

Press Release

PensionsEurope answers on EIOPA's consultation on IORP II review

BRUSSELS, 25th of May 2023 – Today, PensionsEurope has submitted its response to EIOPA’s consultation on technical advice for the review of the IORP II Directive (available [here](#)).

Janwillem Bouma, the Chair of PensionsEurope said:

“The review of IORP II comes very soon after the Directive was implemented. It is too early to propose any major revision and we are happy to see that EIOPA is of the same opinion”.

PensionsEurope stresses that the IORP II Directive needs to continue to be a minimum harmonization legislation and we are pleased to see that EIOPA does not envisage any changes in this. Any future revision of the IORP directive should be highly compliant with the principles of subsidiarity and proportionality. IORPs administer occupational pension and often social partners set up various types of IORPs. This existing diversity must be fully respected by European legislators, and the national occupational pension systems should not be harmed.

We welcome that EIOPA is willing to strengthen proportionality by increasing the present quite low upper threshold for exemptions from various requirements. While this would leave a sizeable part of IORPs outside the scope of the Directive it could be helpful for small IORPs. However, there are many relevant criteria to consider, including the size and internal organization of the IORP, which EIOPA proposes to delete. We would keep them in addition to the nature, scale, and complexity of the IORP.

Matti Leppälä, the Secretary General of PensionsEurope emphasized that:

“ The implementation of the IORP II Directive increased costs significantly, especially for small and mid-sized IORPs. Therefore, due consideration should be given to every individual cost increase and their aggregate impact on IORPs.”

Cross-border IORPs have not developed and in this regard the IORP Directive has not fulfilled its goals. There is no well-functioning internal market for IORPs. While EIOPA proposes some ideas for improvements, any changes in cross-border rules should not have any negative impact on non-cross-border IORPs, which are nearly 100% of the existing IORPs.

Communication to members and beneficiaries can be improved. Changes in the Pension Benefit Statement can lead to major cost increases, and they need to be considered carefully. We think that National Pension Tracking Services that are increasingly available should be also considered as a viable alternative in communication.

We are broadly supportive of EIOPA’s proposals on sustainability as well as on diversity and inclusion, but any new requirements must not be too burdensome, tailored to the specificities of IORPs while taking into account the principles of subsidiarity and proportionality.

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 4 other European countries¹.

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people**. Through its Member Associations PensionsEurope represents **€ 7 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 **20 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

Montoyerstraat 23 rue Montoyer – 1000 Brussels

Belgium

Tel: +32 495 21 62 61

info@pensionseurope.eu

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, UK.