**EXERCISE N. X PENSIONS AND OTHER POST EMPLOYMENT BENEFITS** **(2 Points)**

Complete the following sentence by filling in the blanks.

In a defined benefit plan, the plan defines the benefits that an individual will receive based on a number of factors such as age, years of service and compensation. In a defined contribution plan, the plan specifies how an individual’s contributions are determined. In the first case the actuarial risk and investment risk fall on the company, whereas in the second case they fall on the individual.