

**Comments Template on
Consultation Paper on Further Work on Solvency of IORPs**

**Deadline
13 January 2015
23:59 CET**

Name of Company:	FVPK Fachverband der Pensionskassen in Österreich	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment/response in the relevant row. If you have <u>no response</u> to a question, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments/responses which do not refer to the specific numbers below. <p>Please send the completed template, <u>in Word Format</u>, to CP-14-040@eiopa.europa.eu . Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the questions refers to Consultation Paper on Further Work on Solvency of IORPs.</p>		
Reference	Comment	
General Comment	<p><u>Introduction</u></p> <p>First of all the Fachverband der Pensionskassen in Österreich (referred to as FVPK) welcomes the possibility to comment on such an important matter. We also welcome the mapping exercise published together with the consultation on solvency for IORPs which shows the many existing differences between and in the Member States with regard to occupational pension provision. The mapping exercise also showed that it would be useful to clearly distinct between the relations between (1) employee/beneficiary and employer, (2) employer and IORP and (3)</p>	

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employee/beneficiary and IORP concerning terms of given promises and/or guarantees. For example there can be a defined benefit promise in relation (1) that is financed by defined contribution plan in relation (3) and an additional guarantee in relation (1).

FVPK wants to point out, that Austrian legislation implements a clear borderline between the funds dedicated to pay benefits and the optional additional guarantees that can be granted by the IORP. The funds dedicated to pay benefits may never be used as own funds to cover the guarantees. The benefits to be paid are always defined contribution (DC) but may be used in calculating additionally granted guarantees. There have to be separated own funds to cover these additional guarantees.

These additional guarantees are at a very low level, as is reflected in the actual guarantee-payments since 2002 (there have been no payments before that year) in relation to the funds dedicated to pay benefits: average yearly guarantee-payments were less than EUR 1.500.000, average yearly underlying pure DC benefit payments were EUR 424.600.000, average pure DC-funds were EUR 12.146.000.000. The separated own funds to cover the optional additional guarantees amount to EUR 191.700.00 in the average. So the guarantee-payments were less than 0,5% of benefit payments.

Use of the Holistic Balance Sheet in Austria

Regarding the specific issues raised in this consultation FVPK's position can be summarised as follows:

With regard to the fact that the main part of the benefits is pure DC and only an optional additional part consists of guarantees, FVPK thinks, that using the HBS in Austria there is

- no significant positive effect on the protection of members and beneficiares
- no positive effect on functioning of the internal market
- no positive effect on sponsors and long-term investments

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	<ul style="list-style-type: none"> no positive effect on Austrian IORP system. <p>These statements cover use of HBS in any of the tree pillars.</p> <p>We expect rising administration fees in the case HBS has to be implemented in Austria. These administration fees will reduce benefits so we think the contrary of the intended effect will be the case.</p>	
Q1	<p>Do stakeholders think that the word “contract” is an adequate description of the characteristics of the set of rules and arrangements governing the provision of benefits to members and beneficiaries by an IORP?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>No, “contract” is not an adequate description. There is a triangular relationship – often collective - between the employer, the employee and the IORP which is not covered adequately by a “contract” between IORP and employee.</p> <p>Additionally, in Austria many components of the possible optional guarantees are defined by law.</p> <p>On a more general level, we note there is a lack of clarity for the stakeholders as EIOPA seems to focus on the pension promise between the employer and the employee while the IORP Directive focus on the IORP itself, without fully taking in to account the above-mentioned triangular relationship. There is therefore a confusion between the pension-scheme and the IORP.</p>	
Q2	<p>Do stakeholders think that the word “boundary” is suitable here?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help</i></p>	

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	<p><i>EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>Yes, the word “boundary” could be used. However we do not consider this term to be the most appropriate in this context.</p>	
Q3	<p>If not, please provide an expression more suitable for IORPs which could replace the expression “contract boundaries”.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We would propose “given promise” instead of “contract boundaries”.</p>	
Q4	<p>Do stakeholders have any general comments on the above section?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>As pointed out in the General Remarks, we have to clearly separate the funds and technical provisions dedicated to cover the pension payments and the technical provisions to cover optional additional guarantees.</p> <p>We strongly disagree with Points 4.25 and 4.26. In many cases, for IORPs it does not matter what the employer promised to the employee; the rules which matter for IORPs are the fixed rules between the IORP and the relevant stakeholders. An adequate description of the risks carried by the IORP cannot be based on rules for which there is no contractual agreement with the IORP.</p>	

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	<p>So from view of FVPK, the cashflows which have to be paid directly by the IORP (and not those to be paid by the dedicated funds) should be included in the technical provisions. There is no basis for the inclusion of cash flows beyond this, in particular not for parts of the "promise" which is not or cannot be delivered by the IORP.</p>	
<p>Q5</p>	<p>Do stakeholders think that unilateral rights (or obligations) of an IORP to terminate the contract/agreement/promise or reject additional contributions to the contract/agreement/promise or modify the promise in a way that contributions fully reflect the risk should be the basis for a definition of contract boundaries for IORPs? Are there cases where such rights (or obligations) should be the basis for a definition of contract boundaries for IORPs even though they are not unilateral rights (or obligations) of the IORP, but can be exercised unilaterally or jointly by other parties (possibly together with the IORP)?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>In Austria there is – with few exeptions - a unilateral right of the to terminate the contract. This does not mean, that the pension benefits for the employee does not exist any more but that it has to be serviced by another IORP. The funds dedicated to cover the benefits are transferred to the new IORP. It does mean that the optional additional guarantees end (with the few exceptions).</p> <p>Therefore it has to be possible to include unilateral rights and contractual options by the IORP when determining the relevant cashflows. FVPK thinks that all cashflows to be paid by the IORP that can not be avoided by unilateral termination of the contract should be taken into account and those cashflows that can be avoided by unilateral termination of the contract must not be taken into account.</p>	

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<p>Q6</p>	<p>Do stakeholders agree with the analysis above of the different ways of liabilities of IORPs arising?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>As the only liabilities of an Austrian IORP arise from optional additional guarantees and not from the benefits covered by the funds liabilities do not arise from the contributions paid to build up those funds. Usually the optional additional guarantees are financed by special types of administration fees calculated as a yearly percentage of assets (e.g. 0.2% per year). For one type of guarantee these administration fees are limited by law. So FVPK does not think contributions are the correct starting point. FVPK thinks that giving the promise is the starting point and that liabilities arising from this promise have to be measured correctly. To implement a correct measurement it might be necessary to calculate contributions to the dedicated funds as the amount of the guarantee may depend on the amount of the fund.</p>	
<p>Q7</p>	<p>Do stakeholders think that there should be a distinction between incoming cash-flows which are considered as “regular contributions” to finance (the accrual of) benefits on the one hand and sponsor support on the other hand? What is the view of stakeholders regarding the practicality of such a distinction?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>As stated in Q5 it is the view of FVPK that incoming cash-flows do not immediately result in a liability. Despite of this it could be necessary to have a different look on “regular contributions” and on “sponsor support” as there is the possibility that the</p>	

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	<p>IORP covers it's optional additional guarantees by sponsor support.</p> <p>But we have two different kinds of sponsor support. There is sponsor support helping the funds dedicated to pay the benefits to reach an agreed level of coverage, without an existing promise of the IORP; the sponsor support is agreed upon between employer and employee and becomes part of the administration agreement between employer and IORP. And there is the second type of sponsor support helping to the IORP to cover the optional additional guarantees. This sponsor support has to be taken into account by the IORP.</p>	
Q8	<p>Do stakeholders agree, that, if there was a distinction as described in question Q7, "regular contributions" should be recognised in technical provisions while sponsor support should be treated separately?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>No. FVPK thinks that the promise of the IORP should be the starting point.</p>	
Q9		
Q10		
Q11	<p>Do stakeholders believe that the contract boundaries could be defined based on future benefit payments rather than contribution or premiums?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>Yes, future "benefit" payments – that are payments based on the optional additional guarantees - are the relevant cash-flows to be recognized in the technical provision.</p>	

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Q12		
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Q18	<p>Is it necessary to have both 2. a. and b. in the above definition, or could a. be restricted to cases where a termination of the agreement leads to a stop of additional contributions and/or the repayment of contributions received/payment of a surrender value (and then maybe a. and b. could be combined)?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>Both a) and b) should be included. The decision whether to apply a) or b) is not unique for one IORP but is unique for one pensions agreement between employer and employee (which can be a collective one). We favor a slightly longer but comprehensible and clear definition over a short one which is ambiguous.</p>	
Q19	<p>Are there additional rights of the IORP or another party (unilateral or not) which should be considered in the definition (see section 4.2.4)?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>It is not usual but might be that an IORP covers the optional additional guarantees or</p>	

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	part of them by an insurance contract.	
Q20		
Q21	<p>Are the cases described in parts a) and b) of the definition clearly distinguishable in practice?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK assumes that there might be situations, where the cases are not clearly distinguishable.</p>	
Q22		
Q23		
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Q25		
Q26		
Q27		
Q28		
Q29		
Q30	<p>Do stakeholders agree that these are the two options for valuing off-balance capital instruments? If not, what alternative options would you suggest?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p>	

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	Both options are suitable.	
Q31	<p>Which option do you support? Please explain why you support this option.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We support Option 1 due to its straight forward application and better comparability.</p>	
Q32	<p>Do stakeholders agree that surplus funds should be valued for their nominal value? If not, how would you suggest to value surplus funds?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We agree.</p>	
Q33	<p>Do stakeholders agree that these are the three options for valuing subordinated loans? If not, what alternative options would you suggest?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We agree.</p>	
Q34	<p>Which option do you support? Please explain why you support this option.</p>	

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	<p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We support option 1 as this ist he most workable solution.</p>	
Q35	<p>Do stakeholders agree with these two approaches to valuing benefit reduction mechanisms? If not, what alternatives or amendments would you suggest?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>As there is an unlimited benefit reduction mechanism in Austria we agree with the conclusion that it generates the ultimate mechanism for the IORP’s sustainability and should be valued as balancing item. We think that the “direct approach” is not practicable and necessary.</p>	
Q36		
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Q45		
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Q71	<p>If it was decided to establish EU capital/funding requirements as part of pillar 1, would there in the stakeholders' view be a role for the holistic balance sheet? Please explain why and, if yes, what that role should be.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>No, FVPK does not see a role for the HBS in funding requirements as part of pillar 1 for Austrian IORPs.</p> <p>As stated in the General Remarks the amount of optional additional guarantees is quite neglectable so the complete procedure establishing and valuating a HBS is overdone in Austria.</p>	
Q72	<p>Do stakeholders believe that the holistic balance sheet should be used as a risk management tool as part of pillar 2 requirements? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK does not believe that the application of the HBS approach produces additional security for pensions in Austria, as the pensions paid by Austrian IORPs are pure DC. Only the optional additional guarantees might be subject to an improvement of security for the employee. FVPK thinks that there are much less burdening procedures in risk management of the IORP having a better effect on the security for optional additional guarantees.</p>	
Q73	<p>For the pensions to be paid by the IORP there is a substantial risk management in</p>	

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	<p>place by law. The concept of HBS to the dedicated funds will not bring an improvement as there is an unlimited pension reduction mechanism.</p>	
Q74	<p>Do stakeholders agree that the outcomes of a pillar 2 assessment should be publicly disclosed as part of pillar 3 requirements?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK thinks that this is not necessary in Austria as the results of a pillar 2 assessment for the small part of optional additional guarantees does not reflect the risk on the big part of pure DC pensions from the dedicated funds. So a public disclosure may be dangerously misleading for the beneficiary. In addition the arising costs will result in rising administration fees what is not appreciated by the beneficiaries.</p>	
Q75	<p>Do stakeholders agree that competent authorities should be empowered to take supervisory action based on the pillar 2 assessment of the holistic balance sheet? Please explain and, if yes, what action?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>If there would be a use of HBS in pillar 2 (although this causes no significant improvement in security of pensions in Austria as described in answer to Q73) FVPK thinks that authorities should be empowered to take supervisory action as long as HBS is not the only source to take supervisory action.</p>	
Q76		

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Q77		
Q78		
Q79	<p>Which of the three options for recognising mixed benefits do stakeholders support? Please explain why you support this option.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK would favour option 3 – allowing country-specific decisions on the treatment of mixed benefits. This option would be consistent with our general approach, which is to take full account of the specific circumstances of each Member State’s pensions system wherever possible.</p>	
Q80	<p>Which of the three options for recognising benefit reduction mechanisms do stakeholders support? Please explain why you support this option.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>Option 3 is most appropriate. The HBS is consistent only when all options are included on the balance sheet, which means that all types of benefit reductions should be included.</p>	
Q81		
Q82	<p>Do stakeholders agree that off-balance capital instruments should always be eligible to cover the SCR? If not, what alternative options would you suggest?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable</i></p>	

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	<p><i>and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We agree.</p>	
Q83	<p>Do stakeholders agree that surplus funds should always be recognised on an IORP’s balance sheet and could always be used to cover capital requirements? If not, how would you suggest to treat surplus funds in this respect?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We agree.</p>	
Q84	<p>Do stakeholders agree that subordinated loans should always be recognised on an IORP’s balance sheet and could, bar possible future decisions to introduce restrictions, be used to cover capital requirements? If not, how would you suggest to treat subordinated loans in this respect?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We agree.</p>	
Q85	<p>In the stakeholders’ view should the minimum requirement for the level of liabilities to be covered with financial assets be based on the Level A technical provisions or the Level B best estimate of technical provisions? Please explain.</p>	

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	<p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We would be in favour of level B technical provisions. This would be consistent with the approach taken by the current IORP Directive, so disruption would be minimal. It would also be in line with the current practice in many member states (as shown in EIOPA mapping exercise).</p>	
Q86	<p>If the Level B best estimate were to be used, in the stakeholders’ view should it apply to all IORPs or should its use be restricted to IORPs which dispose of certain security and adjustment mechanisms, be subject to prior approval of the national supervisor or applied as a member state option? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We would think that this should be a member state option, to reflect specificities of IORP systems in different member states. Importantly, this regulation shall not affect national labour or social law.</p>	
Q87	<p>In the stakeholders’ view should the level of technical provisions that needs to be covered with assets (incl. security mechanisms), and that potentially serves as a basis for the SCR, be based on Level A technical provisions or on the Level B best estimate of technical provisions? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable</i></p>	

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	<p><i>and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We are in favour of level B. Consistent with the current approach in the IORP Directive and in line with the practice in many member states.</p>	
Q88	<p>If the Level B best estimate were to be used, in the stakeholders' view should its use be restricted to IORPs which dispose of certain security and adjustment mechanisms, be subject to prior approval of the national supervisor or applied as a member state option? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>We would think that this should be a member state option, to reflect specificities of IORP systems in different member states. Importantly, this regulation shall not affect national labour or social law.</p>	
Q89		
Q90		
Q91	<p>Do stakeholders think that the recovery period regarding the level of technical provisions to be covered with financial assets should be short or cover an extensive period of time? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK is in favour of longer recovery periods in Austria as this is much more consistent with the structure of benefit payments (which are pure DC) and allows to continue the</p>	

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	<p>main part of the business also if there is an underfunding for the optional additional guarantees. Long recovery periods avoid the strange situation that an IORP which does a very good management of the dedicated funds (which are pure DC) but has a temporary bad management of the small part of optional additional guarantees has to end it's business in a short time.</p>	
Q92	<p>In the stakeholders' view how long should the more extensive recovery period be and should it be restricted to IORPs which dispose of certain security and adjustment mechanisms and/or be subject to prior approval of the national supervisor? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK thinks of recovery periods for Austrian IORPs of 15 years and longer with no restrictions. For the explanation see answer to Q91.</p>	
Q93		
Q94	<p>In the view of stakeholders should the recovery period in the event of non-compliance with the SCR be short or cover a more extensive period of time? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK is in favour of longer recovery periods in Austria as this is much more consistent with the structure of benefit payments (which are pure DC) and allows to continue the main part of the business also if there is an underfunding for the optional additional guarantees. Long recovery periods avoid the strange situation that an IORP which</p>	

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	does a very good management of the dedicated funds (which are pure DC) but has a temporary bad management of the small part of optional additional guarantees has to end it's business in a short time.	
Q95	<p>In the view of stakeholders how long should the more extensive recovery period be and should it be restricted to IORPs which dispose of certain security and adjustment mechanisms and/or be subject to prior approval of the national supervisor? Please explain.</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK thinks of recovery periods for Austrian IORPs of 15 years and longer with no restrictions. For the explanation see answer to Q94.</p>	
Q96		
Q97	<p>What is the view of stakeholders on the potential impact of a possible future European prudential framework for IORPs on existing contractual agreements and national social and labour law?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>The size of the impact depends crucially on the scope of the future supervisory framework. Existing contractual agreements concerning future contributions and benefits may need to change. Also, national labour law may need to be adjusted.</p> <p>At the moment in Austrian prudential law there are limits for administration fees calculated by IORPs in Austria. If HBS will be established these limits have to be</p>	

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	<p>cancelled.</p> <p>FVPK points out that it has to be avoided that a new regime influences labour and social law: Prudential regulation should go along with and support national social and labour law, it should determine it.</p>	
	<p>In the stakeholders' view is there scope for transitional measures in order to mitigate the potential impact of a possible EU prudential regime on existing contractual agreements and national social and labour law?</p> <p><i>FVPK does not support the Holistic Balance Sheet project from Austrian point of view (see General Remarks). However FVPK is answering this question in order to help EIOPA develop its policy and ensure the new system – if introduced – is practicable and does not place excessive burdens on occupational pension schemes in Austria.</i></p> <p>FVPK is against EU prudential regime interfering with national social and labour law. But if prudential law determines national social and labour law there is of course scope for transitional measure.</p>	
Q98		
Q99		
Q100		
Q101		
Q102		
Q103		
Q104		
Q105		
Q106		
Q107		
Q108		
Q109		
Q110		

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Q111