



Policy Options

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The Big Choice

- ✿ A national contingent DB pension plan
- ✿ A central pension fund for individual or group pension plans
- ✿ Coherent change at the margin to strengthen the current pension system



Improve on what we have

- ✿ Strengthen incentives to eliminate deficits
 - Remove surplus ownership ambiguity
 - Give symmetric assess to surpluses for credit worthy sponsors
- ✿ Refine adequacy testing
 - Less emphasis on solvency tests for credit worthy sponsors
- ✿ Balance accuracy and alignment with economic fundamentals in pension accounting
- ✿ Improve member awareness of how DB pensions work so contribution rates can be more responsive
- ✿ Encourage contingent elements in DB pensions and make contingencies explicit