



Highlights

- Addresses key pension program models and functions
 - Provides self-managed and personalized pension services
 - Performs automatic assessments as individual circumstances change
 - Positions organizations for future pension modernization
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IBM Cúram solution for pensions

Meeting the challenges of retirement and pension programs

Organizations that administer retirement income programs face challenges due to changing demographics, economics and financial markets. Retirement income or pension programs are the cornerstone of many national social security systems. In developed countries, there is almost universal retirement coverage either through employer contributions or through a needs-based program that is linked to residence and citizenship. In most countries, pension systems are undergoing reforms related to changing work patterns, increased participation, a greater emphasis on personal savings, and pooled risk sharing.

The IBM® Cúram solution for pensions is a scalable, high-volume transaction eligibility and entitlement system for managing public pension programs. The solution offers an individualized service delivery approach while automating a significant portion of business processes. The solution covers retirement income, survivor (widow and widower) pensions and income replacement, and support for people with disabilities. It has comprehensive client and employer lifecycle management features to support the major business processes related to program registration for employers, employees and citizens. You can use the solution to record contributions, manage circumstance changes, receive claims, calculate eligibility and make payments. You also can combine this information with other government and external pension programs to provide a comprehensive view of a person's pension entitlements.



Addresses key pension program models and functions

The IBM Cúram solution for pensions has the flexibility to address the three primary pension program models:

- Defined benefit
- Defined contribution, which includes national defined contribution
- Needs-based, which includes means testing or basic minimum income

The solution also can accommodate combinations of these models. For example, it can work with a defined contribution pension program combined with a top-up, needs-based or basic minimum income program.

Within a pension program there are three main functions which are interrelated and overlapping depending on the structure of the program. Two of these functions—contribution management and member services—are included within the IBM Cúram solution for pensions. Contribution management includes:

- Registration of employers and employees.
- Collection of contributions from employers and employees.
- Maintenance of contribution periods and contribution amounts.
- Attribution of contributions to accounts.

Member services include:

- Circumstance recording and maintenance.
- Claims management.
- Eligibility and entitlement assessment.
- Payments.
- Annuity calculations on retirement.
- Online access and updates to individual pension accounts.
- An interface to a funds management solution to provide account balances.
- International agreements.

Funds management, the third function of a pension system, is a separate solution domain. While funds management is not incorporated within the IBM Cúram solution for pensions, the solution is designed to work with an organization's funds management and third-party provider systems.

Provides self-managed and personalized pension services

People can be members of a pension program from the time they enter the workforce until they retire. They may live off their pension income after retirement. The total amount of time in a pension program can be 70 - 80 years or more. When people access their pension entitlements, accurate recording and maintenance of contributions periods, amounts, residency and eligibility information is essential. For the claim process and determination to be automated, this information must be accurate across a person's entire working life.

Today's service delivery environment is increasingly self-managed and personalized, starting with the first interaction of a citizen or employer with the pension organization. Social security organizations must ensure the daily high-volume transactional business of pensions never fails. The automation within the IBM Cúram solution for pensions offers five key benefits:

- Streamlined, reliable and transparent transaction lifecycle management from working life to retirement
- Interfaces for direct access to sources of information such as financial institutions, asset managers and employers to enable consistent decision-making and the elimination of errors
- Efficient fraud detection and compliance management through embedded analytics
- Effective management of the majority of transactions between citizens and the social security organization
- Proactive case management to free up resources to manage more complex issues

Performs automatic assessments as individual circumstances change

The fiscal and demographic challenges many countries face is forcing governments to make ongoing changes to pension programs. These changes affect people's pension entitlements over the lifetime of their contributions and their time receiving a pension. Keeping track of these rule changes and changing circumstances over many years so you can reassess entitlements and eligibility is an essential requirement of a modern pension solution. The automated assessment features of the IBM Cúram solution for pensions cover:

- Life event management, such as changes in marital status, children and employment status.
- Automatic reassessments to reflect rate changes, cost of living increases and rule changes.
- Automatic circumstance changes, such as changes to income and assets.
- Overpayment and withholding management.

Positions organizations for future pension modernization

The IBM Cúram solution for pensions provides a business and technology platform that is embedded with more than 3,000 best practices for the extensive support of retirement and disability pension programs. The platform includes:

- A scalable, high-transaction volume processing engine with full automation to process large amounts of data.
- Social program core components with ready-to-use data models, evidence management and eligibility capabilities to manage changing legislation, rule sets and circumstances over a person's entire working life and retirement years.
- The ability to meet changing delivery demands and to adopt and prototype evolving social programs and service delivery models.
- Dynamic programs that deliver prebuilt business user configuration tools for rapid configuration of new benefits, allowances and top-up payments.

- Configurable business processes that support the social program lifecycle from initial registration through retirement and end of life.
- Core configuration tools built using the foundation of an industry-specific social program application.
- Industry standard interfaces to enable financial information held within pension systems to be displayed within a comprehensive pension account profile.

Managing data migration

One of the biggest challenges in developing a new pension system is what to do with the enormous amount of data that resides in existing pension applications. This data is essential to the calculation of pension entitlements—sometimes years after a new system has been installed. Data migration is as much a business problem that requires careful analysis as it is a technical challenge and IBM recognizes that the migration of this data is critical to success in handling pensions.

IBM has many years of experience in dealing with this issue across many industries including banking, insurance and financial markets, and with government programs such as social security. IBM provides a range of tools, methods and expertise for successful data migration and conversion from both a technical and business perspective.

Conclusion

The IBM Cúram solution for pensions is built specifically for social security organizations to meet program requirements. The configurable and reusable package is built on a single data model and helps reduce technology risks and costs. The solution can help organizations quickly address changing needs and speed the introduction of new program rules, services, and financial instruments such as complementary insurance products. The solution can be customized to meet your unique needs. It offers lower risk of engagement and implementation, and results in better social outcomes for pensioners.

Why IBM?

IBM is uniquely positioned to help city and government leaders create opportunities from today's challenges, innovate across services to meet and exceed citizen expectations, and drive sustainable economic growth and enhanced quality of life. Deep industry expertise, solution strength and resilient deployment choices ensure leaders around the globe, in cities and governments of all sizes, can leverage information to make better decisions, anticipate problems to resolve them proactively, and coordinate resources to operate effectively.

Cúram Software, acquired by IBM in 2011, is a leading provider of solutions that deliver universal access to health and social programs to help provide better care and effectively achieve outcomes for people and their families. Now part of the IBM portfolio, IBM Cúram has added deep domain expertise and industry best practices to help cities and governments modernize their approach to service delivery.

For more information

To learn more about the IBM Cúram solution for pensions, please contact your IBM representative or IBM Business Partner, or visit: ibm.com/smartercities

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