

**Investment Company Institute**  
**2015 ICI Global Retirement Savings Conference:**  
**The Role of Public and Private Pension Provision**

**Insights on Strengthening Public-Private Retirement Savings**

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**Schemes Authority:** From the local perspective, there are always a range of challenges, and reform is an ongoing process. It's iterative. There's not an end point. At the local level, the immediate challenges very much relate to the interrelationship between private savings and government provision. There's been a common theme in many of the sessions this week in various contexts, but it's as real for us as others. And there was an interesting presentation this morning, I think, about the importance of building these things sequentially—that in a perfect world, you'd have the perfect first pillar there, and the government provision would be worked out, and then you'd build the second pillar, and then you'd deal with private savings. So you'd build this holistically, but very few of us have that as a starting point. So, for us, some of that resonates as a particular problem. We've got, in many senses, a nice shiny second pillar system, but it may be built on some foundations of public provisions, which are not so mature or thought through. So there's a lot of development work there, and these two have to work together to deliver overall retirement savings adequacy at the end of the day, and maybe we're just not there. So there are systemic issues like that, but we also need to look within the second pillar at issues like the payout phase. Like many systems, you build these things. You necessarily focus on the building of it and the asset accumulation. At the end, though, it's about getting the money to people in retirement, so you have to have an appropriate payout system to deliver that, and there's certainly work we need to do in that area.