

AAE Pension Committee

Cashflows Taskforce – Terms of Reference

The aim of the Cashflows Taskforce is to:

- Assess the possibility of improving the current analysis of Pension Scheme's sustainability, performed by the Stress Tests of EIOPA through a cashflow analysis approach. CFs approach could also improve the analysis of the resilience of the IORPs schemes considering short-term extreme scenarios as a result of Covid-19.
- Analyse the work on pension cashflows already being done in each of the European countries in order to determine opportunities, limitations and good practices. Show examples of how an actuarially sound cash flow analysis could look like.
- Propose metrics that would provide practical management information
- Comment as to how intergenerational balance can be assessed by means of a cash flow analysis
- Comment on as to how ESG considerations can be assessed by means of a cash flow analysis
- Engage with the main European stakeholders on the topic, such as EIOPA in the context of their 2022 IORP stress test, Pensions Europe and AEIP.

The Cashflows Taskforce reports to the Pensions Committee of the AAE and its term of operation is foreseen till the AAE spring meeting of 2023, which is just after the publication and closing event of EIOPA's 2022 IORP stress test..

Membership is open to representatives of member associations of the AAE and is not restricted to one representative per member association. Interested individuals may also participate in the work of the taskforce, even if not formally representing a member association.

The Terms of reference were approved by the AAE Board of Directors on 10 March 2021.