2023, the agenda was set pretty well and he had primarily been in contact with the scientific committee. He continued that there would be some two hundred papers for fewer slots than that, and it was going to be rather a technical conference. Then he asked the Board members if they would be going to ICA 2023. Several members answered affirmatively.

Then, Doug questioned if it would be worthwhile having a PBSS Board meeting in person in Sydney. He said that it would probably be worthwhile but IAA Secretariat had been saying that it would be at around three o'clock in the afternoon AEST, which would not be a comfortable time in many parts of the world. Doug continued that as at least several Board members would be going to ICA 2023, we would have a Board meeting there, and probably would also do the AGM there, although there would not be no particular reason other than having a Board meeting in person over there.

Then, Doug said that he had had a look at the papers assigned to PBSS to see if there would be anything for us to do. He continued that there might be some possibility of moving or substituting somethings around, and asked if there would be somebody to volunteer to do that. Then, Mr. Peter Devlin raised his hand and Doug expressed his appreciation. Doug said he would send Peter a link for the papers and instructed the name of the counterpart person.

5.2 Brussels 2024

There was an exchange of information about the Brussels Joint Colloquium to be held on September 2024, which is roughly as follows:

Doug: As for the Brussels Colloquium to be held on September 2024, Ms. Jennifer Alonzo Garcia and Raffaello have already volunteered to a shepherd of the Colloquium. The organiser already had both of these names, so I will assume that Raffaello and Jennifer will be coordinating that.

Peter: Is there a theme for that meeting? We have already decided something?

Raffaello: This morning, we received an email with a couple of attachments, the program and the PowerPoint file involving the steps of the program of the Organizing Committee. So, I will take a look at these attachments, and we can make our comments. I think that we can ask for a space for our session. The Organizing Committee set a deadline on 15th December for comments. So, we may have the next week to answer to the Organizing Committee.

Doug: I'm not sure if everyone received the draft agenda. Could you send to the Board? Along with the agenda, ask them that we filter comments through you.

6 2023 Board meetings/AGM/Elections. Hold in Sydney?

This agenda item was already addressed in the agenda item 5 above.

7 Contribution to Actuaries du Monde

Doug reported as follows:

The next topic on the agenda is a potential contribution to Actuaries du Mond (AdM). We actually discuss this about a year ago. At the time, I was Vice-Chair worked on a subcommittee to determine the amount of the contribution, and discussed it with AdM. At the time, we came up with CAD 2,500 to something that we think reasonable, and we wanted to be sure that is going to be used for projects that involves pension benefits and social security.

I started to have discussions with AdM at the time. We didn't get very far. I'm actually not sure why. It was just changing the leadership there. But, in fact, they have come back to us through a formal letter, and asked if we would consider making a contribution.

They have an in-person seminar in Senegal in May, next year. And one of the topics on the agenda is micro-pensions which obviously fits within our framework. I don't understand why the topic was adopted. But apparently, micro-pensions are pensions for informal sectors, very small pensions. But that does qualify as something that are in the scope of the things that we wanted. So, I would like us to consider, because we have already analysed that CAD 2,500 contribution making that for purposes of helping out for their conference.

Then, there was an exchange of questions, answers and opinions, which is mostly as follows:

Tonya Manning: I'm sorry. What do you mean by micro-pensions? I don't understand that term.

Doug: The informal labour sector where people are employees, farm workers, etc. And that's something in some merchant market countries that's been a topic of conversations. How do you take care of people who don't have formal employers? And there has been a lot of work done, both in insurance and pensions, and tried to establish some sort of plans and schemes that would provide some sort of benefits to those people.

Tonya: There's something AdM and we're not. It's been involved in. I have a question. How exactly would the funds be used if we contributed it? Would it be used for what?

Doug: They used to help cover the cost of the conference. They are going to charge the attendees. It's in a very cheap part of the world, but the funds would be used to cover the basic costs of the conference and helping to recruit speakers. They're not paying for speakers. But I guess in some cases they're supporting the travel expenses. It's an easy request.

Mr. Abraham Hernández Pacheco: So, rather than a question, please put me in contact with them. Concerning the conference, I might be able to make a contribution on micro-pensions, specifically on pension and contributions through consumption.

Doug: I am okay. Is there other discussion about making the contribution? Are people in favour of this?

Raffaello: Let me just comment as Treasurer of PBSS. I just to recall what was the decision. One year ago, about this contribution, it was not to contribute anymore. Actually, we didn't give, didn't ever gave a contribution to AdM. Our last decision on this point was not to contribute, and in the budget for 2023, we don't include any amount for this contribution. My comment is not to influence any decision now, but just to recall what was the decision on that.

Doug: Do you think we have flexibility in the budget? Given the other areas, we could make the contribution without putting an undue strain on our financial resources.

Abraham: I mean yes, probably in this case. I think that a way of contributing and being more specific and more towards our aims, would be to offer a bursary to cover the cost for some PBSS member to actually attend the conference or something like that.

Peter: I agree. We should subsidize someone from PBSS to go, not one of the Board members.

Doug: I don't know how the others feel. Are you in agreement with it? What Peter suggested is supporting some PBSS member attending the conference as opposed to a cash contribution to AdM.

Raffaello: Yes, of course I agree. Attending such events is just a problem of paying for the cost.

Doug: How do others feel that? Does anyone else feel differently? One might feel that we should just give them an unrestricted confirmation.

Tonya: Go ahead. I prefer just contributing with a speaker. I think that would be more appropriate.

Peter: Or speak on a bursary to someone who hasn't got the money to go to the conference. I don't know where the conference takes place.

Doug: Senegal.

Chris: Okay. Now I support giving it as a bursary rather than just throwing money into their pot.

Jennifer: For me, I just think it shouldn't be understood there should be something attached to you, either speaker, either attending something, and not like just donating to an external party like that.

Doug: That seems to be the consensus. We will go back to AdM and say that we are not prepared to give you a case contribution. However, we will subsidize the PBSS member we have chosen to attend and speak at your conference. Okay, can I have a motion that supports that?

Everybody was in favour of the motion and it was decided to choose an appropriate PBSS member and subsidize the costs, as a bursary, for the member to attend and speak at the conference of AdM, up to CAD 2,500. Doug said that he would communicate to the AdM counterpart that we would not make a cash contribution, but rather give a bursary up to CAD 2,500 for some PBSS member to attend the AdM conference and present on the topic of pensions. He added that we have to find that person.

8 IAA Sustainability Report

Doug invited Mr. John Anderson to speak on the IAA Sustainability Report. Then John explained mostly as follows:

What I just wanted to do is just briefly give a summary of what's been happening at the climate. Risk Task Force, which is run by the IAA, and then also what it potentially means for us in the PBSS.

For those of you haven't seen it, the IAA run this Climate Risk Task Force. For some time, they've got a statement of intent and they actually have done a lot of good work. They have already published six papers focusing on the climate risk. Included in that is also relevance to pensions and social security. The

paper five was the one on risk disclosure, which is quite important for anyone advising pension schemes. That's the work of the Task Force for Climate Financial Disclosure.

And there's also things that actuaries need to look at. The latest one is Paper Six, which is around adaptability. Assuming we don't get control of the temperature rise within two degrees Celsius, how do you adapt? But I think that we want to just flag for us.

Here is the next Paper that is going to be put together with the Paper Seven. It's specifically on social security. So, I don't know if people are contributing here. But I think when I get that through the committee, I'll definitely circulate it for comment. I think it's the one that we do need to give proper consideration to and give input into.

You know the process. I'll let you know as soon as we get that. And then at the conference next year in Sydney, they're going to showcase all the work done by the Task Force. So, I definitely recommend. We promote that a little bit. Then, what I did is also just circulate by Doug.

They did a survey recently to all the Fellow Member Associations of the IAA and it was to really get a dipstick on how we are doing around sustainability. What's the support of the different FMAs, and what are the key themes? So, I just wanted to quickly summarize that for you, because it's quite important.

The first thing is that up until now sustainability was focused on climate risk. But, as you know, sustainability is much bigger. It looks at the social aspects, governance aspects, and a whole range of us. Some of us are involved in that already. It looks like the IAA wants to expand the mandate, but they are worried about the work that's already been done in the various Sections. So, they send out the survey to get a view from the members as to where the focus should be, what the activities are.

It looks like a lot of the FMAs are quite active in creating awareness around sustainability. Lot of conference sessions you would have seen. Convention A also had a lot of issues around sustainability up until now very focused on climate one.

But what I'm seeing in practice is sustainability being a broader topic around things like inequality. How does group schemes affect that? How does financial inclusion come into the mix and sustainable drawdown rates, and all the things that we look at the findings?

So, in a nutshell, there was general support from all the FMAs to do more work around sustainability. It looks like some of the next steps depending on what's authorized at the end of the day. They would look to define it to find sustainability.

So, they're not just going to look at climate. They're going to look at sustainability as a broader context and then they're going to investigate how factories can contribute to the sustainable development goals (SDGs) and link in to the work being done by the various Sections.

So, there'll be interactions through that to PBSS, and then we'll need to look at what we need to do to support that. So, that's all coming. What I just wanted to say is what we need to do. In the meantime, expect something from the IAA on this into the broader context.

Sustainability is a big topic, and we need to prioritize it. But I'm going to put it out there for content, research papers, at events, at conferences, etc. This thing is just going to grow, and I'm seeing it specifically in South Africa.

In other areas as well, factories are not well equipped to deal with this. There's a lot of upskilling needed. And you also need to collaborate with experts in other fields. So, we need to start focusing a little bit more upskilling people in our Section. There has been work done, but it needs to be a specific focus area.

That was kind of in a nutshell, but happy to take a bit more questions, just a little bit of awareness there.

Then Doug invited questions for John. The following is the major points of the questions and answers:

Tonya: I was just going to say that I support what you said. There's plenty for us to do. My question is, whether we have anything currently with PBSS as specifically focused on sustainability. Is your suggestion that we explore this at this point, or we just wait to see what the next step is with the IAA based on FMA reactions.

John: The way I see it is, it's they probably going to leave it up to like PBSS. So, I think we're going to be proactive and do things we will have to link in, but they're going to rely on the Sections for specific things. The overarching mandate is still in discussion, and they want to look at broadly how factories contribute to the SDGs. But I have no doubt they're going to basically pass on a lot of what's needed to us. So, my suggestion would be that sustainability should be a big topic for us, and we should progress it as a key strategy. And then once IAA gets, it's everything in place we can slot in. But I wouldn't wait. Because there isn't there, you need to be an expert in the various areas and flesh it up, and I don't see us focusing heavily on this. It's kind of ad hoc.

Tonya: I think we need a structured approach. That's what I was suggesting, Okay, that's I support that. I just wasn't clear what that structured approach would be. But I think that your suggestion is to figure that out.

Chris: The Advance Committee has been talking about sustainability and is really sort of referring it to the Strategic Planning Committee as the next big thing that the IAA to focus on. It's a sort of builds on the climate work that's been done, but it's much broader. And we're waiting to see whether the SPC will see it as a topic that could be dealt with in a similar way, with that a very high-level task force which would drive the program and produce materials. I think it will be really great if the individual Sections and Committees began to take on topics in the sustainability area, and it's very appropriate for PBSS, particularly with our social security hats on it, that we should give some priority to developing the sustainability topic.

Abraham: There are some concrete things that that we can do within the scope of what we are already doing, and that is, including a seminar. We did have a seminar on ESG rules for pension plans in Europe. We could include somethings as well on other seminars. And then making sure to include that topic in the Call for Papers for the Brussels Joint Colloquium.

Peter: Actually, that's my idea. Why don't we take the CAD 2,500 we're going to pay to one thing? We're not going to pay now, and sponsor one on pensions, one on social security and then do the same for Brussels. I've been dealing in Kenyan one the other day with much smaller money.

Doug: They generally negotiate fairly inexpensive hotels, and I don't know what the air is, but they're good at a decent offset to expenses, and our CAD 2,500 would cover two people in full.

Peter: I have another question on it. Where exactly are they? Or can they just be sent around?

John: I'll send you a link. There's a link on the IAA websites, but I'll send it around to everybody. It is highly recommended. It has actually very good contents. And as I mentioned, when social security comes around, I'll ask specifically for input from everybody.

Doug: Thank you, John. I know they made this talking about three months ago. But we didn't have a board meeting. I'm glad you were able to wait until now. It's an excellent area for discussion.

9 Webinar proposal: ISSA-ILO Guidelines on Actuarial Work for Social Security

Doug invited Jennifer and Raffaello to speak about their webinar proposal on the “ISSA-ILO Guidelines on Actuarial Work on Social Security.” Jennifer said that she just wanted to say that was something we had discussed and that it would be good to have that kind of collaboration. She added that it would be great if we could discuss more of a Webinar in general later. Raffaello said that the Guidelines is very interesting and the Webinar should be held in the early event of 2023.

Doug expressed his profound appreciation to the proposal and added that it would be desirable if we could have Webinars on a more regular basis. Chris strongly supported the Webinar and said that we should liaise with the Technical Commission of the ILO-ISSA, because that could probably get to wider audience.

Then, there was exchange of information and ideas about scheduling of the proposed Webinar, taking into account the schedule of ICA 2023.

10 Other Business/Next meeting(s)

Doug said that concerning our decision on the bursary for a PBSS attendee, the next step would be to send out a note to our members asking for volunteers and see what comes back and then make a decision. He added that we could elevate it to the either Board call or just an email discussion about the volunteers that we get. He also remarked that it would be in May, so we should get that done fairly soon, so he would take it on his responsibility of drafting such a note and working with Tebo, and getting it distributed to our members.

Then, there was an exchange of opinions on the bursary issue, whose major points were as follows:

Peter: Perhaps we should say that the people we want to go are those not necessarily working for larger companies or consultants.

Tonya: Would we offer people to go on there just to contribute, even without any bursary?

Doug: AdM would welcome people to attend their conference and pay the fee, and they always look for speakers. They would also welcome new members. This would be an opportunity to contribute to them and then decide to become a member, if you want to.

Then, there was an extra exchange of opinions on sustainability, whose major points were as follows:

Peter: Are we going to have another session about the topic of sustainability, because it's such a big issue? I propose to talk about it in the next Board meeting on any ideas how to make an effort to drive it or after we read these papers that John is going to send around.

Abraham: The comments to what John sends will be important. We can share them and then see there's a need for it. We have always addressed and been supportive of sustainability of pension systems and social security. One of our main roles as actuaries is making sure the sustainability of these schemes. But we are lacking a bit on the environmental part. And specifically in Europe, the role for pension funds for sustainability is important.

Doug: We need to figure out a way of driving it. But what is the next steps?

Tonya: It is related to the sustainability goals that the United Nations have set for. So, it's much broader than just sustainable.

John: Yes, we have been doing sustainability. We have got all the financial stuff. But we then have got all the other things. We get all the other sustainable issues, like the UN sustainable goals. Then, how we translate it to returns and how we measure it? We know how pension funds affect poverty, financial inclusion and inequality. But how we disclose and measure all of those things? We should go beyond the traditional financial aspects. And how we support people to do the measurement? What is the role of actuaries? To be honest, I do think there's a role of actuaries to do some of the modelling and stress testing. Drive a bit of a working group and get some ideas we can report back to the next meeting.

Doug: That would be great, John. We don't have this meeting on the agenda, but we generally meet every three months. So, it's probably some time, really late February or early March, when we decide our Webinar. If you'd like to get a group of people together and come back to us with specific ideas, that would be fantastic. We would love to have your leadership there.

Abraham: I just to make clear that I didn't mean that we should restrain to financial sustainability. There's a lot of research to be done. Without them we cannot channel it through the sustainability.

Peter: Yes, we have to do a lot. That is one of the reasons why I am talking in Sydney about the strange death of the pension. If we want to stay relevant, we have to take up new things and say that we have slightly different views and opinions on it.

Raffaello: Let me thank John for giving our attention into this project. We may have a very sustainable system providing not enough benefits. What is good for a very sustainable system? The best is to have a sustainable system providing you of adequate benefits. As for the new report, it could be very interesting to give a measure also to the adequacy of the benefits.

Abraham: I did, together with Charles Cowing, addressing these issues during the colloquium in South Africa some years ago. And yes, there's the financial sustainability and the adequacy. And also, the governance issue.

Doug: Anyone who wants to work with John, please just send him a note. And, John, why don't you get started with the group to figure out a way forward? Hopefully, we can keep it moving.

11 Close

The Chair closed the meeting and thanked all for the attendance and the excellent discussion.

Douglas Carey
Chair, PBSS
November 28, 2022

Attendance Register

Virtual Meeting of the PBSS Board via ZOOM
Monday, 28th November 2022

	Name	Country	Atten-dance	Date appointed	Date re-elected	End of term
Honorary Chair	Christopher Daykin	UK	Yes	3/2014		-
Immediate Past Chair	Abraham Hernández Pacheco	Mexico	Yes	9/2011	4/2019	AGM in 2023
Immediate Past Chair	Kenneth George Buffin	USA	Yes	6/2018	3/2022	AGM in 2026
Chair	Douglas Carey	USA	Yes	5/2012	5/2020	AGM in 2024
Vice-Chair	Cristina Leicht	Switzerland	Yes	6/2021		AGM in 2025
Secretary	Nobuhiro Shimizu	Japan	Yes	9/2011	4/2019	AGM in 2023
Treasurer	Raffaello Marcelloni	Italia	Yes	4/2019		AGM in 2023
	Allan Paldanius	Finland	Yes	6/2016	6/2020	AGM in 2024
	Brnic Van Wyk	Australia	No	6/2018	3/2022	AGM in 2026
	Craig Chu	USA	Yes	12/2021	3/2022	AGM in 2024
	George Russell	UK	Yes	10/2021	3/2022	AGM in 2026
	Jennifer Alonzo Garcia	Belgium	Yes	10/2021	3/2022	AGM in 2026
	John Anderson	South Africa	Yes	3/2022		AGM in 2026
	Paulo Josef Gouvêa da Gama	Brazil	No	6/2016	5/2020	AGM in 2024
	Peter Devlin	Germany	Yes	5/2020		AGM in 2024
IAA delegate	Jason Malone	Canada	No	-	-	-
IAA delegate	Tonya Manning	USA	Yes	-	-	-