

EIOPA-OPSG-14-02

July 2014

Occupational Pensions Stakeholder Subgroup on “Occupational DC” Mandate

I. Background

The pensions landscape in many EU member states has changed and continues to change with a move away from Defined Benefit (DB)- towards Defined Contribution (DC) -schemes and various hybrid schemes. Today new occupational pensions are usually offered by pure DC or hybrid schemes. The occupational DC pensions may have similarities with personal pension products even though many features differ as well. Social and labour law is the basis for many occupational DC schemes and consumer protection legislation is emphasized more in personal pension products. Both are faced with many common issues such as good governance and information disclosure. EIOPA is the leading authority in the area of workplace DC schemes (IORP Directive) as well as personal pension products. Occupational DC, DB and personal pension products may all play an important role in developing cross-border pensions in the EU.

Many of EIOPA's planned consultations are relevant for the DC pensions. These are e.g. "Research into methods of helping individuals with investment decisions in occupational DC schemes", "Report on fact finding in respect of practices at the decumulation phase for occupational pensions" and "Enhanced market development report (including cross-border developments)". Some of these are planned to take place already during spring 2014 or later in 2014.

During the 26 November 2013 meeting in Frankfurt, the OPSG Chair, based on the draft work plan of the Occupational Pensions Committee (OPC), proposed to establish three standing subgroups for the duration of the OPSG mandate on:

1. Solvency issues
2. Occupational Defined Contribution (DC) schemes: "Occupational DC"
3. Consumer protection issues

It was further agreed that the focus of the subgroup on the Occupational DC will mirror EIOPA and the Occupational Pensions Committee (OPSC) work in the following areas:

- Current practices, approaches and options available to members at the **payout phases - Decumulation** of IORPs, both DB and DC in the various Member States

- Effective methods for helping individuals make **investment decisions** in occupational DC schemes
- Understanding and categorising practices and approaches in Member States in respect of **costs and charges** faced by members and beneficiaries of IORPs, both DB and DC.
- Communications (Risks, costs, benefits...)
- Guarantees
- Cross-border issues
- Governance

This subgroup is organised in respect of the Article 10 of the Rules of Procedures.

II. Tasks of the Subgroup

- Task 1¹: Prepare an OPSG opinion on Advice on potential Delegated Acts for IORPs. (earliest Q4 2014)
- Task 2: Collect evidence on cost and charges for occupational pensions DC schemes (project outline Q2 2014)
- Task 3: Research into methods of helping individuals with investment decisions in occupational DC schemes (Project outline Q2 2014)
- Task 4: Report on fact finding in respect of practices at the decumulation phase for occupational pensions (Project outline Q2 2014)
- Any other tasks decided upon by OPSG

III. Expiration of mandate

The mandate of the OPSG DC subgroup expires on with fulfillment of the task mentioned in part II, presumably by Q1 2015.

IV. Organisation of work

The work of the subgroup will be organized so that each Task, as mentioned in part II, is allocated to a work stream.

The work is organized through conference calls with the members of the subgroup and one or two representatives of EIOPA for organisational/technical support.

The Subgroup leader sends documents at least one half-day before the conference call gathering the subgroup members comments.

The Subgroup leader sends draft documents to the full OPSG at least 2 weeks ahead of the regular meetings.

V. Subgroup lead

- Subgroup leader: Matti Leppälä
- Composition of work streams:

❖ Task 1: Advice on potential Delegated Acts for IORPs

- Members: Pierpaolo Marano (lead), Marianne Moscoso, Klaus Struwe, Joachim Schwind, Laure Delahousse, Fritz Janda and Philip Shier.

¹ Composition of the work streams and the deliverables will be discussed once the scope of the work becomes clear.

❖ **Task 2: Cost and charges for occupational pensions DC schemes**

- Members: Klaus Struwe (lead) Ellen Nygren, Marianne Moscoso, Jan Sebo, Joachim Schwind, Hristina Mitreva, Charlotta Carlberg and Federica Seganti.

❖ **Task 3: Investment decisions in occupational DC schemes**

- Members: Charlotta Carlberg (lead), Ellen Nygren, Jan Sebo, Alberto Floreani and Federica Seganti.

❖ **Task 4: Decumulation phase for occupational pensions**

- Members: Niels Kortleve (lead), Jan Sebo, Laure Delahousse, Michaela Koller and Hristina Mitreva.

- Any other Tasks decided by OPSG: Matti Leppälä

▪ **VI. Members**

- Subgroup members: Fritz Janda, Michaela Koller, Niels Kortleve, Matti Leppälä, Joachim Schwind Lukasz Budzynski (cross border issues) and Petar Vlajić [Industry representatives]; Charlotta Carlberg, Laure Delahousse and Philip Shier [Professional Associations]; Bruno Gabellieri, Hristina Mitreva, Doug Taylor and Neil Walsh [Employees]; Marianne Moscoso-Osterkorn, Ellen Nygren, Marius Serban and Klaus Struwe [Beneficiaries]; Alberto Floreani, Manuel Peraita, Pierpaolo Marano, Jan Sebo and Federica Seganti [Academics].

VII. Deliverables

OPSG Subgroup on Occupational DC Milestones and deliverables	Timeline (Q2-Q4 2014- Q1-Q4 2015)	OPSG expected date of discussion/ approval*	Priority High (H), Medium (M), Low (L)
Feedback statements on EIOPA's consultations: <ul style="list-style-type: none"> • Collect evidence on cost and charges for occupational pensions DC schemes 		Depending on EIOPA's timing	M
Presentation to full OPSG a report on DC decumulation phase	Q3 2014	15/10	M
Presentation to full OPSG a report on DC Investment decisions	Q4 2014	26/11	
Opinion on Advice on potential Delegated Acts for IORPs.	Q4 2014 – Q2 2015	April/May 2015	H

*OPSG meeting dates 2014: 19/05; 07/07; 15/10 and Joint BoS-IRSG 26/11

*OPSG meeting dates 2015 (tbc): 10/03; 08/05; 08/07; 20/10 and Joint BoS-IRSG tbc – early December 2015