

Summary of Conclusions

Occupational Pensions Stakeholder Group

Early meeting

Date: 26 November 2013

Time: 09:00 – 10:30

Location: Intercontinental Hotel Frankfurt

Contact: Giulia.Conforti@eiopa.eurpa.eu

List of participants:

OPSG: Benne Van Popta (Chair OPSG), Matti Leppälä (vice-Chair OPSG), Lukasz Budzynski, Charlotta Carlberg, Laure Delahousse, Alberto Floreani, Bruno Gabellieri, Ruth Goldman, Fritz Janda, Thomas Keller, Michaela Koller, Niels Kortleve, Pierpaolo Marano, Hristina Mitreva, Marianne Moscoso-Osterkorn, Ellen Nygren, Manuel Peraita, Federica Seganti, Marius Serban, Philip Shier, Klaus Struwe, Joachim Schwind, Douglas Taylor, Martine Van Peer, Petar Vlaić, Neil Walsh and Allan Whalley.

Excused: Guillaume Prache.

EIOPA: Gabriele Arnoldi (External Relations coordinator), Pamela Schuermans (Insurance and Pensions coordinator), Giulia Conforti and Teresa Turner.

1. Approval of the draft agenda

2. Approval of the 24.10.2013 Inaugural OPSG meeting Summary of conclusions

No comments on the summary of conclusions. Unfortunately, OPSG dates in the first half of 2014 cannot be moved to other days than Mondays, due to several factors (Chair/management availability, room availability, avoidance of fairs in Frankfurt).

3. Focus of upcoming OPSG work by the OPSG Chair

Based on the draft work plan of the Occupational Pensions Committee (OPC), the OPSG Chair proposed to establish three standing subgroups for the duration of the OPSG mandate on:

1. Solvency issues IORP II:

EIOPA plans to continue the work on (HBS) and to consult on the following areas:

- Sponsor support
- Supervisory responses
- Discretionary decision making

- Benefit reductions
- Contract boundaries

Timeline: most probably, some papers will be available before and some after the summer. Report on outcome to Board of Supervisors (BoS) on 27/28 Nov 2014.

2. Occupational DC:

EIOPA plans to develop the following products:

- A report on current practices, approaches and options available to members at the decumulation phase of IORPs, both DB and DC in the various Member States. The project will also, on a best effort basis, collect information on practices in non-IORPs, such as 1st pillar bis and 3rd pillar schemes.

Aim: to collect sufficient evidence to inform an expected future advice to the European Commission (COM) on how the various options available (annuities, lump sums, programmed withdrawals or other) should best be presented to members. Timeline: November BoS.

- A report on effective methods for helping individuals make investment decisions in occupational DC schemes. The project will draw on lessons from behavioural economics and use them to define how best to present or offer the various investment choices available to members in a way that leads to decisions that are in the interest of the pension scheme member.

Examples of methods currently in use are: risk-time labels, lifecycling, target date funds, guarantees, advice, well designed default options, or giving no options at all. Timeline: November BoS.

- A report, based on a fact finding exercise, to establish existing practices and approaches in Member States in respect of costs and charges faced by members and beneficiaries of IORPs. Both occupational DB and DC pension schemes will be covered. The project will analyse the totality of costs and charges borne by members and beneficiaries as well as those borne by sponsoring undertakings and IORPs; look at break downs and disclosures; identify examples of good practice and consider legal and supervisory tools in use.

Aim: unravel the different categories of costs and charges involved in operating an IORP, consider to what extent it might be possible to develop common definitions and to standardise breakdowns. Timeline: November BoS.

3. Consumer protection issues

It is important to decide first whether to cover issues that affect only occupational pensions or personal pensions as well. The second consideration is to identify those aspects that can influence EIOPA and/or COM.

Potential scope: transparency, disclosure of information, f cost and charges, selling practices, conflicts of interest, investment decisions, etc.

To conclude the Chair proposed that additional topics related to the review of the IORP II Directive, proportionality and cross-border could be handled by ad hoc subgroups if required.

Ms. Osterkorn proposed to include "projects on transparency and information provision" in the OPSG work plan. In particular, the suggestion of a comprehensive mapping of all occupational pension schemes in the Member States (MS), in order to evaluate and compare national pension schemes. OPSG members discussed and agreed to build upon the existing [EIOPA Database of pension plans and products in the European Economic Area \(EEA\)](#), which was published in April 2013.

The Chair proposed these topics for the **agenda for the March meeting**:

- Holistic Balance Sheet (HBS), including a nutshell note to be developed by EIOPA;
- Developments on SII/OMDII that could affect IORP II;
- Database on pension plans and products in the EEA;

Conclusions & Action points:

- The following volunteers agreed to lead the work of the relevant standing subgroups:
 - Philip Shier for the Solvency issues IORP II (HBS);
 - Matti Leppälä for the Occupational DC;
 - Ruth Goldman and Doug Taylor for the Consumer Protection issues.
- EIOPA to circulate the call for volunteers to populate the subgroups.