

The Integration of Occupational Pension Regulations: Lessons for Canada

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Topic

- Recent initiatives to integrate occupational pension regulations across jurisdictions
- *Canada*: proposed principles for a pension model law (2004, 2005)
- *European Union*: pension fund directive (2003) and proposed portability directive (2005)
- *International*: OECD's principles for pension regulation and supervision (2004)

Questions

- Which obstacles make occupational pension integration politically difficult?
 - *Canada*: Reciprocal Agreement has not been updated or expanded since the 1960s
 - *EU*: single market in occupational pensions had been blocked for more than 10 years
- Which strategies could overcome these obstacles and make integration politically feasible?

Cases

- *Canada*
 - Only advanced industrialized country in which occupational pensions are regulated at the sub-national level
 - Integration initiative by provincial pension regulators (CAPSA)
- *European Union*
 - Successful adoption of the pension fund directive despite of great diversity among occupational pension systems

Arguments

- Policy legacies in occupational pensions are a significant obstacle to integration
- Three strategies can make occupational pension integration politically feasible
 - *Problem definition*: protection of the diversity of occupational pension systems
 - *Scope of regulation*: focus on financial regulations, exclusion of social regulations
 - *Methods of integration*: use of different methods for financial and social regulations

Implications

- CAPSA's initiative for a pension model law will likely not lead to progress in occupational pension integration
 - *Problem definition*: sees diversity among occupational pension systems as a problem per se and does not seek to protect it
 - *Scope of regulation*: inclusion of social regulations
 - *Method of integration*: use of a single method for different types of regulation

Suggestions

- Progress in occupational pension integration in Canada would be more likely if policy-makers
 - tried to protect the diverse social regulations in provincial pension systems
 - focused on the integration of financial regulations
 - used multiple methods of integration (harmonization, mutual recognition, voluntary coordination)

Structure of the paper

- Obstacles to integration (policy legacies)
- Problems of fragmentation (problem definitions)
- Scope of regulation (policy alternatives)
- Lessons for Canada

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