

HEALTH WEALTH CAREER

PENSION ACCOUNTING – TOP TIPS FOR 2019 YEAR END

CORPORATE WEBINAR

16 OCTOBER 2019

Maria Johannessen
Warren Singer
Simon Turner

Mercer Limited



WELCOME



Introductions

1



Are you ready for the 2019 year end?

2



What are the hot topics and trends you are seeing?

3



What are your strategic pension objectives?

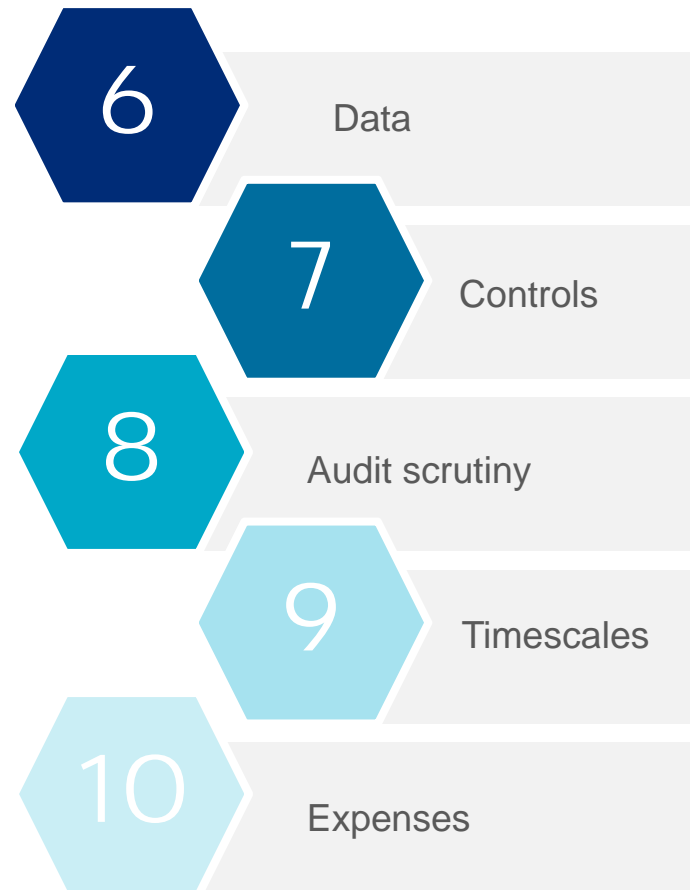
4



Discussion & questions

5

ARE YOU READY FOR THE 2019 YEAR END?



HOT TOPICS

RPI REFORM

HEALTH WEALTH CAREER

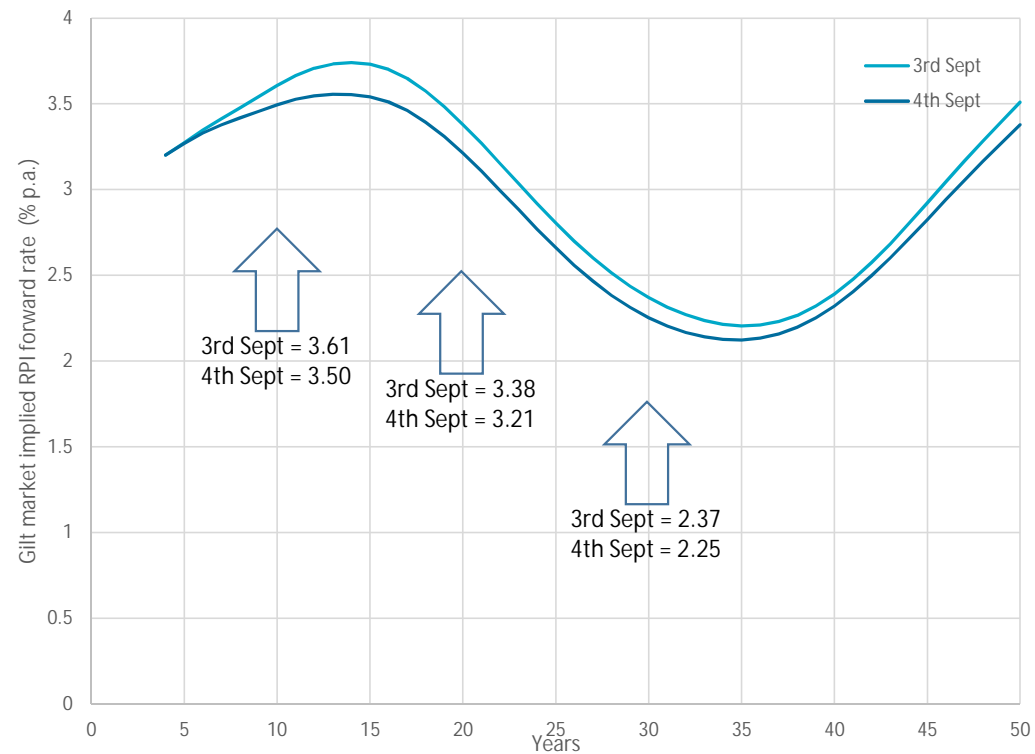
PROPOSAL TO REFORM RPI CALCULATION

4 September 2019

Mercer Technical Briefing No. 11/2019

KEY POINTS

- Following a challenge by the House of Lords Economic Affairs Committee that the RPI formula was no longer fit for purpose, HM Treasury has announced it will consult in January 2020 on proposals to use the CPIH method to calculate RPI from a date likely to be no later than 2030.

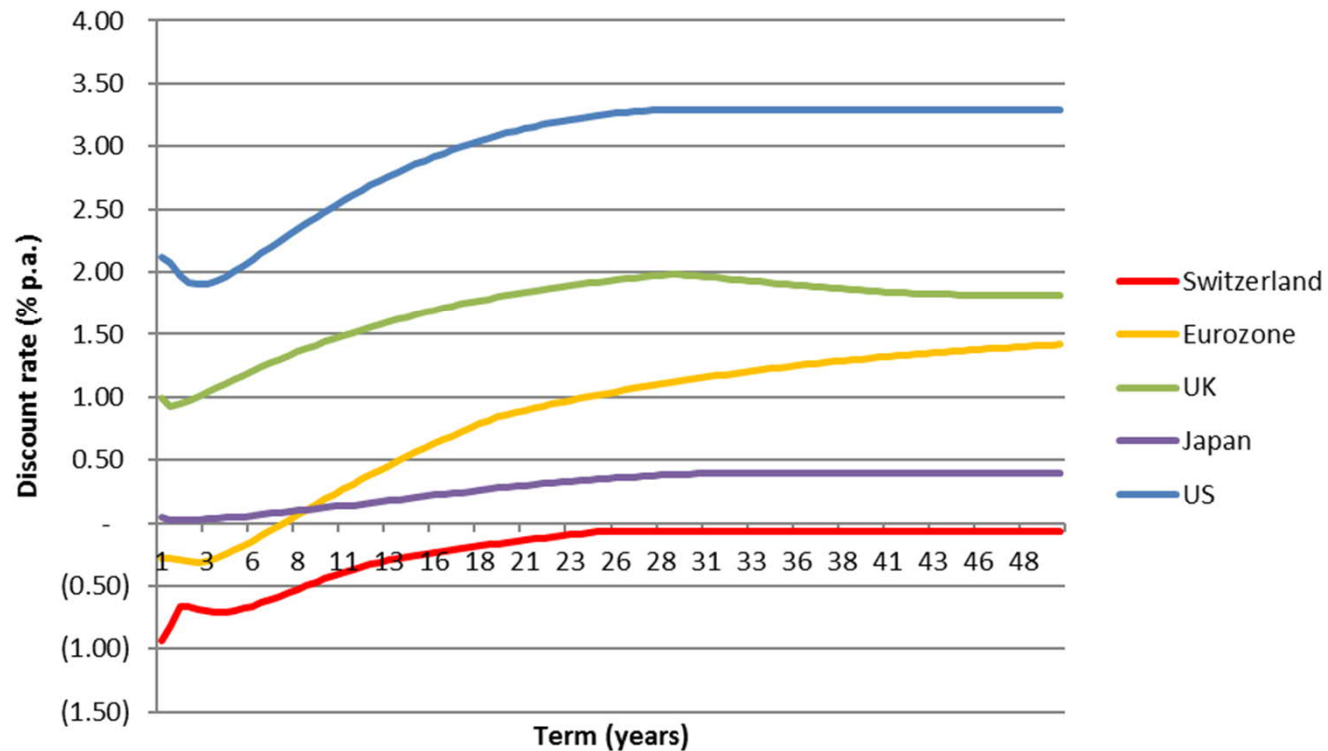


HOW WILL YOU SET YOUR ASSUMPTION FOR RPI AND CPI?

HOT TOPICS

LOW DISCOUNT RATES

Mercer Yield Curve for IAS 19/ASC 715 Discount rate at 31 August 2019

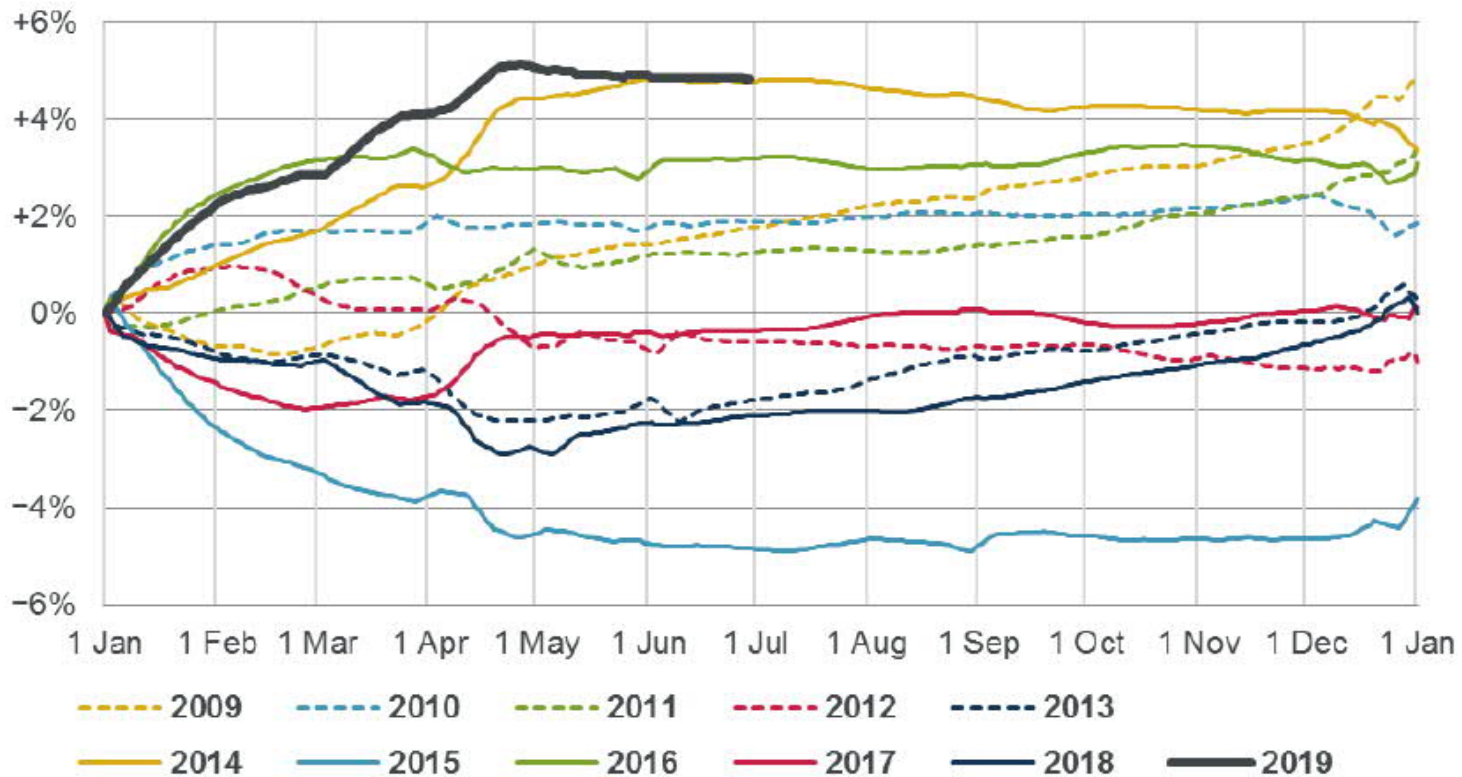


HOW WILL YOU SET YOUR DISCOUNT RATE ASSUMPTION?

HOT TOPICS

LATEST DATA ON LIFE EXPECTANCY

Chart E: Cumulative annual standardised mortality improvement (cSMRI)

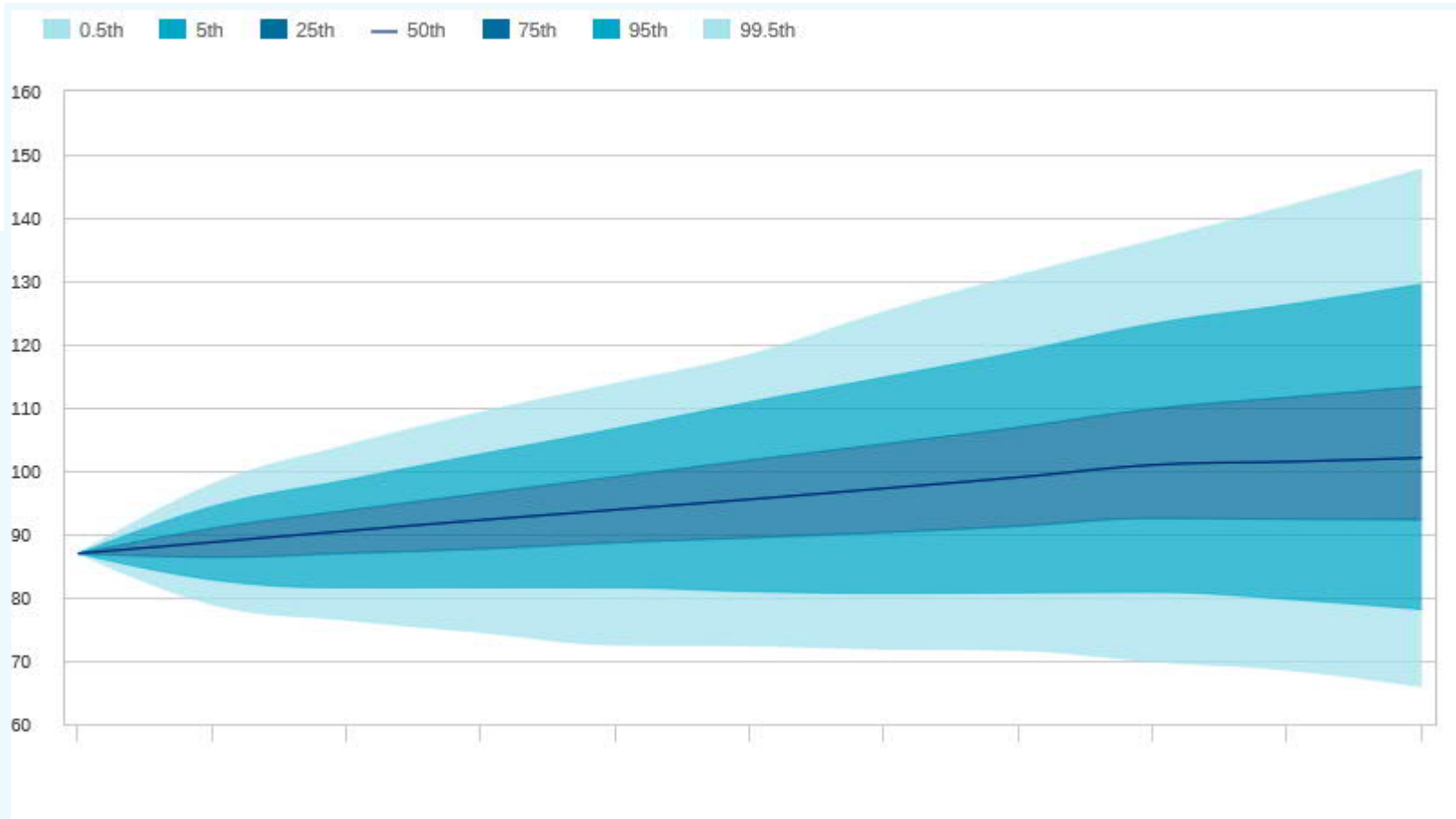


Source: CMI Mortality Monitor Q2 2019

HOW WILL YOU SET YOUR ASSUMPTION FOR HOW LONG PEOPLE WILL LIVE?

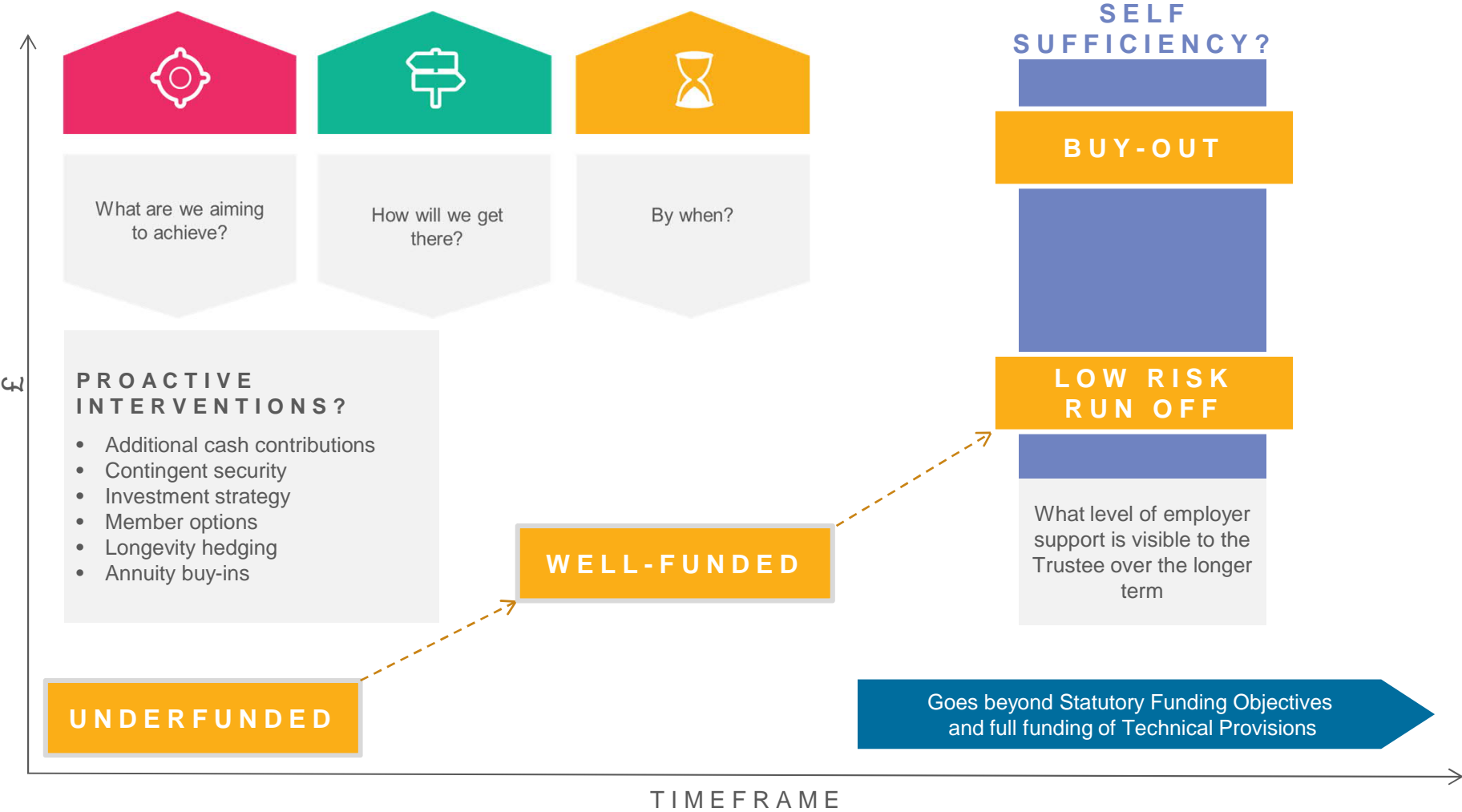
HOT TOPICS

LONG TERM VIABILITY STATEMENT



HOW ARE YOU ASSESSING THE RISK ASSOCIATED WITH YOUR PLAN?

STRATEGIC PENSION OBJECTIVES



DEVELOPMENTS IN ACCOUNTING STANDARDS

IAS19
re-measurements
– How material
are they?

EFRAG
discussion paper
on plans with an
asset return
promise

FRS102 –
Amendments for
multi-employer
plans

ASC 715
disclosure
change

IAS19
disclosure
review

DISCUSSION AND QUESTIONS



Maria Johannessen

Partner

maria.johannessen@mercer.com

020 7178 2696

Warren Singer

Principal

warren.singer@mercer.com

020 7178 3423

Simon Turner

Director

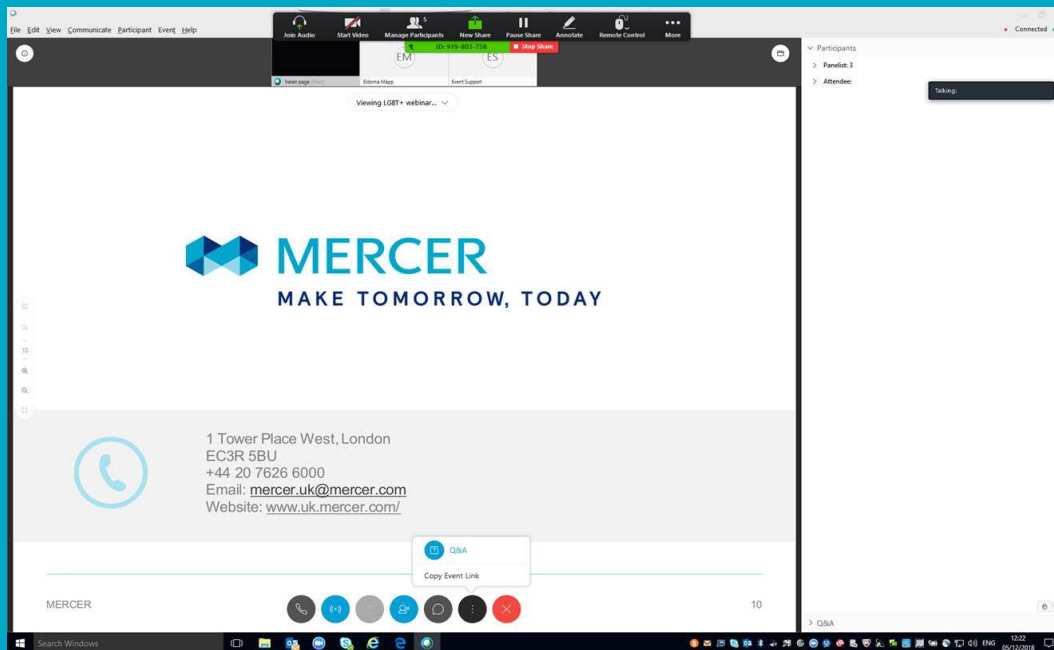
simon.turner@mercer.com

0113 394 7760

QUESTIONS?

Please type your questions in the Q&A section of the toolbar and we will do our best to answer as many questions as we have time for.

To submit a question go to the floating panel at the bottom of your screen, click the circle which contains the three dots and select Q&A. Please make sure you send questions to "all panelists."



FEEDBACK

Please take the time to fill out the feedback form at the end of this webcast so we can continue to improve. The feedback form will pop-up in a new window when the session ends.

IMPORTANT NOTICES

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

© 2019 Mercer LLC. All rights reserved.

This presentation contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This does not contain regulated investment advice in respect of actions you should take. No investment decision should be made based on this information without obtaining prior specific, professional advice relating to your own circumstances.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see www.mercer.com/conflictsofinterest.





MERCER

MAKE TOMORROW, TODAY