

CALL for PAPERS

11 – 12 September 2017

Research conference on

Safeguarding retirement assets and income

OVERVIEW: The University of Birmingham and VU University Amsterdam, supported by EIOPA and Netspar, are jointly organising a research conference on safeguarding retirement assets and income from defined contribution (DC) pension plans.

MISSION: The conference will bring academics, researchers, think tanks, regulators, investors, corporations, and consultants together for the discussion of key issues around safeguarding DC based retirement assets and income. The conference will deepen the evidence base, as well as support and encourage dialogue and concepts across organizational and national boundaries.

STRUCTURE AND TIME FRAME: The 1.5 day conference will take place at EIOPA, Frankfurt, Germany, 11 and 12 September 2017, and is linked to a journal special issue on the topic.

CONCEPT: How we save and access our pensions is fundamentally changing. Rising longevity, demographic change, and low interest rates have sharpened the challenges that defined benefit (DB) and collective defined contribution (CDC) plans face, accelerating their wind-up or presaging a scaling back in the benefits they offer.

At the same time more people than ever are members of DC pension plans, where individual investment accounts are offered with fund options chosen by the individual alongside a preset option for non-choosers. In several countries the number of people contributing to DC pension plans now far exceeds the number contributing to pay-as-you-go or funded DB pension plans. For example, in the UK 90% of people contributing to private sector pension funds now do so into DC plans.

The demographic, financial markets, and policy changes we are evidencing is prompting a dramatic shift from income-based later life to asset-based later life. Relatively stable and regular later life income from annuities, DB, and CDC pensions are giving way to flexibly accessed lump sums from DC pension pots, property, and assets held in tax incentivised savings accounts. While for most individuals the shift has not been of their choosing, for some individuals at least, control of assets seems to be enjoyed and preferred.

Many of today's pension savers are not well equipped for taking decisions based on an asset-based retirement and the risks this ushers. The influence that market, inflation, and longevity risk can have on the ability to sustain consumption and income in retirement is disliked, and most people find navigating the decisions they're being asked to take challenging and at times emotionally driven.

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The growing proportion of asset-based retirement wealth raises significant policy and practical questions about how far DC retirement assets and income can and should be safeguarded, as well as how risks can be dispersed, pooled and shared for the possibly substantial proportion of people wanting this (such as smoothing of benefits or investment returns, intergenerational or intra-generational risk sharing, or augmenting pension contributions with elements of insurance). There are highly likely to be trade-offs with any one proposition e.g. flexibility versus guarantees, support and advice versus safety nets, riskier higher consumption and income versus low risk lower consumption and income. Mix and match may be more desirable than one idealised solution. The availability of choice may be important even if there is low expectation of mass usage. One suggestion for mass usage is the design of standardised, lifecycled/lifestyled glidepaths for accessing assets and income.

The conference will explore how assets and income in retirement can and should be safeguarded for people who have growing proportions of asset-based retirement wealth from DC plans, and how the risks can be dispersed, pooled and shared for those wanting or needing this. The focus is on the workplace (pillar two) and personal (pillar three) DC market within both a single country and EU cross border context.

MANUSCRIPTS AND ARTICLES FOR PRESENTATION AT THE CONFERENCE AND FOR THE JOURNAL SPECIAL ISSUE ARE WELCOMED FROM

- ✓ Academics and researchers
- ✓ Investment professionals, pension funds, pension delivery organisations
- ✓ Companies and consultants
- ✓ Law makers, regulators, standards boards, and committees
- ✓ Think tanks and non-profits making significant contributions to these topics.

DEADLINE FOR SUBMISSION OF MANUSCRIPTS 1 JUNE 2017.

SUGGESTED AREAS OF RESEARCH INTEREST INCLUDE, BUT ARE NOT LIMITED TO:

- With the trend towards asset-based retirement and “freedom and choice”, to what extent can and should assets and income be safeguarded in retirement?
- Innovative ways of pooling asset class, investment, individual, as well as macro longevity risks, and how the benefits of risk pooling and sharing may compare with the ‘benefits’ of scale delivered by DC plans with no risk sharing or pooling.
- The reliability of promises or ambitions from risk pooling and sharing in DC plans. In the case of voluntary DC plan participation: do such promises change the likelihood that people will contribute or the amount they contribute to the pension plan, and how can different levels of contributions and benefits be incorporated?
- Challenges in persuading countries, trade unions, and employers to set up and permit risk pooling and sharing, as well as their design, governance, rules, strategies, how overheads can be shared, communication to members, alignment of members’ expectations, and the potential risks to members around changes in expected values, benefits, and funding position.
- The identification of individual property rights at fair market prices to provide members with the freedom to stop contributions, make withdrawals when permitted, or exit a plan altogether.

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- Is pooling and sharing risk with DC plan assets more effective during the accumulation or spending phase, and for the whole or just a part of the phase?
- Evidence of preferences for accessing DC pension wealth flexibly as a series of cash lump sums with or without stable income.
- The amount of DC plan wealth needed to achieve stable and sustainable consumption in different EU countries.
- Applicability of standardised, lifecycled/lifestyled glidepaths, defaults, and choice, as well as regular income versus flexible access to capital, at and in retirement.
- Merits and drawbacks of augmenting DC pension contributions to provide improvements in financial resilience of members and their households, for example by an amount of the overall contribution paying for death-in-service benefit, critical illness, health insurance, or long-term care.

PUBLICATION: We encourage papers or presentations to be submitted by standard setters, regulators, practitioners, academics, researchers, think tanks, and the third sector. All papers submitted are eligible to be considered for publication in a Special Issue of The Journal of Risk devoted to the research conference. If you wish your paper to be considered for publication in the Journal of Risk, 2018, please indicate so in your cover letter. If this is the case, your paper should not be under review with any other journal. Papers intended for publication will be subject to peer review. Subject to satisfactory revision, a selection of these papers will be published in a Special Issue of The Journal of Risk. Note that the acceptance of a paper to the research conference is not a guarantee of publication.

A contribution to travel and accommodation may be provided by the conference organisers for the best selected papers.

ELECTRONIC SUBMISSION: Authors are invited to submit a paper. The first page of the paper should contain the title, name of each author, address, telephone, and e-mail address. Please indicate in your cover letter whether you would be willing to serve as a session chair and/or discussant. All submitted papers must be accompanied by an abstract explaining the contribution of the paper. You are asked to follow the Journal of Risk's Author and Submission Guidelines, available at <http://www.risk.net/static/risk-journals-submission-guidelines>.

Authors will be notified by 01 July, 2017.

FURTHER INFORMATION: A conference website will soon be available at the Netspar events page <https://www.netspar.nl/en/events/>

CONTACT:

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