

Update pensions stress test and quantitative assessment

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- IORPs providing DB schemes
 - o Resilience to 2 adverse market & 1 longevity scenario
 - o Holistic balance sheet & national balance sheets
 - o Transmission mechanisms through questionnaire
- IORPs providing DC schemes
 - o Impact on future retirement income of three representative plan members
 - o 2 shock, 2 low return and 1 longevity scenario
 - o Other sources of pensions income through questionnaire
- Market coverage
 - o At least 50% of national market in 17 countries with material IORP sectors

- Consultation paper on further work of solvency of IORPs
 - Valuation holistic balance sheet
 - Uses of holistic balance sheet
 - Examples of supervisory frameworks
- QA to test possible supervisory regimes
 - 2 baseline scenarios (risk free rate & expected return)
 - Other frameworks derived from baselines
 - Sensitivity analysis long-term adjustments
- Advice to COM on EU solvency rules for IORPs

Stage in preparation



- 10 Mar – OPSG discussion
- 26/27 Mar – Meeting Board of Supervisors
- 8 May – BoS approval QA and ST package
- 11 May – Launch stress test & quantitative assessment
- 19 May – Launch event at EIOPA

- Specifications
 - Technical specifications quantitative assessment
 - Stress test specifications
- Qualitative questionnaires
- Reporting spreadsheets
 - Input spreadsheet QA and DB/hybrid stress test
 - Reporting template DC stress test & calculation tool
- Interest rate and inflation curves
- Helper tabs

- 11 May/10 Aug – QA and ST exercise
- Questions & answers (Q&A) process
 - o IORPs to submit questions to NSAs
 - o NSAs forward questions of “general relevance” to EIOPA same day
 - o Dedicated Q&A workstream formulates answer
 - o Answer within 5-8 days
 - o Publication on EIOPA website every Wednesday
- 24 Jul – Last questions to NSAs
 - o 5 Aug last answers on EIOPA website

- EIOPA/national validation
 - o 10 Aug – IORP submissions to NSAs
 - o 24 Aug – NSAs submit results to EIOPA
 - o Week (31 Aug - 4 Sept) – 1st validation meeting
 - o Follow-up NSAs with IORPs
 - o Week (28 Sep – 2 Oct) – 2nd validation meeting
- Publication
 - o Dec 2015 – Stress test report
 - o Mar 2016 – Advice to COM on EU solvency rules
- No publication of names/data that can be linked to individual IORPs



Thank you

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