

OPTIMAL RISK SHARING IN COLLECTIVE
PENSION SCHEMES:
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Retirement incomes under stress

- Pay as you go-reform
- Defined benefit demise 'welcomed'?

Third way?

- Young workers absorb market risk
- Winners, losers, practicality?

Certainty and flexibility

Does the imposition of flexibility on pension rights of the young conflict with a desire for certainty in how risks are shared?

Could Australia's industry/sectoral funds adopt the 'third way'?

- Reduction in accrued benefits
- Individual balances
- Investment choice

Does the the third way reduce
the political risk?