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*Committee on Women's Rights and Gender Equality*

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**2010/2239(INI)**

15.12.2010

## **OPINION**

of the Committee on Women's Rights and Gender Equality

for the Committee on Employment and Social Affairs

on Towards adequate, sustainable and safe European pension systems  
(2010/2239(INI))

Rapporteur: Barbara Matera

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## SUGGESTIONS

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

- having regard to the 2001 Stockholm European Council strategy consisting of reforming pensions systems in Europe,
  - having regard to the 2001 Laeken European Council decision on common objectives for pensions emphasising the need to make them adequate, sustainable and adaptable,
  - having regard to the Green Paper: Towards adequate, sustainable and safe European pension systems,
- A. whereas pension calculations are based on insured salaries and on work period and whereas there is a significant disadvantage for women in the retirement amount received due to work interruptions and often involuntary part-time work on one side and the gender pay gap, hindering the necessary rights and savings to enjoy security in the old age, whereas this leads to repercussions on their lifetime earnings, social security protection and pensions, resulting in higher at-risk-of-poverty rates, especially once in retirement,
- B. whereas the Member States are responsible for pensions and whereas their competence in this field should be respected,
- C. whereas people who devote their time and skills to bringing up children or caring for the elderly should receive social recognition and whereas this could be done by giving such persons individual rights, particularly regarding pensions,
- D. whereas equality between women and men is a value, an objective and a fundamental right in the Union and EU institutions have the duty to include gender equality in all their actions,
- E. whereas women face direct and indirect discrimination in different pensions-related aspects the European Union,
- F. whereas the projected impact of pension reforms is usually based on a male, full-time, full career, average earner profile and actuarial gender-based life tables have a negative impact on women pension calculations and provide a lower replacement rate for women,
- G. whereas, during their career, women are more often interrupting their career to take care of children, dependent persons or ill or elderly family members and tend to interrupt their work or to work part-time more often than men in order to devote themselves to their family obligations,
- H. whereas retired people are at risk of pauperisation and whereas elderly women are one of the most vulnerable groups at risk of poverty, whereas in 2007, the at-risk-of-poverty rate was higher for women (17%) than men (15%) and this gap was especially high for older persons (22% for women compared to 17% for men) and single parents (34%),

- I. whereas home caregivers remain discriminated against in terms of the failure to count their years of work towards pensions and other entitlements,
- J. whereas older women are in a particularly precarious position when their right to a pension income is derived from their marital status (spousal or survivor benefits) and when they do not have adequate pension rights of their own due to career breaks,
- K. whereas equality in male and female pensions, including as regards the retirement age, has been set as a goal and whereas there is a pension gap between women and men as a continuation and consequence of the persisting gender pay gap, which is currently 18% on average in the EU and up to 30.3% in some Member States, leading to inequalities in the labour market and risk for poverty at older age,
- L. whereas most European systems have raised the legal retirement age, or are preparing to do so, based inter alia on life expectancy,
- M. whereas elderly people have difficulties in finding their place in labour market and often are first to be made redundant and when laid off, they do not have the possibility to contribute to an adequate pension,
- N. whereas most Member States propose to rely increasingly on privately funded pension schemes to ensure an adequate replacement rate, which means that the broad spread of disadvantages faced by women in gaining access to these schemes must be tackled - the gender career gap, unpaid carer's breaks or occupational segregation which result in women having less access to good quality occupational pension schemes,
- O. whereas women often work in lower-paid jobs, making it more difficult to save for pension schemes,
  - 1. Is of the opinion that pension systems should be based on adequate, sustainable and fair criteria; calls on the Member States to ensure that pension systems take into account the situation of women and men who interrupt their careers due to caring obligations to ensure equal treatment and take into consideration the periods when women are under part-time contracts, or maternity leave; and to avoid creating new dependency traps;
  - 2. Is of the opinion that any proposal on adequate, sustainable and safe European pension systems must aim to eliminate inequalities between women and men in the European Union; it must prohibit direct discrimination in private and public pension schemes, including the practice of basing the level of payments and contributions on life-expectancy, i.e. private, public and occupational pension schemes, which are based on defined contributions, should apply unisex actuarial criteria;
  - 3. Considers that periods spent by women or men in taking care of children or other dependent family members should be taken into account as effective insured periods counting towards their pension entitlement and for the calculation thereof;
  - 4. Calls on the Member States to address the structural factors contributing to inequality in pension schemes, including the organisation of care and combining family and work life, inequalities in the labour market, the gender pay gap and direct discrimination in second

and third pillar pensions;

5. Calls on the Member States to include in the pension calculation the time and investment involved in looking after dependents, whatever their age or degree of dependency;
6. Calls on the Member States to guarantee individual and adequate pension rights for all, including those with justified career breaks – mainly women – to ensure a dignified life for all in old age;
7. Calls on the Member States to ensure equality in pensions, for example by accounting for child-care periods or family-care periods in pension schemes, especially taking into account that these tasks are still mostly performed by women, thereby cutting into their pensions;
8. Points out that women's own income and paid employment remains key to their economic autonomy and to greater equality between women and men in society as a whole; calls on the EU Member States to individualise social security rights including pension rights;
9. Calls on the Member States to properly design a minimum income scheme and to review their pension systems in terms of the societal gender roles, taking into account the higher life expectancy of women without by any means using it as a justification for sex-based discrimination, and the major pay differentials between men and women, which are reflected in the amount of the pensions granted, often pushing them below the poverty line, and to eliminate the gender pension gap;
10. Due to the fact, that differences between the pensions of women and men are consequences of the gender pay gap, asks the Commission to take decisive steps to close this gap;
11. Calls on the Member States to find ways to prevent female employment on the labour market being adversely affected by measures to support, evaluate or enhance the value of work in the home; calls, therefore, for the impact on society and female employment of measures to recognise work done in the home to be assessed, including by means of a costed calculation for pension purposes;
12. Stresses the need to develop a European employment strategy that encourages more women to participate in the labour market and that combats inequality in employment that has a gendered impact on the level of pension contributions and entitlements;
13. Calls on the Commission to initiate the procedure aimed at eliminating Article 5(2) of Directive 2004/113/EC which allows for discriminations against women on pension products;
14. Calls on the Commission to promote a European framework directive on minimum pensions which could define that every person from a certain age on, independent of the years he or she has worked is entitled to a minimum pension;
15. Urges the Commission and the Member States to obligate occupational and other supplementary pension providers to use gender-neutral mortality tables when calculating

pension benefits so as to prevent women from being punished for their higher life expectancy with lower replacement rates than men;

16. Calls on the Commission and the EU Member States to carry out comprehensive impact assessments on all social security reforms, especially pension systems which may have a negative impact on women's employment and pensions rights, such as cuts in daycare and eldercare facilities, pension policies, etc.;
17. Calls on the Commission and the Member States to ensure that occupational and private pension schemes are not discriminatory against women and that they do not reinforce existing patterns that already put women at a disadvantage in terms of benefits and contributions; calls on the Commission to investigate possible discriminatory effects for women of Article 5 of Directive 2004/113/EC;
18. Welcomes the Commission Green Paper 'Towards adequate, sustainable and safe pension systems', on condition that the subsidiarity principle remains respected, and on condition that the Member States retain their responsibility and competence in regard to their respective pension policies and systems;
19. Welcomes the Commission's Green Paper 'Towards adequate, sustainable, and safe pension systems', on condition that EU-policies and possible new EU-regulations and directives guarantee that solidarity between the generations, solidarity within a particular generation, and solidarity between men and women is maintained;
20. Welcomes the Commission's Green Paper 'Towards adequate, sustainable, and safe pension systems', particularly the Commission's intention to improve the acquirement of pension rights for EU-citizens (temporarily) working in another Member State;
21. Calls on the Commission to take into consideration that the already existing possibilities for acquiring (complementary) pensions, are often too complex and high-risk; therefore encourages the Commission to enable Member States to offer more transparency and security when choosing and/or committing to a certain option, in particular for women who would benefit from complementary pension saving;
22. Calls on the Commission not to proceed with new EU-demands on defining "adequate pensions" since such a definition will not take into account the fact that, as far as the availability and affordability of other services and benefits for older persons (such as housing, care, and public transport) are concerned, there are major differences between Member States

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.12.2010
<b>Result of final vote</b>	+: 20 -: 0 0: 2
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Andrea Češková, Marije Cornelissen, Silvia Costa, Tadeusz Cymański, Ilda Figueiredo, Teresa Jiménez-Becerril Barrio, Philippe Juvin, Barbara Matera, Elisabeth Morin-Chartier, Siiri Oviir, Raúl Romeva i Rueda, Marc Tarabella, Britta Thomsen, Anna Záborská
<b>Substitute(s) present for the final vote</b>	Izaskun Bilbao Barandica, Anne Delvaux, Cornelia Ernst, Christa Klauß, Mariya Nedelcheva, Sirpa Pietikäinen, Rovana Plumb