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## Seminar on Current Issues in Retirement Benefits in India

By Alan Cooke

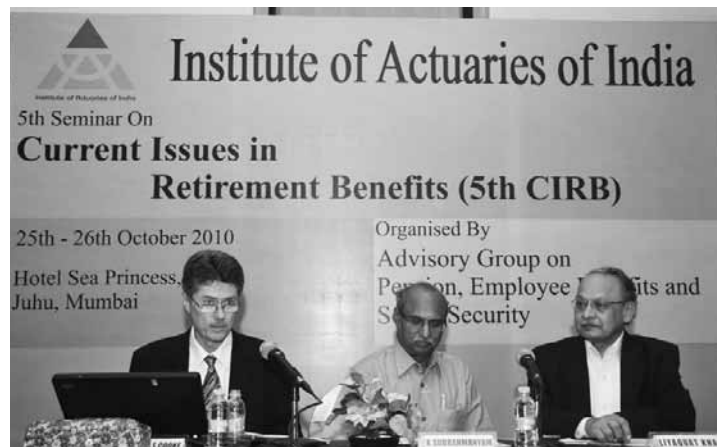
I was invited by the Institute of Actuaries of India (IAI) to provide a global pension perspective at their October 25-26, 2010 Seminar on Current Issues in Retirement Benefits in Mumbai, India. The purpose of the seminar was to provide a general and technical update to all Indian professionals who are involved in the design, management, accounting and evaluation of employee benefit schemes. The full report on the seminar, written by Kirti Kothari, may be found in the November 2010 issue of the IAI newsletter, *The Actuary*, on the IAI website ([www.actuariesindia.org/PublicationandLibraryFacility/actuaryindia.htm](http://www.actuariesindia.org/PublicationandLibraryFacility/actuaryindia.htm)).

The seminar started with the inaugural address by the IAI President, **Mr. Liyaquat Khan**. This was followed by the first session on global pension issues in which I discussed the pension challenges and reactions by the various pension plan stakeholders arising from the global financial crisis that started in 2008. It should be noted that India largely avoided the pension problems faced in the rest of the world due to its investment strategies.

The second session was entitled “**Social Security and the Role of Actuaries**,” in which I focused on the importance of social security work and the practical and political considerations actuaries face in providing advice in this area. This was illustrated through a case study relating to the funding of the Canada Pension Plan.

**Dr. K. Sriram**, consulting actuary, then shared some perspectives in the Indian context, notably the key actuarial issues in old age income security, the transition to a defined contribution environment and key actuarial issues in social insurance plans.

**Mr. K. Subrahmanyam**, chairperson of the IAI Advisory Group on Pensions, Employee Benefits and Social Security, gave an expanded



L-R: A.Cooke, chairperson of the SOA International Section, K. Subrahmanyam, chairperson of the IAI Advisory Group on Pensions, Employee Benefits and Social Security and L. Khan, president of the IAI.

Indian perspective on what is social security and who the providers and beneficiaries are (including the organized, unorganized and senior citizens).

**Mrs. Rani Singh Nair**, executive director, PFRDA, gave a stimulating presentation on **the new pension system** that was recently introduced in India. It was interesting to note that this is a defined contribution approach where lifecycle funds are one of the investment options for participants.

Subsequent speakers covered topics such as India’s unfunded pension obligations, new developments in non-pension benefits, the status of new accounting standards in India, opportunities for Indian actuaries, issues for plan sponsors and regulatory trends, both globally and locally.

All of the presentations were followed by very lively question and answer sessions. Certainly this was one of the most interesting actuarial meetings I have had the opportunity to attend. The full presentations can be downloaded from the Institute of Actuaries of India website (<http://www.actuariesindia.org/CIRB/CIRB5.htm>). □