

Retirement Plans: Questions as We Near the Year 2000

Actuarial Research Conference


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enda

- ▲ Goals
- ▲ Range of Retirement Benefits
- ▲ Key Issues and Questions
- ▲ Stakeholders and Interested Parties
- ▲ Resources Available
- ▲ My Concerns

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- ▲ Provide broad perspective on issues
 - ▲ Raise questions for researchers
 - ▲ Think about different perspectives
 - ▲ Identify some sources



Age of Retirement Benefits

- ▲ Government programs vs. employer plans and individual savings
- ▲ Issues important in many countries
- ▲ Package includes
 - Cash - income and lump sums
 - Retiree health benefits
 - Special support for frail elderly
 - Death benefits to widows
 - Bridge jobs

Issues. post-retirement period

- ▲ Pre-retirement
 - Issues include how to save, who is responsible, investment types, adequacy, risk assumption
- ▲ At retirement
 - Issues include what form of payout, investments, purchase of annuities
- ▲ After retirement
 - Issues include continued health care, special needs, investments, not outliving assets

Issues

- ▲ How do we respond to an aging society?
- ▲ Is this a time to go back to basics?
- ▲ What is the appropriate social safety net?
- ▲ What is the role of government, employer, individual?
- ▲ Will we be able to afford age 65 or earlier retirement?

Key Issues

- ▲ What is the economic status of the elderly?
 - Special issues for different groups, e.g, widows?
 - How does this vary by group?
- ▲ How should health care be provided in retirement?
- ▲ How do we provide for the needs of the frail elderly?

Key Issues

- ▲ Should increasing life spans be reflected in retirement ages?
- ▲ At what age should government subsidized retirement benefits be available? Full benefits vs. partial?
- ▲ How have the changes in business in the last decade affected the role of the employer?
- ▲ Whose responsibility is education for retirement?

Key Issues

- ▲ What do we mean by an adequate benefit?
- ▲ What standards might be applied in judging whether a plan is doing a good job?
- ▲ What demographic subgroups should we look at?
- ▲ What are the special needs of widows?

Key Issues

- ▲ What are relative pros and cons of DB vs. DC?
 - For social security programs?
 - For employer programs?
- ▲ What are appropriate levels of funding?

Stakeholders and Interested Parties

- ▲ Individuals
- ▲ Policymakers and government
- ▲ Employers

Resources Available

- ▲ Health and Retirement Survey
- ▲ Pension Research Council Publications
- ▲ Actuarial Literature



Concerns

- ▲ Still too many elderly poor
- ▲ Single women particularly likely to be poor
- ▲ No overall system to care for frail elderly
- ▲ No integrated retirement system
- ▲ DC plans may not deliver enough money



Health Concerns

- ▲ Access to health care - particularly before Medicare
- ▲ Cost of health care
- ▲ Inadequate death benefits

