

Overview of IOPS

The International Conference on "Financial and governance issues in private pension schemes" is jointly organised by the International Organisation of Pension Supervisors (IOPS) and the Financial Services Commission (FSC) of Mauritius. Discussions focused on:

- International experiences in increasing coverage of private pensions
- Market trends and supervisory challenges in the pension funds investment landscape
- Dealing with underfunded defined benefit (DB) pension schemes
- How to improve governance of private pension funds

The event brought together high-level officials from regulatory and supervisory authorities, IOPS Observers, leading experts from the pension fund industry and research institutes from Mauritius and OECD and IOPS Member jurisdictions and representatives from international organisations.

This event was held back-to-back with an IOPS Supervisory Training Workshop on transition from DB schemes to DC schemes on 26 February and with the IOPS Committee Meetings on 28 February 2020.

The speakers talked about trends, key challenges and solutions, lessons learned and best practices in transitioning from DB to DC plans. In particular, the speakers will cover different scenarios of transition – conversions, shifts, freezing of DB plans and the experiences setting up new DC system (occupational or individual based).

The speakers addressed legal and contractual implications of transitioning from DB to DC for the members and employers, e.g. issues of members' consent; communication to members about the changes prior, during and post transitioning period; contractual obligations of employers, valuation and preservation of acquired rights, etc.

Technical and actuarial requirements were also addressed to support the transitioning from DB to DC plans: e.g. minimum prescribed requirements for transition; basis of actuarial calculations (discontinuance basis/ solvency basis, etc.) and actuarial assumptions e.g. keep accrued DB with link to final salary; recovery plans (contingency plans) for underfunded DB wishing to transit to DC and corresponding timeframes to restore different funding levels.

The speakers talked about the efforts to reform and maintaining the DB pension system; regulatory reform directed to encourage greater risk sharing between employees and employers (hybrid solutions).