

Symposium on Social Security

With Nobel Laureate Peter Diamond

January 12, 2016

Kent Ridge Guild House, NUS
(Cluny and Dalvey rooms, 2nd floor)

Organizers: SCAPE, Department of Economics, NUS and NAI, NUS

Program

8:45am-9:05am Registration

9:05am-9:15am Opening Remarks by Julian Wright (Professor and Head, Department of Economics, NUS)

9:15am-10:40am **Session 1**

Chair: Tilak ABEYSINGHE (Director, SCAPE, Department of Economics, NUS)

9:15am-10:00am Peter DIAMOND (Professor, Department of Economics, MIT)
Good Pension Design

10:00am-10:40am CHIA Ngee Choon (Co-Director, NAI, Associate Professor, Department of Economics, NUS)
Adequacy of DC Pension Design: Gaps and Policy Interventions

10:40am-11:00am **Tea Break**

11:00am-12:30pm **Session 2**

Chair: Basant KAPUR (Professor, Department of Economics, NUS)

11:00am-11:40am Joseph CHERIAN (Professor of Finance and Director of the Centre for Asset Management Research & Investments (CAMRI), NUS)
Avoiding Shock & Owe: How to Retire Worry-free and Well

11:40am-12:30pm Panel Discussion with a focus on Singapore
Peter Diamond, Chia Ngee Choon, Joseph Cherian, Marcus Kok

12:30pm **Concluding Remarks** (CHIA Ngee Choon)

12:35pm **Lunch**

Dress code: Office attire

Admission is free but confirmed pre-registration by Jan 4, 2016 is required for catering purpose. Seats are limited.

**For registration please contact: Ms Zhang Shen, Ph. (65) 6516 4524,
Email: ecszhang@nus.edu.sg**

Speakers and Abstracts

Good Pension Design



Peter Diamond is an Institute Professor Emeritus at MIT where he taught from 1966 to 2011. He has written about public pension systems in Australia, Chile, China, France, Germany, Italy, the Netherlands, New Zealand, Spain, Sweden, the UK, and the US. His books include *Saving Social Security: A Balanced Approach* (with Peter R. Orszag), *Reforming Pensions: Principles and Policy Choices* and *Pension Reform: A Short Guide* (both with Nicholas Barr), and *Behavioral Economics and Its Applications* (edited with Hannu Vartiainen). His recent papers include "The Case for a Progressive Tax: From Basic Research to Policy Recommendations" (with Emmanuel Saez, JEP), "Cyclical Unemployment, Structural Unemployment" (IMF Economic Review), and "Shifts in the Beveridge Curve" (with Aysegul Sahin, RIE). He has been President of the American Economic Association, of the Econometric Society, and of the National Academy of Social Insurance. He was one of the three winners of the 2010 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.

Abstract

The primary objective of pensions is economic security in old age, achieved through consumption smoothing, insurance, and poverty relief. The objective involves risk-sharing and redistribution within and across generations. Complications for pension design come from diversity in labor market experiences, particularly from informality, from gender roles, and come from economic and demographic risks to the system. Analysis should consider pension systems as a whole, recognize incomplete markets and focus on second-best. The talk will discuss the pension systems in several countries generally viewed as having done well.

Adequacy of DC Pension Design: Gaps and Policy Interventions



Chia Ngee Choon is an associate professor in the Department of Economics at the National University of Singapore (NUS). She is the co-editor of the *Singapore Economic Review* and the co-director of the Next Age Institute at NUS. Her current research interests include pension economics, health economics and the fiscal impacts of aging. She researches on retirement issues in Singapore. She was a member of the National Longevity Insurance Committee and completed a Ministry of Manpower commissioned study on the retirement adequacy of CPF for young entrant workers using administrative data. Her works have appeared in internationally referred journals. She served as a consultant for the World Bank, the Canadian International Development Research Centre, the Asian Development Bank (ADB) and the ABD Institute on tax policy issues; and for the Economic Research Institute for ASEAN and East Asia and UNESCAP on social protection issues.

Abstract

While an employment-based DC system is sustainable, there are issues relating to adequacy. People, who are economically inactive during their working age, become financially vulnerable upon retirement. Adding a non-contributory basic pillar to the defined contribution system helps address the retirement adequacy of the vulnerable elderly. The presentation identifies gaps in the Central Provident Fund (CPF) system and evaluates policy interventions to bridge the gaps.

Avoiding Shock & Owe: How to Retire Worry-free and Well



Joseph Cherian is Practice Professor of Finance and Director of the Centre for Asset Management Research & Investments (CAMRI) at NUS Business School. He was previously Managing Director, Global Head, and CIO of the Quantitative Strategies Group within Credit Suisse Alternative Investments in New York, where he had responsibility for US\$67 billion in client assets. Prior to starting his career on Wall Street, Joe was an Associate Professor of Finance at Boston University. He currently serves on the Dean's Advisory Council at Johnson School at Cornell University, the Scientific Advisory Board of Nipun Capital (a U.S. hedge fund), the CPF Advisory Panel and the Journal of Alternative Investments' Editorial Board. He formerly served on the National Research Foundation's Early Stage Venture Fund Evaluation Panel and the review board of the Research Foundation of the CFA Institute. Joe holds a B.S. in Electrical Engineering from MIT, and M.S. and Ph.D. degrees in Finance from Cornell University.

Abstract

Joe Cherian's presentation will attempt to dispel the myths, encourage worry-free investing, and hence increase happiness in retirement without one having to move to Middle Earth, Shangri-La or Bhutan.



Marcus Kok is the principal pension consultant with PricewaterhouseCoopers Asia Actuarial Services (PwC AAS). Marcus attended the University of Central Oklahoma and graduated with a Bachelor's in Actuarial Science and a Master's degree in Statistics. Marcus has more than 15 years of consulting experience and expertise in Employer-sponsored retirement plans, cutting his eye-teeth in complex pension plan issues with leading U.S. actuarial consulting firms such as Coopers & Lybrand, Watson Wyatt and Rael & Letson. A specialist in both defined benefits and defined contribution schemes, Marcus has been actively involved in single and multi-employer pension plans -- from their conception and execution to their redesign and upgrade -- for prominent healthcare unions in Northern California. He also played a pivotal role in key pension plan negotiations with unions for the Motion Picture Industry in Hollywood, and acted as key pension consultants for the San Francisco Symphony and the Children's Hospital of Oakland.