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**eiopa**  
EUROPEAN INSURANCE  
AND OCCUPATIONAL PENSIONS AUTHORITY

# Implementation of IORP II: Update on the Pension Benefit Statement (PBS)

EIOPA Occupational Pensions Stakeholder Group meeting  
Frankfurt, 3 May 2018

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## **1. What is the issue about?**

- o Updating OPSG on the work related to the Pension Benefit Statement (PBS)

## **2. What does EIOPA want OPSG to do?**

- o EIOPA invites OPSG to share views on the PBS work (content and format)
- o Share current research/best market practices

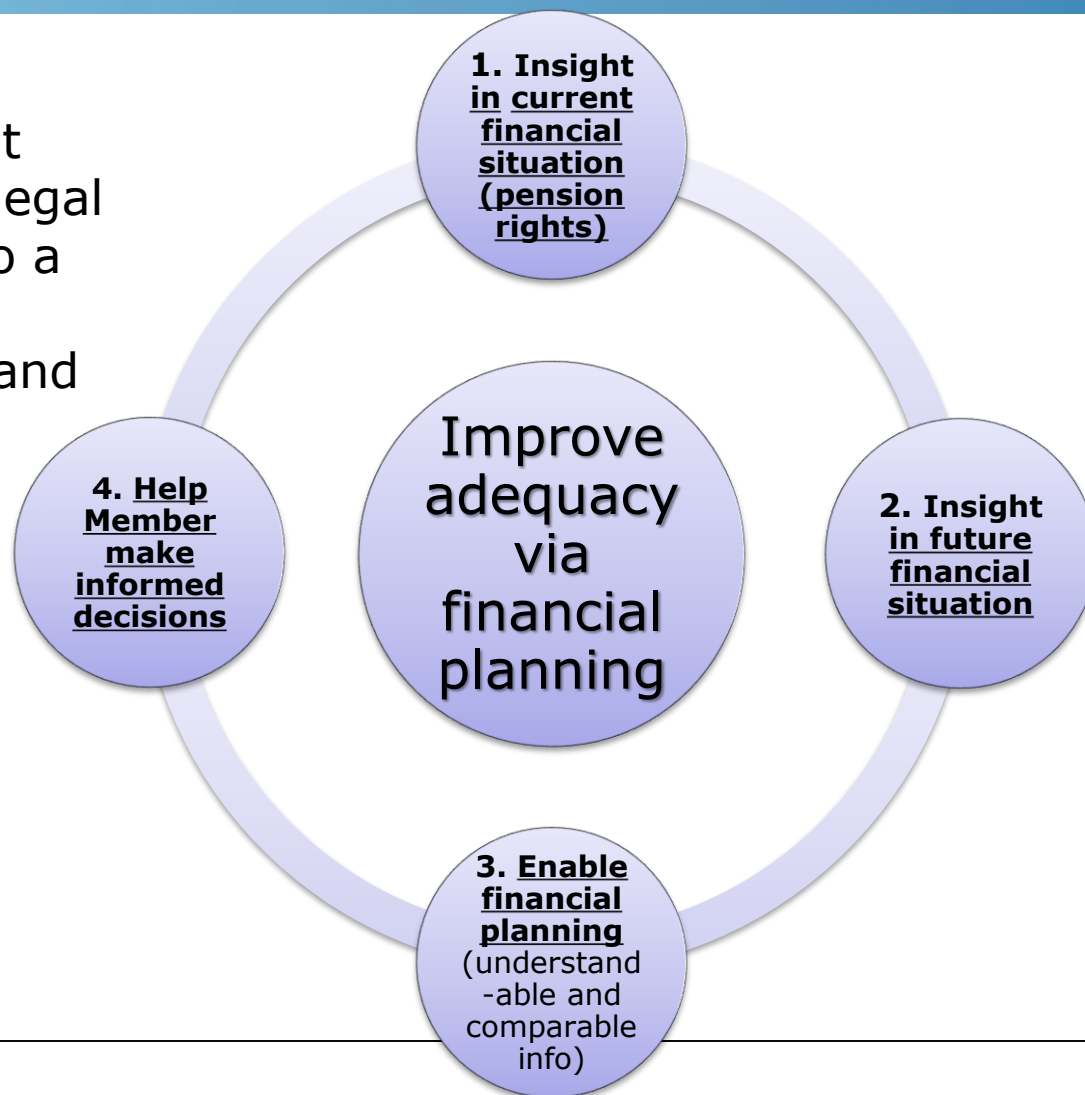
## **3. What are the next steps?**

- o Follow-up in the OPSG meeting on 4 July 2018

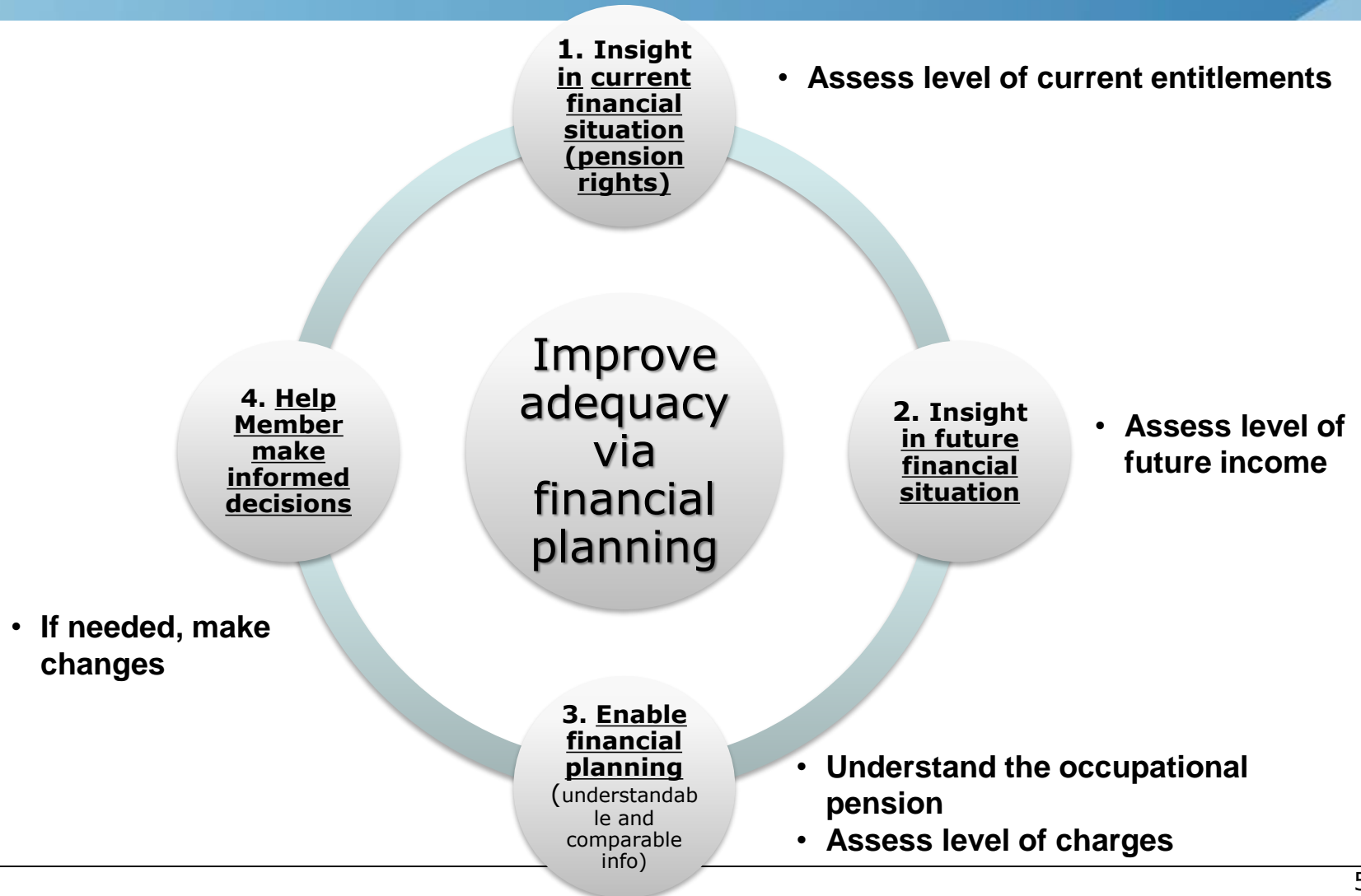
- On-going exchange of best practices with regard to the format and the content of the Pension Benefit Statement
- Outcomes of the exchange of views will take the form of a Report which will include key principles and best practices

# PBS as a tool to improve financial planning and ultimately adequacy

The PBS should not only be seen as a legal document, but also a tool to improve financial planning and ultimately pension adequacy.



# Behavioral purposes of the PBS



## **Projections**

- o Economic scenarios only required for schemes where the member bears the risk
- o Assumptions
- o Approaches: deterministic versus stochastic
- o Integration with dashboards also with 1st pillar where possible

## **Costs**

- o Information only required for schemes where the member bears the risk
- o Standardised cost taxonomies and methodologies would ensure comparability
- o Presentation and break-down of costs
- o Discussion on inclusion of costs (employer, employee)

## Layering

- o Layering to include more detailed information on the PBS elements, but all basic PBS information should be in Layer 1
- o Ensure consistency between e-PBS and p-PBS

## Layout

- o Order of PBS elements and presentation. Important elements first in the document: e.g. projections, entitlements
  - o Elements that can come next: e.g. contributions + costs
  - o Elements that can come at the end: e.g. funding level, disclaimer from the projection, guarantees
- ❖ Do you have examples on the use of layering and layout for the PBS or similar disclosure documents?