

IPEBLA

International Pension & Employee Benefits Lawyers Association



Workshop 11: *“Assessing Default Investment Strategies in DC Pension Plans”*

This workshop will address issues in relation to the relative performance of different investment strategies for different structures of the payout phase. In particular, each speaker will, based on the legislation of DC plans in his/her jurisdiction, go into more detail on the legal issues that are involved in the choices for a specific glide-path of life-cycle investment strategies and the introduction of dynamic features in the design of default investment strategies. Issues that will be addressed during the workshop:

Use of third parties to provide the funds in which member balances are invested;

- Is fear of fiduciary liability for investment decisions a relevant driver of behavior?
- Why are contract-based plans offering more choice than trust-based plans?
- Do members realize that on average at least 70% of their money is invested in growth investments, primarily equities?
- Should plan fiduciaries be concerned about their accountability?
- Key fiduciary risks associated with DC plans will be identified, including investment manager selection and monitoring processes and member communication and education.