

## CMI – Self-Administered Pension Schemes Investigation

Update on the latest work and future plans

Nigel Bodie – Credit Suisse

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## Background

Published so far

- Self Administered Pension Schemes
- Earlier working papers
- Working Paper 32

To come

- Work planned for this year

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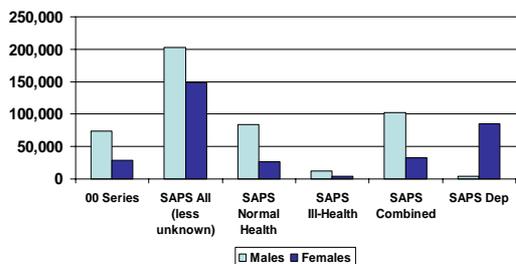
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## Data overview – Deaths by type



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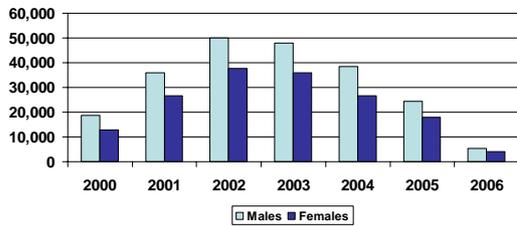
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## Data overview – Deaths by year



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## WP32 proposed graduations

Data Type	Light / Heavy	Lives		Amounts	
		Female	Male	Female	Male
Pensioners (excluding dependants)	-	SPFL03	SPML03	SPFA03	SPMA03
	Light			SPFA03Light	SPMA03Light
	Heavy			SPFA03Heavy	SPMA03Heavy
Normal health pensioners	-			SNFA03	SNMA03
	Light			SNFA03Light	SNMA03Light
	Heavy			SNFA03Heavy	SNMA03Heavy
Ill-health pensioners	-			SIFA03	SIMA03
	-	SWL03		SWA03	
Dependants	Light			SWA03Light	
	Heavy			SWA03Heavy	

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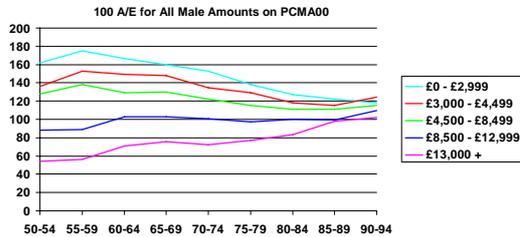
## Final graduations (tables and names)

Data Type	Light / Heavy	Lives		Amounts	
		Female	Male	Female	Male
Pensioners (excluding dependants)	-	S1PFL	S1PML	S1PFA	S1PMA
	Light			S1PFA_L	S1PMA_L
	Heavy			S1PFA_H	S1PMA_H
Normal health pensioners	-			S1NFA	S1NMA
	Light			S1NFA_L	S1NMA_L
	Heavy			S1NFA_H	S1NMA_H
Ill-health pensioners	-			S1IFA	S1IMA
	-	S1DFL		S1DFA	
Dependants	Light			S1DFA_L	
	Heavy			S1DFA_H	

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## Light / Heavy bands

- What data should Light / Heavy bands contain?



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## Technical amendments

- Discrepancy in age definition (half year) will reduce  $q_x$  and  $\mu_x$
- Move from initial exposed to risk (multiple approaches possible for calendar year investigations) to central exposed to risk may reduce  $q_x$  and  $\mu_x$  particularly at higher ages

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## Lower ages

- Extend which tables to, say, 20? **All**
  - Should "All Pensioner" table stop at 50? **No**
  - Would 16 or 17 be preferable to 20? **Yes**
  - Are the proposed extensions suitable? **Yes**
- Committee considering "All Pensioner" extension

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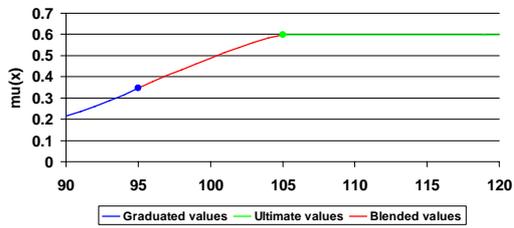
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## Older ages – WP32 proposal



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## Older ages

- Most responses indicated general support...
- ...but review of exposed to risk affects older ages most...
- ...so comments will be reviewed in light of those revisions...
- ...and approach may be modified

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## Further work 2008

- Finalise graduations
- Preliminary work on trends in mortality rates
- Industrial analysis

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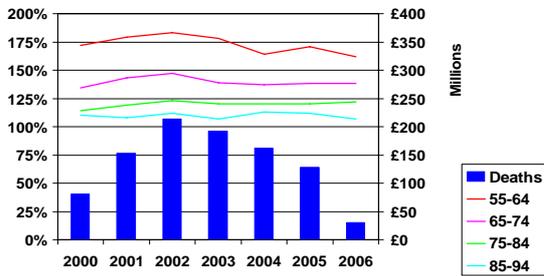
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### SAPS Males amounts All retirements



LH axis – A/E of PMA92 Short Cohort for calendar year  
RH axis – Pensions p.a. cancelled by death

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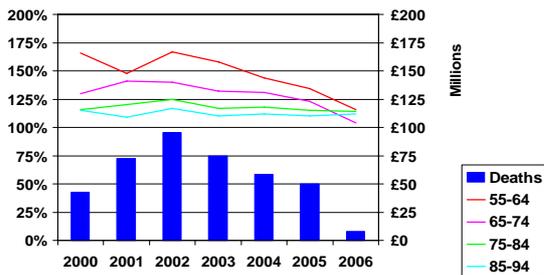
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### SAPS Males amounts Normal retirements



LH axis – A/E of PMA92 Short Cohort for calendar year  
RH axis – Pensions p.a. cancelled by death

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### Industrial analysis

- Covers CY 2000 to 2006
  - But clustered in centre years, so longer-run trend analysis not necessarily reliable
- Few schemes where data present for two valuations
  - So heterogeneity within exposed to risk
- Data on CMI web-site (not industrial)
  - Includes measurement against 92 series Short Cohort for each calendar year of experience

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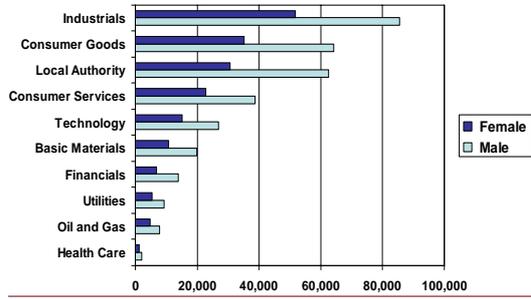
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## Industrial analysis – number of deaths



Ages 50+

Calendar years 2000 to 2006

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