

IPE Scholarship Fund awards funding to PAYG public pensions research

The IPE Pensions Scholarship Fund has made a full grant of €5,000 to Humberto Godínez-Olivares, who is a PhD candidate at The University of Liverpool undertaking research into Pay-As-You-Go pension systems, with special attention into automatic balancing mechanisms (ABM) within public pension provision.

“An aim of the project is to design a ABM to restore sustainability of Pay-As-You-Go pension systems based on minimizing changes in the main variables, such as the contribution rate, normal retirement age and indexation of pensions,” says Godínez-Olivares.

The main purposes of the ABM are to re-establish the financial equilibrium of PAYG pensions by adapting the system to changes in socio-economic and demographic conditions through optimization techniques, he adds.

“The overall objectives are to create a credible institutional framework to increase the likelihood that promises of pension payments will be respected and to minimize the use of the pension system as an electoral tool.”

He is undertaking the research at the Institute for Financial and Actuarial Mathematics, at The University of Liverpool’s Department of Mathematical Sciences. There he is being supervised by Carmen Boado-Penas, Director of the Actuarial Mathematics Program at the department. He expects to complete his PhD programme in 2016.

Supporting Godínez-Olivares’ application Boado-Penas says that “PAYG pension systems are a topic of debate in most economies, mainly due to population ageing and there are few economists and actuaries with expertise in this area. I certainly consider that this is an excellent subject area in which to carry out research.”

“The IPE Scholarship Fund is delighted to provide this funding to Humberto,” says Fennell Betson, Founding Editor of IPE and Chair of the IPE Pensions Scholarship Fund board. “This is the first time we have made an award for research into public pensions.”

The fund’s awards are made by a board comprising: Chris Verhaegen, member of the Occupational Pensions Stakeholder Group at EIOPA, Peter Melchior, Executive Director/Actuary of PKA Pension Fund in Denmark and Peter Borgdorff, Executive Director, Pensioenfonds Zorg en Welzijn in the Netherlands.

The fund’s Academic Adviser is Debbie Harrison, Visiting Professor at the Pensions Institute, Cass Business School in London.

This is the fourth award made by the fund to a student undertaking pension research at a European university.

Further details are available from: fennell.betson@ipe.com or go to www.ipe.com/scholarshipfund