



Preservation - Defining the Building Blocks

Actuarial Conference

October 2008

The Business of Change: 2010 and Beyond

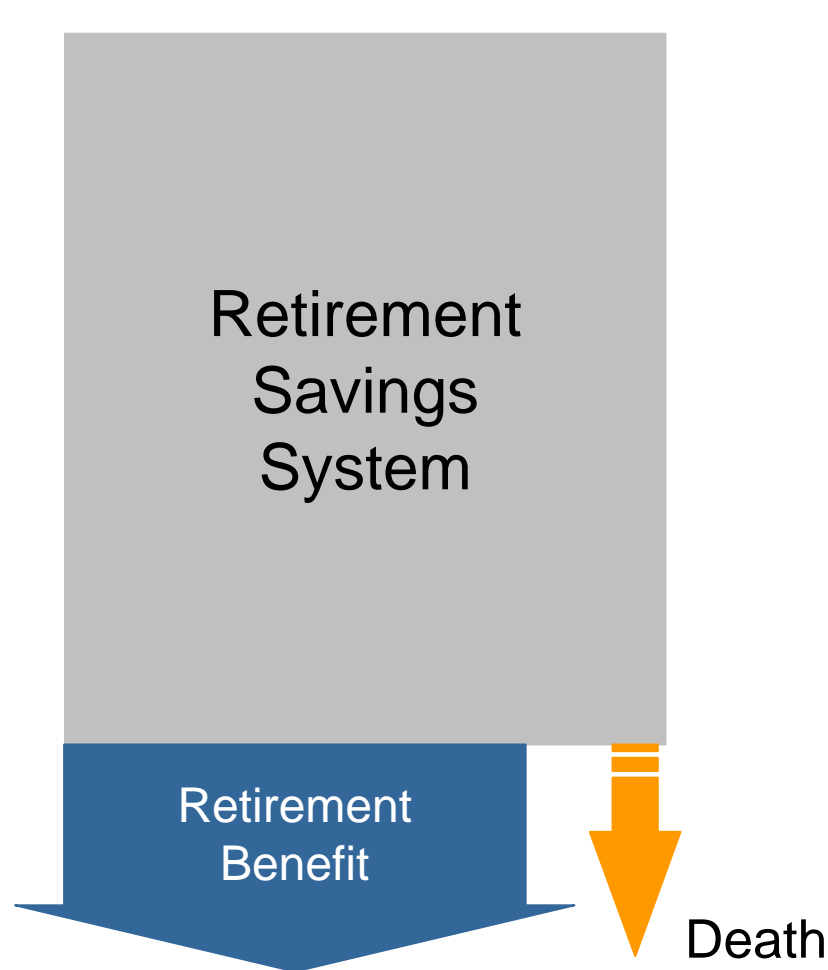


Introduction

- Preservation – major challenge for SSR
- Opportunity for Actuarial Profession to assist
- Provide solution or a discussion of options?
- Develop building block model for allowing certain withdrawals
- Illustrate various solutions using this building block model



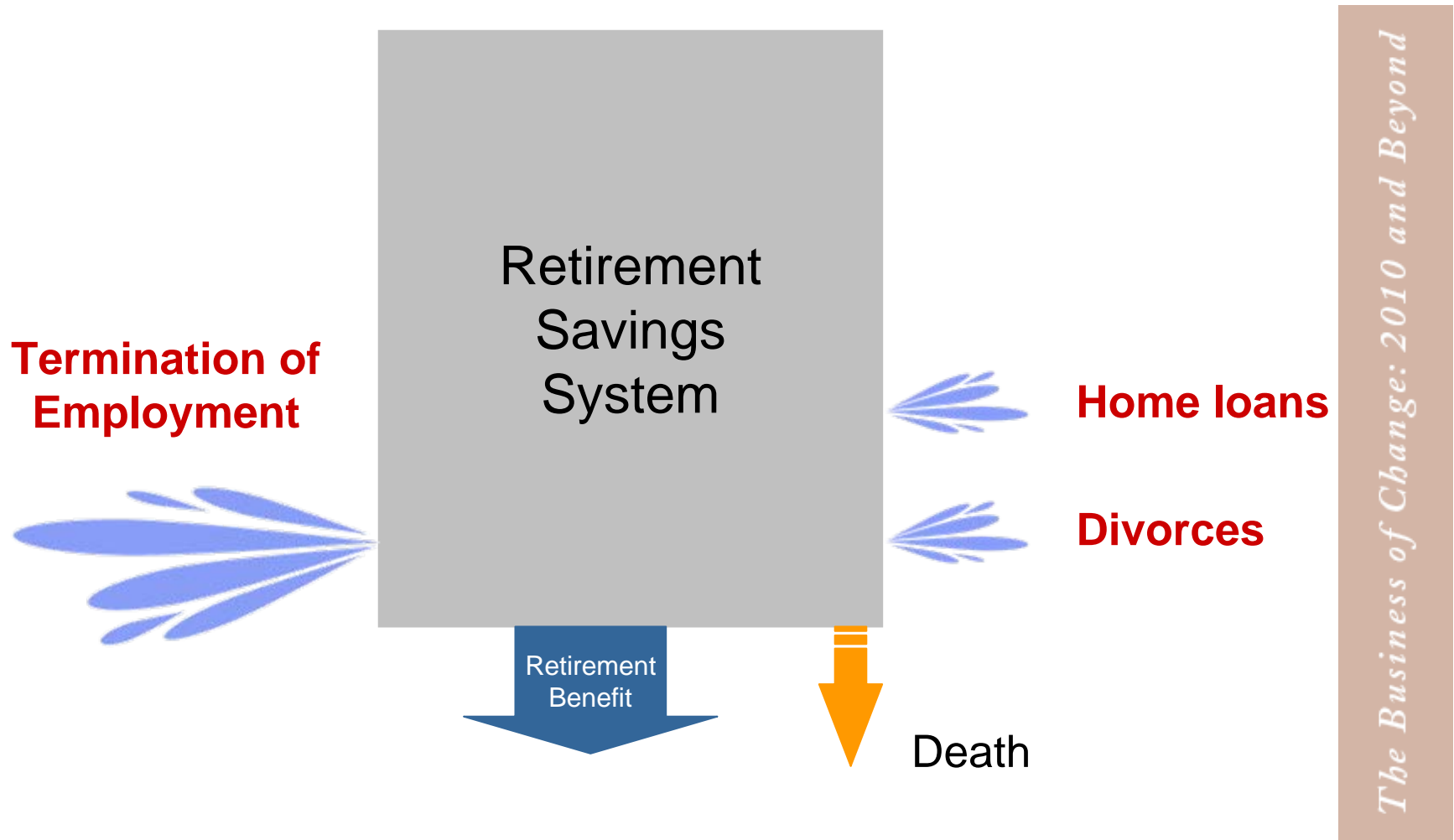
A Retirement Saving System



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Current South African System



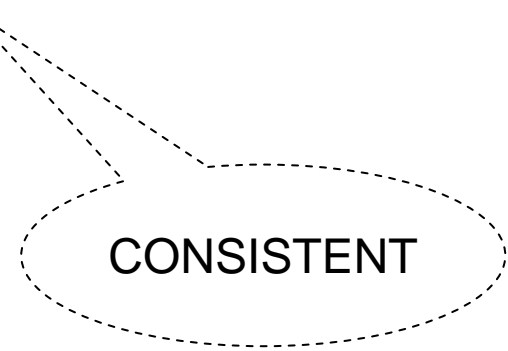
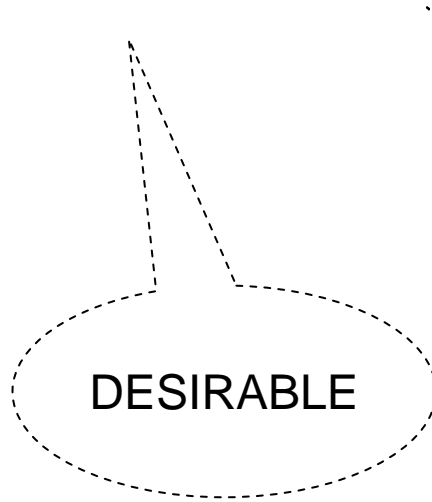
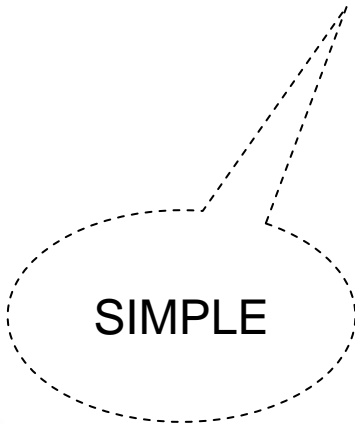
New South African System

- Some access required
- But reasonable pension needs to be provided
- Consider Needs Based system for allowing withdrawals

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Needs Based System

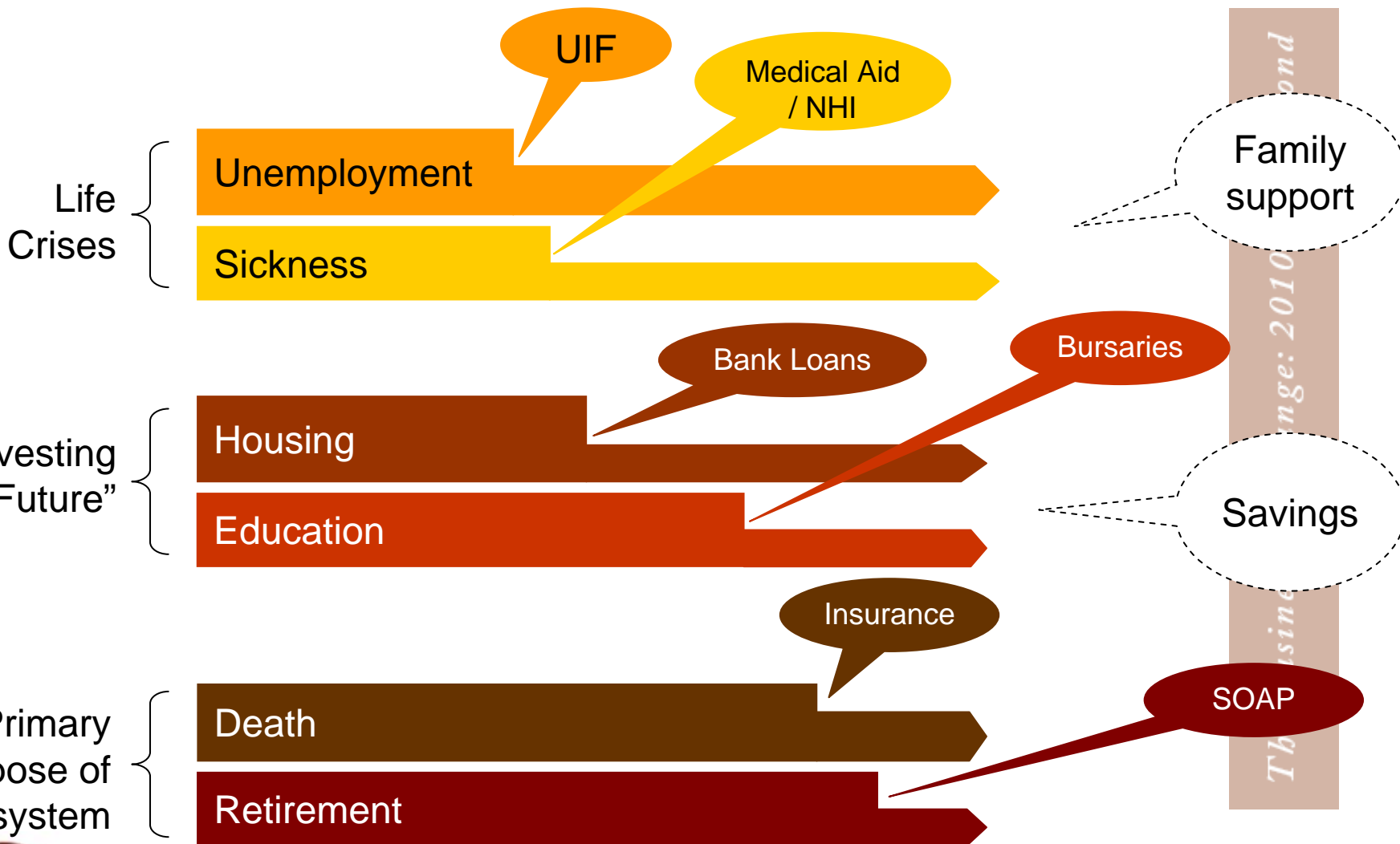


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Needs

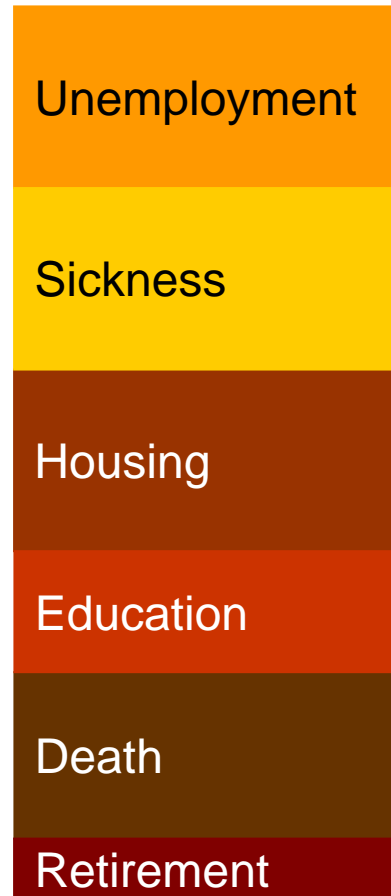


Needs for different Individuals

High Income Citizen



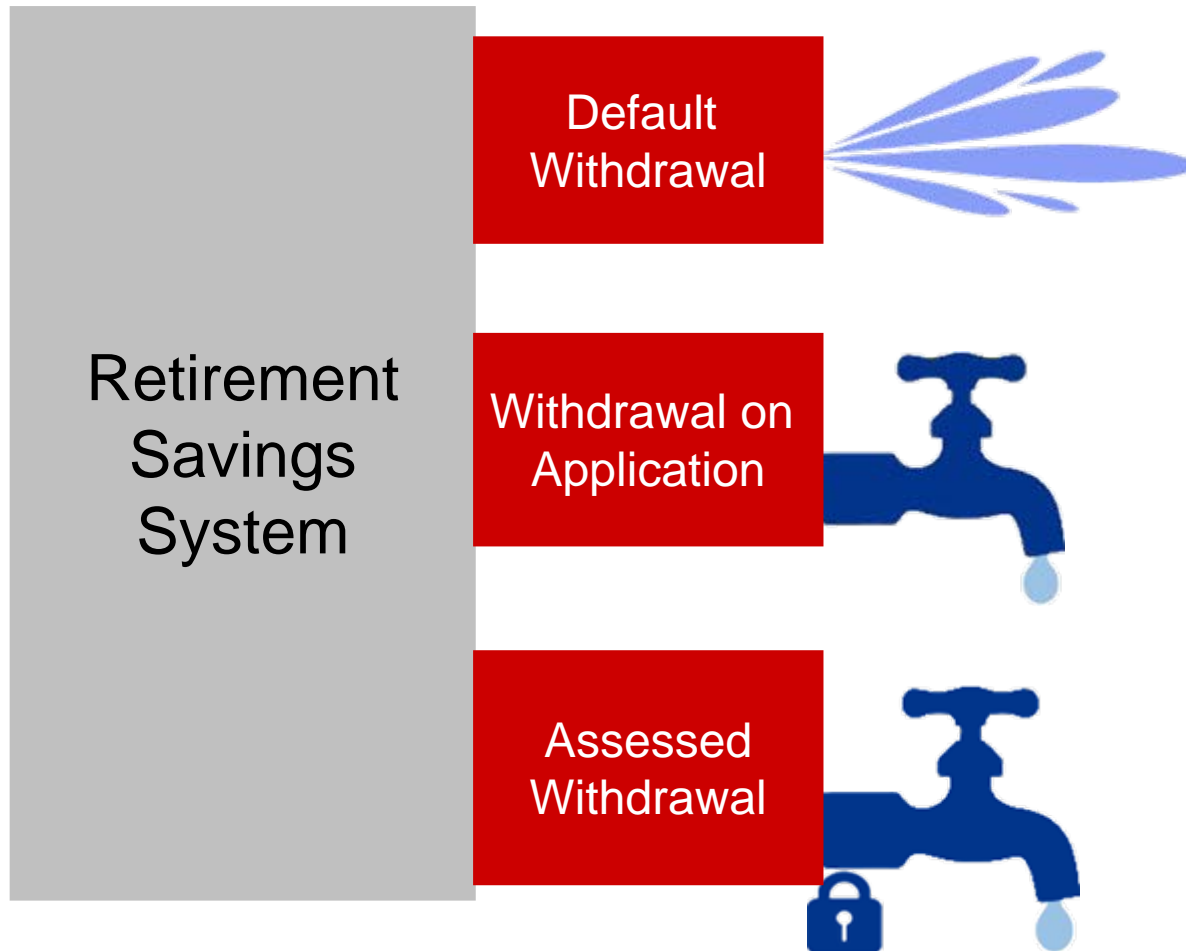
Low Income Citizen



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Access Control

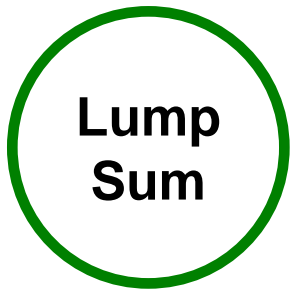


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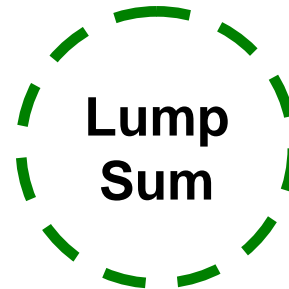


Form of Payment

Withdrawal



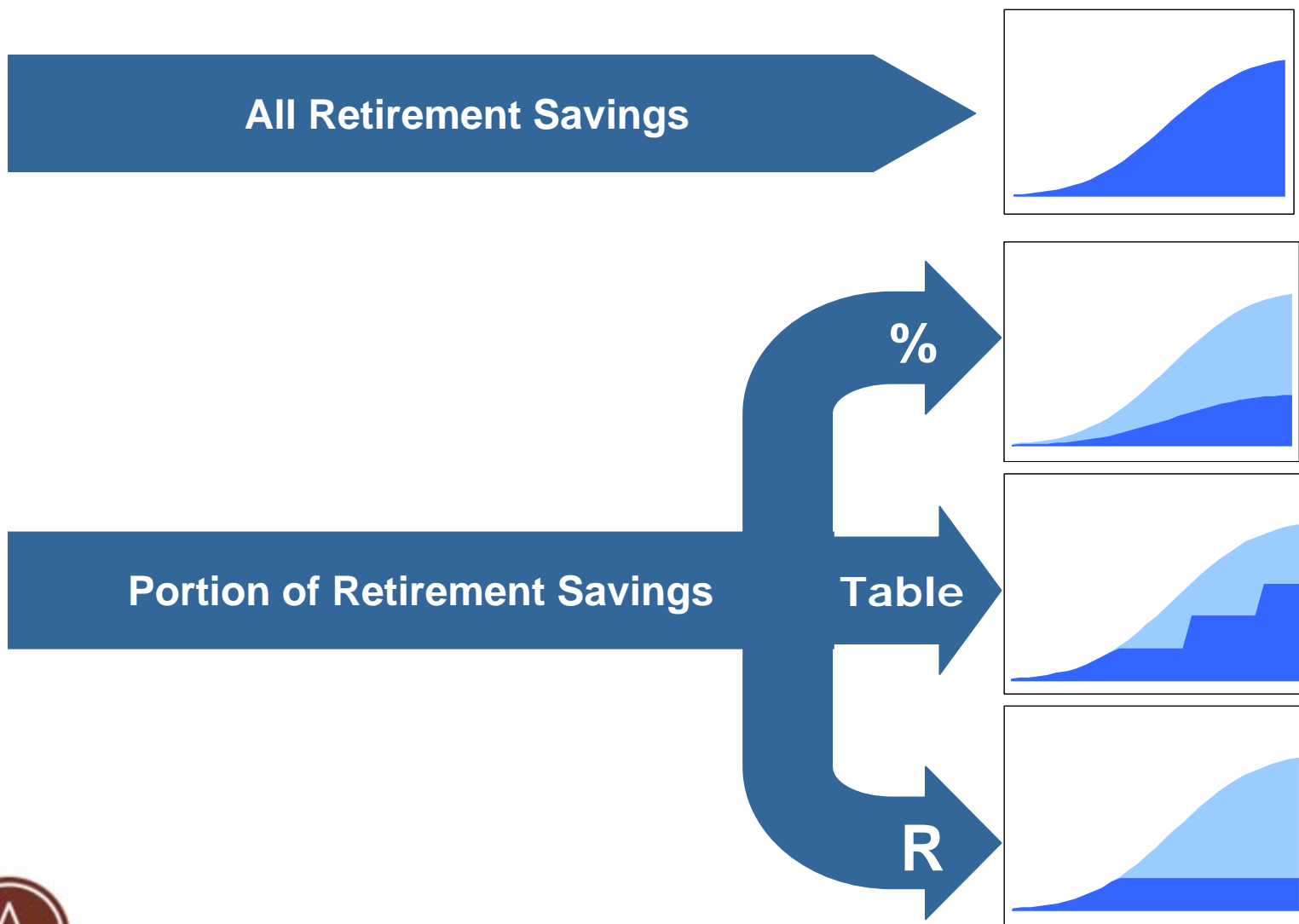
Loan



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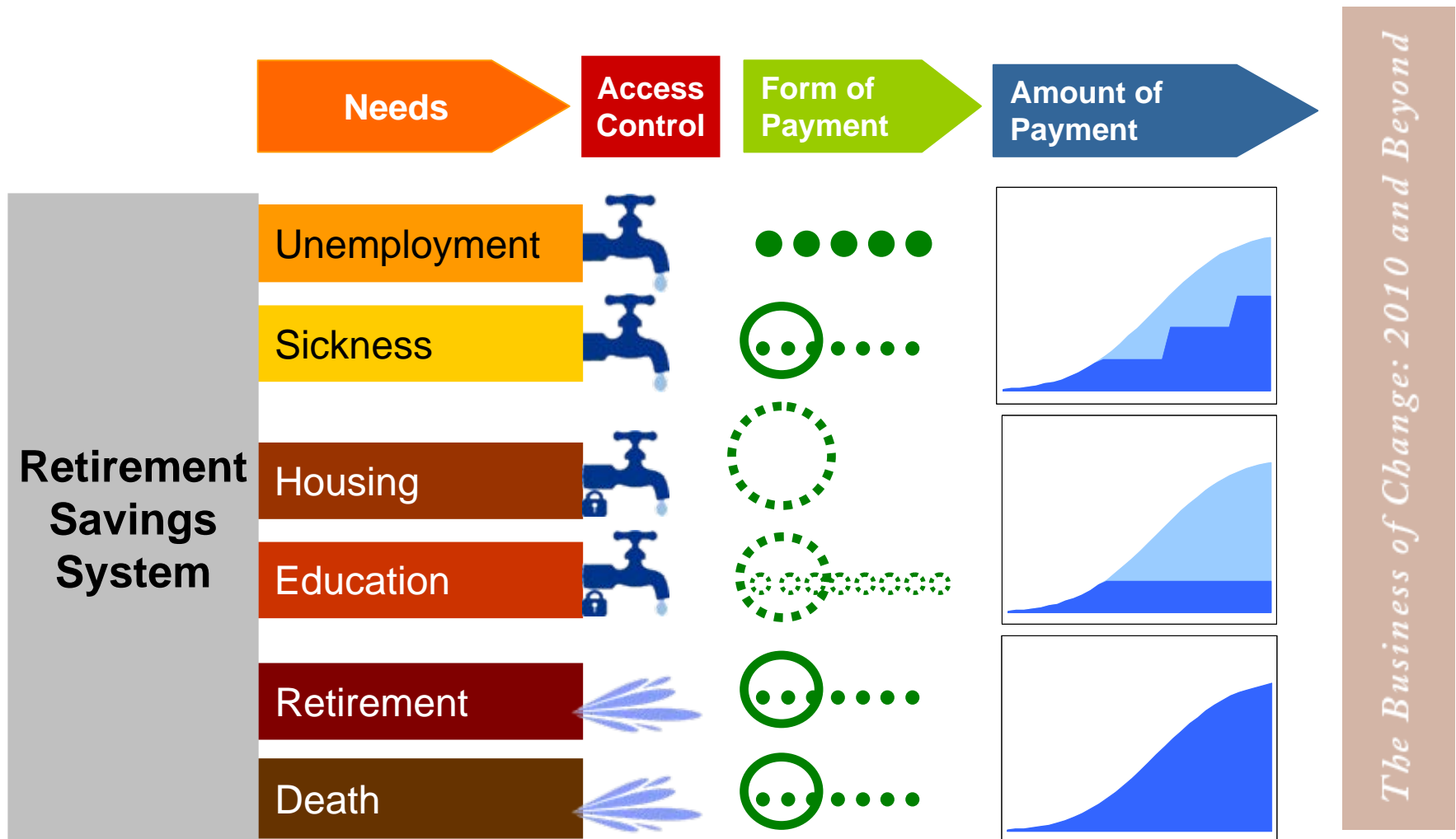
Amount available for Payment



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Possible Needs Based System



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Actuarial Society Role

- Should we:
 - Develop a view?
 - Outline options and pros and cons?
- How do we communicate our findings to decisionmakers?



Thank you

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