



2014/0091(COD)

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COMPROMISE AMENDMENTS

A - S

Draft opinion

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(PE541.293v01-00)

on the proposal for a directive of the European Parliament and of the Council
on the activities and supervision on institutions for occupational retirement
provision (recast)

Proposal for a directive

(COM(2014)0167 – C8-0112/2014 – 2014/0091(COD))

Amendment A
EPP, S&D, ECR, ALDE, GUE/NGL, Greens/EFA
Compromise amendment replacing Amendments 1, 83, 85

Proposal for a directive
Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Member States should **ensure** the social protection of workers with regard to pensions by **providing public pensions sufficient to maintain a decent standard of living and to protect from old-age poverty** and by promoting supplementary pension schemes linked to employment contracts **as additional coverage**.

Or. en

Amendment B
EPP, S&D, ECR, ALDE
Compromise amendment replacing Amendments 5, 91, 92

Proposal for a directive
Recital 3

Text proposed by the Commission

Amendment

(3) Directive 2003/41/EC **represented a first legislative step on the way to an internal market** for occupational retirement provision organised on a European scale. A genuine internal market for occupational retirement provision remains crucial for economic growth and job creation in the European Union and for tackling the challenge of an ageing European society. **The Directive, dating from 2003, has not been substantially amended to introduce a modern risk-based governance system also for institutions for occupational**

(3) Directive 2003/41/EC **introduced minimum standards** for occupational retirement provision organised **in the European Union. The introduction and further development of** occupational retirement schemes **in more Member States remain** crucial for tackling the challenge of an ageing European society **Therefore, intensified social dialogue at EU and national level is important.**

retirement provision.

Or. en

Amendment C

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 6, 94, 95, 96

Proposal for a directive

Recital 4

Text proposed by the Commission

(4) Action is needed to further *develop complementary private retirement savings such as occupational pensions*. This is important since *social-security systems are coming under increasing pressure, which means that citizens will increasingly rely on occupational retirement pensions as a complement in the future*. Occupational retirement pensions should be developed, without, however, calling into question the importance of social-security pension systems in terms of secure, durable and effective social protection, which should guarantee a decent standard of living in old age and should therefore be at the centre of the objective of strengthening the European social *model*.

Amendment

(4) Action is needed to further *ensure that statutory social security schemes protect from old age poverty while occupational pension schemes can provide for a valuable addition*. This is important since *employees can improve their future financial situation through occupational retirement pensions. Therefore, it is a key objective of this Directive to promote occupational pension schemes, to reinforce successful models of institutions for occupational retirement provision and to protect their continued existence*. Occupational retirement pensions should be developed, without, however, calling into question the importance of social-security pension systems in terms of secure, durable and effective social protection, which should guarantee a decent standard of living in old age and should therefore be at the centre of the objective of strengthening the European social *models*.

Or. en

Amendment D

EPP, S&D, ECR, ALDE

Compromise amendment replacing Amendments 8

Proposal for a directive
Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) Taking into account the need to further develop occupational pension schemes, the Commission could provide significant added value at Union level by undertaking further steps in supporting Member States' cooperation with social partners in the development of more second pillar pension schemes and by establishing a High Level Group of experts to explore ways to increase second pillar retirement savings in the Member States, including the promotion of the exchange of best practices between the Member States.

Or. en

Amendment E

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 10, 86, 90, 106, 107, 108

Proposal for a directive
Recital 20

Text proposed by the Commission

Amendment

20. Institutions for occupational retirement provision are ***financial service providers which*** bear a heavy responsibility for the provision of occupational retirement benefits and therefore should meet certain minimum prudential standards with respect to their activities and conditions of operation.

20. Institutions for occupational retirement provision are not ***financial service providers but pension institutions that serve - first and foremost - a social purpose, provide a collective social benefit and*** bear a heavy responsibility for the provision of occupational retirement benefits and therefore should meet certain minimum prudential standards with respect to their activities and conditions of operation. ***Their social function and the triangular relationship between the employee, the employer and the***

institutions for occupational retirement provision (IORPs) should be adequately acknowledged and supported as a guiding principle of this Directive.

Or. en

Amendment F

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 11, 109

Proposal for a directive

Recital 28

Text proposed by the Commission

(28) *If the institution does not work on a cross-border basis*, Member States should be able to permit underfunding provided that a proper plan is established to restore full funding and without prejudice to the requirements of Council Directive 80/987/EEC of 20 October 1980 on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer.²⁸

²⁸ OJ L 283, 28.10.1980, p. 23.

Amendment

(28) Member States should be able to permit underfunding provided that a proper plan is established to restore full funding, *protection of the employees* and without prejudice to the requirements of Council Directive 80/987/EEC of 20 October 1980 on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer.²⁸

²⁸ OJ L 283, 28.10.1980, p. 23.

Or. en

Amendment G

EPP, S&D, ECR, ALDE

Compromise amendment replacing Amendments 110

Proposal for a directive

Recital 33

Text proposed by the Commission

(33) As very long-term investors with low liquidity risks, institutions for occupational retirement provision are in a position to invest in non-liquid assets such as shares as well as in instruments that have a long-term economic profile and are not traded on regulated markets, multilateral trading facilities or organised trading facilities within prudent limits. They can also benefit from the advantages of international diversification. Investments in shares in currencies other than those of the liabilities and in instruments that have a long-term economic profile and are not traded on regulated markets, multilateral trading facilities or organised trading facilities should therefore not be restricted except on prudential grounds.

Amendment

(33) As very long-term investors with low liquidity risks, institutions for occupational retirement provision are in a position to invest in non-liquid assets such as shares as well as in instruments that have a long-term economic profile and are not traded on regulated markets, multilateral trading facilities or organised trading facilities within prudent limits. They can also benefit from the advantages of international diversification. Investments in shares in currencies other than those of the liabilities and in instruments that have a long-term economic profile and are not traded on regulated markets, multilateral trading facilities or organised trading facilities should therefore not be restricted except on prudential grounds, *in line with the 'prudent person' rule so as to protect the interest of members.*

Or. en

Amendment H

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 112

Proposal for a directive

Recital 35

Text proposed by the Commission

(35) Institutions should be allowed to invest in other Member States in accordance with the rules of their home Member States in order to reduce the cost of cross-border activity. Therefore the host Member States should not be allowed to impose additional investment requirements on institutions located in other Member States.

Amendment

(35) Institutions should be allowed to invest in other Member States in accordance with the rules of their home Member States. However, if the institution works on a cross-border basis it may be asked by the competent authority of the host Member State to apply limits for investment, provided that such rules also apply to institutions located in the host Member State, *and to the extent that these*

limits are more strict than those applied in the home Member State.

Or. en

Amendment I

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 116

Proposal for a directive

Recital 46

Text proposed by the Commission

(46) Institutions should provide clear and adequate information to prospective members, members and beneficiaries to support their decision-making about their retirement and ensure a high level of transparency throughout the various phases of a scheme comprising pre-enrolment, membership (including pre-retirement) and post-retirement. In particular, information concerning accrued pension entitlements, projected levels of retirement benefits, risks and guarantees, and costs should be given. Where members bear an investment risk, additional information on the investment profile, any available options and past performance are also crucial.

Amendment

(46) Institutions should provide clear and adequate information to prospective members, members and beneficiaries to support their decision-making about their retirement and ensure a high level of transparency throughout the various phases of a scheme comprising pre-enrolment, membership (including pre-retirement) and post-retirement. In particular, information concerning accrued pension entitlements, projected levels of retirement benefits, risks and guarantees, and costs should be given. Where members bear an investment risk, additional information on the investment profile, any available options and past performance are also crucial.

All information shall be adequate to the needs of the user and in compliance with the UN Convention on the Rights of Persons with Disabilities, especially as regards accessibility (Article 3) and access to information (Article 21).

Or. en

Amendment J

EPP, S&D, ECR, ALDE

Compromise amendment replacing Amendments 120, 136, 164, 165

Proposal for a directive
Recital 60 a (new)

Text proposed by the Commission

Amendment

(60a) The further development at the EU level of solvency models, such as the Holistic Balance Sheet (HBS), is not realistic in practical terms and not effective in terms of costs and benefits, particularly given the diversity of IORPs within and across Member States. No quantitative capital requirements - such as Solvency II or holistic balance sheet models derived therefrom - shall therefore be developed at the European level with regard to institutions for occupational retirement provision, as they could potentially be harmful to the interests of both employees and employers, and could decrease the willingness of employers to provide occupational pensions.

Or. en

Amendment K
EPP, S&D, ECR, ALDE, Greens/EFA
Compromise amendment replacing Amendments 124

Proposal for a directive
Article 11 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Members States may make the conditions of operation of institutions located in their territory subject to other requirements, without discrimination and with a view to ensuring that the interest of members and beneficiaries are adequately protected.

Or. en

Amendment KA
EPP, S&D, ECR

Compromise amendment replacing Amendments 24, 127

Proposal for a directive
Article 15 – paragraph 3

Text proposed by the Commission

3. In the event of cross-border activity as referred to in Article 12, the technical provisions shall at all times be fully funded in respect of the total range of pension schemes operated. If these conditions are not met, the competent authorities of the home Member State shall intervene in accordance with Article 62. To comply with this requirement the home Member State may require ring-fencing of the assets and liabilities.

Amendment

3. The conditions laid down in paragraphs 1 and 2 shall also apply in the event of cross-border activity as referred to in article 12, provided that the interests of employees, members and beneficiaries are adequately protected.

Or. en

Amendment L
EPP, S&D, ECR, ALDE

Compromise amendment replacing Amendments 130

Proposal for a directive
Article 20 – paragraph 6 – subparagraph 2 – point c

Text proposed by the Commission

(c) investing in instruments that have a long-term economic profile and are not traded on regulated markets, multilateral trading facilities or organised trading facilities .

Amendment

(c) investing in instruments that have a long-term economic profile and are not traded on regulated markets, multilateral trading facilities or organised trading facilities, ***in line with the 'prudent person' rule;***

Or. en

Amendment M

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 29, 132, 133

Proposal for a directive

Article 23 – paragraph 1 – point a

Text proposed by the Commission

(a) their professional qualifications, knowledge and experience are adequate to enable them to ensure a sound and prudent management of the institution and to properly carry out their key functions (requirement to be fit); and

Amendment

(a) their qualifications, knowledge and experience are **collectively** adequate to enable them to ensure a sound and prudent management of the institution and to properly carry out their key functions (requirement to be fit); and

Or. en

Amendment N

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 48, 49, 50, 144, 145

Proposal for a directive

Article 38

Text proposed by the Commission

1. Depending on the nature of the pension scheme established, Member **States** shall ensure that every institution located in their territories provides prospective members, members and beneficiaries **at least the information set out in Articles 39 to 53 and Articles 55 to 58.**

Amendment

1. Depending on the nature of the pension scheme established, **each** Member **State** shall ensure that every institution located in their territories provides prospective members, members and beneficiaries **with the relevant information, taking into consideration the different information needs of prospective members, member and beneficiaries, as set out in this Chapter.**

The information referred to in paragraph 1 shall be adequate to the needs of the user, written in a clear and user-friendly manner and shall be regularly updated and be in compliance with the UN

Convention on the Rights of Persons with Disabilities, especially as regards accessibility (Article 3) and access to information (Article 21);

Or. en

Amendment O

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 51, 52, 53, 146

Proposal for a directive

Article 39 – paragraphs 1 and 2

Text proposed by the Commission

1. Depending on the nature of the pension Member States shall, in respect of every institution located in their territories, ensure that members are sufficiently informed of the conditions of the pension scheme, in particular concerning:

(a) the rights and obligations of the parties involved in the pension scheme;

1. the financial, *technical and other* risks associated with the pension scheme.

2. For schemes in which members bear an investment risk and which provide for more than one option with different investment profiles, the members shall be informed of the conditions regarding the range of investment options available, the default investment option and, where applicable, the pension scheme's rule to allocate a particular member to an investment option.

Amendment

1. Depending on the nature of the pension *scheme established* Member States shall, in respect of every institution located in their territories, ensure that members are sufficiently informed of the conditions of the pension scheme, in particular concerning:

(a) the rights and obligations of the parties involved in the pension scheme;

1. the financial risks associated with the pension scheme *to the extent that they are relevant to the members and beneficiaries.*

2. For schemes in which members bear an investment risk and which provide for more than one option with different investment profiles, the members shall be informed of the conditions regarding the range of investment options available, the default investment option and, where applicable, the pension scheme's rule to allocate a particular member to an investment option.

Amendment P

EPP, S&D, ECR, ALDE

Compromise amendment replacing Amendments 55, 56, 57, 58, 59, 152

Proposal for a directive

Article 40-54

Remark: Amendment P replaces the original articles 40-54 (all articles under Title IV – Chapter 2)

Text proposed by the Commission

Amendment

1. When laying down rules for the pension benefit statement, the competent authority of the Member State shall require:

(a) the pension benefit statement to contain the key relevant information for members, taking into consideration the specific nature of national systems and of national social, labour and tax law;

(b) the information in the pension benefit statement to be written in a clear manner and presented in a concise way that is easy to read;

(c) institutions to be allowed to provide the pension benefit statement in a durable medium or by means of a website. A paper copy shall be delivered to the members and beneficiaries on request and free of charge, in addition to any electronic means.

2. Within the framework of this Directive, key relevant information for members shall mean:

(a) personal details of the member, including a clear indication of the retirement age or the date when receiving

retirement benefits;

(b) identification of the institution and identification of the pension scheme of the member;

(c) the exact date to which the information in the pension benefit statement refers;

(d) where applicable, any information on full or partial guarantees under the pension scheme. Where a guarantee is provided, the pension benefit statement shall briefly explain the nature of the guarantee and provide information on the current level of financing of the member's accrued individual entitlements;

(e) Information on pension projections, taking into consideration the specific nature and organisation of the pension scheme;

3. Member States shall ensure that all supplementary relevant information shall be easily available and accessible in a user-friendly manner, upon request of the member. It can be provided in the pension benefit statement or made available by different means and may include the following:

(a) information on the balance, contributions and costs of the pension scheme, taking into consideration the specific nature and organisation of the pension scheme;

(b) where relevant, taking into consideration the specific nature and organisation of the pension scheme, information on the investment profile;

(c) where relevant, taking into consideration the specific nature and organisation of the pension scheme, information on past performance.

4. Member States shall exchange best practices with regard to the format and the content of the pension benefit statement.

Or. en

Amendment Q

EPP, S&D, ECR, ALDE, Greens/EFA

Compromise amendment replacing Amendments 73, 74, 75, 159

Proposal for a directive

Article 55

Remark: Amendment Q replaces the original articles 55-58 (all articles under Title IV – Chapter 3)

Text proposed by the Commission

1. The institution shall ensure that prospective members are informed about all the features of the scheme and any investment options including information on how environmental, climate, social and corporate governance issues are considered in the investment approach.

Amendment

1. The institution shall ensure that prospective members are informed about all the features of the scheme and any investment options including information on ***if and*** how environmental, climate, social and corporate governance issues are considered in the investment approach. ***Where prospective members do not have a choice and are automatically enrolled in a pension scheme, they shall receive the key relevant information on their membership directly after enrolment.***

2. In addition to the pension benefit statement, institutions shall provide each member, at least two years before the retirement age provided for in the scheme, or at the request of the member, with the following information:

- (a) balanced information about the options available to members in taking their retirement income;***
- (b) where the pension scheme is not paid out as a lifetime annuity, balanced information about the benefit payment products available.***

Institutions shall provide beneficiaries with information about the benefits due and the corresponding payment options. When a significant level of investment risk is borne by beneficiaries in the payout phase, Member States shall ensure that beneficiaries receive appropriate information.

On request of a member, a beneficiary or their representatives, the institution shall provide the following additional information:

(a) the annual accounts and the annual reports referred to in Article 31, or where an institution is responsible for more than one scheme, those accounts and reports relating to their particular pension scheme;

(b) the statement of investment policy principles, referred to in Article 32

(c) information about the assumptions used to generate the projections referred to Article 50;

(d) information about the assumed annuity rate, the type of provider and the duration of the annuity referred to in Article 53 (c).

On request from a member the institution shall also provide

(a) the target level of the retirement benefits, if applicable;

(b) the level of benefits in case of cessation of employment.

Or. en

Amendment R
EPP, S&D, ALDE

Compromise amendment replacing Amendments 79

Proposal for a directive
Article 73, paragraph 2 a (new)

Text proposed by the Commission

Amendment

Following the need to take action at Union level to further develop occupational pensions systems in the Member States, the Commission shall:

(a) undertake further steps to support Member States' cooperation with social partners in the development of more second pillar pensions;

(b) establish a High Level Group of experts to explore ways to increase second pillar retirement savings in the Member States, including the promotion of the exchange of best practices between the Member States.

Or. en

Amendment S

EPP, S&D, ECR, ALDE, GREENs/EFA

Compromise amendment replacing Amendments 80, 164, 165

Proposal for a directive

Article 75, paragraph 1

Text proposed by the Commission

Amendment

Four years after the entry into force of this Directive, the Commission shall review this Directive and report on its implementation and effectiveness to the European Parliament and the Council.

Six years after the entry into force of this Directive, the Commission shall review this Directive and report on its implementation and effectiveness to the European Parliament and the Council.

Or. en