

Report on 2nd Global pension Symposium on Pensions , 18-19 November, 2005

Pension Research Institute of National Insurance Academy, Pune was started with inaugural Global Symposium on 20th and 21st February 2002. Many developments have taken place over the years. With increase in life expectancy, retirement is becoming longer and traditional retirement models are under strain. Government is now showing serious concern for pension reforms. It was therefore thought to bring together experts on the subject and representatives of the stakeholders and deliberate. So 2nd Global Symposium on Pensions was organized with Actuarial Society of India as co-host. Ms. Asha Joshi, Faculty Member, NIA was co-coordinator.

In the **Welcome Session**, Ms Joshi gave background and read the message from the honorable Finance Minister who could not come. The session was presided over by Prof. Mukul Asher. Dr K. C. Mishra, Director NIA gave welcome address and set the tone. He mentioned importance of Survivor Bonds and Lifestyle derivatives. The rights of the Pensioners i.e. right to safety, right to be informed, right to choose, right to be educated, right to be healthy and sustainable & right to be heard. Prof. Asher emphasized the importance of the empirical evidence before taking any policy decisions and stressed the importance of health issues. Mr. L. Khan gave keynote address. He informed that Dr. R. Kannan who is now President of ASI had to attend IAA function and could not come for the symposium. He mentioned NIA's association in conducting BAM and CT9 for the students of ASI. He further said that OASIS report went beyond its scope and was of the opinion that political will is necessary to have proper pension system in place. Dr. Smita Totade, Professor and Chief Information Officer of NIA proposed vote of thanks.

Prof. Mukul Asher chaired the second session on Demographic and Economic issues. With large proportion of population in working age-group India has opportunity of Demographic Dividend. It is time limited and will not come automatically. Dr. Nagarajan, Associate Professor, Gokhale Institute of Economics & Politics talked on 'Demographic ageing'. Ms. Asha Joshi presented paper on 'Effects of Demographic Ageing on Economy'.

Dr. K. C. Mishra chaired the post lunch session. In this review of pension reforms in Asian countries was taken and the best practices in Pension Fund were discussed. The first paper was on 'Lessons Learned from International Best Practices in Pension Fund Supervision' by Mr. Thomas Power, Senior Manager, Emerging Emerging Markets Practice, Bearing point. Prof. Mukul Asher, Professor, National University of Singapore presented 'Reforming Social Security Systems in South East Asia'. Globalisation has made safety nets essential for cushioning the burden of restructuring, increasing legitimacy of reforms and for risk taking by individuals and firms. There is a strong case for a multi-tier system under which retirement finance is obtained.

Mr. M.G. Diwan chaired next session. The solutions for Indians by the experts were discussed. Mr. D. K. Pandit, Partner, M/s K.A. Pandit, Consultants & Actuaries presented a paper on Proposed PFRDA Regulations and our Idea about a Pension Scheme'. Mr. K. Subramanyam, Executive Director, IRDA described pension benefits, basics in his paper 'Pension Benefits'. Mr. R. Venugopal, Executive Director (P & GS), L.I.C. of India presented a paper on 'Role of Life Insurer in Changing Pension Environment'. This was followed by 'Pensions from the perspective of Young Students of NIA SOM'.

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European countries are in the midst of ageing and have taken many steps. We have the advantage of their experience. The Pension system that is likely to emerge in India needs to be regulated efficiently. Mr. Michael Orszag, Head of Global Research Services & Chairman of the Global Research Committee of Watson Wyatt made a comprehensive presentation on 'European Pension Systems and Reform: Lessons for India'. He summarized by saying that Europe ageing problem has implications for India, pre-funding in India has no first order macroeconomic implications. Mr. S.P. Subhedar, Senior Advisor, Prudential Corporation, Asia presented a paper on Regulation and Supervision of Pension Funds in India. It is essential that all pension arrangements are regulated and supervised in a cohesive manner. A statutory role in the form of Scheme Actuary needs to be created for DB pensions.

Mr. L. Khan chaired Panel discussion with panel members as Ms. Meena Chaturvedi, Executive Director, Pension Fund Regulatory and Development Authority (PFRDA), Mr. Gagan Rai, Executive Director National Security Depository Ltd., Mr.S.K. Mitra, Director (Financial Services), Aditya Birla Group of Companies, Mr. Arvind Shrouti, Trade Union Consultant. Assuming that PFRDA bill is passed, what would be the roles and expectations of various stakeholders including the pensioners was discussed. The event is going to be a memorable event during the Silver Jubilee year of the NIA.
