

***Retirement Savings in Australia, Asia and
Beyond:
What are the Lessons for the United
States?***

Outlook for European Pension & Defined Contribution Assets

Washington DC

September 17th 2013: 1:30 – 4:00 PM

Voluntary Enrolment/Taxation Incentives

- Germany

- Rapid Ageing of the Population
- Generous PAYG 1st Pillar
- Review of Occupational Pension Approaches
- Riestter Reforms – Tax Incentives
- Capital Guaranteed Investment Solutions



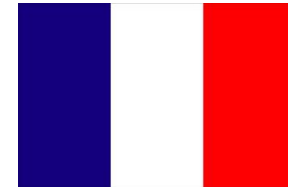
- Ireland

- Economic Austerity
- Uneven coverage and contribution rates
- Sharp Decline in DB – Waterford Crystal Case
- OECD Report – Mandation vs AE
- Response by Government to the OECD Report
- Chronic Need for Sustainable Reforms
- Social Cohesion



- France

- Generous PAYG 1st Pillar
- Decline in Occupational DB – Economic austerity
- PERCO – first tentative steps towards collective
- Wider pension reforms, ageing, economic austerity and industrial unrest



Auto-Enrolment

- United Kingdom

- Modest PAYG 1st Pillar Pension
- Embracement of Auto-Enrolment Experiences – Lessons from the United States
- Development of NEST and Mastertrusts/Corporate Platforms
- Target Dated Fund Growth
- Price Capping
- 4% employee, 3% employer and 1% by the government
- Re-Enrolment after 3 years

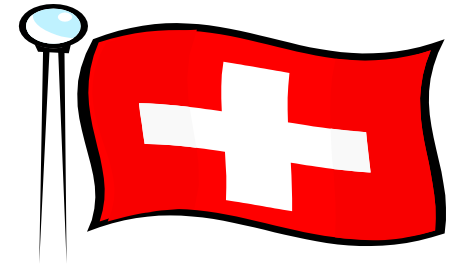


- The Netherlands

- Generous PAYG 1st Pillar
- Decline of Defined Benefit Schemes
- Sharp growth in defined contribution with underlying investment guarantee and AE
- Collective DC Solutions
- Pension Premium Institution (PPI) – Cross Border



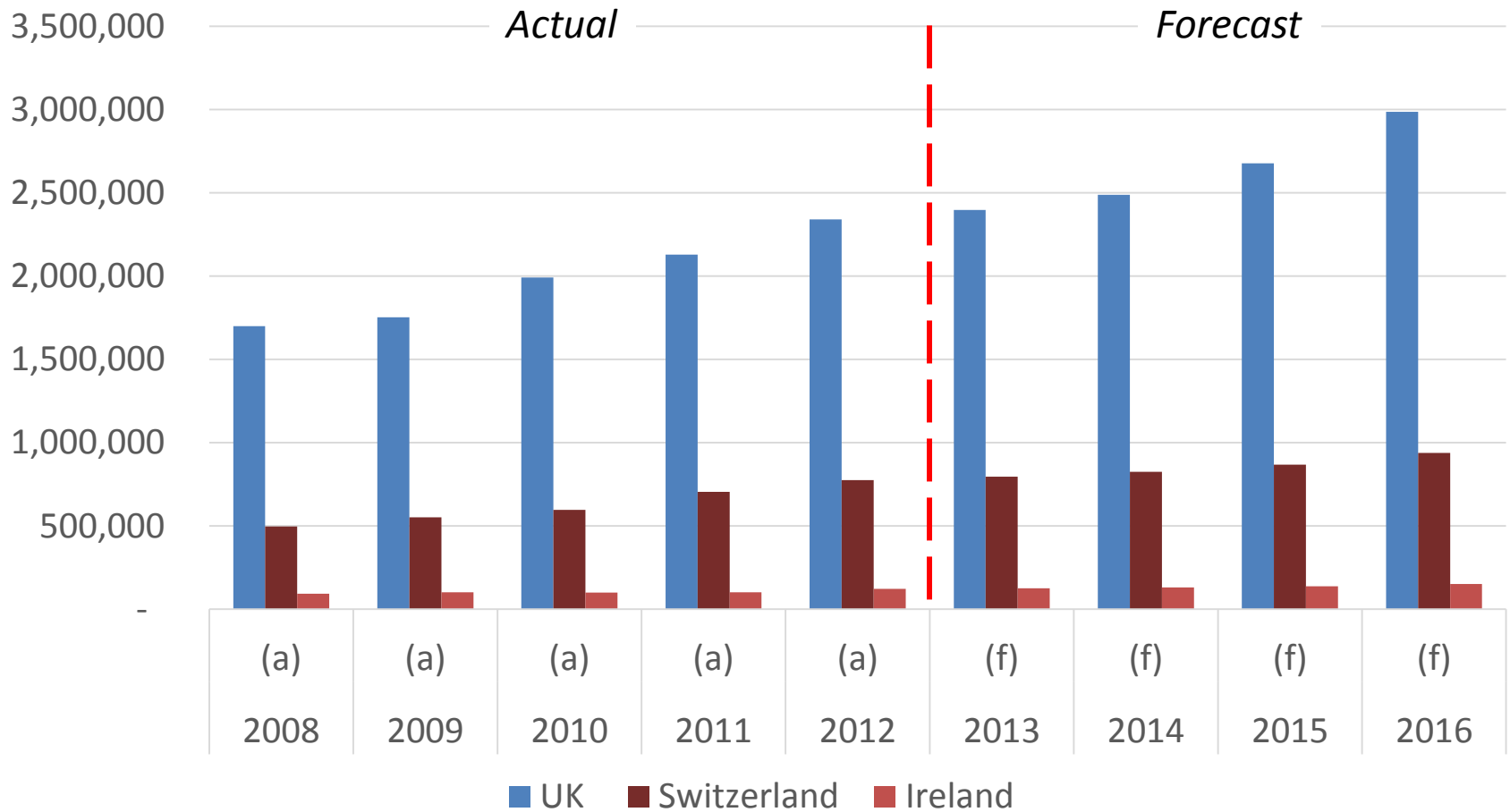
Mandation



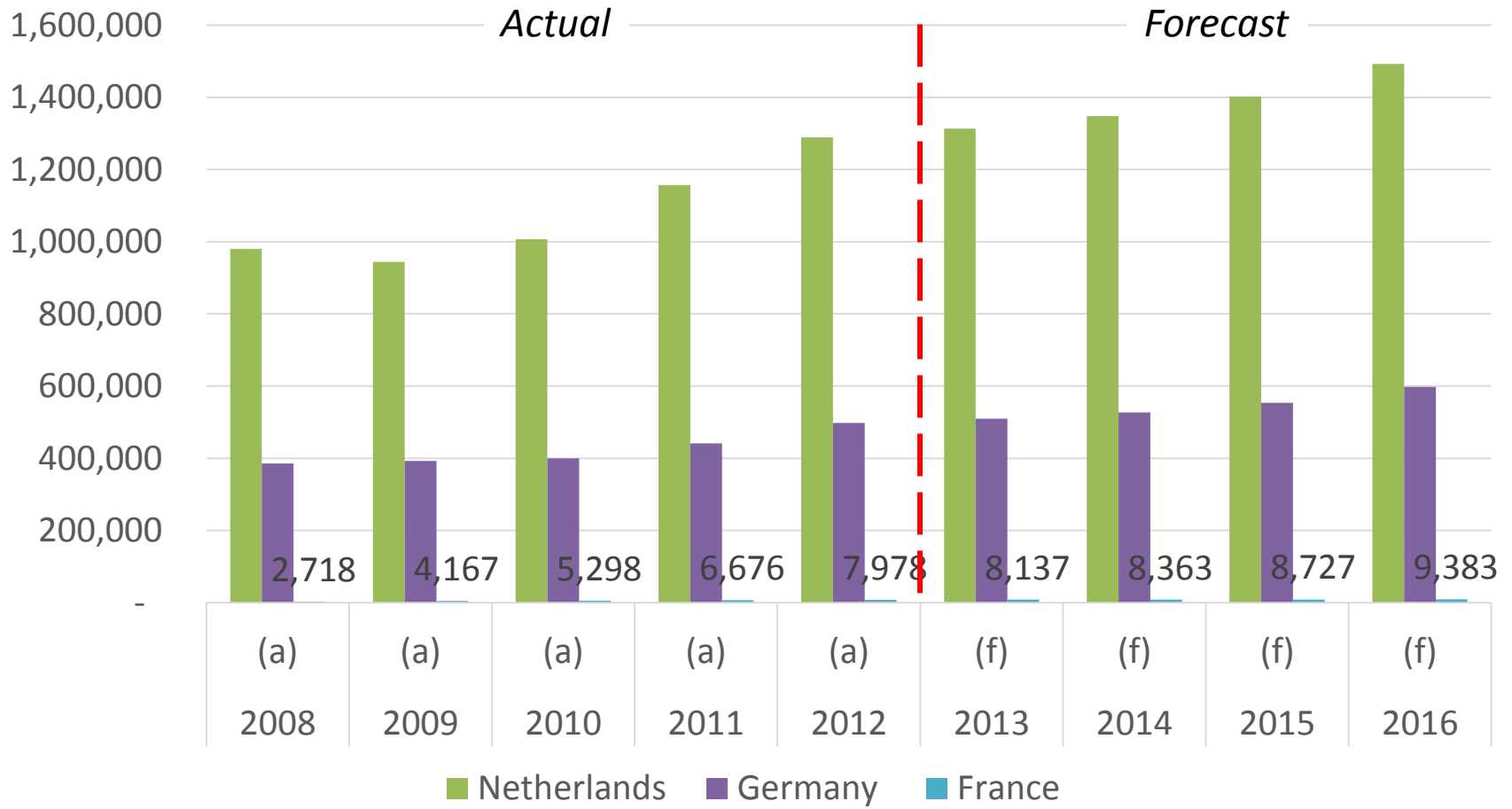
- Switzerland
 - PAYG – First Pillar
 - Referendum to move towards mandation in the first half of the 1980s
 - Equal co-contributions from employers and employees – increasing as you age 7% and 18%
 - Guaranteed rate of return/Domestic Investments
 - Prescribed Investment Approaches
 - National Consensus

Europe: Total Pension Asset Projections

In Millions of \$USD

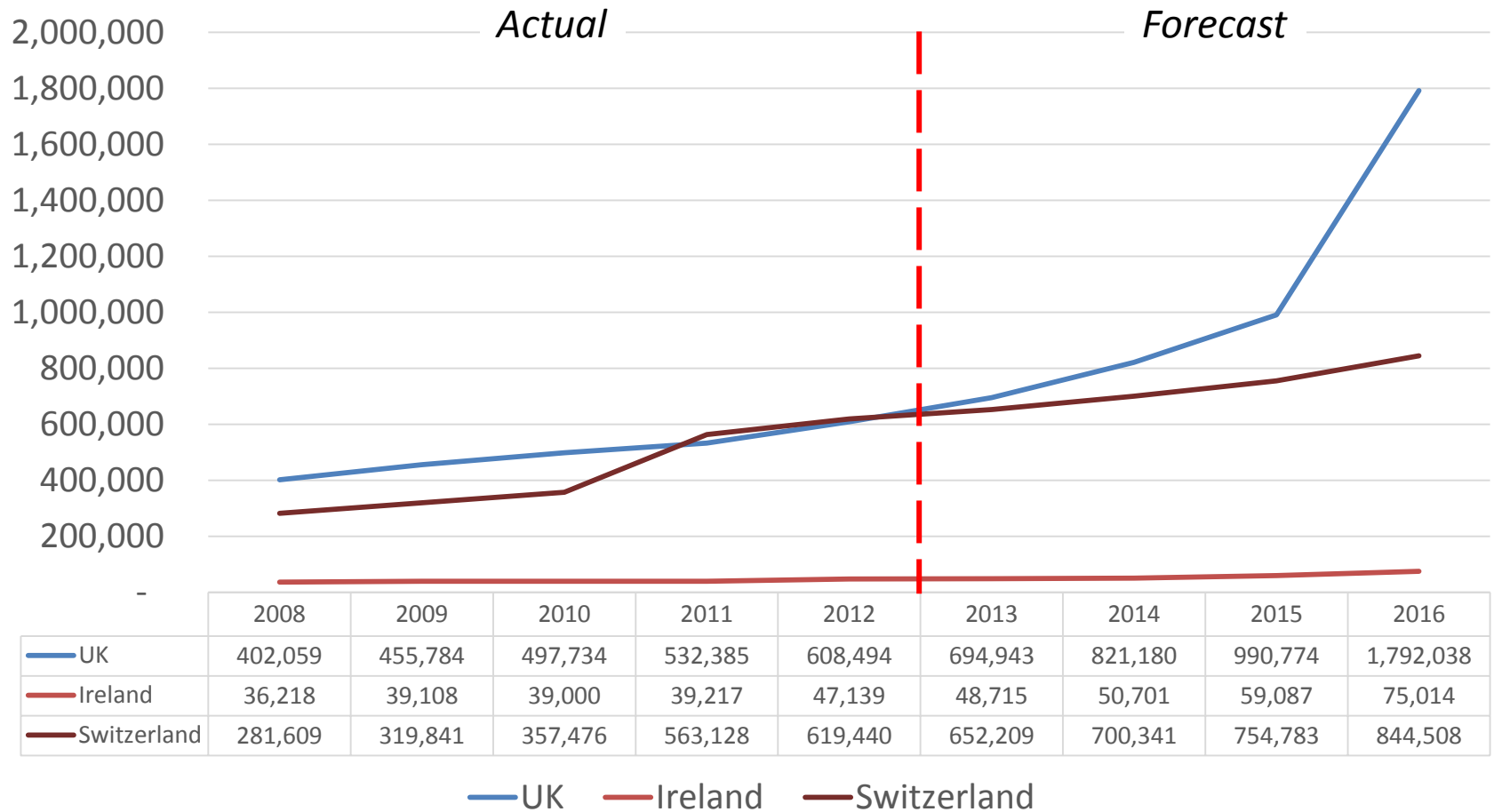


Europe: Total Pension Asset Projections

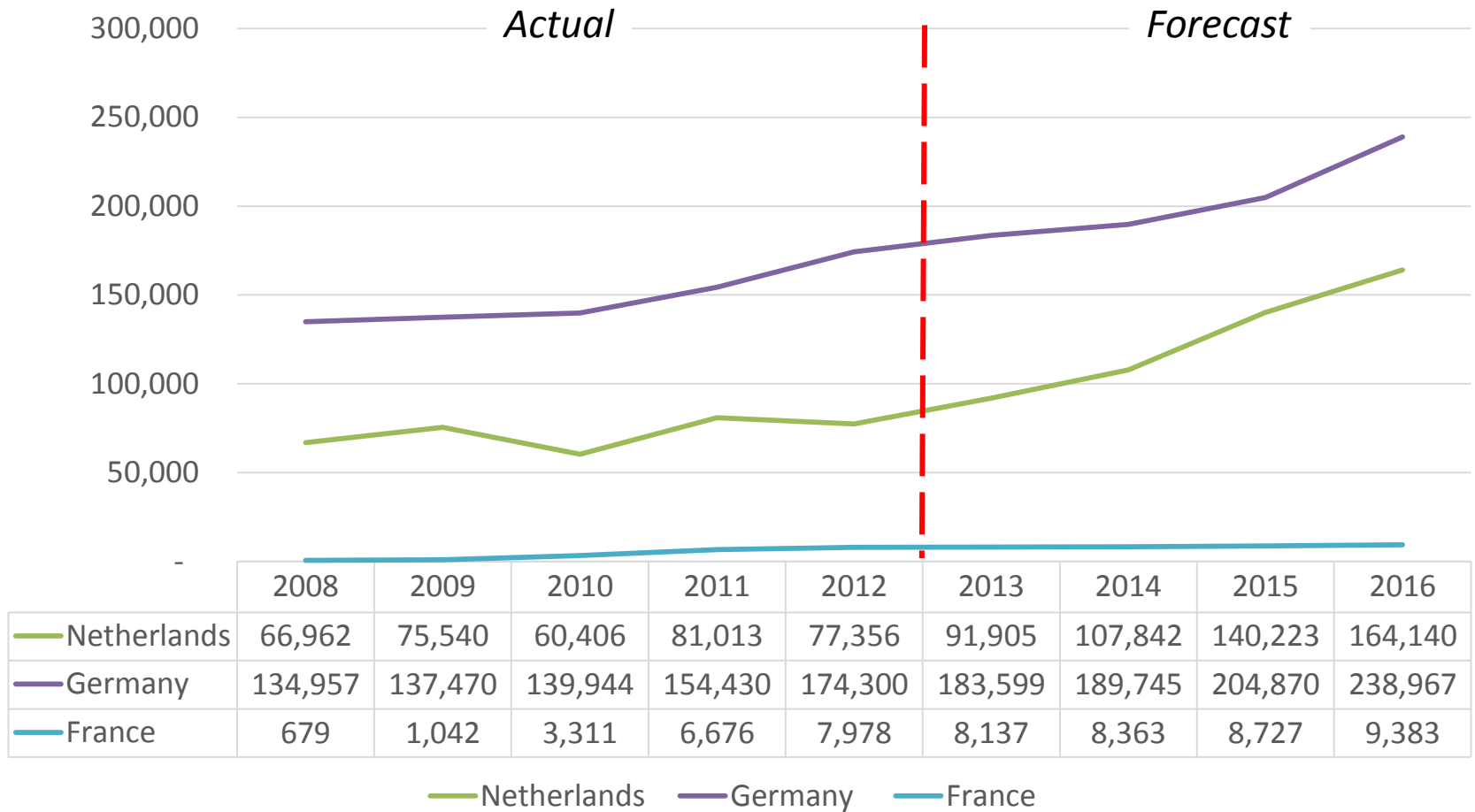


Europe: Total DC Asset Projections

In Millions of \$USD



Europe: Total DC Asset Projections



Lessons for Europe - Australia

- Political agenda
- Sharp DB Decline
- Regulatory Approaches
- Coverage and Contribution Considerations
- Administration and Plethora of Accounts
- Default Solutions
- Need for Taxation Incentives

