Debates in the Council around excluding occupational pension schemes from the scope of FIDA broadly acknowledge the fundamental differences between occupational pensions provided by IORPs from other financial market institutions due to their social function.

Regarding the FIDA proposal, the main difference is that there is no relationship between a customer and a financial service provider. In addition to the IORP and the beneficiary, there are also social partners and/or employers who make key decisions.

Thus, we completely support the latest proposal (i.e. option 3) to exclude pension rights in officially recognised occupational pension schemes, under the Solvency II and IORPII directives with an opt-in possibility. This would take account of the diverse EU occupational pension landscape by ensuring the exclusion of occupational pension schemes while preserving the ability of Member States to include occupational pension schemes in the scope.

The proposal from the presidency for excluding IORPs in Member States with a national pension tracking system (PTS) if they fulfil certain conditions would not reflect our specificities and would retain IORPs in scope in probably all Member States. In our view, no existing PTS likely fulfills the proposed conditions.

Thus, we would like to comment on the different proposals currently discussed among EU Member States to exclude IORPs or occupational pension schemes from the scope of FIDA:

- Option 3: **This proposal would exclude and rightly so occupational pension schemes from the scope of FIDA.** These schemes are exclusive to a group of employees defined by the social partners or/and the sponsoring employers and/or national legislation. These are not schemes that are offered on the market and as such freely accessible to all interested customers and consumers. This position remains aligned with our last paper on FIDA which emphasizes the need to acknowledge the specificities of occupational pension schemes that are not accessible to all interested consumers as the Belgian presidency had wanted to do so in his proposal.
    - The opt-in system would make it possible to consider the heterogeneity of pension systems across EU MSs and the diversity of IORPs within national pension sectors.

- Swedish proposal: While we believe that this proposal would cover a high number of pension schemes across the EU by referring to the wording "*pension schemes resulting from negotiation of collective bargaining*", we are concerned that this terminology does not fit the realities of the occupational pension system in all the Member States, as it would not be the case in Germany for instance as regards workplace arrangements (*Betriebsvereinbarungen*) that work on company level via employers and work councils. The wording "*pension rights directly related to terms of employment*" is also unclear as we are not certain to which kind of working contract it would apply across EU Member States. Finally, certain categories of people having occupational pension schemes not arising from collective bargaining such as self-employed in the Netherlands participating in occupational group pension funds would not be captured by the proposal.

- Hungarian proposal: First of all, this new proposal would include IORPs in the scope of FIDA in Member States that do not have a national PTS, which would not reflect on our specificities in those countries. Even countries with PTS would be unable to meet the technical requirements for an exemption of scope, especially about the requirement of real-time data (as opposed to data from the last pension benefit statement as only one prominent example). These requirements are not necessary for IORPs to achieve the purpose of a PTS due to low account movements and annual actuarial calculations for instance.

    - Furthermore, the clause would only apply to IORPs but not to insurance companies that are chosen exclusively by the social partner or the employer in the context of an occupational pension arrangement. Since the employee/member is not in the position of a “consumer”, these occupational pensions schemes of insurance companies should be exempt from the scope as well.

PensionsEurope messages on FIDA to HU presidency – 17.09.2024

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 countries[1].

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.

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[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.