

IPEBLA

International Pension & Employee Benefits Lawyers Association



Workshop 4: “Challenges and Opportunities of Ageing Populations / Improvements in Life Expectancy- Practical Implications”

This workshop will look at the issues that arise in DC and DB plans for managing longevity risk, including:

- Whether there are other alternatives to buying an annuity at retirement for DC Plan members including the scope for buying an annuity which only comes into payment if the individual survives to, for example, age 85 but then is payable until the individual dies, and
- In relation to DB plans, the way the risk can be transferred through use of:
 - Buy-in contracts from insurance company (including managing the credit risk on the insurance company), and
 - Longevity risk transfer agreements under which the pension plan will keep investment risk and inflation risk but will
 - Exchange longevity risk with a counterparty for a credit risk on the counterparty.

The workshop will also consider some of the structuring issues for longevity risk transfer agreements and relative merits of:

- Longevity swaps using ISDA style documentation, and
- A longevity transfer insurance contract.