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INTERNATIONAL SOCIAL SECURITY ASSOCIATION

17th International Conference of Social Security Actuaries and Statisticians

Berlin, Germany, 30 May – 1 June 2012

Scope and objectives

In order to meet the needs of social security actuaries, statisticians and other professionals engaged in the financial management of social security schemes, enhancing and promoting actuarial research and applied techniques are major ISSA activities. An important component of these activities is the triennial International Conference of Social Security Actuaries and Statisticians. The 17th International Conference of Social Security Actuaries and Statisticians will take place in Berlin, Germany, from 30 May to 1 June 2012, at the invitation of the German Federal Pension Insurance (*Deutsche Rentenversicherung Bund*).

The Conference in Berlin, Germany is aimed particularly at actuaries, statisticians, economists and financial experts from ISSA member organizations and addresses the following themes:

1. Eliminating poverty in old-age: is social security the answer?
2. The impact of economic conditions on the financial sustainability of social security schemes.
3. Actuarial and financial reporting for social security schemes and its legal implications.
4. Financial sustainability and affordability of health care systems.

1. Eliminating poverty in old-age: is social security the answer?

In many developed countries, the number of low-income workers is high and on the rise due to labour market transformations and the current economic situation. At the same time, pension reforms have been put in place to ensure future systems' sustainability whereby often the conditions to get a full pension are becoming more stringent notably in terms of number of years of contributions and age to get a full pension. These could result in the near future in lower pensions for many workers, especially low-income workers.

In less advanced economies, lack of coverage, low compliance and inadequate benefit levels are often the reasons for poverty in old-age. Many reforms have also been undertaken but these challenges remain.

This session will look at the current situation and at the possible developments in the future. What are pension levels in different regions of the world? What is the role of minimum pensions? How can we ensure an adequate level of coverage in all countries? What other solutions can social security bring and at what cost?

2. The impact of economic conditions on the financial sustainability of social security schemes

The recent financial and economic crises are not over. Social security schemes will remain affected for many years. Pensions are at the heart of the debt crises in Europe and elsewhere.

Discussions on implicit debt/pension liabilities and explicit debt/Current Government Debt are returning. This session will be looking at how to find a balance between adequacy (maintaining one's standard of living in retirement or reducing poverty) and affordability of benefits in terms of a share of GDP. Working longer is still on the agenda and has an impact on both the economic situation of the country and on the adequacy and sustainability of its pensions. What are the needed changes in the labour market to encourage working longer? How to ensure intergenerational sustainability/equity?

Key speakers from national governments and international organizations such as the Organisation for Economic Co-operation and Development (OECD), the International Labour Office (ILO), the World Bank and the International Actuarial Association (IAA) will make presentations during this session.

3. Actuarial and financial reporting for social security schemes and its legal implications

The proper and timely use of actuarial and financial sustainability reports by different levels of stakeholders and decision makers could enhance the good governance of social security programmes and contribute to its financial sustainability. Information presented in such reports could send early warning signals if a programme is experiencing difficulties, identify short-term and long-term trends that have a potential to make the programme unsustainable, and, as a result, trigger public and stakeholders consultations regarding this programme sustainability. In such way it supports good governance principles of participation, predictability and dynamism. Furthermore, keeping legislators systematically and timely informed of the financial status of social security programmes promotes transparency and accountability of legislated authorities with respect to social security. In particular, the regular tabling of financial sustainability reports in the legislature mitigates the risk of inactivity of decision makers when actions are needed.

The third theme of the conference will present the results on the international survey on "Actuarial and financial sustainability reporting for social security systems and its legal implications" conducted by the ISSA Technical Commission on Statistical, Actuarial and Financial Studies. National experiences and best practices from around the world will also be presented by discussants.

During this session, the 4th edition of a survey on actuarial assumptions for social security schemes undertaken by the Québec Pensions Plan, under the auspices of the ISSA Technical Commission on Statistical, Actuarial and Financial Studies will also be presented.

4. Financial sustainability and affordability of health care systems

The last theme of the conference will look at health care systems and their sustainability and affordability. In some countries, demographic trends such as increasing life expectancy and lower fertility rates are putting stress on the financial position of health care systems. Expenditures are driven by higher utilisation and higher costs of treatment. And revenues from the insured population are not necessarily increasing likewise. In other countries, there is a need to increase coverage and investment in infrastructure but financial resources are scarce. Therefore, affordability becomes a real challenge. Responding in an appropriate and on-going manner to demographic challenges is crucial as health costs continue to rise.

What factors are affecting the long-term sustainability of health care systems? What is the relationship between increases in life expectancy and number of years during which aged persons will be in need of extensive health care? How can financing of health care systems encourage prevention and health promotion? How could social health care systems adjust their design and financing in order to respond to demographic challenges? How can coverage be increased and at what cost? The conference will address the theoretical side of health care financing as well as the national experiences.