Global Pension System Reforms: Common Trends

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About ICI Global

- Who we are
- Our policy goals
- The Defined Contribution Systems Survey
The Primary Drivers Behind Global Pension System Reform

• The fiscal unsustainability of public pension systems
• Changing demographics, including increased life expectancy and reduced fertility rates
Common Trends: 1

Countries around the globe are implementing individual account defined contribution schemes:

- To supplement or replace occupational systems
- To supplement or replace national PAYGO systems
Common Trends: 2

Increases in life expectancy have resulted in:

- Rising contribution rates
- Changes to retirement age
- Changes to forms of disbursement
Common Trends: 3

Employee choice arrangements are increasing.
Common Trends: 4

In response to criticism over high fees, some countries are implementing programs with fee controls, fee restrictions, or mandatory fee disclosure.
Common Trends: 5

The implementation of lifecycle funds or target date funds is increasing.
Common Trends: 6

Various countries are implementing auto-enrollment programs to encourage retirement savings.
Common Trends: 7

As more countries implement defined contribution systems with individual investment choices, there is a greater focus on the need for participant education.