



Consultation on supervision of liquidity risk management of IORPs'

EIOPA's consultation

December 2024

Question 1: The draft Opinion aims to be consistent with the FSB's proposed policy recommendations to enhance the liquidity preparedness of non-bank market participants. However, the draft Opinion covers all sources of liquidity risks within its scope rather than only liquidity risk relating to margin and collateral calls. Do you agree that the draft Opinion takes a comprehensive approach to liquidity risk of IORPs?

- Yes
- No

IORP II directive introduced the prudent person principle in the management of IORPs, the Own-Risk Assessment (ORA) and the risk management key function. As a result, pension funds must address liquidity risks similar to any other risks. Therefore, we believe that, in general, these provisions are sufficient and there is no need for additional action at the EU level. The use of the policy recommendations of FSB for non-bank market participants risks adding further horizontal regulation for IORPs that would not be consistent with the minimum harmonization underlying the IORP II directive. Given the diversity of IORPs in the Member States, it would be feasible only to examine at the national level where additional requirements are necessary.

While a liquidity risk management system needs to cover any material liquidity risk, we disagree with the examples of other sources of liquidity risk cited, at least for a significant number of Member States.

A central element of liquidity risk is that events that result in obligations are difficult to predict upfront with a short to very short time horizon.

Early withdrawals are currently not possible in most of the Member States and individual transfers are rare. Collective transfers will also transfer ownership of the assets, instead of liquidating all assets and reinvesting them.

More importantly, all these scenarios of transfers, as described by EIOPA, have much longer time horizons than variation margin calls which can result from derivatives, which must be settled on an intraday basis. It takes a long time to get a value transfer approved and lump sum payments will need to be requested in advance. As a result, it is unlikely to have a liquidity crisis within a short period of time.

Pension funds consider all sources of liquidity needs, where applicable, to ensure a comprehensive approach to various liquidity risks. Based on our experience, we are not aware of sources of liquidity needs other than material margin and collateral calls on derivative positions that could qualify as material liquidity risks, as defined in section 3.2.]

Question 2: Do you agree with the definitions of 'liquidity risk' and 'material liquidity risks' in paragraphs 3.1 and 3.2?

- Yes
 No

Please explain your answer and provide any suggestions to improve the definitions.

Since the LDI crisis in Great Britain, much attention has been given to potential liquidity risks of pension funds. However, supervisory authorities should be careful to find an adequate and proportionate approach to this issue. Only in very few countries, pension funds use derivatives to a significant amount. To provide only two categories "liquidity risks" and "material liquidity risk" would announce that all IORPs would have significant liquidity risks. The survey in Annex II shows the major differences in the Member States. Many pension funds cannot face severe liquidity risk since members cannot cancel their membership or draw paid contributions to the scheme before they retire. Pension funds often have a clearly defined cash-out profile, for example, quarterly benefit payments. Therefore, liquidity risk stemming from benefit payments exists only during a very short time window.

Moreover, the definitions of "liquidity risks" are too broad. The main aspect of "risk" is uncertainty. For a prudent long-term investor like a pension fund, there will always be profitable "investments and other assets" under management that are unable to be realised" at every time. However, the need for high excess liquidity will appear only during very rare events. A prudent risk management would restrict only marginally profitable near-cash investments in favour of other mitigating techniques with lower opportunity costs.

The same holds for "the protection of members and beneficiaries" within the definition of "material risk management". As explained above, some security measures against risks come with high inherent opportunity costs. To realize a haircut for normally less liquid assets is sometimes better for members and beneficiaries than an excess of near cash investments. This is especially the case if their pension

rights are not yet due. For DB schemes “material liquidity risks” should require a cut into current obligations. Therefore, it should only qualify for endangering the inherent guarantees that cannot be fulfilled. For other schemes, there may be a material liquidity risk, for example, if the IORP is forced to liquidate strategic assets.

When defining material liquidity risks, ‘probability’ should be included or supplemented. |

Question 3: The draft Opinion specifies that NCAs should gather relevant derivative data to assess liquidity risk exposures of IORPs. Are you aware of any issues or obstacles for IORPs:

	<u>Yes</u>	<u>No</u>
- in collecting derivative data from asset managers to monitor and assess liquidity risks in relation to margin and collateral calls?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
- in reporting relevant derivative data to NCAs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If ‘yes’ to the first point, please explain the issues or obstacles for IORPs in collecting derivative data.

| In a few countries, such as Austria, collecting some of the derivative data can be challenging, but in most countries specifically those which use extensively derivatives such as the Netherlands, derivative data is available and there is no issue. In general, collecting any additional data from asset managers will pose a new burden to pension funds and result in additional costs. |

If ‘yes’ to the second point, please explain the issues or obstacles for IORPs in reporting relevant derivative data to NCAs.

| In some Member States like Austria, IORPs already must report their assets on a look-through basis. To report more data in a standardised form and specified frequency to NCAs will pose an additional burden and require more managerial input. This is especially true in the case of possible new standard reporting requirements. |

Question 4: The draft Opinion envisages a two-step approach. IORPs should first assess whether they are exposed to material liquidity risk and, if so, integrate liquidity risk in their system of governance and risk-management system, including an assessment in their own-risk assessment (ORA). Do you agree with this two-step approach?

- Yes
- No

| There is no need for additional action because liquidity risk and other risks are already covered by the prudent person rule and the ORA, and this is sufficient for most member states. The proposed two-step approach must not result in IORPs having to provide elaborate proof that there are no material liquidity risks. |

Question 5: The draft Opinion provides in paragraph 3.6 suggestions for possible sources of liquidity risk that IORPs are exposed to. Are you aware of any other sources of liquidity risk that should in your view be explicitly addressed?

Please explain your answer.

There are other sources of liquidity risks, that can be also relevant to pension funds in some countries, but it is very unlikely that an IORP will not be able to meet its obligations because of them since there is a longer time horizon. Therefore, it is unlikely to provoke a liquidity crisis within a short period of time. Those risks are:

- An inadequate and unrealistic cashflow planning by IORP management assets that turn out to be much less liquid in certain scenarios than expected or can be monetized only with major discounts. This could be the case for certain real estate investments.
- Unexpected major benefit payments when options exist. Those can arise during the decumulation phase due to e.g. a stronger-than-expected use of lump sum options.

Question 6: Do you agree that IORPs with material liquidity risk exposures should establish a contingency plan to deal with liquidity stress, as expected in paragraphs 3.8-3.10?

If 'no', please explain why and provide any suggestions on what other measures IORPs would put in place.

Yes

In general, we believe that the development and regular update of a contingency plan to deal with liquidity risks is prudent. However, this should be restricted to cases where a material liquidity risk certainty exists. However, when a material liquidity risk exists should be defined more clearly.

In some cases, IORPs are forced to compute liquidity plans if they are invested in held-to-maturity valued assets. In other cases, such as in the Netherlands, IORPs and fiduciary managers to which treasury functions are outsourced have written policies in place that meet the requirements of paragraphs 3.8 to 3.10. On 3.9, we do not believe that we should force pension funds to make exact estimates on amounts that can be raised through various liquidity sources and at what cost. We believe that it is not possible to know exactly what the market circumstances will be during a liquidity squeeze. It is preferable to have a wide set of instruments in place, to be adaptive. Importantly, these contingency plans address governance issues, so that the IORP, or the fiduciary managers acting on its behalf, are operationally prepared to act within the necessary timeframes.

Question 7: The draft Opinion provides in paragraph 3.12 that IORPs should define their own liquidity risk indicators for day-to-day risk management. Subsequently two examples of commonly used risk indicators (liquidity coverage ratio & excess liquidity indicator) are suggested. Are you aware of any other liquidity risk indicators that are commonly used by IORPs?

Yes

A tried and tested method for recording and analyzing liquidity risks, for example, consists of consistently rolling liquidity planning, which takes into account all future (planned) incoming payments (contributions, interest and repayments, dividends, rents, etc.) and outgoing payments (pension payments and outgoing payments (pension payments, costs, investments, etc.) with the date on which they become effective. In addition to rolling liquidity planning, the application of specific indicators/ratios in certain scenarios (e.g. if derivatives are used for liquidity management) can be useful in some cases.

In the Netherlands, pension funds define tailor-made indicators based on these ratios, adapted to the risk tolerance and specific risk profile of the IORP. We believe the wording of the draft Opinion is sufficiently broad to allow this tailoring. If ratios are ever more narrowly defined in the future, it is important that the sector can provide input on what is exactly measured. Dutch pension funds have seen LCR ratios being calculated incorrectly recently (for example value change buffer not taken into account, value change posted bond collateral not taken into account and no correction made for received cash collateral).

If 'yes', please explain.

[TYPE YOUR TEXT HERE]

Question 8: Do you agree that IORPs with material liquidity risk exposures should establish and maintain a clearly defined liquidity risk tolerance statement approved by the management or supervisory body of the IORP, as expected in paragraph 3.14?

- Yes
 No

If 'no', please explain why not and provide any suggestions on alternative practices used by IORPs.

[This statement is part of the risk strategy of an IORP and therefore already exists. It is already covered by the ORA. In the Netherlands, IORPs have established such a statement incorporating liquidity risks emanating from margin calls. IORPs without material liquidity risk should not be forced to establish such a statement.]

Question 9: The draft Opinion prescribes in paragraph 3.15-3.16 that IORPs should regularly review and update their liquidity risk-management system. What would in your view be appropriate triggers and minimum requirements for such a review?

We believe that the wording of paragraphs 3.15 and 3.16 is sufficiently broad to capture all relevant scenarios. We do not think that the Opinion should a priori define scenarios that would trigger a review, as this could be interpreted as an exhaustive list of events.

Liquidity risk monitoring is not a one-off measure. It is a process of continuous (daily) monitoring. Any adjustments made in the portfolio (in real assets or derivatives) should automatically translate into new minimum buffers. As such there is no need for additional triggers.

Question 10: Do you agree that IORPs should perform stress tests and scenario analysis covering all material sources of liquidity risk, and assess the impact of a range of severe, but plausible liquidity stresses, as expected in paragraphs 3.17-3.20?

- Yes
 No

Please explain and provide any suggestions on the proposed minimum requirements for the stress tests and scenario analysis.

Stress tests should only be demanded for IORPs with significant exposure to derivatives and liquidity risks to avoid unnecessary burdens/costs for the overwhelming majority of IORPs with no significant liquidity risks. The requirements should be proportionate to the IORPs' risk profile.

In countries with considerable exposure to derivatives, it is currently a practice that pension funds or their fiduciary managers (to whom treasury and asset management is outsourced) conduct these types of exercises, next to stress tests conducted by our supervisors. These internal and supervisory stress tests show that pension funds can withstand significant interest rate shocks.

While we agree with the fact that IORPs should perform stress test and scenario analysis if there is material liquidity risk, we would disagree with any specifications of these measures at the European level. If scenarios are provided by a supervisor, it should be the NCA.

Question 11: Do you agree that IORPs should maintain an adequate buffer of liquid assets to cover any shortfall of incoming relative to outgoing cash flows, also under severe but plausible stress conditions, as expected in paragraphs 3.21-3.23?

- Yes
 No

Please explain and provide any suggestions on the conditions imposed on the liquid assets in paragraph 3.22 and 3.23.

First, the "buffer" should not only consist of assets but should also take into account the availability of short-term borrowing facilities, most importantly repo. Primary liquid assets will need to be transformed into cash through sale or repo, and pension funds will often use the latter, to meet collateral calls. Therefore, we would add to the first sentence of paragraph 3.22 that assets should be readily marketable "**or transformable**".

Second, we believe that the list of primary liquid assets is too restrictive and should be expanded. Even if paragraph 3.22 does not appear to limit the assets eligible for the buffer of liquid assets to just those included in the list of primary liquid assets in the Annex, the Annex could be interpreted as an exhaustive list by NCAs or for other regulatory initiatives in the future. It is therefore important that, for example, money market funds (MMFs) and other money market instruments are considered. MMFs are a key asset for IORPs' liquidity risk management. Also, the sale of reverse repos is a key source of liquidity for IORPs and essential for being able to cover shortfalls and these facilities should be taken into consideration as such. Moreover, listed bonds from financial institutions (and other listed corporate bonds) of very high credit quality should also be recognized as liquid assets, possibly at a discount.

In this context, we would also like to stress that in particular for large IORPs, cash basically does not exist. On the one hand cash in a bank account results in (100%) counterparty credit risk exposure. On the other hand, large pension funds indicate that no bank is willing to have IORPs leaving large amounts of cash at bank accounts at all times as this is just too costly to the banks. Any cash will be invested in money market instruments and is being considered as part of the buffer. It should be taken into account that a cash buffer will come with a transformation risk.

Third, we note that liquidity buffers always come with opportunity costs; therefore, they should be kept at a proportionate level. We believe that even when there might be liquidity risk under "severe but plausible risk conditions", the risk management function of the IORP should be allowed to cover this by non-liquid assets that could be sold with a haircut if the necessity emerges.

Considering the above, we believe it is important that the assets and facilities eligible to be taken into account for the liquidity buffer are defined sufficiently broadly to allow IORPs the necessary discretion and flexibility to manage liquidity risks appropriately, or rather not specify any types of liquid assets and facilities in the Opinion and leave it to NCAs to oversee that liquidity needs can be met.

The availability of liquidity management tools can also be valuable in supporting effective liquidity risk management. Specifically, two tools that could be particularly beneficial for Pension Funds are:

- Notice periods
- Suspension of subscriptions and/or redemptions

While it is important to ensure that suspensions of subscriptions, repurchases, and/or redemptions are reserved for truly exceptional circumstances and always implemented in the best interest of members and beneficiaries, the use of notice periods or extensions of existing ones could offer a practical approach, for some countries such as Spain, where the law provides for the possibility of early withdrawals from pension funds.

Where the liquidity risk is not material, the buffer should be consistent with the investment policy of the institution, aiming to maximize expected pensions for members and beneficiaries.

Question 12: Do you agree that IORPs with material liquidity risk exposures should periodically test their liquidity contingency plan through simulation exercises in order to ensure operational readiness, as expected in paragraphs 3.24-3.26?

- Yes
 No

Please explain and provide any suggestions on the conditions imposed on the periodical testing.

In general, we do not see much added value for this and in any way, these risks should be assessed as part of the ORA. Periodic testing should form part of an effective liquidity contingency plan of IORPs with material liquidity risks, at the same time proportionality should be a key factor (such as risks and costs of testing) in determining how this should take form. It would be too costly to conduct actual trades, but it is appropriate to hold so-called fire drills during which operational processes are tested. It could be verified, for example, whether processes are in place to port positions, in case of a default of a clearing member.

In general, it should be acknowledged that there is a wide spectrum of market conditions that can occur during an actual liquidity squeeze, and it is impossible to simulate them all.

Moreover, we disagree with the statement in 3.25 that 'Uncommitted arrangements are highly unlikely to be available in stressed situations and therefore are not an appropriate source of liquidity.'

Question 13: To prevent operational lags in fulfilling margin requirements, do you agree that IORPs should ensure that investment funds to which IORPs have outsourced the management of derivative instruments should hold sufficient buffers of liquid assets to cover margin calls in times of market stress?

- Yes
 No

Should this apply to all outsourced derivative arrangements or only a specific subset, considering for example segregated accounts/mandates versus multi-client/pooled funds and AIF versus UCITS funds?

- all outsourced derivative arrangements
 only a specific subset

Please explain.

We believe that it should be up to the IORP to make the necessary decisions. We do not see a specific need for IORPs to require liquidity buffers from those Investment Funds they invest in given that the UCITS and AIFM Directives not only require asset managers to have risk management procedures in place that identify and control the liquidity risk associated with each position (Article 51.1 UCITS

Directive and Article 16 AIFMD and Article 48 of Delegated Regulation 231/2013) but also they are required to incorporate and use, whenever needed, liquidity management tools.

In addition, the ESMA Guidelines on liquidity stress tests for UCITS and AIF require that these tests be carried out and that they take into account not only redemptions but also possible margin calls that the fund may have to face.

In some countries like the Netherlands, pension funds overwhelmingly use mandates under which fiduciary managers trade on behalf of the pension funds. These fiduciary managers are responsible for all aspects of executing asset management, including treasury functions. It means in practice that the pension sector in the EU would not be subjected to the same operational challenges that were present in the UK LDI crisis, as a single actor is responsible for meeting variation margin calls.

Question 14: Do the expectations put forward in the draft Opinion achieve a proportionate approach to liquidity risk management of IORPs?

Yes

No

It is true that the expectations broadly reflect the current practice of liquidity risk management and supervision in some countries such as the Netherlands. However, we believe that the regulatory burden should take into account the risk profile and the small and unlikely relevance of liquidity risks and the proportionality principle as it is enshrined in the IORP II Directive. The overwhelming majority of IORPs should be released from the regulatory burden by taking into account proportionality. In Article 25 the IORP II directive recognises “size and internal organisation” in addition to the “nature, scale and complexity” of the IORP activities for a good reason. Small investments by small or medium-sized IORPs do not influence the markets in the way the UK LDI crisis did. Therefore, and against EIOPA’s technical advice for the IORP II review all proportionality measures should remain available for IORPs and their NCAs. Liquidity risk is one risk among others, and it should be dealt with in the usual procedures and structures of IORP risk management, namely within the ORA.

Question 15: Do you agree that the Impact Assessment in Annex I provides a balanced view of the costs and benefits of the relevant policy issues in the draft Opinion?

Yes

No

Please explain and provide any suggestions.

The Impact Assessment misses the most important cost factor under policy options A1 and A2: the opportunity costs of holding a liquidity buffer. Cash and cash-like assets deliver a low return compared to the rest of the portfolio. Consider the hypothetical situation where European pension funds hold a liquidity buffer to protect against a 1%-point interest rate shock of 67bn euros. Assuming an average annual return of 6% on the broad portfolio and €STR (currently 3,1%) on a liquidity buffer of cash and near-cash instruments, holding the liquidity buffer would entail an annual opportunity cost of 1.9bn euros annually. This is just a theoretical example, but it shows that a pension fund must balance liquidity risks with the interest of its participants in obtaining good returns. A requirement to hold an excessive buffer would be incorporated into the ALM process and subsequently lead to lower levels of interest rate hedge, leaving participants more exposed. It is important to keep in mind that both

interest and currency derivatives are used to reduce risk on the balance sheet, on behalf of participants.

The impact assessment also lacks a qualitative or quantitative assessment of the financial stability risks concerning IORPs which extensively use derivatives. These relate to two elements: the ramifications of closing out the position of an IORP at a CCP and the potential to create a negative feedback loop as witnessed in the UK.

It is, of course, undesirable that an IORP must be closed out of a position at the CCP, but the impact on the pension fund or the CCP is not covered. The Impact Assessment could describe in more detail ramifications and costs of being closed out. It is important to note, however, that this would occur during a scenario where the interest rate is rising. As EU pension funds are typically not fully hedged against interest rate risk, the coverage ratio of the pension funds is improving during this scenario. While the pension fund would default due to liquidity, the solvency position would be improving. The pension fund therefore would not default on other obligations and the expected pensions of its participants would rise. The main issue would be that the participants would lose a part of their interest rate hedge. If rates fall, this will lead to losses. If rates continue to rise, this will lead to larger than previous gains.

Since the LDI crisis in Great Britain, much attention has been given to liquidity risks for pension funds. LDI strategies of pensions in the UK caused a negative feedback loop that pushed interest rates up sharply, as they were selling government bonds to meet variation margin calls, gravely undermining financial stability and leading to BoE intervention. To provide insights into the benefits of this Opinion, it would be useful to quantify the risks of the European pension sector having a similar role in continental European bond markets. We strongly believe that these risks are very much smaller than in the UK, for various reasons. Firstly, only a few countries have large IORPs with derivative portfolios, with the Netherlands dominating the landscape. For this analysis, the holdings of insurers should also be considered, but to the best of our knowledge, these mainly exist in Denmark. The role of pension funds and pension insurance companies in euro-nominated bond markets is much smaller than the UK pension funds in the UK gilt markets. Their role was further exacerbated by the fact that many DB funds have derisks, completely hedging the interest rate risk. Average hedges have increased in the Netherlands due to de-risking as pension funds are preparing to convert their liabilities from DB to DC, as well as dynamic hedging policies, but currently stand at 64% (DNB: <https://www.dnb.nl/media/jb5djjc0/ofs-najaar-2024.pdf>). Arguably the level of the hedge will fall, particularly for the longer maturities that swaps are used for, once the conversion has been completed and pension funds no longer use a coverage ratio.

Question 16: Do you have any other comments on the draft Opinion / consultation paper?

- Yes
 No

If yes, please provide these other comments.

As explained above, the risk-management systems and internal governance of pension funds are already sufficient to cover and manage the liquidity risks. We believe that any potential action should

follow a principle-based approach, leaving the implementation up to the national level. Therefore, an Opinion is the only appropriate tool and is highly preferred over Guidelines.

We remain concerned that in times of severe stress, the repo market might not work efficiently to prevent systemic risks from occurring from liquidity challenges. While it is right to expect that risk management and governance of pension funds are adequate, pension funds rely on intermediaries and other actors to access cash to meet margin calls, as pension funds cannot hold sufficient cash to meet calls that occur under adverse market conditions. They will need to rely on liquidity facilities and asset transformation.

Before central clearing, these liquidity risks did exist to the same extent for pension funds in countries such as the Netherlands and Denmark, as pension funds could use government bonds as collateral in bilateral derivatives trades. While the backbook still is significantly bilateral, all new trades must be cleared centrally, with cash becoming the only option to meet variation margin calls. Pension funds were given a 10-year exemption from EMIR, while the European Commission and market participants sought a solution to this problem, but without success.

In other jurisdictions, a solution has been found. Central banks in the United Kingdom, the United States, and Canada have recognized this issue. They put in place, or are in the process of doing so, liquidity facilities to improve the resilience of repo markets or to provide a backstop repo facility directly to pension funds and insurance companies, as is the case in the UK. Unfortunately, the ECB has refused to consider similar arrangements, thereby exposing EU pension funds to risks that are beyond the scope of their own policies and governance structures. We believe supervisors must recognize these limitations when communicating their expectations while weighing all risks, costs and benefits of interventions.

Furthermore, EIOPA should encourage the European Commission to consider possible options to increase the supply of liquidity, such as:

- by requesting banking supervisors to review how to strengthen the supply of liquidity (e.g. requiring lower requirements for market makers in times of liquidity shortage)
- modifying the possibilities available to participants in the derivatives markets to deal with margin calls (in practice, expanding these possibilities) (e.g. admission of other types of collaterals with appropriate haircuts, would mitigate this impact and improve the efficiency of liquidity management while minimizing the liquidity risk associated with unexpected margin calls.
- improving transparency of the margin calls models applied by CCPs so that the demand side can better take those requirements into account.

We are concerned about the estimates of the liquidity risk of EIOPA for foreign exchange derivatives as they seem unplausible. In fact, in the last 25 years (1 January 1999-15 October 2024) an appreciation of foreign currencies by 10% materializes only one time for CHF (about 11%, in 2015 when the minimum fixed rate of 1.20 CHF for 1 Euro was abolished). The highest appreciation of AUD and JPY vis-a-vis Euro has been about 6%, about 4% for USD and CAD, about 3% for GBP. Looking at outliers (exchange rate movements of the aforementioned currencies greater than three times the standard deviation), it should be noted that only 0.8% of the day's recorded movements of the individual currencies exceed this threshold. The data indicate that a depreciation of the Euro of more than 10% in a single day is truly exceptional. It occurred only in one day and against a single currency, the Swiss Franc.

For this reason, having a sizable amount of derivatives on foreign exchange in the portfolio should not imply the materiality of the liquidity risk.

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes. PensionsEurope has **25 member associations** in 18 EU Member States and 3 other European countries¹.

PensionsEurope member organisations cover different types of workplace pensions for approximately over **90 million people**. Through its Member Associations PensionsEurope represents approximately **€ 5 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **18 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns.

Our members offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

Contact:

PensionsEurope

¹ EU Member States: Austria, Belgium, Bulgaria, Croatia, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden. Non-EU Member States: Iceland, Norway, Switzerland.

*Montoyerstraat 23 rue Montoyer – 1000 Brussels
Belgium
Tel: +32 (0)2 289 14 14
info@pensionseurope.eu*