



P R E S S R E L E A S E

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IOPS releases new working papers

The IOPS has today released a further 4 reports as part of its Working Paper series, which provide important additions to the study of pension supervisory practices worldwide.

Ross Jones, the President of the IOPS welcomed the publication of the reports, noting that they have been drafted by a number of IOPS members - including from Chile, Hong Kong, Italy and the United Kingdom – providing a wide range of international experience.

“As the proportion of retirement income provided by private pensions becomes increasingly important, the quality and effectiveness of their supervision becomes more and more crucial,” Mr Jones said.

“The IOPS continues to strive to contribute to the international debate and learning on this topic, providing examples, experiences and lessons learnt for the benefit of IOPS members and the broader pensions community.”

The following reports were released today as part of the IOPS Working Paper series:

Working Paper 5: Information for Members of DC Pension Plans: Conceptual Framework and International Trends

In recent years, the shift towards defined contribution (DC) pension plans has been a key trend in the field of private pension provision. In this context, where a wide range of options may potentially be available to individual plan members, it is crucial to ensure that they have the information necessary to make appropriate choices. Based on the findings of an IOPS survey, this paper offers a conceptual framework for considering information provision within the context of the pension system and related factors (such as the range of choices offered to individuals, the use of default options, the level of financial literacy, etc).

Working Paper 6: Comparison of Costs and Fees in Countries with Private Defined Contribution Pension Systems

The fees and charges imposed upon pension funds are of great interest and importance to pension supervisory authorities as they have a significant impact on the amount of retirement income delivered to individuals, particular in the case of defined contribution (DC) pension schemes. Yet administrative fees are charged for services in different ways, with the diversity of charges and the specific details involved in each case making it impossible to directly compare administrative charges nationally and internationally. This paper therefore attempts to model such charges on a unified basis to allow for a standardized international comparison, known as the charge ratio. Explanations for the difference in charge ratios between countries are then proposed.

Working Paper 7: Transparency and competition in the choice of pension products: The Chilean and UK experience

This paper discusses two countries building centralized information and quotation systems for annuity products to help individuals select the right retirement product at the right price. The SCOMP system in Chile is examined and developments around the Open Market Option (OMO) in the UK are discussed, with lessons drawn for other pension supervisory authorities contemplating introducing such centralized systems.

Working Paper 8: SUPERVISORY OVERSIGHT OF PENSION FUND GOVERNANCE

This working paper mainly analyses the responses of IOPS members to a survey on supervisory oversight of pension fund governance. The survey and responses cover the current focus, issues and problems as well as future developments. A few case studies are also included in the paper to illustrate the different types of issues that pension fund systems may face and the means that may be adopted by the relevant supervisory authorities to resolve these issues.

The papers are available on the IOPS website www.iopsweb.org

IOPS is an independent international body representing those involved in the supervision of private sector pension arrangements. IOPS has around 60 members and observers representing approximately 50 countries and territories worldwide. One of its key missions is to undertake and communicate research on best practice for the supervision of private pension systems.

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