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ADBI Webinar: Rethinking Social Protection Reform in Post-Pandemic Recovery

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How is COVID impacting social protection for older population? Focus on pensions

- Changes in retirement assets
 - Early drawdowns to help finance wage loss
 - Higher government debt burdens tightens constraints on developing or improving social pensions
- Changes in the profile of risks
 - Equity premium now higher because of global risk
 - Interest rates at an all time low – annuity valuation and conservative portfolio ROR lower
 - House prices are rising – more wealth for some, but greater inequality, especially for the next generation
 - Increased inflation risk

How should policy be re-cast?

Recovering from a setback

- Social pensions more important than ever
 - Now and into the future
 - Broader coverage more important than ever
 - In many countries, benefit level will need to be increased because contributory pensions will fall
 - Inflation protection, both level of first benefit and through the payout period, vital
- Contributory pensions
 - Communication of likely reduced retirement accumulation or benefit
 - Facilitating working longer (perhaps with less annual effort)
 - More emphasis on pre-paid pensions will reduce debt burden on future generations



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