

Dana Pensiun: Can Collaboration Drive Growth?

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Why Does Growing Dana Pensiun Matter?

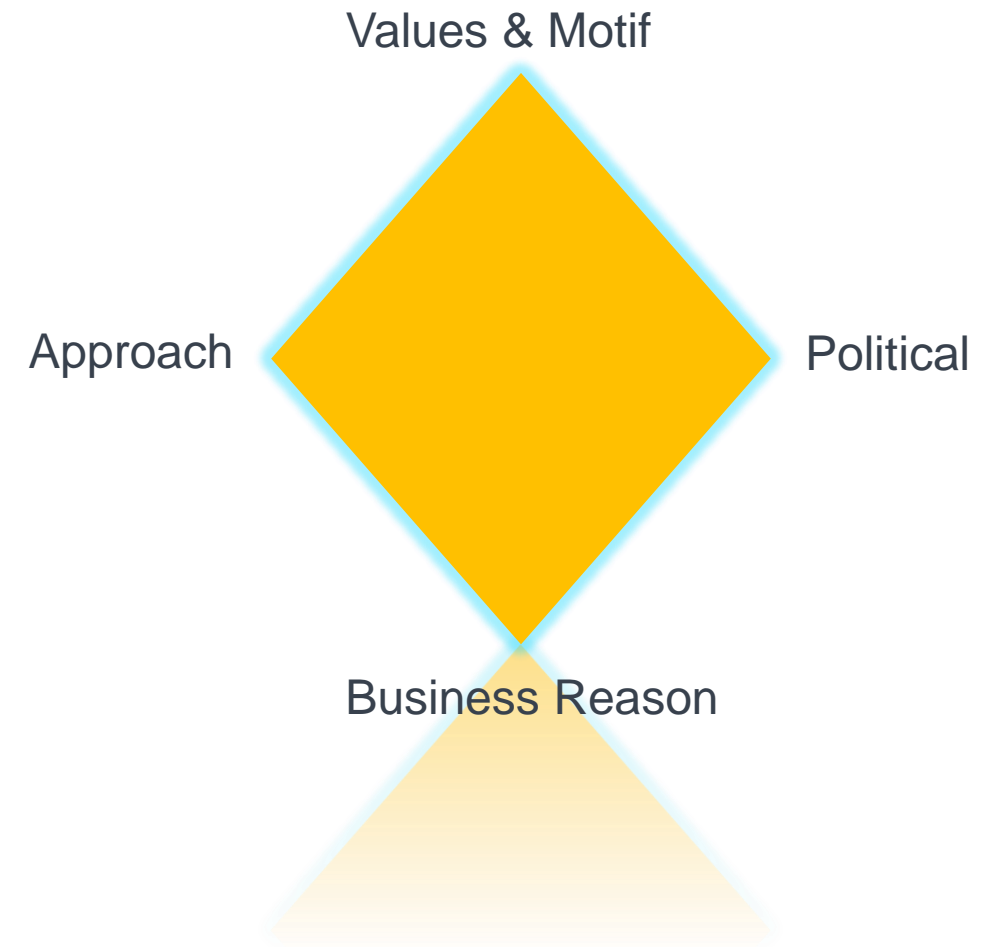
- It's very importance for multiple stakeholders
 - Individuals: having no or little income in retirement is not a good outcome
 - State: having lots of people in retirement with inadequate income will be a burden for the economy
 - Employers: Retirement benefits are a top attraction and retention driver for employees
- It's a complex and changing landscape
 - Demographics
 - Employment patterns
 - Social and family norms
 - Saving and spending habits
- Individuals find retirement planning hard
 - Present value syndrome (a dollar now is worth much more than a dollar in 20 years time)
 - Long-term investment
 - When you get to retirement and you realise you don't have enough, it is too late

Challenges

- Complex regulatory system (limited consistency)
- Incentives: how to drive desired behavior
- Lack of understanding (simplifying complexity)
- Economic priority (employer, employees, gov't, etc.)
- Procrastination (let's address this next year...)
- Rigidity (lock-in, monthly, etc...)

Change Management Framework to Make This Happen

- Commercial: What's in it for me?
- Values: What values does a pension fund need to deliver?
- Approach: Awareness – Storming – Transforming – Performing
- Key stakeholders: What stakeholders need to do
 - Regulator
 - Employer
 - Government
 - Employee
 - Pension Fund
 - Consulting Actuary
 - PAI



Defining “What’s in it for me”

Business reason to have (and grow) Pension Fund

ILLUSTRATION

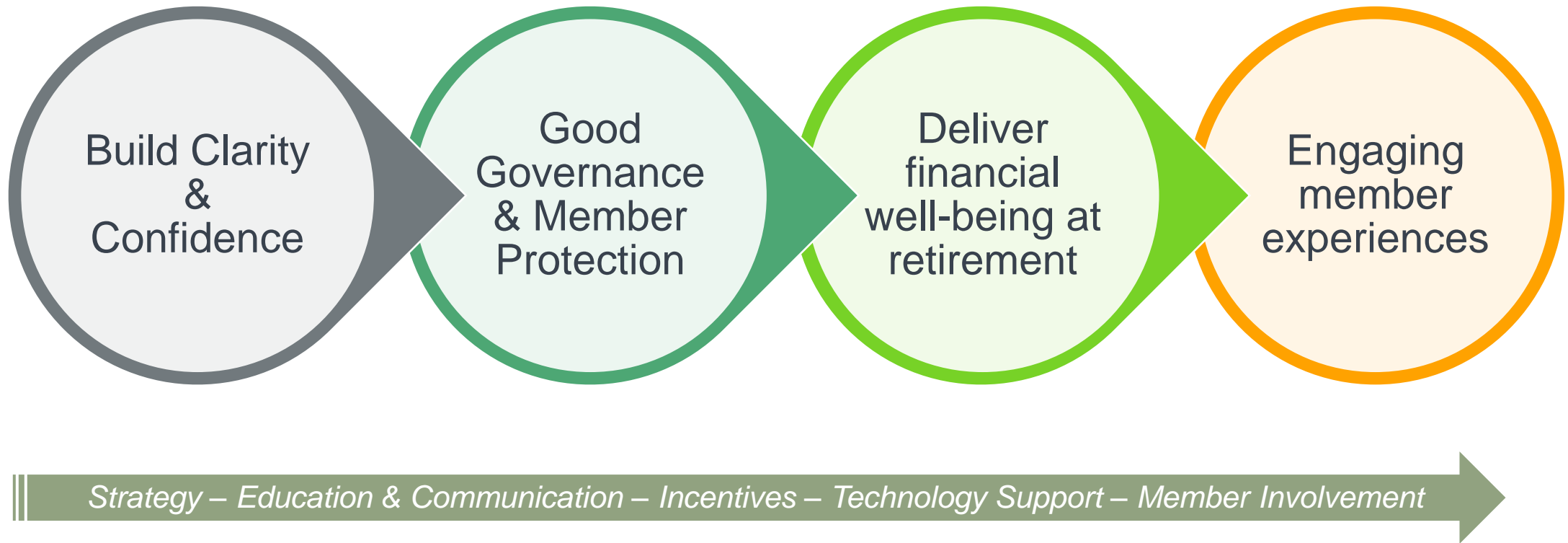
	WIIFM	Basic Assumptions
Regulator	Have a healthy industry	Pension Fund (DP) are <ul style="list-style-type: none"> • Credible • Performing • Efficient (good economies of scale) • Well-governed • Provide engaging and relevant member experiences <i>Let's focus on end-state for now...</i>
Employer	Retained and engaged workforce “Cheaper” & “secure” way to fund related mandatory benefit	
Government	Fund for development Long-term economic stability	
Employee	Better security Better instrument for retirement planning	
Consulting Actuary	More work	

Will the above be compelling enough?

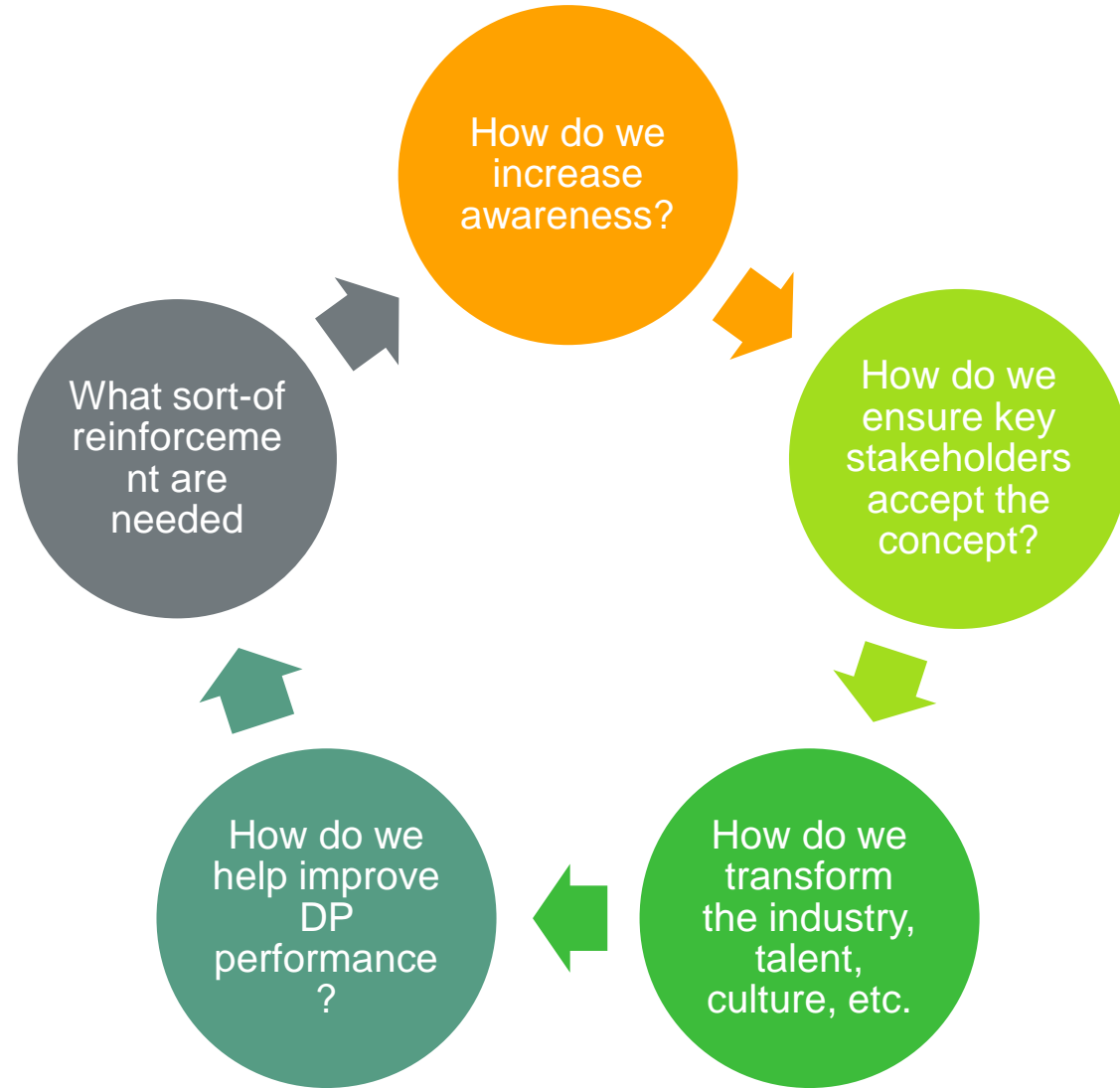
Are there any substitute products/approaches?

What are the key values added by DP?

Key Critical Elements for a Pension Fund



Approach



Stakeholder Analysis

ILLUSTRATION

Stakeholder	Level of Influence	Expected Action to be Taken	Strategy
Government	High	Align regulations (pension, labor, tax, etc.) Mandatory funding for UUK benefits More incentives	
Regulator	High	Market education Control charges	
PAI	Medium	Standard of Practice	
DSAK	Low	Standard of Practice to strongly encourage funding of DB Plan	
Employer	High	Funding long-term benefits	
Employee	Medium	Being aware and knowledgeable on retirement planning and pension funds	
Pension Fund	High	Perform well Engage members	
Actuary	Medium	Change agent for funding and retirement planning	



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Thank you