

P7_TA(2013)0204

Adequate, safe and sustainable pensions

European Parliament resolution of 21 May 2013 on an Agenda for Adequate, Safe and Sustainable Pensions (2012/2234(INI))

The European Parliament,

- having regard to the Commission Communication of 7 July 2010 entitled ‘Green Paper – towards adequate, sustainable and safe European pension systems’ (COM(2010)0365) and its resolution of 16 February 2011 thereon¹,
- having regard to the Commission Communication of 16 February 2012 entitled ‘White Paper – an Agenda for Adequate, Safe and Sustainable Pensions’ (COM(2012)0055),
- having regard to the opinion of the European Economic and Social Committee on the Commission Communication of 16 February 2012 entitled ‘White Paper – an Agenda for Adequate, Safe and Sustainable Pensions’²,
- having regard to the report prepared jointly by the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission and the Social Protection Committee entitled ‘Pension Adequacy in the European Union 2010-2050’ (2012 Adequacy Report),
- having regard to the joint report prepared by the Directorate-General for Economic and Financial Affairs of the European Commission and the Economic Policy Committee entitled ‘The 2012 Ageing Report: Economic and budgetary projections for the 27 EU Member States (2010-2060)’³,
- having regard to the Commission Communication of 23 November 2011 entitled ‘Annual Growth Survey 2012’ (COM(2011)0815) and its resolution of 15 February 2012 thereon⁴,
- having regard to Council Decision 2010/707/UE of 21 October 2010 on guidelines for the employment policies of the Member States⁵,
- having regard to its resolution of 9 October 2008 on promoting social inclusion and combating poverty, including child poverty, in the EU⁶,
- having regard to the Council Declaration on the European Year for Active Ageing and Solidarity between Generations (2012): The Way Forward (SOC 992/SAN 322) of 7 December 2012,
- having regard to Rule 48 of its Rules of Procedure,

¹ OJ C 188 E, 28.6.2012, p. 9.

² OJ C 299, 4.10.2012, p. 115.

³ ISBN 978-92-79-22850-6.

⁴ Texts adopted, P7_TA(2012)0047.

⁵ OJ L 308, 24.11.2010, p. 46.

⁶ OJ C 9E, 15.1.2010, p. 11.

- having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Economic and Monetary Affairs, the Committee on Internal Market and Consumer Protection and the Committee on Women’s Rights and Gender Equality (A7-0137/2013),
- A. whereas Parliament’s views on the Commission’s 2010 Green Paper “Towards adequate, sustainable and safe pensions” were expressed in its resolution of 16 February 2011;
- B. whereas the worst financial and economic crisis in decades has turned into an acute sovereign debt and social crisis that has severely affected the pension incomes of millions of EU citizens; whereas this crisis has shown that European economies are interdependent and that it is no longer possible for any country to guarantee, on its own, the adequacy, safety and sustainability of its social protection systems;
- C. whereas pensions are the main source of revenue of older Europeans and are supposed to ensure that older people have a decent standard of living and enable them to be financially independent; whereas, however, around 22 % of women over the age of 75 fall below the European Union’s poverty threshold, thus running the risk of social exclusion, and whereas women represent the majority of the population over 75;
- D. whereas the first cohort of the so-called ‘baby boom generation’ has reached pensionable age, causing the demographic challenge to be no longer a future scenario but today’s reality, and whereas the number of people aged 60+ will increase by more than 2 million per year;
- E. whereas even set apart from the economic crisis, long-term demographic and productivity trends point to a low-growth economic scenario in most EU Member States, with economic growth rates significantly lower than those attained during previous decades;
- F. whereas the European Council in March 2001 already endorsed the three-pronged Stockholm Strategy aimed at: reducing public debt at a fast pace, raising employment rates and productivity levels, and reforming pension, health care and long-term care systems;
- G. whereas the negative influence of the economic and financial crisis in Europe on wages and employment will increase the future risk of poverty in old age;
- H. whereas rising unemployment and disappointing financial markets returns have hurt both pay-as-you-go and funded pension schemes;
- I. whereas the European Economic and Social Committee recommends that minimum pension levels should rise with a view to providing pension incomes above the poverty threshold,
- J. whereas retirement systems are a key element of European social models, their fundamental and non-negotiable objective being to ensure an adequate standard of living for people in old age; whereas pension provision remains a Member State competence;
- K. whereas the sustainability of pension policy goes beyond fiscal considerations; whereas private saving ratios, employment rates and projected demographic developments also play a significant role in ensuring sustainability;

- L. whereas, in the current European debate, pension schemes are too often considered a mere burden on public finance instead of an essential instrument to combat old-age poverty and allow a redistribution over an individual's lifetime and across society;
- M. whereas pensioners are a major consumer category and any fluctuation in their spending habits has serious repercussions for the real economy;
- N. whereas in many EU countries fertility rates remain low, leading to a drop in the number of people of working age in the future;
- O. whereas, according to the OECD, there is a lack of mobility between the Member States and only 3 % of working-age EU citizens live in another Member State¹;
- P. whereas the study 'Women living alone – an update'², requested by Parliament's Committee on Women's Rights and Gender Equality, shows the implicit risks of some of the existing pension arrangements in aggravating gender imbalances, especially for women living alone;
- Q. whereas OECD Social, Employment and Migration Working Paper No 116, entitled 'Cooking, Caring and Volunteering: Unpaid Work Around the World'³ sheds light on the importance of unpaid work, which is not yet recognised in national pension schemes;
- R. whereas, in the EU, the employment rate among people aged between of 55 and 64 stands at a mere 47,4 % and among women at only 40,2%; whereas in some EU countries only 2 % of all job vacancies are filled by people aged 55 or above; whereas such low employment rates cause an intra-generational pension gap between men and women, as well as an inter-generational gap resulting in substantial disparities in financial resources between the generations;
- S. whereas pension schemes within and across Member States differ significantly, e.g. regarding extent of funding, level of government involvement, governance structure, claim type, cost-efficiency, degree of collectiveness and solidarity, and a common EU typology is therefore not available;

Introduction

1. Notes that national budgets are under severe pressure and that the lowering of pension benefits in many Member States is a consequence of the severe escalation of the financial and economic crisis; deplores the severe cuts in the Member States hardest hit by the crisis that have pushed many pensioners into, or at-the-risk of poverty;
2. Stresses the necessity for the EU and the Member States to assess the current and future sustainability and adequacy of pension systems and to identify best practices and policy

¹ OECD (2012), "Mobility and migration in Europe", p. 63. In: OECD Economic Surveys: European Union 2012, OECD Publishing.

² <http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=79590>

³ Miranda, V., *Cooking, Caring and Volunteering: Unpaid Work Around the World*, OECD Social, Employment and Migration Working Papers, No. 116, OECD Publishing (2011).

strategies that can lead to the most secure and cost-effective delivery of pensions within the Member States;

3. Emphasises the likelihood of a long-term, low-growth economic scenario, which would require most Member States to consolidate their budgets and reform their economies under austere conditions, requiring sound management of public finances; agrees with the view expressed in the Commission's White Paper that it is necessary to build up funded, complementary occupational pensions, apart from the priority of safeguarding universal, public pensions that at least guarantee a decent standard of living for all in old age;
4. Stresses that first-pillar, public pension schemes remain the most important source of income for pensioners; regrets that in the White Paper the Commission does not properly address the importance of universal, at least poverty-proof, first-pillar public schemes; calls on the Member States – in line with the Europe 2020 strategy's targets on raising employment and combating poverty – to continue to work on more active and inclusive labour market strategies to decrease the economic dependency ratio between inactive persons and people in employment; calls on the social partners and the Member States to combine these reforms with constant improvements in working conditions and the implementation of lifelong training schemes which enable people to have healthier and longer careers until the statutory retirement age, thereby increasing the number of people paying pension premiums, this also to avoid increasing public pension costs jeopardising sustainable public finances; calls on Member States to implement reforms to their first-pillar systems in such a way that the number of contributory years is also taken into account;
5. Calls on Member States to thoroughly evaluate the need to implement reforms to their first-pillar systems, taking into account changing life expectancies – and the changing ratio between pensioners, unemployed people, and economically active people – so as to guarantee a decent living standard and economic independence for people in old age, in particular those belonging to vulnerable groups;
6. Observes that the financial and economic crisis and challenges posed by ageing populations have revealed the vulnerability of both funded and pay-as-you-go pension schemes; recommends a multi-pillar pension approach, consisting of combinations of:
 - i. a universal, pay-as-you-go, public pension;
 - ii. a funded, occupational, supplementary pension, resulting from collective agreements at the national, sector or company level or resulting from national legislation, accessible to all workers concerned;

Stresses that the first pillar alone, or in combination with the second-pillar pension (depending on national institutional arrangements or legislation) should establish a decent replacement income based on a worker's prior wages, to be complemented, if possible, with:

- iii. an individual third-pillar pension based on private savings with equitable incentives geared to low income workers, self-employed people and to people with incomplete contributory years as regards their employment-related pension scheme;

Calls on the Member States to consider introducing or maintaining such or comparable financially and socially sustainable schemes where they do not yet exist; calls on the

Commission to ensure that any existing or future regulation in the field of pensions be conducive to and in full respect of this approach.

7. Recognises the potential of occupational and individual pension providers as substantial and reliable long-term investors in the EU economy; emphasises their expected contribution to achieving the Europe 2020 strategy's headline targets when it comes to attaining sustainable economic growth, more and better jobs and socially more inclusive societies; welcomes, in this respect, the forthcoming initiative by the Commission to launch a Green Paper on long-term investment; urges the Commission not to jeopardise the investment potential and to respect the different characteristics of pension funds and other pension providers when introducing or changing EU regulation, especially when reviewing the directive on the activities and supervision of institutions for occupational retirement provision;
8. Invites the Commission to take stock of the cumulative effects of financial market legislation – e.g. the European Market Infrastructure Regulation (EMIR), the Markets in Financial Instruments Directive (MiFID) and the revised Capital Requirements Directive (CRD IV) – on second-pillar pension funds and their ability to invest in the real economy, and to report on this in its forthcoming Green Paper on long-term investments;
9. Recalls the Lisbon Strategy 2000-2010, in the context of which the Commission and the Member States exhaustively discussed, in the course of a decade, structural reforms with regard to macro-economic, micro-economic and employment policy, resulting in Treaty-based, country-specific recommendations to Member States, many of which directly or indirectly related to safeguarding adequate and sustainable pensions; deplores the lack of implementation of these recommendations which could, to an important extent, have alleviated the impact of the crisis;
10. Welcomes the comprehensive and high-quality publications 'The 2012 Ageing Report'¹ and the 2012 'Adequacy Report'² which explore the long-term adequacy and sustainability of pension systems in all Member States; deplores the fact that the adequacy and sustainability dimensions of pensions are covered in separate reports of a highly technical nature; urgently requests the Commission and the Council to publish an integrated, concise, non-technical citizen's summary that allows EU citizens to assess the challenges facing their national pension system in a EU comparison;
11. Stresses the importance of using a uniform methodology to calculate the long-term sustainability of public finances and the share therein of pension-related obligations;
12. Is of the opinion that in order to arrive at an effective solution to the pension challenge, taking into account the need in most Member States to increase the number of contributory years, and to improve working conditions and lifelong learning so as to enable people to

¹ European Commission, *The 2012 Ageing Report: Economic and budgetary projections for the 27 EU Member States (2010-2060)*, Brussels, May 2011.

http://ec.europa.eu/economy_finance/publications/european_economy/2012/pdf/ee-2012-2_en.pdf

² 'Pension Adequacy in the European Union 2010-2050', a report prepared jointly by the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission and the Social Protection Committee, 23 May 2012, <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7105&type=2&furtherPubs=yes>

work at least until the statutory retirement age, and beyond if they so wish, consensus between governments and employers and trade unions is paramount;

13. Proposes that representatives of all age groups, including the young and old, which especially feel the impact of reforms, should be duly consulted on any pension reform so as to ensure balanced and fair outcomes and in order to maintain maximum consensus between generations;
14. Welcomes the main thrust of the White Paper which suggests that focus be placed on balancing time spent in work and retirement, developing complementary occupational and private pension savings, and enhancing the EU's pension monitoring tools, while also stressing the importance to improve pension literacy;

Raising employment rates and balancing time spent in work and retirement

15. Stresses that implementing structural reforms aimed at increasing the employment rate and enabling people to work until the statutory retirement age, thus reducing the economic dependency ratio, is paramount to generating the tax revenues and social and pension premiums needed to consolidate Member State budgets and to fund adequate, safe and sustainable pension schemes; stresses that these reforms must be carried out in a transparent way that allows people to anticipate in a timely way any effects that these reforms may entail; points to the risk that unemployment and low-wage, part-time and atypical employment may result in only partial pension entitlements, making poverty more prevalent in old age;
16. Calls on the Member States to: adopt comprehensive active labour-market policy measures; take the necessary measures to combat undeclared work and tax and premium evasion, also with a view to safeguarding fair competition; put funds aside to combat the rising public costs of the retiring populations; and promote good employment, inter alia by offering comprehensive advice and support for jobseekers and enabling particularly vulnerable groups to find work;
17. Notes the Commission's last mention in the 2013 Annual Growth Survey of the need to reform pension systems; observes, however, that in many Member States priority should be assigned to aligning the actual retirement age with the statutory retirement age;
18. Welcomes the commitments made by Member States to ensure adequate and sustainable retirement systems in the country-specific recommendations adopted by the Council in 2012 in the framework of the European Semester;
19. Observes that more than 17 % of people in the European Union are currently aged 65 or older, and that, according to Eurostat's forecasts, this figure will rise to 30 % by 2060;
20. Emphasises the acceleration of the pressure posed by demographic developments on national budgets and pension systems now that the first cohorts of the 'baby boom generation' retire; notes the uneven progress and levels of ambition across Member States in formulating and implementing structural reforms aimed at raising employment, phasing out early retirement schemes and evaluating, at Member State level and together with social partners, the need to put both the statutory and effective retirement age on a sustainable footing with increases in life expectancy; stresses that Member States that fail to implement

gradual reforms now may at a later stage find themselves in a scenario where they have to implement reforms shock-wise and with significant social consequences;

21. Reiterates the call for closely linking pension benefits to years worked and premiums paid ('actuarial fairness'), to ensure that working more and longer pays off for workers by having a better pension while duly taking into account periods away from the labour market due to care for dependent persons; recommends that the Member States, in consultation with relevant partners, put a ban on mandatory retirement when reaching the statutory retirement age, so as to enable people who can and wish to do so to choose to continue to work beyond the statutory retirement age or to gradually phase in their retirement, as extending the period of premiums paid while at the same time shortening the period of benefit eligibility can help workers reduce any pension gaps at a fast pace;
22. Stresses that the assumption behind early retirement schemes, whereby older workers are allowed to retire early so as to make jobs available for the young, has been proven empirically wrong as the Member States displaying the highest youth employment rates, on average, are also the ones displaying the highest employment rates for older workers;
23. Calls on the social partners to adopt a life-cycle approach to human resources policies and to adapt workplaces in this regard; calls on employers to come up with programmes to support active and healthy ageing; calls on workers to engage actively in such training opportunities as are made available to them and to keep themselves fit for the labour market at all stages of their working life. Stresses the need to improve the integration of older workers into the labour market, and calls for social innovation approaches to facilitate longer working lives, in particular in the most strenuous occupations, by adapting workplaces, creating adequate working conditions and offering a flexible organisation of work by making adjustments to the hours worked and the type of work performed;
24. Stresses the need to take more preventive health measures, step-up vocational (re)training and combat discrimination in the labour market of younger and older workers; underlines the need for effective enforcement and implementation of legislation on health and safety at work in this regard; stresses that mentoring schemes can be a valuable tool for the purposes of keeping older employees in work for longer and exploiting their experience to help integrate young people into the employment market; calls on social partners to develop attractive models for a flexible transition from work to retirement;
25. Urges the Member States to act vigorously to realise the ambitions formulated in the EU Pact for Gender Equality (2011-2020) that focus on closing gender gaps and combat gender segregation and on promoting a better work-life balance for women and men; stresses that these objectives are key to raising female employment and to fighting female poverty in working and old age;
26. Stresses that SMEs are one of the main sources of employment and growth in the EU and can make a significant contribution to the sustainability and adequacy of pension systems within Member States;

Developing complementary private retirement savings

27. Welcomes the call in the White Paper for developing both funded, complementary occupational pensions accessible for all workers concerned and, if possible, individual schemes; stresses, however, that the Commission should rather recommend collective,

solidarity-based supplementary occupational pension savings, preferably resulting from collective agreements and established at the national, sectoral or company level, as they allow for solidarity within and between generations, whereas individual schemes do not; stresses the urgent need to promote efforts to build up, to the extent possible, complementary occupational pension systems;

28. Notes that many Member States have already embarked on major programmes of pension reform which aim for both sustainability and adequacy; stresses the importance of ensuring that any measures proposed at EU level must complement and not contradict national pension reform programmes; recalls that pensions remain a Member State competence, and is concerned that any further EU legislation in this area may have adverse impacts on certain Member States' schemes, especially as regards the characteristics of occupational pension systems;
29. Stresses the low operating costs of (sector-wide) collective (preferably non-profit) occupational pension schemes, as compared to individual pension savings schemes; emphasises the importance of low operating costs as even limited cost reductions can yield substantially higher pensions; stresses, however, that unfortunately – to date – these schemes only exist in a few Member States;
30. Urges the Member States and the agencies responsible for pension schemes to inform citizens properly about their accrued pension entitlements, and to raise their awareness and educate them so that they are able to make well-informed decisions as regards future additional pension savings; urges the Member States also to inform citizens in time about planned changes to pension systems, so that they can make informed and well-considered decisions about their pension savings; calls on the Member States to formulate and enforce strict disclosure rules regarding the operating costs and risk of, and the return on, investments of pension funds operating within their jurisdiction;
31. Acknowledges the wide dispersion in characteristics and outcomes across Member States' occupational pension schemes as regards access, solidarity, cost-effectiveness, risk and return; welcomes the Commission's intention, in close consultation with the Member States, social partners, the pension industry and other stakeholders, to develop a code of good practice for occupational pension schemes addressing issues such as better coverage of employees, the payout phase, risk-sharing and mitigation, cost-effectiveness, and shock absorption in compliance with the subsidiarity principle; stresses the mutual benefit of improving the exchange of best practices between Member States;
32. Supports the Commission's intention to continue to target EU funding – notably through the European Social Fund (ESF) – to support projects aimed at active and healthy ageing in the workplace, and, through the Programme for Social Change and Innovation (PSCI), to provide financial and practical support to Member States and social partners considering to gradually implement cost-effective supplementary pension schemes, subject to the oversight of Parliament;

Pensions of mobile workers

33. Recognises the significant heterogeneity of pension schemes across the EU yet emphasises the importance for workers to be able to change jobs within or outside their Member State; stresses the need to guarantee that mobile workers are able to acquire and preserve occupational pension entitlements; endorses the approach advocated by the Commission to

focus on safeguarding the acquisition and preservation of pensions entitlements, and calls on Member States to ensure that dormant pension rights of mobile workers are treated in line with those of active scheme members or those of retirees; notes the important role the Commission can play in removing obstacles to free movement, including those that hamper mobility; is of the opinion that, apart from language barriers and family considerations, mobility on the labour market is hampered by long vesting periods or unreasonable age restrictions, and calls on Member States to lower these; stresses that any action to promote mobility must be balanced by the cost-effective provision of supplementary pension schemes and must take into account the nature of national pension schemes;

34. Notes the Commission's proposal to assess possible linkages between Regulation (EC) No 883/2004 on the coordination of social security systems and "certain" occupational pension schemes; highlights the practical difficulties experienced in applying the said regulation to the 27 Member States' markedly differing social security systems; points to the diversity of pension systems within the EU and therefore to the complexity of applying a coordination approach to the tens of thousands of very divergent pension schemes operating in the Member States; questions, therefore, the practicability of applying such an approach in the field of complementary occupational pension schemes;
35. Calls on the Commission and the Member States to work ambitiously to set up and maintain efficient tracking services, possibly web-based, that enable citizens to track their employment- and non-employment-related pension entitlements and thereby make timely and well-informed decisions on additional, individual (third-pillar) pension savings; calls for coordination at EU level to ensure adequate compatibility of the national tracking services; welcomes the Commission's pilot project in this field and calls on the Commission to ensure that the pilot project is complemented by an impact assessment of the benefits of providing EU citizens with consolidated pension information in an accessible way;
36. Notes that, when fully developed, pension tracking services should ideally cover not only occupational pensions, but also third-pillar schemes and individualised information on first-pillar entitlements;
37. Questions the need for an EU pension fund for researchers;
38. Considers the fact that people in general lead longer, healthier and wealthier lives as one of the greatest achievements of modern society; calls for a positive tone in the ageing debate, addressing, on the one hand, the challenge of actively coping with the significant but surmountable challenge that ageing poses, while, on the other hand, seizing the opportunities that ageing and the 'silver economy' bring; acknowledges the very active and valuable role that the elderly play in our societies;

Review of the IORP Directive

39. Stresses that the aim of the review of the Directive on the Activities and Supervision of Institutions for Occupational Retirement Provision (the IORP Directive) should be to keep occupational pensions across Europe adequate, sustainable and safe by creating an environment that stimulates further national and internal market progress in this field, by providing enhanced protection to current and future pensioners, and by adapting in a flexible way to the considerable cross-border and cross-sector diversity of existing schemes;

40. Believes that ensuring that EU second-pillar systems comply with robust prudential regulation is key to achieving a high level of protection for members and beneficiaries and to respecting the G20 mandate, according to which all financial institutions shall be subject to proper regulation and adequate supervision;
41. Demands that EU legislative initiatives in this regard respect the choices made by Member States with regard to the providers of second-pillar pensions;
42. Stresses that any further EU regulatory work concerning precautionary measures must be built on a solid impact analysis which should include the provision that similar products be subject to the same prudential standards and ensure adequate provisioning and worker mobility within the Union, and should have the overall aim of safeguarding the accumulated entitlements of employees; stresses that any further EU regulatory work on precautionary measures must also be built on an active dialogue with social partners and other stakeholders and on a genuine understanding of and respect for national specificities; emphasises that pension systems are deeply embedded in the cultural, social, political and economic circumstances of each Member State; stresses that all second-pillar pension providers, whatever their legal form, should be subject to proportionate and robust regulation that takes into account the characteristics of their business, particularly with a long-term focus;
43. Insists that second-pillar pensions, regardless of their providers, should not be jeopardised by EU regulation that does not take into account their long-term horizon;
44. Considers that Commission proposals regarding precautionary measures must not only identify and take into account the differences between national systems, but must also apply the principle of 'same risk, same rules' within each national system and respective pillar; stresses that the measures must comply strictly with the principle of proportionality in terms of weighing aims and benefits against the financial, administrative and technical burden involved and must consider the right balance between costs and benefits;
45. Considers, with regard to qualitative precautionary measures, that proposals concerning strengthened corporate governance and risk management – along with proposals regarding enhanced transparency, information disclosure obligations, the disclosure of costs, and transparency of investment strategies – are useful and should be put forward in the framework of any review, subject to the principles of subsidiarity and proportionality; notes that, given the considerable differences between Member States, convergence of qualitative precautionary measures at EU level is, in the short term, more feasible than the convergence of quantitative precautionary measures;
46. Is not convinced, given the information available at this point in time, that Europe-wide requirements concerning own capital or balance-sheet valuation would be appropriate; rejects, in line with that rationale, any review of the IORP Directive which aims to achieve this; believes, however, that the Quantitative Impact Study (QIS) currently being carried out by the European Insurance and Occupational Pensions Authority (EIOPA), as well as possible follow-up analyses to that study, should be fully taken into account in this policy context; emphasises that if such requirements were later to be introduced, direct application of Solvency II requirements to IORPs would not be the right instrument;
47. Points out that the IORP Directive applies only to voluntary pension schemes and does not cover any instruments that are part of the compulsory public pension scheme;

48. Emphasises that there are crucial differences between insurance products and IORPs; stresses that any direct application of quantitative Solvency II requirements to IORPs would be inappropriate and could potentially be harmful to the interests of both employees and employers; opposes therefore the copy-paste application of Solvency II requirements to IORPs, while remaining open to an approach seeking security and sustainability;
49. Stresses that the social partners (i.e. employers and employees) have a shared responsibility for the content of occupational pension arrangements; emphasises that contractual agreements between social partners need to be recognised at all times, in particular with regard to the balance between risks and rewards that an occupational pension scheme aims to achieve;
50. Considers the further development at the EU level of solvency models, such as the Holistic Balance Sheet (HBS), to be useful only if their application, on the basis of solid impact analysis, proves to be realistic in practical terms and effective in terms of costs and benefits, particularly given the diversity of IORPs within and across Member States; emphasises that any further development of variations of Solvency II or HBS must not aim to introduce Solvency II-style provisions;
51. Notes a large variety in the design of pension plans, varying from defined benefit (DB) to defined contribution (DC) or mixed schemes; notes also a shift from DB schemes to DC schemes or the establishment of mandatory funded pillars in some Member States; stresses that this increases the need for more transparency and better information provision to citizens regarding the promised benefits, cost levels and investment strategies;
52. Points out that the idea of establishing equal competition between life insurance and IORPs in the second pillar is relevant only to a certain extent, given the crucial differences between insurance products and IORPs and depending on the risk profile, the degree of integration in the financial market and the for-profit or non-profit character of any particular provider; recognises that given the competition between life insurance and IORPs in the second pillar, it is essential that products with the same risks be subject to the same rules to avoid misleading beneficiaries and to provide them with the same level of prudential protection;

Protection of workers' occupational pensions in the event of insolvency

53. Believes that, in the event of insolvency, entitlements under Article 8 of Directive 2008/94/EC must consistently be safeguarded in the Member States;
54. Calls on the Commission to carry out a comprehensive overview of national guarantee schemes and measures and, if major inadequacies are identified in that assessment, to make enhanced EU proposals in order to ensure that fully reliable mechanisms for simple, cost-effective and proportionate protection of occupational pension rights are put in place throughout the EU;
55. notes that, in some Member States, employers already support their pension schemes through protection schemes, the segregation of assets, the independent governance of schemes, and the granting of priority creditor status to pension schemes ahead of shareholders in case of company insolvency;
56. Emphasises that issues regarding pension protection in case of insolvency are closely related to key aspects of the review of the IORP Directive; stresses that the Commission, in

developing these two directives, should ensure that they are made congruent and fully compatible;

Complementary third-pillar pension savings

57. Finds that the meaning, scope and composition of the third pillar differs between the individual Member States;
58. Regrets that third-pillar systems are most often more cost-intensive, more risky and less transparent than first-pillar systems; calls for stability, reliability and sustainability for the third pillar;
59. Considers that, in certain cases, private pension savings could be necessary to build up an adequate pension; encourages the Commission to cooperate with Member States on the basis of a best practices approach and to assess and optimise incentives for private pension savings, in particular for individuals who otherwise would not build up an adequate pension;
60. Regards an evaluation of reliable procedures and proposals to optimise incentives as worthwhile;
61. Emphasises that the key priority of public policy should not be to subsidise third-pillar schemes, but to make certain that everyone is adequately protected within a well-functioning and sustainable first pillar;
62. Calls on the Commission to investigate the vulnerability of third-pillar systems to crises and to put forward proposals to reduce the risk;
63. Recommends that the legal cost limits at national level for contract conclusion and management, change of provider or change of contract type be investigated and that proposals be made in this regard;
64. Considers that codes of conduct with regard to quality, information provision to consumers and consumer protection in the third pillar could increase the attractiveness of third-pillar pension plans; encourages the Commission to facilitate the exchange of current best practices in Member States;
65. Supports the elaboration and establishment of EU-level voluntary codes of conduct – and possibly also product certification schemes – with regard to quality, information provision to consumers and consumer protection in the third pillar; recommends that Member States assume regulatory tasks in these areas should the voluntary codes of conduct not prove successful;
66. Calls on the Commission to look into ways to make better use of EU financial sector legislation when it comes to ensuring that consumers are given accurate and unbiased financial advice on pension and pensions-related products;

Removing tax and contract related cross-border obstacles to pension investments

67. Calls on the Commission and the Member States concerned to reach agreement in the field of cross-border pensions, especially as regards how to avoid double taxation and double non-taxation;

68. Regards discriminatory taxes as a major barrier to cross-border mobility and calls for their swift withdrawal, while noting limited EU competence in the area of Member State tax policy;
69. Is of the view that contract law obstacles should be investigated;
70. Calls on the Commission to involve social partners in an appropriate way by means of the structures available;

Gender

71. Recalls the gender challenge regarding pensions; considers the growing number of elderly people, especially women, who live below the poverty line alarming; stresses that first-pillar, public pension schemes should guarantee at least a decent standard of living for all; stresses that gender equality in the labour market is crucial to ensure the sustainability of pension systems, as higher employment rates enhance economic growth and lead to more pension premiums being paid; considers that the equalisation of the pension age for men and women must be accompanied by effective policies to ensure equal pay for equal work, reconciliation of work and care for dependents; stresses the need to consider the introduction of care-related pension credits as a recognition of care for dependent persons, which is usually unpaid;
72. Welcomes the call made in the White Paper for Member States to consider the development of care credits as a means of ensuring that periods spent taking care of dependent persons are taken into account when calculating individual women's or men's pension entitlements; points out that an unequal sharing of family responsibilities between women and men – often leading women to have less secure, less paid or even undeclared jobs with a negative impact on pension entitlements – and a lack of accessible and affordable services and care facilities and recent austerity measures in this area are having a direct impact on especially women's possibilities to work and build up pensions; therefore calls upon the Commission to commission a study on this issue;
73. Reiterates the need for Member States to take measures to eliminate the pay and income differential between women and men for the same work and the discrepancies in their achieving positions of responsibility, as well as gender inequalities in the labour market, which also affect pensions, resulting in a substantial difference between pensions paid to women and the much higher pensions paid to men; urges the Commission to come forward with the revision of the existing legislation; notes that, despite countless campaigns, targets and measures in recent years, the gender pay gap remains stubbornly wide;
74. Calls on the Commission and the Member States to ensure that the principle of equal treatment between women and men is applied;
75. Stresses that urgent measures need to be taken against the gender pay gap in the private sector, which is particularly serious in most of the Member States;
76. Stresses the need to reduce the pay differential for men and women with the same skills and the same jobs, as this causes women's income to lag ever more behind that of men and raises the high number of women living in poverty when they retire or are widowed;

77. Stresses that women's higher life expectancy ought not to be a cause of discrimination in pension calculations;
78. Urges Member States to comply with and enforce legislation on maternity rights so that women do not suffer disadvantages in terms of pensions because they have been mothers during their working lives;
79. Considers that the individualisation of pension rights is necessary from a gender equality perspective, and that the security of many older women currently relying on widows' pensions and other derived rights should be also ensured;
80. Points out that the Member States should support research into the impact of different pension indexation formulas on the poverty risk in old age, taking account of the gender dimension; calls on the Member States to take particular account of the evolution in people's needs when ageing, e.g. long-term care, in order to ensure that elderly people, mainly women, are able to receive an adequate pension and live with dignity;

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81. Instructs its President to forward this resolution to the Council and the Commission.