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## **REPORT**

on the Commission communication on The Future Evolution of Social Protection from a Long-Term Point of View: Safe and Sustainable Pensions (COM(2000) 622 – C5-0011/2001 – 2001/2003(COS))

Committee on Employment and Social Affairs

Rapporteur: Alejandro Cercas Alonso



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## PROCEDURAL PAGE

By letter of 12 October 2000, the Commission forwarded to Parliament a communication on The Future Evolution of Social Protection from a Long-Term Point of View: Safe and Sustainable Pensions (COM(2000) 622 – 2001/2003(COS)).

At the sitting of 18 January 2001 the President of Parliament announced that she had referred the communication to the Committee on Employment and Social Affairs as the committee responsible and the Committee on Economic and Monetary Affairs, the Committee on Woman's Rights and Equal Opportunities as well as the Committee on Legal Affairs and the Internal Market for their opinions (C5-0011/2001).

The Committee on Employment and Social Affairs had appointed Alejandro Cercas Alonso rapporteur at its meeting of 16 November 2000.

It considered the Commission communication and the draft report at its meetings of 24 January, 12 February, 26 February and 24 - 25 April 2001.

At the last meeting it adopted the motion for a resolution by 35 votes to 5, with 3 abstentions.

The following were present for the vote: Michel Rocard, chairman; Winfried Menrad, Marie-Thérèse Hermange and José Ribeiro e Castro, vice-chairmen; Alejandro Cercas, rapporteur; Sylviane H. Ainardi, Elspeth Attwooll (for Elizabeth Lynne), María Antonia Avilés Perea, Regina Bastos, Philip Bushill-Matthews, Chantal Cauquil (for Arlette Laguiller), Luigi Cocilovo, Elisa Maria Damião, Proinsias De Rossa, Den Dover (for James L.C. Provan), Carlo Fatuzzo, Ilda Figueiredo, Hélène Flautre, Fiorella Ghilardotti, Marie-Hélène Gillig, Anne-Karin Glase, Stephen Hughes, Karin Jöns, Piia-Noora Kauppi (for Rodi Kratsa-Tsagaropoulou), Ioannis Koukiadis, Jean Lambert, Toine Manders (for Daniel Ducarme), Thomas Mann, Mario Mantovani, Claude Moraes, Mauro Nobilia, Manuel Pérez Álvarez, Bartho Pronk, Tokia Saïfi, Herman Schmid, Peter William Skinner (for Jan Andersson), Miet Smet, Ilkka Suominen, Helle Thorning-Schmidt, Bruno Trentin (for Harald Ettl), Ieke van den Burg, Anne E.M. Van Lancker and Barbara Weiler.

The opinions of the Committee on Economic and Monetary Affairs and the Committee on Woman's Rights and Equal Opportunities are attached; the Committee on Legal Affairs and the Internal Market decided on 6 February 2001 not to deliver an opinion.

The report was tabled on 26 April 2001.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## MOTION FOR A RESOLUTION

### **European Parliament resolution on the Commission communication on The Future Evolution of Social Protection from a Long-Term Point of View: Safe and Sustainable Pensions (COM(2000) 622 – C5-0011/2001 – 2001/2003(COS))**

*The European Parliament,*

- having regard to the Commission communication (COM(2000) 622 – C5-0011/2001<sup>1</sup>),
  - having regard to the progress report from the High-Level Working Party on Social Protection on the above communication from the Commission (14055/00) of 30 November 2000<sup>2</sup>,
  - having regard to the progress report from the Economic Policy Committee on the impact of ageing populations on public pension systems (12791/00) of 26 October 2000<sup>3</sup>,
  - having regard to the conclusions of the Santa Maria da Feira, Lisbon and Nice European Councils of 19 and 20 June 2000, 23 and 24 March 2000 and 7 to 10 December 2000,
  - having regard to the Council Recommendation of 27 July 1992 on the convergence of social protection objectives and policies<sup>4</sup>,
  - having regard to the Council conclusions of 17 December 1999 on the strengthening of cooperation for modernising and improving social protection<sup>5</sup>,
  - having regard to Rule 47(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Economic and Monetary Affairs and the Committee on Woman's Rights and Equal Opportunities (A5-0147/2001),
- A. whereas the increase in the life expectancy of the population and in healthier lives constitute one of the greatest achievements of our age,
- B. whereas increased life expectancy will translate – according to some estimates – into a doubling of the demographic old-age dependency ratio by 2050, without prejudice to changes given by legal immigration into Europe; whereas, however, forecasts of future social developments should be treated with caution, taking into account the economic dependency ratio, and standardised criteria for monitoring purposes and for the recording of statistics are needed,

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<sup>1</sup> not yet published in OJ

<sup>2</sup> not yet published in OJ

<sup>3</sup> not yet published in OJ

<sup>4</sup> OJ L 245, 26.08.92, p. 49-52.

<sup>5</sup> OJ C 8, 12.01.2000, p.7-8.

- C. whereas the sustainability of pensions is not only a problem of ‘finding the means’ but also a matter of the EU to achieve many of its objectives, particularly with regard to a high level of social security provisions, sustainable non-inflationary growth and social cohesion; whereas not only demographic trends but also technological developments, particularly in medicine, and the position of families, especially the financial risks of single people, present a challenge to the role of pensions,
  - D. whereas strategies for organising and financing social protection so as to enable the future challenges posed by the greater longevity and the ageing of the population to be met and the profound changes occurring in economic activities and the employment market to be accommodated should be set in train now both in the present Member States and in the candidate states,
  - E. whereas social protection in the Member States of the European Union is based both on solidarity and on insurance and is a productive factor contributing to sustainable economic growth, employment, social peace and security of livelihood,
  - F. whereas policies capable of creating a virtuous circle of economic and social progress should be put in place with a view to their reinforcing each other to optimum effect,
  - G. whereas - although the subsidiarity principle applies as regards social security schemes - the completion of the internal market and of economic and monetary union, the forthcoming enlargement of the European Union and the European employment strategy will in future make some degree of cooperation between Member States in the area of social protection and social policies in general desirable,
  - H. whereas the Union, in order to bring about closer cooperation, making use of the open coordination method, should introduce convergence criteria for pensions too, including common, quantifiable objectives applicable to all the Member States, with common indicators, guidelines, national action plans, reporting and recommendations, as well as initiatives on the exchange of data, experience and models, in order to improve social protection in Europe and to ensure pensions for all while maintaining a standard of living with dignity;
1. Welcomes the Commission communication and the initial results of the work begun by the High-Level Working Party on Social Protection and the Economic Policy Committee following the request by the Lisbon European Council to examine the future evolution of social protection; welcomes the transformation of the High-Level Working Party on Social Protection to the Committee on Social Protection and the legal basis for this change provided for in the Treaty of Nice;
  2. Urges the Swedish presidency to put the debate on the old age provisions and pensions high on the agenda of the European Council in Göteborg, and to provide for progress in the coordination of the different aspects of the European debate linking the budgetary/financial aspects of the costs of ageing , the debate on the future of social protection, the proposals concerning financial markets access, the problems of the barriers to free movement that are dealt with inter alia in the Pensions Forum, and taxation on pensions;

3. Expresses the hope that the work undertaken will be pursued in greater depth still under the Swedish Presidency with the objective of arriving under the Belgian Presidency at European cooperation on pensions, which, starting from a number of common objectives, should lead to an open coordination strategy covering the entire area of social protection; calls, therefore, on the Commission, basing itself both on this communication and on the reports, to propose draft guidelines on social protection, including pensions;
4. Considers, moreover, that the strategy of mutual reinforcement of economic and social policies as laid down by the Lisbon European Council should lead to convergence of macro-economic, employment and social protection policies at the European level;
5. Endorses the opinion of the Committee on Social Protection that the analysis of pension systems in the light of the demographic challenge they face cannot be confined merely to the financial dimension, but should also take account of the contribution to social harmony and intra- and inter-generational solidarity;
6. Welcomes, in this connection, the ten principles set out by the Commission in its communication, and takes the view that indicators should be established on the basis of these principles as part of open coordination;
7. Considers, in the context of achieving Europe-wide coordination of pensions policy, that studies should be carried out on the initiatives which might be taken to apply the 1992 recommendation on the minimum income to be guaranteed by the social protection systems;
8. Agrees with the Commission that the reform of pension systems should not only meet demographic demands but should also, above all, be based on social justice and the fight against poverty and insecurity; notes that the poverty rate is higher among households composed of older people, particularly elderly women, and takes the view that reducing this poverty rate should be one of the priority objectives of the reforms; points out that old age and ill health combined with low pensions are the major cause of poverty and social exclusion in a number of Member States; calls on the Member States to make sure that widow's pensions are maintained at a reasonable level;
9. Stresses that a sensible economic policy and growth-oriented structural reforms which will create a favourable economic and business environment are extremely important. An adaptation and modernisation of the labour market is urgently needed, particularly in the light of the integrated strategy decided in Lisbon to increase the working population and raise its productivity;
10. Agrees with the Commission that an increase in the employment rate is particularly liable to secure safe and sustainable pensions as it has a dual effect on the revenue and expenditure of pension schemes;
11. Takes the view that, notwithstanding mobilisation of all available labour resources, some increase in the level of pension expenditure in relation to GDP is inevitable; stresses that economic growth and sustained productivity gains will be decisive factors

in meeting this challenge with regard to public budgets; welcomes, in this connection, the strategy laid down at the Lisbon European Council summit aimed at sustainable economic growth with more and better jobs and greater social cohesion;

12. Reiterates, therefore, its opinion that it is necessary to step up the fight against all forms of discrimination on the labour market, in particular discrimination against women and older workers, and to encourage, through refresher and vocational retraining measures, and through changes in the organisation of the work and working hours and industrial safety and health protection in keeping with the needs of women and the elderly, the re-entry of persons excluded from the labour market into working life and the training and preparation of young people so as to enable them to become part of the active population, avoiding at the same time competition between generations;
13. Is opposed to compulsory early retirement and favours gradual or partial voluntary retirement, taking into account justified and/or justifiable objective circumstances such as the difficult or dangerous nature, or the risks to health, of the work and the age of entry into working life;
14. Recalls the objective of the Lisbon Process to increase the percentage of resident women in paid employment; calls therefore, on the Member States to promote women's full access to employment in all sectors and at all levels, inter alia by means of positive action;
15. Takes the view that the implementation of coherent social and fiscal policies making it easier to combine work and family life is the precondition for greater participation by women in employment; draws attention to the interdependence between the level of social protection for families and the availability of public services, on the one hand, and birth rates and participation rates by women, on the other;
16. Considers that families which take direct responsibility for sick and elderly relatives should be supported by means of fiscal, social and employment benefits and calls on all the Member States to take appropriate action in the light of the successes achieved in the Member States which have already launched such initiatives, which have proved to be a particularly human and effective form of welfare provision;
17. Stresses that women and men endeavour to balance their working lives with their roles as parents and considers therefore that both male and female employees who make use of parental leave arrangements should be able to acquire pension rights in respect of such periods of parental leave; considers also that leave arrangements for caring for sick or disabled children and relatives should also be pensionable;
18. Calls on the Commission to examine what reform of pension systems need to be undertaken in order to ensure pensions which enable men and women to live decently in cases of atypical and precarious work, part-time work, in the case of self-employment, or in the case of career interruption in order to have children, to take care of family members or for the sake of further education or sabbaticals;



19. Points to the equal opportunities problem associated with the fact that many women in the EU work part time or have no income from work and, therefore, often have no right or only partial entitlement to supplementary pension protection;
20. Points out that this problem should chiefly be resolved by means of a fairer division between men and women of paid employment and unpaid work caring for family members, so that women would become less dependent on derived pension rights and more women would be able to acquire their own, individual pension rights;
21. Stresses that in order to secure pensions in the long term, it is essential that comprehensive reform strategies should be drawn up before acute financing problems arise. The Member States are therefore urged to take appropriate steps to meet these challenges. The aim of this reform process should be to find a new balance between an adequate, secure income for the older generation and the long-term solvency of the systems, in the process of which a fair distribution of burdens between the generations must be ensured;
22. Advocates an appropriate balance between, on the one hand, proportional contributions and benefits and, on the other, the principle of solidarity in order to prevent poverty and social exclusion;
23. Notes that the sustainability of pension provision is also dependent on measures to maintain a financial balance in the pension schemes, and therefore recommends that the government debt be reduced, alternative sources of funding tapped, reserves built up and excessive taxation burdens, particularly on labour, avoided;
24. Stresses the essential importance of a broad public consensus on the organisation and financing and scope of social protection; calls on the Commission to launch and support information and education campaigns on the importance of solidarity between the generations and solidarity with dependent persons; also emphasises the importance of a broad partnership embracing civil society and the two sides of industry in the context of the debate on the modernisation of social protection at the European level;
25. Focuses attention to the problems of crossborder participation or continuation in pension schemes, that are major barriers for labour mobility in the EU; emphasises in that context particularly the necessity of proposals to coordinate and regulate at European level the systems of taxation of pension schemes in the Member States; urges the Member States to continue with the harmonisation of fiscal systems in respect of supplementary pension schemes by reaching agreements on the tax deductibility of pension contributions and taxation of the final pension and urges the Commission to put forward as soon as possible a proposal for a directive concerning the taxation of pensions;
26. Agrees that it is useful to present all retirement schemes within Europe as a combination of the three 'pillars' (state schemes, occupational schemes and individual pension plans) but points out that, in certain countries, this classification is an artificial one;
27. Considers that pension funds and private, public or mutual-benefit supplementary funded schemes can play a useful role in supplementing public PAYG schemes in

order to meet the challenges posed by the ageing of the population, particularly capitalisation based pension funds that are collectively agreed by social partners and accessible for all employees concerned and based on solidarity and equal treatment and to a lesser degree individual private pension arrangements offered on the basis of annuity ; recognises, however, that public schemes based on solidarity are essential on account of their basic social purpose and warns, therefore, against any attempt to weaken or replace them;

28. Welcomes the planned exchange of views on experiences with supplementary pensions, as discussed at the Stockholm summit, but urges the Member States actually to implement the reform of national pension systems and to talk to each other on this subject;
29. Reiterates its call to be fully involved in the process of European social convergence and condemns, in this connection, the fact that the progress report from the Committee on Social Protection was not officially forwarded to the European Parliament; welcomes, on the other hand, the intention of the Committee on Social Protection to enhance its dialogue with Parliament;
30. Asks to be consulted on the report of the Committee on Social Protection and will give its full assessment on the future of pensions schemes in the EU later on;
31. Instructs its President to forward this resolution to the Council, the Commission, the Committee on Social Protection, the Economic Policy Committee, the Employment Committee and the European social partners.

## EXPLANATORY STATEMENT

### Communication

The Lisbon European Council mandated the High-Level Working Party on Social Protection '*... to prepare, on the basis of a Commission communication, a study on the future evolution of social protection from a long-term point of view, giving particular attention to the sustainability of pensions systems ...*'. The purpose of the communication is to establish a framework for taking this work forward.

The communication has been superseded to a degree in that the Social Protection Committee<sup>1</sup> has already presented an interim report to the Nice summit. Nonetheless, the communication remains relevant in terms of its strategic approach, drawing attention to the fact that reform of social protection schemes cannot be considered solely from a financial point of view but rather that a number of other parameters need to be taken into account. In this connection, it may be pointed out that the economic policy counterpart of the Social Protection Committee, the Economic Policy Committee, has also already submitted an interim report on pension systems which does in fact confine discussion of the issues purely to questions of financing.

The ten basic principles and objectives set out in the communication, as outlined below, constitute an appropriate framework for the debate on the reform of old-age pensions, and could be used in drawing up guidelines in future as part of open coordination:

1. maintaining an adequate level of pensions;
2. ensuring fairness between the generations;
3. strengthening solidarity in pension systems;
4. maintaining a balance between rights and obligations;
5. ensuring that pension systems support equality between men and women;
6. ensuring transparency and predictability;
7. making pension systems more flexible in the face of societal change;
8. facilitating labour market adaptability;
9. ensuring consistency of pension schemes within the overall pension system;
10. ensuring sound and sustainable public finances.

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<sup>1</sup> The High-Level Working Party on Social Protection has since been replaced, by a Council decision, by the Social Protection Committee.

## **Outlook**

The Commission communication and the two interim reports by the abovementioned expert committees should be seen as the first steps in a continuous process. A further interim report by the Social Protection Committee was submitted to the spring summit in Stockholm, and a (provisional) final report is to be prepared in time for the Göteborg summit.

It is a matter of extreme importance to the rapporteur that the European Parliament should be involved in this process. The shifting of the political debate onto expert bodies (and, moreover, the 'open coordination' method itself) holds the risk of a democratic deficit. Reports go direct to the Council or the European Council, without Parliament's being given an opportunity to deliver an opinion. The interim report by the Social Protection Committee referred to earlier was never even officially forwarded to Parliament! It is essential to become included in this procedure. The rapporteur has therefore made it his goal that Parliament's opinion be presented in time for the Göteborg summit. The intention is to give a signal that Parliament demands in future to be involved in the process.

11 April 2001

## **OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS**

for the Committee on Employment and Social Affairs

on the Commission Communication on The Future Evolution of Social Protection from a Long-Term Point of View: Safe and Sustainable Pensions (COM(2000) 622 – C5-0011/2001 - 2001/2003 (COS))

Draftsman: Christa Randzio-Plath

### **PROCEDURE**

The Committee on Economic and Monetary Affairs appointed Alain Lipietz draftsman at its meeting of 25 October 2001.

It considered the draft opinion at its meetings of 27 February, 6 March and 11 April 2001.

At the last meeting it adopted the following conclusions by 19 votes to 18 and 1 abstention. Following the vote on the amendments, the draftsman requested that his name be removed from the final opinion. The committee therefore decided to submit the report in the name of the chair, Christa Randzio-Plath.

The following were present for the vote: Christa Randzio-Plath, chairman and draftsman; José Manuel García-Margallo y Marfil and Philippe A.R. Herzog, vice-chairmen; Richard A. Balfe, Luis Berenguer Fuster, Armonia Bordes, Hans Udo Bullmann, Jonathan Evans, Göran Färm (for Pervenche Berès), Ingo Friedrich (for Karl von Wogau), Marie-Hélène Gillig (for Robert Goebbels), Lisbeth Grönfeldt Bergman, Christopher Huhne, Liam Hyland, Pierre Jonckheer, Othmar Karas, Giorgos Katiforis, Piia-Noora Kauppi, Timothy Kirkhope (for Theresa Villiers pursuant to Rule 153(2)), Christoph Werner Konrad, Alain Lipietz, Astrid Lulling, Thomas Mann (for Marianne L.P. Thyssen), Ioannis Marinos, Simon Francis Murphy, Ioannis Patakis, Manuel Pérez Álvarez (for Alejandro Agag Longo), Fernando Pérez Royo, Mikko Pesälä (for Karin Riis-Jørgensen), José Javier Pomés Ruiz, Alexander Radwan, Bernhard Rapkay, Amalia Sartori, Olle Schmidt, Peter William Skinner, Charles Tannock, Helena Torres Marques, Bruno Trentin.

## CONCLUSIONS

The Committee on Economic and Monetary Affairs call on the Committee on Social Affairs and Employment as the Committee responsible to incorporate the following conclusions into its report.

1. Congratulates the Commission on the high quality of its Communication and in particular on having highlighted the following points:
  - the need for the retirement pensions issue to be seen within the overall macro-economic framework;
  - the fact that in all the Member States the major part of the older generation's income comes from State pension systems and that this has led to a transformation in the security of incomes after retirement;
  - the fact that the combination of the three pillars has brought the older generation in Europe a hitherto unknown measure of prosperity and economic independence;
  - the fact that the ageing population is a long-term challenge to pensions. As of 2010, when the post-war generation of 'baby boomers' reaches retirement age, this will become so marked that the European social model will be in danger of being undermined;
  - the fact that the pay-as-you-go State pension systems are the focus of spreading anxiety, because the ageing of the population has a direct and unmistakable effect on them, whereas the promotion of funded systems can help lessen the financial burden on public finances and limit the expected reduction in pension payments by increasing pension savings;
2. Stresses that in order to secure pensions in the long term, it is essential that comprehensive reform strategies should be drawn up before acute financing problems arise. The Member States are therefore urged to take appropriate steps to meet these challenges. The aim of this reform process should be to find a new balance between an adequate, secure income for the older generation and the long-term solvency of the systems, in the process of which a fair distribution of burdens between the generations must be ensured;
3. Stresses that the reform measures to be taken must not only address the structure of the pension systems, but also introduce a successful growth strategy and an active employment policy. In this way the pressure on public finances could be lessened, and painful benefit cuts or higher contributions and taxes would be necessary only to a limited extent;
4. Stresses that the Stresses that occupational (second pillar) and private (third pillar) systems should be encouraged, since additional provision for old age is becoming an increasingly important element in the incomes of older people. Using funded retirement pensions makes sense in that this could reduce the pressure on the public purse and at the same time help to make pension systems more flexible in the interests of social change;

5. Points out that the new dynamic of the financial markets which has been sparked off by encouraging saving for pensions and the increasing demand for financial assets will give future pensioners a wide choice of products to choose from and make an effective investment policy possible. This will mean that pension holders will be able to tailor their retirement pensions more flexibly to their personal needs and circumstances, as well as to their risk profile;
6. Stresses that the wide-ranging reform process, as well as encouraging the creation of alternative, capital-based retirement pension systems, should include a thorough reform of the first pillar; in this process, a raising of the legal age of retirement or the number of years of contributions needed to receive a full pension could be taken into consideration;
7. Stresses that a sensible economic policy and growth-oriented structural reforms which will create a favourable economic and business environment are extremely important. An adaptation and modernisation of the labour market is urgently needed, particularly in the light of the integrated strategy decided in Lisbon to increase the working population and raise its productivity;
8. Notes that because of the interaction between pension systems and labour markets the following measures are needed to secure pensions in the long term:
  - (a) a strategy to mobilise the whole of society's employment potential is of the greatest importance in view of the expected shortage of workers and the skills deficit;
  - (b) the creation of better incentives to increase levels of employment among women is essential, and would serve the additional purpose of giving women better protection in old age;
  - (c) tax and benefit structures designed to favour early withdrawal of older workers from the labour market and laws that still offer strong incentives to early retirement should be abolished as soon as possible since they represent a waste of human resources and significantly greater outgoings for pension systems;
  - (d) in view of the low fertility rates in the EU, jobs compatible with family life and policies designed to make it easier to combine work and family could certainly have a positive influence;
9. Urges the Member States to do away with provisions such as qualifying periods and other conditions of access in national legislation on supplementary pension schemes which hamper employee mobility and flexible forms of work, and urges them to continue with the harmonisation of fiscal systems in respect of supplementary pension schemes by reaching agreements on the tax deductibility of pension contributions and taxation of the final pension;
10. Welcomes the planned exchange of views on experiences with supplementary pensions, as discussed at the Stockholm summit, but urges the Member States actually to implement the reform of national pension systems and to talk to each other on this subject;

11. Stresses that all legal obstacles and all forms of fiscal discrimination against foreign pension funds and the pension contributions of EU citizens from third countries which are practised by the Member States and are tantamount to shutting off the European pensions market must be done away with forthwith, so that pension systems do not hinder professional and geographical mobility, but are able to promote it. This would mean that employees could be flexible and adapt to the employment market and would leave individuals a certain latitude to shape their own career and pension plans;
12. Agrees that it is useful to present all retirement schemes within Europe as a combination of the three 'pillars' (state schemes, occupational schemes and individual pension plans) but points out that, in certain countries, this classification is an artificial one;
13. emphasises in the context of problems on cross-border memberships particularly the necessity of proposals to co-ordinate and regulate at European level the systems of taxation of pension schemes in the Member States; urges therefore the Commission to put forward a proposal in order to co-ordinate taxation of pension provisions;



10 April 2001

## **OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND EQUAL OPPORTUNITIES**

for the Committee on Employment and Social Affairs

on the Commission Communication on the Future Evolution of Social Protection from a Long-Term Point of View: Safe and Sustainable Pensions (COM(2000) 622 – C5-0011/2001 – 2001/2003 (COS))

Draftsman: Olle Schmidt

### **PROCEDURE**

The Committee on Women's Rights and Equal Opportunities appointed Olle Schmidt draftsman at its meeting of 23 January 2001.

It considered the draft opinion at its meetings of 26 February 2001, 20 March 2001 and 10 April 2001.

At the last meeting it adopted the following conclusions by 23 votes with 2 abstentions.

The following were present for the vote: Maj Britt Theorin, chairperson; Marianne Eriksson, vice-chairperson; Anne E.M. Van Lancker, vice-chairperson; Olle Schmidt, draftsman; María Antonia Avilés Perea, Ilda Figueiredo (for Armonia Bordes), Geneviève Fraisse, Koldo Gorostiaga Atxalandabaso, Lissy Gröner, Mary Honeyball, María Izquierdo Rojo (for Fiorella Ghilardotti), Anna Karamanou, Christa Klaß, Astrid Lulling, Thomas Mann, Maria Martens, Emilia Franziska Müller, Christa Prets, María Rodríguez Ramos, Miet Smet, Patsy Sørensen, María Sornosa Martínez (for Helena Torres Marques), Joke Swiebel, Elena Valenciano Martínez-Orozco and Lousewies van der Laan.

## CONCLUSIONS

The Committee on Women's Rights and Equal Opportunities calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Points to the equal opportunities problem associated with the fact that many women in the EU work part time or have no income from work and, therefore, often have no right or only partial entitlement to supplementary pension protection;

*Justification:*

*Millions of women who work at home or part time and take the main responsibility for the home and the family often have no pension rights or only partial entitlement and thus have no possibility of accumulating a supplementary pension in the same way as their partners. The current pension system therefore cements gender inequalities.*

2. Points out that this problem should chiefly be resolved by means of a fairer division between men and women of paid employment and unpaid work caring for family members, so that women would become less dependent on derived pension rights and more women would be able to acquire their own, individual pension rights;
3. Recalls the objective of the Lisbon Process to increase the percentage of resident women in paid employment; calls therefore, on the Member States to promote women's full access to employment in all sectors and at all levels, inter alia by means of positive action; stresses the need to guarantee the freedom of women and men with family responsibilities to choose to take up paid work, and to give it up temporarily or permanently, by increasing and diversifying the available range of childcare services, services for the care of the elderly and domestic services; recalls that the application of individual taxation instead of joint taxation of spouses could act as an incentive to resume paid employment, especially in the case of women;

*Justification:*

*The right to an own income and, thus, financial independence is important. The percentage of women currently in paid employment ranges between 38 and 71 per cent in the various Member States. In purely general terms, more women must have the opportunity of gainful employment. Both men and women should also be able to make a free choice between paid work and a break to take care of family members. Joint taxation of income in many Member States, together with lack of facilities for childcare and care of the elderly go some way to explaining why many women do not have the opportunity to enter or remain in the employment market.*

4. Urges the Member States to take measures to enhance women's career opportunities and earning capacity, e.g. by encouraging women to take up training and occupations which represent a break with their traditional roles and by encouraging firms to pursue a women-oriented promotion policy. Calls on the Member States to ensure compliance with legislation on equal pay for work of equal value and to take measures to improve

the status and, thereby, wage levels in traditional women's jobs, e.g. by breaking public monopolies and encouraging private alternatives in the care sector, as well as encouraging women to start up businesses. Recalls its resolutions on the improvement of Directive 86/613/EC on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity. Calls on the Commission to verify that the Member States are complying with existing EU equal opportunities legislation and, if they are found not to be, to impose appropriate penalties;

*Justification:*

*On average women earn only 80% of men's pay. In some Member States and in specific sectors, the figure is much lower, sometimes on account of pure wage discrimination but also because many occupations in which women predominate often have low status and thus low wage levels. There is very unsatisfactory compliance with the objectives of the Treaty and EU legislation on equal pay. If women are encouraged to start their own businesses, and if private alternatives are promoted, this will help to raise the level of their pensions to more like those of men's.*

5. Recalls its resolution of 1993 (A3-0418/93) on the entitlement of divorced or separated women to share their husband's pension rights in the Community Member States. Considers that supplementary pensions, premium reserves and individual pension rights should be treated in the same way as other assets. Calls on the Member States to legislate for the sharing of all types of pension rights between spouses in the event of divorce or death, as is already the case in some Member States; stresses the importance of the possibility of transferring shared pension rights in the event of moving between Member States;

*Justification:*

*Many women who have no pension rights or who have worked part time and, therefore, have a shorter pensionable period often have financial problems in the event of divorce despite the fact that their spouse may have accumulated a considerable supplementary pension. Supplementary pensions, premium reserves and individual pension plans constitute long-term saving and should therefore be regarded in the same way as other assets which are shared equally between the spouses in the event of the division of their estate.*

6. Points out that many widows who have not had an income of their own are dependent on their late husbands' widow's pensions; calls on the Member States to make sure that widow's pensions are maintained at a reasonable level;
7. Stresses that it is still necessary to encourage a better distribution of family responsibilities between spouses, inter alia by ensuring access on a voluntary basis to part-time work without discrimination, but especially by ensuring, at all levels of education, a change in mentality by refraining from passing on outdated lifestyle models that run counter to a fair division of family responsibilities between women and men;

*Justification:*

*Equality can only be improved by changing fundamental attitudes and in cooperation between men and women. More equal distribution of responsibility for home and family can lay the foundations for a more equal working life and employment market where equal opportunities and equal pay for work of equal value are the norm.*

8. Stresses that women and men endeavour to balance their working lives with their roles as parents and considers therefore that both male and female employees who make use of parental leave arrangements should be able to acquire supplementary pension rights in respect of such periods of parental leave; considers also that leave arrangements for caring for sick or disabled children and relatives should also be pensionable;

*Justification:*

*Women or men who work at home or part time to take care of their children or relatives must not suffer discrimination through an income-based pension system but should be able to acquire pension rights for those activities. Social insurances payable out for parental leave or various forms of allowance for sick or disabled children should also be pensionable.*

9. Calls on the Member States to adopt measures to ensure compulsory membership of pension schemes for women working in their spouse's or family's business and that they are entitled to supplementary pension rights;
10. Calls on the Commission to submit a proposal for tax legislation which prevents double taxation of contributions and benefits in the case of the free movement of workers and self-employed persons and therefore encourages membership of a supplementary pension scheme;

*Justification:*

*To guarantee a reasonable old-age pension, an increasing number of people are choosing to save money in private pension plans. Women, whose income is often lower than men's, would be encouraged to increase their individual savings if tax deductions were improved. It is also important that freedom of movement is not obstructed by various rules on the taxation of pensions.*

11. Calls on the Member States to adopt measures so that pension insurers replace the purely actuarial considerations that form the basis for pension premiums and/or benefits with principles that are based more on solidarity between the sexes;
12. Calls on the Member States, where possible in the context of the positive action policy, to take measures to increase the participation of immigrant women in the employment market proper through training measures and by simplifying the rules for obtaining visas, residence and work permits;

*Justification:*

*Immigrants' contribution to European welfare and the employment market cannot be stressed enough. Immigrant women from third countries, more often than others, have no means of support, or work in the informal sector and are, therefore, particularly prone to discrimination over pension rights. It is therefore important in terms of equality for immigrant women to be integrated into society. The opportunities for legal migration to the European Union must also be improved.*