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NETWORK FOR PENSIONS IN  
LATIN AMERICA AND THE CARIBBEAN

## BETTER PENSION INSTITUTIONS FOR A POST-COVID-19 WORLD IN LATIN AMERICA AND THE CARIBBEAN: THE ROLE OF PENSION ADVISORY COUNCILS

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BETTER PENSION INSTITUTIONS FOR A POST-COVID-19  
WORLD IN LATIN AMERICA AND THE CARIBBEAN:  
THE ROLE OF PENSION ADVISORY COUNCILS

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# 1▶ Institutionalization of pension systems in the face of demographic and economic challenges

**One major unresolved issue in pension systems in Latin America and the Caribbean is that they lack institutional frameworks capable of facilitating their timely adaptation to impending demographic changes and the potential social and fiscal tensions that these may generate.** This constraint causes governments to adjust the system occasionally and postpone necessary reforms, typically at a time when technical options are very limited, and action must be almost immediate. The pressure for short-term results may also require important sacrifices for the affected generations. This is partly because the political economy of social security reforms is very complex. In the absence of adjustment regulations and institutions that are reviewing the fundamental parameters of pension systems in a timely manner, pension reforms are often triggered by fiscal or social crises.

**The COVID-19 crisis also exposed the fragilities of social security systems in Latin America and the Caribbean.** Faced with reductions in income resulting from widespread job losses in the region,<sup>2</sup> several countries have allowed—or are considering allowing—early access to pension savings in order to replace partially the income lost by workers (Bosch et al., 2020). In the face of the economic-health emergency, the absence of institutions to safeguard the best interests of citizens for their retirement has made it easier for these measures to be carried out without further analysis of their consequences for future pensions and state coffers, or without alternative designs that would protect the sufficiency objective and prevent a regressive tax situation. In Peru, for example, early access to pension funds was initially given to workers who had been unemployed for at least six months. Later, in April 2020, workers were allowed to access up to 25% of their pension savings, and, most recently, in November 2020, a second withdrawal of up to PEN 17,200 (approximately USD 4,675) was approved. Furthermore, there is currently a bill under discussion in that country that would allow withdrawals of up to 100% of pension savings as a consequence of the economic crisis that is afflicting the country due to the COVID-19 pandemic. Something similar is happening in Chile. In July 2020, the Chilean Congress approved an early withdrawal of up to 10% of pension savings in individual accounts, which was universal and non-taxable for income tax purposes, and a bill for a new withdrawal, also up to 10% of individual pension funds, is currently being discussed in Congress.

**In Latin America and the Caribbean, some countries have already made efforts to strengthen their institutional frameworks in order to confront impacts of a different nature.** In 2008, Chile created the Pension Advisory Council (CCP for its initials in Spanish, Consejo Consultivo Previsional), responsible for advising the Minister of Labor and Social Security and the Minister of Finance on matters exclusively related to the Solidarity

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2. According to Inter-American Development Bank estimates, more than 25 million jobs have been lost in eleven Latin American and Caribbean countries since February 2020 (IDB, 2020).



Pension System. The pension reform currently being discussed in Chile also contains an indication to expand the functions of the CCP beyond the solidarity pillar and has programmatic attributions (Box 1) (Chilean Congress, 2020). In El Salvador, the 2017 pension reform created the Actuarial Committee of the Pension Savings System. Despite its legal establishment, in practice, this committee has not yet commenced operations.

**This document presents a review of eight case studies that are representative of the international experience in the design, responsibilities and operation of pension advisory councils.**<sup>3</sup> The selection of pension advisory councils is not intended to be exhaustive, but rather to illustrate the diversity of powers, composition and influence of some of the existing pension councils. From the Latin American region, the aforementioned Pension Advisory Council of Chile and the Actuarial Committee of the Pension Savings System of El Salvador are presented in detail. The other cases are mainly European.

Section II highlights some characteristics that are common to the councils analyzed. Section III presents a series of good practices extracted from the case review. Finally, Section IV presents a fact sheet for each case that contains detailed information on the scope of its work, mandate, independence, products to be developed, influence, resourcing and financing, composition and governance, whenever it was possible to collect such information.

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<sup>3</sup> This note focuses on councils specializing in pensions. Internationally, there are more than thirty institutions with a broader mandate to provide consultancy on public policy, including pensions, typically called independent fiscal councils. Flagship examples are the Congressional Budget Office in the United States and the Dutch Bureau for Economic Policy Analysis (CPB).



## BOX 1 ■ POTENTIAL NEW RESPONSIBILITIES OF CHILE'S PENSION ADVISORY COUNCIL (CCP)

Some of the new responsibilities of the CCP set forth in the proposed reform to Article 66 of Law N.º 3500 include:

- To evaluate the long-term sustainability and sufficiency of the benefits of the pension system, dependency insurance, the contributory pension system, the Collective Solidarity Savings Program and voluntary pension savings.
- To provide timely advice on proposals for legal modifications to any of the parameters of the contributory pension system and the Collective Solidarity Savings Program. To make recommendations for the incorporation of independent or informal workers.
- To propose adjustments to the relevant parameters of the pension system, such as the contribution rate, the legal retirement age and the amount of benefits of the solidarity pension system and the Collective Solidarity Savings Program.
- To monitor indicators related to the situation of pensioners, including income levels, replacement rates and differences and inequalities between the pensions of women and men.
- To conduct an actuarial study every five years to assess the adequacy of pension system programs. This study may be conducted following a unanimous decision by its members or a joint request by the Minister of Labor and Social Security and the Minister of Finance.
- To issue a report on the mortality tables previously prepared by the Superintendence of Pensions and the Financial Market Commission.
- To publish an annual report to be sent to the Minister of Labor and Social Security and the Minister of Finance, the National Congress and the Commission of Pension System Users, containing its opinion and the results of the studies it conducts and the recommendations for its fields of competence.
- The opinions, rulings and proposals of the council shall not be binding.



## 2▶ Common features in the design of pension councils around the world

**Most of the councils produce periodic reports**, generally annual ones, in which they must give an opinion on the evolution of the pension system, including recommendations for changes in its parameters. They are advisory in nature and generate periodic recommendations based on a rigorous analysis that are subsequently used for discussions and the drafting of pension reform bills.

**For the most part, pension councils advise the Executive Branch** through its Ministries of Finance or Labor, on a regular basis or according to a special request. However, there are also councils that advise both the executive and the legislative branches, and some seek to generate broad consensus on reform proposals, such as the Swedish Pension Group and the Commission for the Monitoring of the Toledo Pact.

**Generally, they are independent in terms of issuing opinions, but not necessarily in terms of resourcing and funding.** The most independent cases have a budget for commissioning studies. In a few cases they have their own analytical tools, such as an actuarial model. Two exceptions are the office of the actuary in the United States and the German Sozialbeirat, which have their own modeling tools.

**Generally, their members are technicians who are pension experts.** In some cases, the training and experience of the advisors has a predominantly academic profile, such as the Chilean Pension Advisory Council, and in others it is a mix of academics with industry experts, such as the Advisory Council of the Employee Welfare and Pension Benefit Plans (ERISA) in the United States, or on specific topics of interest for the work of the Council. In the case of the Swedish Pension Group, the composition is by political representation, as all four parties with a majority of seats in Congress are represented.

**For the most part, they do not possess mechanisms for broader communication and connection with the rest of civil society.** The French Pension Policy Council and the Commission for the Monitoring and Evaluation of the Toledo Pact are a few exceptions.



## 3▶ Best practices in the design of pension councils

A review of the international experience suggests a series of good practices in the field of pension councils that may be useful for building better pension institutions in Latin America and the Caribbean:

- 1. Permanence.** It is desirable that the council should function on a permanent basis, with regular alternation of members.
- 2. Independence.** It is desirable for the council to be an independent body and thus be able to issue opinions and recommendations based solely on a rigorous analysis and technical knowledge of the pension systems. To this end, it is advisable for the council to have its own tools for analyzing the pension system and for the law to grant it access to relevant information exclusively for the purposes of its analysis, i.e., respecting data privacy laws.
- 3. Periodic reporting.** It is desirable for the council to meet regularly and produce periodic reports with an analysis of the evolution of the main variables relevant to the pension system and recommendations for adjusting parameters or other aspects of the pension system.
- 4. Actuarial evaluation.** It is recommended that the council conduct regular independent actuarial evaluations in order to support the timely process of adjusting the parameters of pension systems.
- 5. Transparency and communication.** It is desirable that the reports produced by the council be published and shared with the different actors involved in the pension system, including the Legislative Branch and civil society.



## 4 ► Pension councils: Case studies

Eight case studies are presented below, in alphabetical order according to the country in which they are located. Two of these are from Latin America (Chile and El Salvador), two from the United States and four from Europe: Germany, Spain, France and Sweden.

CHILE	PENSION ADVISORY COUNCIL (CCP)
CHARACTERISTIC	DESCRIPTION
Field of work	This is an institution specialized in the area of pensions. It is a council of expert advisors to the Ministers of Finance and Labor. Its functions are advising the Minister of Labor and Social Security and the Minister of Finance on matters related to the Solidarity Pension System (legal modifications to the parameters of the Solidarity Pension System and its regulations, including the methods, criteria and general parameters that affect the granting, review, suspension and termination of benefits); issuing an informed opinion on the impact of the Solidarity Pension System on the labor market, savings incentives and fiscal effects, and issuing an annual report on its opinion regarding the implementation of the regulations, addressed to the aforementioned ministers and the National Congress.
Mandate	Technical opinion reports on matters related to the Solidarity Pension System are requested by the Minister of Labor and Social Security and the Minister of Finance. The regulations establishing rules for the operation of the Pension Advisory Council established in Law N.º 20,255: <a href="https://www.consejoprevisional.cl/documentos/reglamento/Normas_para_el_funcionamiento_del_CCP.pdf">https://www.consejoprevisional.cl/documentos/reglamento/Normas_para_el_funcionamiento_del_CCP.pdf</a> As stipulated by law, the council must: <ol style="list-style-type: none"> <li>1. Provide timely advice on proposals for legal modifications to the parameters of the Solidarity Pension System.</li> <li>2. Provide timely advice on any proposals for changes to the regulations that are made on this matter.</li> <li>3. Provide advice on the methods, criteria and general parameters that affect the granting, review, suspension and termination of the benefits contained in the regulations mentioned in item 2 above.</li> <li>4. Draft an annual report to be submitted to the Minister of Labor and Social Security and the Minister of Finance and the National Congress containing its opinion on the implementation of the regulations mentioned in the preceding points.</li> <li>5. Within the term established in the regulations, the council must issue a well-founded opinion on impacts on the labor market, on incentives for savings, and on the fiscal effects produced by changes in the regulations related to the Solidarity Pension System. It must also give its opinion on any matter related to the aforementioned system when the ministers request it.</li> </ol>
Independence	The council reports to the Minister of Labor and Social Security and the Minister of Finance.
Products	It issues an annual report on its opinion regarding the implementation of the regulations, addressed to the Minister of Labor and Social Security, the Minister of Finance, and the National Congress.
Influence	The technical opinion reports only advise the Minister of Labor and Social Security and the Minister of Finance on matters related to the Solidarity Pension System. Suggestions for modifications may in no case increase the cost of the original proposals, but they are taken into consideration for bills in the National Congress.
Funding	The council depends on the budget of the Undersecretariat of Social Security. It has its own modeling tools, with information obtained from the Undersecretariat of Social Security, the Ministry of Labor and Social Security, the Ministry of Finance, the Budget Office, the Superintendence of Pensions, and the Social Security Institute, among others.



<b>Membership</b>	It is composed of expert advisors to the ministries of finance and labor when it is necessary to make legal amendments to the Solidarity Pillar. The council's president is appointed by the president of the republic, while the remaining four council members—who serve for six years and cannot be removed from office—are ratified by the Senate through a vote of the majority of current sitting senators. The council appoints a secretary who must coordinate the operations of the council. The performance of the council members' duties is incompatible with the exercise of individual executive positions in the leadership bodies of political parties. The members of the council may not include managers, administrators or directors of a Pension Fund Administrator, of a Life Insurance Company, or of any of the entities of the business group to which they belong while they are members of the council. Council members receive a fiscal per diem in Chilean pesos, equivalent to 17 UTM (monthly tax units) for each meeting they attend, with a maximum of 51 UTM for each calendar month. This is paid monthly by the Undersecretariat of Social Security from its budget.
<b>Governance</b>	By agreement of its members, the council meets regularly every two weeks and holds additional meetings as necessary. Its headquarters are located at the Undersecretariat of Social Security, which provides funding and logistical support. It holds ordinary and extraordinary sessions called by its president at the request of the ministers, of two of its members, or by agreement of the council to hold periodic sessions. Decisions are made by a majority of its members. In case of a tie, the president decides. The minimum quorum for a meeting is three members with voting rights. The Minister of Labor and Social Security and the Minister of Finance have the right to be heard by the council whenever they deem it convenient, and may attend its sessions.
<b>References</b>	Pension Advisory Council: <a href="https://www.consejoprevisional.cl/">https://www.consejoprevisional.cl/</a> Reports: <a href="https://www.consejoprevisional.cl/informes.php">https://www.consejoprevisional.cl/informes.php</a> Minutes: <a href="https://www.consejoprevisional.cl/actas.php">https://www.consejoprevisional.cl/actas.php</a>

EL SALVADOR	ACTUARIAL COMMITTEE
CHARACTERISTIC	DESCRIPTION
<b>Field of work</b>	This is a technical body monitoring the sustainability of the system. It periodically reviews the parameters of the Pension Savings System (SAP).
<b>Mandate</b>	The Actuarial Committee has the following main responsibilities (Art. 110-C of the Pension Savings System Law): <ul style="list-style-type: none"> <li>a. To determine and notify the Superintendence of the Financial System and the Central Reserve Bank, every three years and no later than the first quarter of the corresponding year, the amount of minimum pension payments, as established in Article 145 of this law.</li> <li>b. To compile information and evaluate the impact of changes in life expectancies and labor market conditions on the results of the Pension System, including the cost of longevity benefits, by means of actuarial studies.</li> <li>c. To review, every five years, the estimates of life expectancy for the population of El Salvador, published by the Latin American and Caribbean Demographic Centre (CELADE), in order to determine the variation of the retirement age established in Article 104 of this law. To communicate this to the Superintendence of the Financial System and the Central Reserve Bank for its implementation.</li> <li>d. To review and define the sufficiency and composition of the Solidarity Guarantee Account at least every three years and to propose changes and mechanisms to ensure its sustainability.</li> <li>e. To analyze and quantify all initiatives for proposed reforms to the legal and regulatory framework of the Pension Savings System and the Public Pension System, in order to submit them to the Legislative Assembly, the Executive Branch, the Superintendence of the Financial System and the Central Bank so that they may consider the implications of these initiatives and, if additional resources are needed, identify sources of financing.</li> </ul>
<b>Independence</b>	Information not available.
<b>Products</b>	Its reports are submitted to the Legislative Assembly, the Executive Branch, the Superintendence of the Financial System and the Central Bank.



<b>Influence</b>	The Council's reports and opinions are informative in nature and non-binding on the government. They are considered for legal reforms, to determine the implications of initiatives and, if there is a need for additional resources, to identify sources of financing.
<b>Funding</b>	The expenses associated with the committee's operations, as well as any specialized studies required, are covered by the Superintendence of the Financial System. The actuarial study on which the review of minimum pension amounts, recommendations, diagnoses and other documents issued by the Actuarial Committee is based shall be published no more than ten days after its issuance on the online platforms of the Central Reserve Bank of El Salvador and the Superintendence of the Financial System.
<b>Membership</b>	The committee is comprised of seven members, at least one of whom must be an actuary. It is presided by the Superintendence of the Financial System, the president of the Central Reserve Bank of El Salvador, one member appointed by the World Bank or the Inter-American Development Bank at the request of the government of El Salvador, two members appointed by workers and two members appointed by employers. The last four members are appointed for a period of three years and may be re-elected. Appointments are made at least thirty days prior to the end of the member's term. For the appointment of workers' representatives, the Superintendence of the Financial System convenes a special session of labor confederations and federations. Nominations of candidates for the workers' representative on the Committee may be made by any labor confederation or federation. To be accepted, it must have the support of at least three labor confederations or federations. The members of the committee, with the exception of those who are civil servants, shall receive an allowance for the performance of their duties.
<b>Governance</b>	The committee meets at least once a year. It issues substantiated conclusions and recommendations, which must be accompanied by all the background information to support them. The committee may request the support of different entities such as universities or think tanks and may also commission specialized technical studies, in order to strengthen the analysis and recommendations within its scope of competence.
<b>References</b>	Actuarial Committee: <a href="https://ssf.gob.sv/comite-actuarial-del-sap/">https://ssf.gob.sv/comite-actuarial-del-sap/</a> Decree N.º 787 Reforms to Pensions Savings System Law: <a href="https://sv.vlex.com/vid/decreto-no-787-reformas-694732449">https://sv.vlex.com/vid/decreto-no-787-reformas-694732449</a> The Pension Actuarial Committee is activated: <a href="http://www.canal12.com.sv/actualidad/se-activa-comite-actuarial-de-pensiones---75635">http://www.canal12.com.sv/actualidad/se-activa-comite-actuarial-de-pensiones---75635</a> y <a href="https://www.youtube.com/watch?v=3o53sCEAwTU">https://www.youtube.com/watch?v=3o53sCEAwTU</a> Regulations of SAP Actuarial Committee: <a href="https://ssf.gob.sv/html_docs/comite_actuarial_sap/REGLAMENTO_DEL_COMITE_ACTUARIAL_DEL_SAP.pdf">https://ssf.gob.sv/html_docs/comite_actuarial_sap/REGLAMENTO_DEL_COMITE_ACTUARIAL_DEL_SAP.pdf</a>

FRANCE	PENSION ADVISORY COUNCIL (COR)
CHARACTERISTIC	DESCRIPTION
<b>Field of work</b>	Created in 2000, the Pension Advisory Council (COR) is an independent and pluralist consulting body of experts responsible for analyzing and monitoring the medium- and long-term prospects of the French pension system. On all pension issues (financial balance, pension amounts, age and duration of insurance, redistribution, etc.), the COR develops the elements of a shared diagnosis and, if necessary, makes proposals to inform pension policy choices.
<b>Mandate</b>	The COR carries out its work in accordance with an annual work program that its members have prepared (Work Plan 2020): <a href="https://www.cor-retraites.fr/sites/default/files/2020-01/Programme%20de%20travail%202020_dates%2Bth%C3%A8mes.pdf">https://www.cor-retraites.fr/sites/default/files/2020-01/Programme%20de%20travail%202020_dates%2Bth%C3%A8mes.pdf</a> The law assigns several tasks to the council: <ul style="list-style-type: none"> <li>• To describe the medium- and long-term prospects of mandatory pension schemes in light of economic, social, and demographic developments.</li> <li>• To assess the conditions necessary to ensure the long-term financial viability of such schemes.</li> <li>• To reflect on the financing of pension plans and to monitor their development.</li> <li>• To monitor the situation of retirees, paying special attention to the differences between women and men.</li> <li>• To prepare an annual report by June 15 of each year on the evolution and prospects of retirement in France, based on monitoring and orientation indicators designed to measure the adequacy of the system according to its objectives.</li> <li>• To participate in the provision of information on the pension system as well as the effects of the reforms carried out to ensure its financing.</li> </ul> <a href="https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=LEGITEXT000005629362&amp;dateTexte=20040528">https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=LEGITEXT000005629362&amp;dateTexte=20040528</a>



<b>Independence</b>	The COR is an independent body under the authority of the prime minister of France.
<b>Products</b>	<p>The COR's analyses and recommendations in the reports are submitted to the prime minister, communicated to Parliament, and published as follows:</p> <ul style="list-style-type: none"> <li>• An annual report (by June 15 of each year) on the evolution and prospects of pensions in France, based on financial, social, monitoring, and steering indicators designed to measure the adequacy of the system according to its objectives and to present medium- and long-term trends and prospects for pensions in France.</li> <li>• Thematic reports that feed into debates and inform policy decisions.</li> <li>• Letters from the COR that summarize or complement the information that the council provided during its monthly meetings.</li> <li>• Factsheets, which are occasional publications that enrich knowledge on the topics of retirement and aging, particularly considering an overview of retirement systems in France and abroad.</li> </ul> <p>The COR also organizes an annual conference that is open to the public, which creates a privileged space for sharing information and exchanging reflections on the subject of pensions and aging. The conference minutes transcribe and summarize these exchanges and are made available to a broad audience.</p>
<b>Influence</b>	The COR produces analyses, proposals, and recommendations, feeds debates, and informs public policy decisions on pension matters.
<b>Funding</b>	The appropriations necessary for the operations of the pension policy council are included in the budget of the prime minister's office. It has its own modeling tools and works with information that other government agencies have provided.
<b>Membership</b>	<p>It consists of members of Parliament; representatives of professional and trade union organizations, pensioners and families; members of the administration; and experts. The Inspector General of Social Affairs (IGAS) presides over it, and it has forty members (<a href="https://www.cor-retraites.fr/presentation/membres-du-cor">https://www.cor-retraites.fr/presentation/membres-du-cor</a>).</p> <p>Structure: president of the council, secretary general, deputy secretary general, general secretariat (nine members), head of research. The following pension funds make contributions to the studies:</p> <ul style="list-style-type: none"> <li>- AGIRC-ARRCO Federation for the supplementary pension plan for all private sector employees in industry, commerce, services, and agriculture.</li> <li>- Deposit and Consignment Fund (CDC) for the National Pension Fund for Local Government Employees (CNRACL).</li> <li>- National Old-Age Insurance Fund (CNAV).</li> <li>- State Pension Service (SRE).</li> </ul>
<b>Governance</b>	The council meets in a plenary session each month on the basis of a thematic dossier. A working group prepares each plenary session one week in advance. The working group includes, in addition to the members of the council or their representatives, the corresponding administrations, the pension fund network, and experts. The COR is also one of the eight bodies of the France Stratégie network ( <a href="https://www.strategie.gouv.fr/10-organismes-competences-sectorielles">https://www.strategie.gouv.fr/10-organismes-competences-sectorielles</a> ). The general secretary, under the authority of the president of the council, provides direction, expertise, and synthesis; solicits work from the administrations and pension funds to inform the council's discussions; prepares the analytical and summary documents that constitute the monthly dossiers; and prepares draft reports for adoption.
<b>References</b>	<p>Official website: <a href="https://www.cor-retraites.fr/">https://www.cor-retraites.fr/</a></p> <p>COR Report November 2019 – French pension outlook to 2030: <a href="https://www.cor-retraites.fr/node/519">https://www.cor-retraites.fr/node/519</a></p> <p>COR Report 2019 – Pension developments and prospects in France (report dated June 13, 2019): <a href="https://www.cor-retraites.fr/documents/rapports-du-cor/evolutions-et-perspectives-des-retraites-en-france-7">https://www.cor-retraites.fr/documents/rapports-du-cor/evolutions-et-perspectives-des-retraites-en-france-7</a></p> <p>All publications: <a href="https://www.cor-retraites.fr/documents">https://www.cor-retraites.fr/documents</a></p>



GERMANY	SOZIALBEIRAT (SOCIAL ADVISORY COUNCIL)
CHARACTERISTIC	DESCRIPTION
Field of work	This is an institution specializing in the area of pensions and social security. The council is responsible for analyzing the pension system as a whole.
Mandate	The council issues an annual analysis of the pension system in response to the annual pension report prepared by the Ministry of Labor and Social Affairs. In addition, an occasional consulting relationship has been established for the Government with respect to pension reforms. Reference: Social Law Code VI Pension Insurance § 155 Mandate of the Sozialbeirat (1) The Sozialbeirat has the task of drafting a report on the government's annual pension report. (2) The report, together with the annual pension report, must be forwarded to legislative bodies.
Independence	The council is an independent body nominated by the government for a legislative term (four years).
Products	Sozialbeirat Annual Report (commentary on the annual pension report), issued each year at the end of November, and the Pension Plan Report (every four years). The Sozialbeirat not only comments on the federal government's annual pension report, but also on recent developments in old-age security in general. In addition, on certain occasions, it publishes special reports on pension-related topics.
Influence	The council's reports and opinions are informative in nature and are non-binding on the government.
Funding	The Sozialbeirat depends on the budget of the Federal Ministry of Labor and Social Affairs. It has its own modeling tools, which are used to support the reports or opinions it issues.
Membership	The Sozialbeirat has twelve members: four representatives of the insured, four employer representatives, one Central Bank representative, and three academics from the economic and social sciences. The government appoints the members of the Sozialbeirat on the basis of proposals from the organizations or associations they represent. The members of the Sozialbeirat are not remunerated for their work on the Sozialbeirat.
Governance	The Federal Ministry of Labor and Social Affairs is responsible for managing the operations of the Sozialbeirat. It is not subject to any parliamentary control. Its decisions are adopted unanimously (by consensus). Its members can vote independently—i.e., they are not subject to orders from the organizations they represent. The Sozialbeirat meets six times a year. In addition to the members, representatives of the individual federal ministries (Federal Ministry of Labor and Social Affairs, Federal Ministry of Finance, and Federal Ministry of Economic Affairs and Energy) commonly attend Sozialbeirat meetings as observers. The president of the Social Advisory Council is elected by its members for a two-year period.
References	Sozialbeirat: <a href="https://sozialbeirat.de/en/">https://sozialbeirat.de/en/</a> Report of the German Social Advisory Council on the Federal Government's 2008 Pension Insurance Report and on the 2008 Old-Age Security Report: <a href="https://sozialbeirat.de/media/2008_gsac_report_2008.pdf">https://sozialbeirat.de/media/2008_gsac_report_2008.pdf</a>



SPAIN	COMMISSION FOR MONITORING AND EVALUATION OF THE TOLEDO PACT AGREEMENTS
CHARACTERISTIC	DESCRIPTION
Field of work	For the purpose of monitoring the Toledo Pact, the Commission for the Monitoring and Evaluation of the Toledo Pact Agreements was created in 1999 as a permanent, non-legislative parliamentary commission. Its purpose is to monitor compliance with the objectives of the Toledo Pact and to propose recommendations for the maintenance and improvement of the pension system. The commission has been created in every legislature since 1999, representing all political groups. This pact is aimed at preventing pensions from becoming the subject of partisan conflict. The Toledo Pact is a parliamentary agreement ratified in the Plenary Session of Congress on April 6, 1995, to analyze the structural problems of the social security system. It was also designed to analyze the main reforms needed to guarantee the viability of the public pension system and to avoid greater public deficits in the state budget. The Toledo Pact arose as a result of the consensus among all political forces represented in Parliament, and its main objective is to guarantee the financial viability of the current social security model, known as the pay-as-you-go and intergenerational solidarity model. On October 3, 2003, Congress approved the Report on the Monitoring of the Toledo Pact Agreements, which included an assessment of the initial recommendations and incorporated some new ones. Its goal was to adapt the social protection system to the new social realities and demands while at the same time, in relation to the pension system, raising its levels of improvement and sustainability.
Mandate	Objectives of the Toledo Pact, and fifteen recommendations for the maintenance and improvement of the pension system: <ol style="list-style-type: none"> <li>1. Separation and clarification of funding sources</li> <li>2. Establishment of reserves</li> <li>3. Improvement of requirements</li> <li>4. Financing of special schemes</li> <li>5. Improvement of collection mechanisms and the fight against the irregular economy</li> <li>6. Simplification and integration of special schemes</li> <li>7. Management integration</li> <li>8. Evolution of contributions</li> <li>9. Guarantee of the equity and contributory nature of the system</li> <li>10. Adjustments to the retirement age</li> <li>11. Maintaining pensions' purchasing power</li> <li>12. Strengthening the principle of solidarity</li> <li>13. Improved management</li> <li>14. Maintaining a complementary system</li> <li>15. Analysis and monitoring of the system's evolution</li> </ol> In the Resolution of October 2, 2003, which approved the renewal of the Toledo Pact, five additional recommendations were added: <ol style="list-style-type: none"> <li>16. New forms of work and professional development</li> <li>17. Women and social protection</li> <li>18. Dependency</li> <li>19. Disability</li> <li>20. Immigration</li> </ol>
Independence	The Toledo Pact Commission reports to the Spanish Parliament.
Products	The Toledo Pact Commission meets every five years and publishes a new study at the end of its work with a review of the current situation of the public pension system, as well as recommendations for improvement.



<p><b>Influence</b></p>	<p>The recommendations and the results of its analyses and studies are considered for legal reform bills. With the institutionalization of the Toledo Pact, consensus was achieved among all political agents in the area of social security. The aim was to cooperate in an environment of permanent dialogue to achieve the maintenance and improvement of the public pension system, as well as to guarantee social assistance and benefits to citizens. The work of the Toledo Pact has resulted in four laws: one in 1997, another in 2003, a third in 2007 and the most recent one in 2011. The 1997 law included more than half of the fifteen measures suggested in the original report, such as the financial separation of social security, the improvement of orphan's and widow's pensions, or the revaluation of pensions (which the government linked to the Consumer Price Index, or CPI). The 2003 law regulated the operation of the Pension Reserve Fund, which was established three years earlier, whereas the 2007 law modified several provisions related to temporary and permanent disability, retirement, and widowhood pensions. Among other issues, it extended the maximum period of incapacity for work to two years; it established the idea that the days corresponding to extra pay were not contributory; and it put married couples on an equal footing with unmarried couples when applying for a widower's pension. Finally, the 2011 law increased the retirement age to 67.</p> <p>The Toledo Pact met again in November 2016. The commission began a round of more than thirty audiences and later, in the presentation phase, introduced one to renew the twenty-one recommendations on the public pension system. It also introduced two other new ones: one dedicated to youth, and the other dedicated to the digital economy and to the robotization of employment.</p>
<p><b>Funding</b></p>	<p>Parliament has adequate resources and means for the Toledo Pact Commission to carry out its tasks.</p>
<p><b>Membership</b></p>	<p>The Commission for the Monitoring and Evaluation of the Toledo Pact Agreements is a parliamentary commission with representation from all political groups in Parliament. It has a president, a first vice-president, a second vice-president, a first secretary, a second secretary, spokespersons, deputy spokespersons, members, associates, and attorneys. The composition of the commission for 2020 is available at: <a href="https://www.mayoresudp.org/pacto-de-toledo-en-2020-primera-reunion/">https://www.mayoresudp.org/pacto-de-toledo-en-2020-primera-reunion/</a>.</p>
<p><b>Governance</b></p>	<p>Decisions are made by consensus. The Toledo Pact Commission meets every five years and publishes a new study at the end of its work with a review of the situation of the public pension system at that time, as well as recommendations for improvement.</p>
<p><b>References</b></p>	<p>Non-Permanent Commission for the Monitoring and Evaluation of the Toledo Pact Agreements: <a href="http://www.congreso.es/portal/page/portal/Congreso/Congreso/Organos/Comision?_pi-ref73_7498063_73_1339256_1339256.next_page=/wc/detalleInformComisiones?idOrgano=343&amp;idLegislatura=9">http://www.congreso.es/portal/page/portal/Congreso/Congreso/Organos/Comision?_pi-ref73_7498063_73_1339256_1339256.next_page=/wc/detalleInformComisiones?idOrgano=343&amp;idLegislatura=9</a></p> <p>Catalog of publications of the General State Administration: <a href="https://publicacionesoficiales.boe.es/index.php?frases=no&amp;sf=busqueda&amp;sfstype=sencilla&amp;datos%5B0%5D= Pacto+Toledo&amp;campos%5B0%5D=publicacion&amp;accion=Buscar&amp;campos%5B1%5D=publicacion_descarga_fichero">https://publicacionesoficiales.boe.es/index.php?frases=no&amp;sf=busqueda&amp;sfstype=sencilla&amp;datos%5B0%5D= Pacto+Toledo&amp;campos%5B0%5D=publicacion&amp;accion=Buscar&amp;campos%5B1%5D=publicacion_descarga_fichero</a></p> <p>Renewal of the Toledo Pact (2003). Ministry of Labor and Social Affairs: <a href="https://uvadoc.uva.es/bitstream/handle/10324/1826/TFG-L81.pdf;jsessionid=2A0D30D0630999481A6ED2F68400F675?sequence=1">https://uvadoc.uva.es/bitstream/handle/10324/1826/TFG-L81.pdf;jsessionid=2A0D30D0630999481A6ED2F68400F675?sequence=1</a></p> <p>The Toledo Pact reaches an agreement to re-link the revaluation of pensions to the CPI. (2018). El País [online]: <a href="https://elpais.com/economia/2018/09/26/actualidad/1537971449_719715.html">https://elpais.com/economia/2018/09/26/actualidad/1537971449_719715.html</a></p> <p>The Toledo Pact will institute a deadline of 2025 to eliminate the pension deficit. (2019). Cinco días. El País [online]: <a href="https://cincodias.elpais.com/cincodias/2019/02/16/economia/1550318684_176714.html">https://cincodias.elpais.com/cincodias/2019/02/16/economia/1550318684_176714.html</a></p> <p>What is the Toledo Pact? (2019). Europa Press: <a href="https://www.europapress.es/economia/noticia-pacto-toledo-20190221121402.html">https://www.europapress.es/economia/noticia-pacto-toledo-20190221121402.html</a></p> <p>The Toledo Pact closes without an agreement on pensions as the elections loom (2019). La Vanguardia [online]: <a href="https://www.lavanguardia.com/economia/20190219/46575394998/pensiones-pacto-de-toledo-gobierno-elecciones-jubilacion.html">https://www.lavanguardia.com/economia/20190219/46575394998/pensiones-pacto-de-toledo-gobierno-elecciones-jubilacion.html</a></p> <p>Who's who in the Toledo Pact Commission? (2016). <a href="https://www.mayoresudp.org/quien-quien-la-comision-del-pacto-toledo/">https://www.mayoresudp.org/quien-quien-la-comision-del-pacto-toledo/</a></p> <p>Who's who in the new Toledo Pact? (2020). El País [online]: <a href="https://elpais.com/economia/2020/02/18/actualidad/1582063121_228159.html">https://elpais.com/economia/2020/02/18/actualidad/1582063121_228159.html</a></p> <p>Pensions: The Toledo Pact resumes its activity in 2020. (2020). <a href="https://www.mayoresudp.org/pacto-de-toledo-en-2020-primera-reunion/">https://www.mayoresudp.org/pacto-de-toledo-en-2020-primera-reunion/</a></p>



SWEDEN	PENSIONS GROUP
CHARACTERISTIC	DESCRIPTION
Field of work	<p>The Pensions Working Group is a parliamentary team consisting of representatives of the parties that support the pension agreement (the parties in the government and the Moderate Party, the Liberal Party, the Center Party, and the Christian Democrats). The minister of social security presides over it. The Swedish government set it up at the end of 1991 with the task of drawing up proposals for changes to the Swedish national pension system.</p> <p>The working group is tasked with safeguarding the pension agreement (<a href="https://www.government.se/48f80e/contentassets/38492596ca1c446d944036f9a93d048b/the-pension-groups-agreement-on-long-term-raised-and-secure-pensions.pdf">https://www.government.se/48f80e/contentassets/38492596ca1c446d944036f9a93d048b/the-pension-groups-agreement-on-long-term-raised-and-secure-pensions.pdf</a>) as well as preserving the pension reform and its fundamental principles. The Pensions Working Group must consult on pension reform issues and, if necessary, lead initiatives to adjust this system. The chair of the working group is the government minister who is primarily responsible for the national pension system.</p>
Mandate	<p>The objective of the working group is to use the report of the pension commission, the national pension system, and the responses to the consultation on this matter as a basis for developing proposals for a reformed national pension system.</p> <p>According to the mandate, one of the main tasks of the working group is to create a sound and financially stable pension system. The most important basic assumptions are that changes to the current national pension system will result in a better linkage between contributions and benefits, provide a greater incentive to work, and promote greater long-term savings in society (...). The aim is to create a pension system that is capable of providing financial security for both pensioners and workers, as well as one that is stable, regardless of Sweden's economic growth rate.</p>
Independence	It reports to the ministry of health and social affairs.
Products	The working group analyzes the pension system and makes proposals for legal reforms.
Influence	Parliament considers the group's reports for introducing legal reforms.
Membership	<p>The members are economist congresspersons from the following parties: Leif Bergdahl (New Democracy); economist Per Lennart Börjeson (Left); MP Margit Gennser (Moderate); economist Anna Hedborg (Social Democrat); secretary Åke Pettersson (Center), and MPs Ingela Thalén (Social Democrat), Barbro Westerholm (Liberal), and Pontus Wiklund (Christian Democrat). The expert group includes members from the ministry of health and social affairs, the budget office of the ministry of finance, the division of the Social Insurance Council, and the National Council on Health and Welfare.</p>
References	<p>The Pensions Working Group's agreement on long-term raised and secure pensions: <a href="https://www.government.se/48f80e/contentassets/38492596ca1c446d944036f9a93d048b/the-pension-groups-agreement-on-long-term-raised-and-secure-pensions.pdf">https://www.government.se/48f80e/contentassets/38492596ca1c446d944036f9a93d048b/the-pension-groups-agreement-on-long-term-raised-and-secure-pensions.pdf</a></p> <p>Gender-equal pensions: <a href="https://www.government.se/articles/2017/02/gender-equal-pensions/">https://www.government.se/articles/2017/02/gender-equal-pensions/</a></p> <p>A Reformed Pension System, Background, Principles and Sketch. Ministry of Health and Social Affairs (2017): <a href="https://www.government.se/4a7e9b/contentassets/0417459eaa584087aa4750d80cb0f4df/a-reformed-pension-system-ds-1992_89.pdf">https://www.government.se/4a7e9b/contentassets/0417459eaa584087aa4750d80cb0f4df/a-reformed-pension-system-ds-1992_89.pdf</a></p>



UNITED STATES OF AMERICA	ADVISORY COUNCIL ON EMPLOYEE WELFARE AND PENSION BENEFIT PLANS (ERISA)
CHARACTERISTIC	DESCRIPTION
Field of work	This is an institution specialized in pensions. Section 512 of the ERISA (Employee Retirement Income Security Act 1974) provides for the creation of an Advisory Council on Employee Welfare and Pension Benefit Plans, known as the ERISA Advisory Council.
Mandate	The council's duties are to advise the secretary of labor and to make recommendations on the secretary's functions according to his responsibilities under the ERISA.
Independence	It is not independent. It is part of the structure of the secretary of labor.
Products	The council reaches a consensus to focus on matters that are relevant to the administration of the ERISA—historically, two or three matters each year—based on suggestions from the Office of the Assistant Secretary of the Employee Benefits Security Administration. For each matter, the council defines the topic to be investigated, hears testimony from expert witnesses, and submits a report with its findings and recommendations. The president of the council selects a chairperson and vice chairperson(s) to direct the council's work on each issue.
Influence	Its reports are not binding in nature but rather are recommendations.
Funding	Section 512 of the ERISA establishes the position of executive secretary of the ERISA Advisory Council. The executive secretary provides staff support in connection with ERISA Advisory Council activities. These include scheduling, coordinating, and providing administrative support for all advisory council meetings; planning and coordinating the selection process for new advisory council members; preparing reports on advisory council activities; and establishing and maintaining advisory council records. The executive secretary may ask other government agencies for statistical data, reports, and other information to assist the council in performing its duties.
Membership	<p>The council consists of fifteen members appointed by the secretary of labor. These members feature a mixed composition (employees, employers, participants, and practitioners): three members represent employee organizations (at least one of whom represents an organization whose members participate in a multi-employer plan); three members are employer representatives (at least one of whom represents employers who maintain or contribute to multi-employer plans); three members are representatives of the general public; and there is one representative each from the areas of insurance, corporate trusts, actuarial consultants, investment consultants, investment management, and accounting.</p> <p>Members must be qualified to evaluate the programs that the ERISA has created and are appointed for three-year terms, with five terms expiring on December 31 of each year. Each member of the council is entitled to receive the daily equivalent of the annual rate of basic pay in effect for the GS-18 grade in the general schedule for each day (including travel time) during the time spent in the actual performance of the council's duties. While away from their homes or usual places of work in the performance of council services, members shall be entitled to travel expenses.</p>



## Governance

After due consideration and discussion, the council reaches a consensus to focus on matters that are relevant to the administration of the ERISA—historically, two or three matters each year—based on suggestions from the Office of the Assistant Secretary of the Employee Benefits Security Administration. For each matter, the council defines the topic to be investigated, hears testimony from expert witnesses, and submits a report with its findings and recommendations. The president of the council selects a chairperson and vice chairperson(s) to direct the council’s work on each issue. During scheduled meetings, the council hears testimony from experts on the matter, asks questions, and discusses the findings and recommendations. A wide variety of witnesses are identified for the purpose of inviting them to testify before the council. During a typical meeting, the chairperson or vice-chairperson calls the meeting to order and states the purpose of the meeting. If members have been assigned tasks, the chair invites them to draft a report. If witnesses have been invited to testify, they are called and asked to speak, with their testimony being limited to twenty minutes. Witnesses usually present their testimony in writing, which is distributed to members and to the public, then recorded in the official meeting minutes. Members ask questions of each witness. When there are no further questions, the chair thanks and excuses the witness. This process continues until all witnesses scheduled for the meeting have been heard. The theme chair invites members to discuss the events of the meeting, encouraging them to express their opinions and concerns. After the discussion, the chair invites statements from the general public. Following statements from the general public and any discussion, the chair requests a motion to adjourn. Council members consider testimony and discussion on various topics that have taken place during the year. The council chair and theme chairs may appoint members of a subcommittee to draft reports to present to the council for consideration. These reports include summaries of witness testimony, conclusions, and recommendations. Council decisions are made at scheduled meetings that are open to the general public. The theme chairs present their findings and recommendations to the council at the last meeting of the year. The council discusses each report and accepts it by vote as presented or with modifications. It then submits the conclusions and recommendations to the secretary or to the secretary’s designated representative at the final meeting. The final act of the council’s adjournment is when the council chair transmits the reports to the assistant secretary, who forwards them to the secretary of labor.

## References

ERISA Advisory Council: <https://www.dol.gov/agencies/ebsa/about-ebsa/about-us/erisa-advisory-council>  
ERISA Advisory Council Reports: <https://www.dol.gov/agencies/ebsa/about-ebsa/about-us/erisa-advisory-council/reports>  
29 U.S. Code § 1142. Advisory Council on Employee Welfare and Pension Benefit Plans: <https://www.law.cornell.edu/uscode/text/29/1142>



UNITED STATES OF AMERICA	OFFICE OF THE CHIEF ACTUARY (OACT)
CHARACTERISTIC	DESCRIPTION
Field of work	The Office of the Chief Actuary is a government agency that plans and directs a program of actuarial estimates and analyses related to the retirement, survivors, and disability insurance programs that the Social Security Administration administers. It also handles proposed changes in these programs.
Mandate	The Office provides technical and consulting services to the commissioner and to the Board of Trustees of the Social Security Trust Funds, and its staff appears before congressional committees to provide expert testimony on the actuarial aspects of social security issues.
Independence	The Office of the Chief Actuary reports to the Social Security Administration.
Products	The Office evaluates the operations of the Federal Old-Age and Survivors Insurance Trust Fund as well as the Federal Disability Insurance Trust Fund; carries out program financing studies; conducts actuarial and demographic research on social security and program-related issues; and projects future workloads. In addition, the Office is responsible for conducting cost analysis related to the Supplemental Security Income (SSI) program, a general revenue-funded, means-tested program for low-income elderly, blind, and disabled individuals.
Membership	<p>Organization:</p> <ul style="list-style-type: none"> <li>• Chief Actuary</li> <li>• Deputy Chief Actuary (short term)</li> <li>• Deputy Chief Actuary (long term)</li> <li>• Immediate Office of the Chief Actuary</li> <li>• Office of Short-Term Actuarial Estimates</li> <li>• Office of Long-Term Actuarial Estimates</li> </ul>
References	<p>Office of Chief Actuary: <a href="https://www.ssa.gov/OACT/actuaries/index.html">https://www.ssa.gov/OACT/actuaries/index.html</a>            Actuarial publications: <a href="https://www.ssa.gov/OACT/pubs.html">https://www.ssa.gov/OACT/pubs.html</a>            Annual report on the financial status of the Social Security program, published on April 22, 2019: <a href="https://www.ssa.gov/OACT/TR/2019/index.html">https://www.ssa.gov/OACT/TR/2019/index.html</a>            Annual report on the status of the Supplemental Security Income (SSI) program, released May 30, 2019: <a href="https://www.ssa.gov/OACT/ssir/SSI19/index.html">https://www.ssa.gov/OACT/ssir/SSI19/index.html</a></p>



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Congreso Chileno (2020). *Proyecto de ley que mejora pensiones del sistema de pensiones solidarias y del sistema de pensiones de capitalización individual, crea nuevos beneficios de pensión para la clase media y las mujeres, crea un subsidio y seguro de dependencia, e introduce modificaciones en los cuerpos legales que indica Boletín N.º12.212-13.*

