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EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

IORP II Pension Benefit Statement Designs

EIOPA Occupational Pensions Stakeholder Group
Frankfurt, 10 July 2019

1. What is the issue about?

Present the outcome on targeted consultation of the PBS designs

2. What does EIOPA want OPSG to do?

EIOPA welcomes OPSG responses to the recent consultation

3. What are the next steps?

Refinement of the PBS designs and consumer testing

- 15 OPSG members
- 8 Other institutions
- 3 NCAs
- 2 Individuals

Next slides:

- Statistical overview of responses
- Main topics raised
- Approach to consumer testing

Overall respondents had a slight preference for statement 1:

- Sections easier to understand (Pension projections and evolution)
- Question and answer format well perceived
- Easier to navigate and to find key information
- Colours and icons better valued than in S2

The long statements were perceived by 2/3 as not so useful

Section on planning for retirement: prompt to look at own spending/saving, link to the dashboard and pension calculator is seen as useful by 3/4

Information on ways to increase your income in retirement has split views on its usefulness

Ranking: 1. Statement 1 short, 2. S1 long, 3. Statement 2 short, 4. S2 long

- The 3 Scenarios differ from IORP II requirements (best estimate and unfavourable) and are not transparent (lack of assumptions, no reference to today's money / inflation)
- Pension tool/calculator to be placed next to the projections
- Name of the investment funds judgemental
- Breakdown of monthly contributions – only logic if it differs
- Options to increase retirement benefits – not always/legally possible; should come with “what-if” scenarios
- Information on guarantees – warning sentence to be included
- Info on beneficiaries – not always available, protection data issue

- Mock-up is a good approach to work on a end-user friendly basis
- General indications to NCAs, leave autonomy to the Pension Funds as regards the method of communication
- Not suitable for a DB type of scheme
- PBS need to be fully in line with IORP II and MS SLL. MS require agreements with social partners
- The designs are too numerical, most participants will not understand them

- Process of refining the designs
- Development of consumer testing in Q3
 - o 12 Individual virtual & face-to-face interviews
 - o Languages: English, French, Spanish & Romanian
 - o Statement 1 short, statement 2 short & statement 1 long