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REPORT

on the Joint Report by the Commission and the Council on Adequate and sustainable pensions
(COM(2002) 737 - 2003/2040(INI))

Committee on Employment and Social Affairs

Rapporteur: Jan Andersson

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PROCEDURAL PAGE

By letter of 18 December 2002 the Commission forwarded to Parliament its Communication on the Joint Report by the Commission and the Council on Adequate and sustainable pensions (COM(2002) 737), which had been referred to the Committee on Employment and Social Affairs, the Committee on Economic and Monetary Affairs and the Committee on Women's Rights and Equal Opportunities for information.

At the sitting of 13 March 2003 the President of Parliament announced that the Committee on Employment and Social Affairs had been authorised to draw up an own-initiative report on the subject pursuant to Rules 47(2) and 163 of the Rules of Procedure, and the Committee on Economic and Monetary Affairs and the Committee on Women's Rights and Equal Opportunities had been asked for their opinions.

The Committee on Employment and Social Affairs appointed Jan Andersson rapporteur at its meeting of 15 January 2003.

The Committee considered the draft report at its meetings of 29 April 2003, 11 June 2003 and 9 July 2003.

At the last meeting it adopted the motion for a resolution by 32 votes to 2, with no abstentions.

The following were present for the vote: Marie-Hélène Gillig, acting chairperson; Winfried Menrad and Marie-Thérèse Hermange, vice-chairpersons; Jan Andersson, rapporteur; Elspeth Attwooll, Regina Bastos, Hans Udo Bullmann (for Enrico Boselli), Ieke van den Burg, Alejandro Cercas, Harald Ettl, Jillian Evans, Carlo Fatuzzo, Ilda Figueiredo, Fiorella Ghilardotti (for Elisa Maria Damião), Anne-Karin Glase, Richard Howitt (for Proinsias De Rossa), Stephen Hughes, Anne Elisabet Jensen (for Marco Formentini), Anna Karamanou, Ioannis Koukiadis (for Karin Jöns), Rodi Kratsa-Tsagaropoulou, Jean Lambert, Elizabeth Lynne, Thomas Mann, Mario Mantovani, Claude Moraes, Ria G.H.C. Oomen-Ruijten (for Philip Bushill-Matthews), Manuel Pérez Álvarez, Bartho Pronk, Lennart Sacrédeus, Herman Schmid, Miet Smet, Barbara Weiler and Sabine Zissener (for Luigi Cocilovo).

The opinion of the Committee on Women's Rights and Equal Opportunities is attached.

The Committee on Economic and Monetary Affairs decided on 12 March 2003 not to deliver an opinion.

The report was tabled on 9 July 2003.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Joint Report by the Commission and the Council on Adequate and sustainable pensions (COM(2002) 737 - 2003/2040(INI))

The European Parliament,

- having regard to the Commission Communication (COM(2002) 737 - C5-0074/2003)¹,
- having regard to the Joint Report by the Commission and the Council on Adequate Pensions² as endorsed both by the Council on Employment, Social Policy, Health and Consumer Affairs and by the Council on Economic and Financial Affairs on 6 and 7 March 2003 respectively,
- having regard to the Brussels European Council of 20 and 21 March 2003 as well as to previous conclusions of European Councils on pension policy, in particular the European Councils of Lisbon³, Stockholm⁴, Göteborg⁵, Laeken⁶ and Barcelona⁷,
- having regard to its Resolution of 11 April 2002⁸ on the Commission Communication "Supporting national strategies for safe and sustainable pensions through an integrated approach",
- having regard to its Resolution of 17 May 2001⁹ on the Commission Communication "The future evolution of social protection from a long-term point of view: safe and sustainable pensions",
- having regard to its Resolution of 16 February 2000¹⁰ on the Commission Communication on "A concerted strategy for modernising social protection",
- having regard to the Council conclusions of 17 December 1999 on the strengthening of cooperation for modernising and improving social protection¹¹,
- having regard to the Joint Report of the Economic Policy Committee and the Committee on Social Protection to the Council, on objectives and working methods in the pensions field: the application of the open coordination process¹²,
- having regard to the Commission Communication "The contribution of public finances to

¹ Not yet published in OJ

² Not yet published in OJ

³ 23-24 March 2000

⁴ 23-24 March 2001

⁵ 15-16 June 2001

⁶ 14-15 December 2001

⁷ 15-16 March 2002

⁸ OJ C 48, 21.2.2002, p. 101

⁹ OJ C 34E, 7.2.2002, p. 362

¹⁰ OJ C 339, 29.11.2000, p. 154

¹¹ OJ C 8, 12.1.2000, p. 7

¹² (Ref. 14098/01) Not yet published in OJ

growth and employment: quality and sustainability" (COM(2000) 846)¹ ,

- having regard to Rules 47(2) and 163 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinion of the Committee on Women's Rights and Equal Opportunities (A5-0259/2003),
- A. Whereas around one tenth of the EU's GDP is currently devoted to public spending on pensions; whereas all predictions point to a future scenario where the weight in public spending of pensions systems will increase further; whereas it is notable that the level of employment among older people is lower today than it was thirty years ago;
 - B. Whereas it is widely accepted that the adequacy and sustainability of pensions systems have implications that go beyond national borders; whereas the stability of the common currency depends on over-all sound finance policy throughout the Euro-zone;
 - C. Whereas some Member States have undertaken reforms that represent steps in the right direction;
 - D. Whereas a long-term perspective is needed in the field of pensions; whereas the public legitimacy of reform hinges a great deal on there being a transparent debate in order to make changes foreseeable to the public;
 - E. Whereas the fundamental responsibility of pensions policy and financing remain, and must continue to remain, with the Member States, in accordance with the subsidiarity principle;
 - F. Whereas the pensions policy of each Member State should be to provide adequate and fair incomes to older people, and prevent poverty in old age;
 - G. Whereas this Member State responsibility in no way diminishes the value of the European contribution through the exchange of best practise and consensus-building, as well as common regulation with regard to aspects necessary for enabling and securing the portability of pension entitlements of any kind;
 - H. Whereas increased life expectancy rates and the fact that the average older person does not run a significantly higher risk of becoming poor than other people are indications of the great achievement that today's European welfare societies constitute; whereas poverty and social exclusion among pensioners are a persistent problem in certain Member States and especially for older women;
 - I. Whereas the existing gender inequalities, highlighted by the fact that older women run a higher risk of becoming poor than other women, stem to a significant extent from inequalities in the labour market; the prevalence of the male-breadwinner-model and calculation methods providing for an unfavourable coverage of career breaks and non-standard forms of employment in pension systems themselves;
 - J. Whereas pensions systems not only act as redistributors of income between generations but also between groups within the same generation; whereas the concept of

¹ Not yet published in OJ

sustainability demands that the social welfare of present and future generations alike have to be safeguarded by today's pensions systems;

- K. Whereas the combination of more people reaching retirement age together with increasing life expectancy will double the proportion of over-65s from 25% to 50% of the working-age population by 2050 compared with 2000;
- L. Whereas certain EU institutions continue to discriminate against allowing older workers to apply for jobs, and whereas continuation of such policies is absolutely unacceptable;
 - 1. Welcomes the close cooperation between the Member States in the area of pensions; this cooperation is carried out by means of the open method of cooperation; stresses that pension systems are an instrument of welfare provision and an important tool to foster social cohesion;
 - 2. Looks to the Member States to give a clear indication to their citizens what they may expect from their pension systems, and what they must do to achieve an appropriate standard of living later in life;
 - 3. Considers that the funding of public pension systems ought to take priority in the budgets of the Member States and applicant countries;
 - 4. Emphasises the importance of integrating public pension systems with appropriate public health care systems specifically geared to the needs of the elderly who cannot look after themselves;
 - 5. Reiterates its support for the three fundamental aims – adequacy, financial sustainability and modernisation – underpinning the strategy; recognises also the pertinence of the eleven underlying objectives, highlighting in particular those objectives pertaining to the social and redistributive aims of pensions systems;
 - 6. Regrets however that the projections lack any appraisal of how the imminent enlargement will affect the situation and the possible scenarios for the future; welcomes the call by the European Council for a review of the progress made, including for the then new Member States; stresses in that context the need for a particular focus on poverty levels among pensioners; welcomes the call for indicators that cover all three aims of the strategy;
 - 7. Agrees that any analysis of current and future pensions systems must include not only a financial dimension, but must take into due account also social and welfare aspects, along with a clear focus on to what extent pensions systems contribute to intra- and intergenerational solidarity; concludes that this underlines how the fields of macroeconomic policy, employment policy and social policy are closely connected;
 - 8. Concludes that all schemes, even if based on different funding principles, share the inherent precondition that in order to be financially sustainable, there needs to be growth and sufficient productivity in the economy, as well as full employment, with quality jobs in a healthy and safe working environment, which is the best way to ensure the sustainability of pensions; points out that in addition, Member states might consider setting up reserve funds in order to guarantee the long-term financial sustainability;

9. Concludes that public pensions schemes, due to their inherently strong redistributive effects, remain vital in providing for a socially acceptable allocation and distribution of income for pensioners; takes the view that all public pensions schemes must contribute to the fight against poverty through *inter alia* a sufficient level of minimum guarantee pensions;
10. Notes that the growing number of retired people and their longevity will put pay-as-you-go pensions systems under considerable pressure; points, therefore, to the necessity of taking measures in good time to ensure that a balance between pension contributions and incomes is maintained; notes that some Member States have undertaken reforms to this end; stresses also that measures to e.g. reduce administrative costs and bureaucracy can contribute to the overall sound management of pensions;
11. Considers that in order for there to be a sufficient degree of legitimacy and security in pensions systems, it is vital that there be comprehensive safeguards for transparency and information in the systems; stresses the importance of foreseeability and clarity not only for the direct benefit of the public, but also to enable continuous evaluation of the system's effectiveness as regards the attainment of social objectives and its financial sustainability;
12. Also urges the Member States to develop a European benchmark for national regulations with cross-border implications, so that differences of interpretation arising from bilateral taxation agreements can be reduced; Urges the Member States to continue with the coordination of tax systems concerning supplementary pension schemes by introducing a separate code of conduct governing the individual underlying taxation principles in this area;
13. Calls for pension rights accrued in a Member State to be recognised in full and paid out although this should never lead to reductions in pension payments in another Member State;
14. Supports the aim, embedded also in the current Commission proposal on new Employment Guidelines, of increasing the effective retirement age, stressing that the current situation, where the effective retirement age is significantly lower than the statutory retirement age (due to the high incidence of early retirement), is clearly untenable with a view to the great financial challenges that lie ahead;
15. Sees an opportunity to maintain the fairness of statutory pensions by increasing the flexibility of the pensionable age and the transition from work to retirement, so that additional pension entitlements may be obtained by lengthening working life;
16. Calls for the increase in effective retirement age to be implemented together with incentives, not disincentives such as drastic reductions in pension values;
17. Underscores however that in order to promote such an increase in the effective retirement age through the objective of increasing employment rates among older workers, pension level incentives and stronger links between pension earnings and benefits cannot stand alone;
18. Regrets in this context that the Commission has not sufficiently highlighted the clear

causal relation between the attainment of that objective and the active promotion of possibilities for lifelong learning, quality of work and a safe and healthy working environment;

19. Points in this regard to the important contribution of the European Employment Strategy, and specifically to the objectives to date of its adaptability and employability pillars, particularly as it is the challenge of employers as well as the social partners to promote a working life which does not in effect hinder the continued employment and hiring of older workers, and considers that the Social Fund should also promote measures for the integration and re-integration of elderly people into the labour market; Calls on the Member States to urgently adopt measures to disincentive companies to systematically dismiss workers from vulnerable groups, as older or disable workers;
20. Stresses that the number of atypical, parasubordinated and mobile workers is rising continually; points out that this group of workers is in general not well covered by pensions systems as a whole, and even less so by company schemes, and that procedures therefore must be developed in order to improve the protection of atypical workers with regard to the labour market to guarantee them fair old-age insurance; urges the Member States to eliminate stipulations in national legislation on supplementary pension provision, such as waiting periods and other conditions of access, which result in restrictions on the mobility of workers;
21. Notes in this connection that the modernisation of existing pension systems needs not only to guarantee the financial sustainability of these systems but also to take account of the changed social requirements, so that the pension system can continue to fulfil its social policy objectives;
22. Highlights in this context that providing occupational pensions through collective agreements has proven to be successful;
23. Agrees that the financial sustainability of funded pension provision depends on the sound governance of the funds and on the performance of financial markets;
24. Calls on the Member States to eliminate from their pension systems any remaining forms of discrimination on grounds of sex which run counter to the directives in force concerning equal treatment for women and men in the area of social security;
25. Underscores however that a major task in this regard is to increase the level of employment among women at equal pay levels; points in that context to the guidelines to date of the equal opportunities pillar of the European Employment Strategy and stresses that the new proposal for guidelines must not be weakened in that regard; reminds Member States also of their commitments on increasing employment levels among women and on providing more widely available child care; reminds them that care for other dependants also needs to be addressed;
26. Points out that because of their lower employment rate, the higher proportion of women who work part time, their lower incomes and their slower earnings growth, partly as a result of periods spent bringing up children, now and in the past women have lower pensions on average than men. According to the Commission report, the gap between men's and women's pensions varies from 16% to 45% depending on the country;

27. Draws attention to the fact that the unequal situation for women as regards salaries and levels of employment poses a problem to divorced or separated women when it comes to their social security cover; one possible remedy that Member States might take into consideration is to enable the sharing of pension rights acquired during marriage with a view to ensuring that the spouse who interrupted his or her professional life in order to take on family duties for the sharing of pension rights acquired during marriage enjoys independent social security cover;
28. Calls on the Member States to promote the individualisation of pension rights, without, however, abolishing survivors' (widows/widowers and children) derivative rights;
29. Urges the Member States to guarantee, under their pension systems, continuity of membership during parental leave or leave taken in order to care for children or other dependent persons, as is already the case in several Member States, and asks for a proper assessment of these pension rights. Points out that it is women in particular who tend to take carer's leave and that they should not be penalised in terms of pension accrual as a result;
30. Calls on the Commission and the Member States, in the context of employment policy, to offer women greater incentives to join the labour market and become economically independent at all stages of their lives. Draws attention in this connection to the target set by the Lisbon European Council in 2001 of raising the number of women in employment to 60% by 2010. This policy should also tackle the causes of the earnings differentials between men and women which have an impact on levels of invalidity and old-age pensions. Believes that this can be achieved, among other things, by offering girls and women a wider range of professional choices and by guaranteeing life-long education and vocational training at all stages of life, particularly for women returning to work after a period spent devoting themselves to family duties, and emphasises that, amongst other instruments, the European Social Fund should be used for this purpose;
31. Reiterates its previous demands that the European Parliament be kept duly consulted and be given sufficient time to comment on reports by the Commission on the progress of the work, and the importance of a continuous dialogue with the Committee on Social Protection;
32. Instructs its President to forward this resolution to the Council and Commission and the Parliaments of the Member States and candidate countries.

EXPLANATORY STATEMENT

The origins of the process

The Communication on Adequate and Sustainable Pensions constitutes the Commission's analysis of the first National Strategy Reports within the field of pensions. As such, it marks the beginning of the stage where the Member States' political commitment to adopting a common approach to a pensions policy for the future is scrutinised at a detailed and systematic level.

As early as 1992, the Council adopted recommendations that there be a convergence strategy on goals and methods within the field of social protection. As a direct but procrastinated result of those recommendations, the Commission Communication "A concerted Strategy for Modernising Social Protection" of 1999 provided the first real impulse towards a Union approach in a policy field within which pensions are an important part, and was welcomed by the European Parliament in its resolution of 16 February 2000.

The Lisbon European Council then responded to that impulse requesting "a study on the future evolution of social protection from a long-term point of view, giving particular attention to the sustainability of pension systems" in the light of inter alia ageing populations. In its mandate to the then High Level Working Party on Social Protection (today: Committee on Social Protection) it set the timeframe to 2020 or further, and the Santa Maria da Feira European Council specified that the study must not only contribute to an improved forecasting of future trends and needs in the fields of pensions, but also provide in-depth knowledge of recent, current and expected national pension reform strategies.

The broader approach

In as much as the initial impulses for the process on pensions stemmed primarily from the financial and public finance perspective, the Commission Communication later that year, "The Future Evolution of Social Protection from a Long-Term Point of View: Safe and Sustainable Pensions", introduced in its ten objectives the components of adequacy, intra-generational and inter-generational solidarity and gender equality. This complementing of the process by social and societal needs and objectives was later confirmed by the Stockholm and Gothenburg European Councils in 2001. The European Parliament, in its resolution of 17 May 2001, fully endorsed this broader approach, and were in agreement with the Stockholm European Council on proposing to apply the open method of co-ordination to the process of pensions.

This working method was confirmed by the Laeken European Council of 2001, which launched the process on the basis of eleven common objectives under three headings of: adequacy and safeguarding the capacity of systems to meet their social objectives; maintaining their financial sustainability; and meeting changing societal needs. The Communication contains the analysis of the first National Strategy Reports, with a view to assessing the attainment of the three overarching aims through the achievement of the underpinning common objectives.

The Commission's analysis of the overarching aims

1. Adequacy

An important achievement of pension systems is that old age is no longer synonymous with poverty. In fact, pension systems, through public earnings-related schemes (first pillar), private occupational schemes (second pillar) and individual retirement provision (third pillar), provide good opportunities for most Europeans to maintain their living standards after retirement. Member States have built strong **redistributive elements** into their first pillar pension schemes, notably in the form of minimum pension guarantees or credits for certain periods without pensionable income (e.g. unemployment, parental leave etc.). This has contributed to reducing income disparities among pensioners, often more than among the population as a whole. Greater reliance on occupational pension provision, often supported by collective agreements, or public pension provision with strong solidarity elements and with a strong link between contributions and benefits, will increase the adequacy of pensions and promote fairness between generations.

2. Financial sustainability

Although some Member States have put, or are putting, in place comprehensive strategies for ensuring the sustainability of pension systems and public finances as a whole, large increases in expenditure on public pensions are projected for most Member States. Currently, most Europeans retire before reaching the statutory retirement age. An approach based on raising employment rates, reducing public debt levels and reforming pensions systems, also underpinning the Broad Economic Policy Guidelines, has been widely incorporated in Member States' strategies.

3. Modernisation

Statutory schemes respond well to the challenge of providing pensions for atypical (part-time, temporary, self-employed workers) and mobile workers. In contrast, atypical workers continue to be less well covered by occupational schemes. Pension systems are only gradually being adapted to the evolving social and economic roles of men and women. Member States are moving to new rules that aim at facilitating the reconciliation between family responsibilities and work for both parents. However, in spite of such measures and increased labour market participation of women, significant differences between women's and men's pension entitlements will persist for a long time to come.

The Commission's Overall assessment

The national strategy reports present a wide range of positive developments with regard to the common objectives. While financial challenges have been the main driving force for reforms, Member States have taken care not to undermine the social objectives of their pension systems and are making efforts to adapt their pension system to changing societal needs. This balance between social and financial concerns is key for the political success of pension reforms.

All Member States have started their reform processes and a number of Member States have implemented major, a few even radical, reforms during the 1990s. Notwithstanding this, a large number of countries see the need for further reforms in order to safeguard the long-term sustainability of their pension systems as well as sound public finances.

Rapporteur's views

The rapporteur is of the opinion that, on the whole, the Commission Communication presents a comprehensive and thorough analysis of the challenges that lie ahead due to an ageing population. The rapporteur would nevertheless like to highlight certain aspects that are particularly important or where he feels that some additional analysis would be useful.

- i) It is vital that Member States, when looking at their pensions policy for the future and planning for reform, do not lose sight of the **balance between social and financial concerns**. Not only is this a prerequisite for obtaining the broad public and political support needed for pension reform, but it is also a key component of the social Europe that lies at the core of the Lisbon process. In that context, the public pension schemes are fundamental, but also the occupational pension systems play an important role, in particular when based on collective agreements.
- ii) It is clear that a great deal remains to be remedied before **gender inequalities** cease to characterise the living standards of pensioners in Europe. The most important factor behind this inequality stems from the situation on the labour market. With that in mind, the equal opportunities pillar of the European Employment Strategy, or its equivalent in the revised strategy, must be considered one of the key tools for promoting the gender equality objective within the pensions strategy. Thus, the rapporteur stresses in this regards the key objective of a higher employment level among women, along with necessary adjustments to remedy inherent inequalities in the current pension systems.
- iii) The situation of **atypical**, parasubordinated and mobile workers remains a source of concern. The numbers of such workers are on the increase, and much indicates that their situation on the labour market is less secure than that of other workers. This insecurity is propagated in the pension context, where atypical workers are less well covered by in particular second pillar schemes. There is no one single remedy to this; the pending legislative process on the regulation of institutions for occupational retirement provision is however one important component.
- iv) The role of **full employment** for future pensions cannot be stressed enough. Not only does a higher level of employment serve to further growth and state income, but it is also a key factor in closing the pension level gap between men and women. Full employment and growth are mutually dependent, and both factors are key in order to avoid pension costs putting an unbearable burden of public finances.
- v) The issue of **solidarity** pertains not only to how pension income is allocated and distributed among people within one generation, i.e. its redistributive component, but is also a fundamental aspect of long-term sustainability. A sustainable system does not burden the resources of future generations with the costs of the present generation, and that principle must be the leading indicator when assessing to what extent a pension system is financially sustainable.
- vi) The objective of **increasing the effective retirement age** is one of the most important from a sustainability perspective. It is notable that an increase in the average effective retirement age by one year would absorb about 20% of the average expected increase in

pension expenditure by 2050. It is regrettable then that the pensions strategy is rather weak when it comes to coupling its objectives with the objectives within the framework of the **European Employment Strategy**; in particular the employability and adaptability pillars, or their equivalent under the revised strategy, could contribute to the attainment of the objective. In order for the labour market to promote the extension of working life, it needs effectively to offer stronger possibilities as well as incentives for people to continue working – beyond ages when early retirement is in fact a possible, but not necessarily desirable, option. Key measures relate to the quality of work, a modern and adaptive work organisation, a safe and healthy working environment and universally accessible opportunities for lifelong learning and continuous vocational training. Without successful policy in these areas, the objective of increasing the effective retirement rate would rest solely on economic incentives, i. e. a benefit system with strong links to current pension earnings, which would not be sufficient.

- vii) It is regrettable that there is no **enlargement** perspective present in the current pensions process. Although it is quite evident that in many ways, enlargement will have an effect on the global picture of the situation as regards the sustainability and adequacy of pension systems in the Union, the process does not give any pointers as to the future of pensions in an EU-25 and EU-28. Admittedly, such a wider projection might not be within the the mandate of the Commission and relevant Committees, but it should nevertheless be pointed out that the first round of enlargement is less than a year away. The decisions made by the European Council meeting of March 2003, calling for a review in 2006 that will include also the then new Member states, is therefore very welcome.

12 June 2003

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

for the Committee on Employment and Social Affairs

on the Joint Report by the Commission and the Council on Adequate and sustainable pensions (COM(2002) 737 – C5-0074/2003 – 2003/2040(INI))

Draftsperson: Johanna L.A. Boogerd-Quaak

PROCEDURE

The Committee on Women's Rights and Equal Opportunities appointed Johanna L.A. Boogerd-Quaak draftsperson at its meeting of 24 April 2003.

It considered the draft opinion at its meetings of 19 May and 10 June 2003.

At the latter meeting it adopted the following conclusions unanimously.

The following were present for the vote: Anna Karamanou, chairperson; Marianne Eriksson, vice-chairperson; Jillian Evans, vice-chairperson; Johanna L.A. Boogerd-Quaak, draftsperson; María Antonia Avilés Perea, Regina Bastos, Lissy Gröner, Mary Honeyball, María Izquierdo Rojo (for María Rodríguez Ramos), Rodi Kratsa-Tsagaropoulou, Astrid Lulling, Thomas Mann, Maria Martens, Amalia Sartori, Miet Smet, Patsy Sørensen, Joke Swiebel, Elena Valenciano Martínez-Orozco and Sabine Zissener.

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 out that because of their lower employment rate, the higher proportion of women who work part time, their lower incomes and their slower earnings growth, partly as a result of periods spent bringing up children, now and in the past women have lower pensions on average than men. According to the Commission report, the gap between men's and women's pensions varies from 16% to 45% depending on the country;
2. Calls on the Member States to eliminate from their pension systems any remaining forms of discrimination on grounds of sex which run counter to the directives in force concerning equal treatment for women and men in the area of social security;
3. Draws attention to its report on the entitlement of divorced or separated women to share their husband's pension rights in the Community Member States (A3-0418/93, debate held on 21 January 1994) and regrets the fact that the Commission has never followed up the conclusions to that report, in particular by means of a measure requiring all the Member States to make provision for the sharing of pension rights acquired during marriage with a view to ensuring that the spouse who interrupted his or her professional life in order to take on family duties enjoys independent social security cover;
4. Calls on the Member States to promote the individualisation of pension rights, without, however, abolishing survivors' (widows/widowers and children) derivative rights;
5. Calls for pension rights accrued in a Member State to be recognised in full and paid out although this should never lead to reductions in pension payments in another Member State;
6. Urges the Member States to guarantee, under their pension systems, continuity of membership during parental leave or leave taken in order to care for children or other dependent persons, as is already the case in several Member States, and asks for a proper assessment of these pension rights. Points out that is women in particular who tend to take carer's leave and that they should not be penalised in terms of pension accrual as a result;
7. Notes that statutory, public pension systems in Europe are generally financed on the basis of pay-as-you-go arrangements, in which current expenditure is covered by pension contributions paid by those of working age and public resources. The growing number of retired people and their longevity will put such systems under considerable pressure. Calls, therefore, on the Member States to take measures in good time to prevent excessive pressure on wages and labour costs as a result of overly high levels of contributions;

8. Calls on the Commission and the Member States, in the context of employment policy, to offer women greater incentives to join the labour market and become economically independent at all stages of their lives. Draws attention in this connection to the target set by the Lisbon European Council in 2001 of raising the number of women in employment to 60% by 2010. This policy should also tackle the causes of the earnings differentials between men and women which have an impact on levels of invalidity and old-age pensions. Believes that this can be achieved, among other things, by offering girls and women a wider range of professional choices and by guaranteeing life-long education and vocational training at all stages of life, particularly for women returning to work after a period spent devoting themselves to family duties, and emphasises that, amongst other instruments, the European Social Fund should be used for this purpose.