



ELECTRONIC DISCUSSION GROUP ON PENSION SCHEMES

At the request of the Intersecretariat Working Group on National Accounts (ISWGNA), the IMF Statistics Department has established in October 2002 an Electronic Discussion Group (EDG) on pension schemes. The purpose of the EDG is to identify the most appropriate treatment of pension schemes in macroeconomic statistical systems and to explore alternatives.

Pension obligations, which have the potential of exerting pressure on government finance, have been the subject of increased focus in assessing medium-to-long-term fiscal sustainability. In the accounting area, the International Federation of Accountants (IFAC) has recently begun work on the accounting treatment of government social policy obligations. These developments have led to a renewed interest in the question of how the activities of pension schemes should be recorded in macroeconomic statistics.

Under the *System of National Accounts 1993 (SNA 1993)*, a distinction is made between social security schemes and employer insurance schemes and among the latter, between funded and unfunded schemes, to the effect that activities of many pensions schemes do not lead to recognition of financial assets/liabilities. More recently, the IMF's *Government Finance Statistics Manual 2001 (GFSM 2001)* recommends that contributions and benefits of government employer insurance pension schemes be recorded exclusively as financing transactions, and, as a result, recognizes stocks of government liabilities for employer schemes, both funded and unfunded, in the form of *insurance technical reserves*.

It is envisaged that the discussion on the EDG will focus on the following points:

- the importance of the funded/unfunded distinction;
- the extension of recognition of pension obligations as liabilities to social security schemes and other social assistance schemes;
- the recording of actual or imputed contributions;
- the reconciliation of the recording of relevant transactions in the *SNA 1993*^{3/4} involving three elements of non-financial transactions, financial transactions, and the adjustment item^{3/4}with those in *GFSM 2001*;
- the valuation rules for pension liabilities and associated property income; and
- the harmonization of statistical and accounting treatments of pension schemes.

Different experts have already posted views.

Express your views and read those of others.

Go to: www.imf.org, and access "Pension Schemes in Macroeconomic Statistics— An Online Discussion" via the site index, or directly at <http://www.imf.org/external/np/sta/ueps/index.htm>