

EIOPA-OPSG-17-02  
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**Position paper of the EIOPA Occupational  
Pensions Stakeholder Group (OPSG) on  
EIOPA's Opinion to EU Institutions on a  
Common Framework for Risk Assessment  
and Transparency for IORPs**

An introduction by Falco Valkenburg

Frankfurt, 28 February 2017

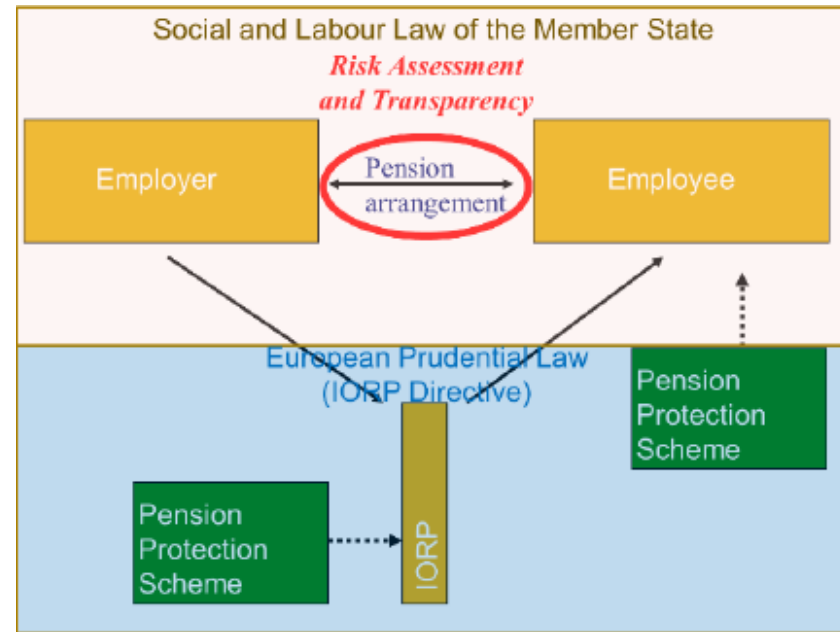
# Supportive of sound risk assessment and transparency

- Large variety of pension arrangements
- Free negotiations of employers/employees

- Arrangement governed by national SLL
- Assessment beyond IORP

## *OPSG suggestions*

- Common Framework → Common Principles
- Proportionality
  - Cost/benefit analysis proposed by independent body



# Understanding cash flows

- IORP II, Art 28.3:
  - ‘... IORPs shall have methods ... to ... assess the risks ... that may have an impact on the IORP’s ability to meet its obligations’
- Valuation approach not first that comes to mind
  - Decision not to comment on valuation approach

## *OPSG suggestion*

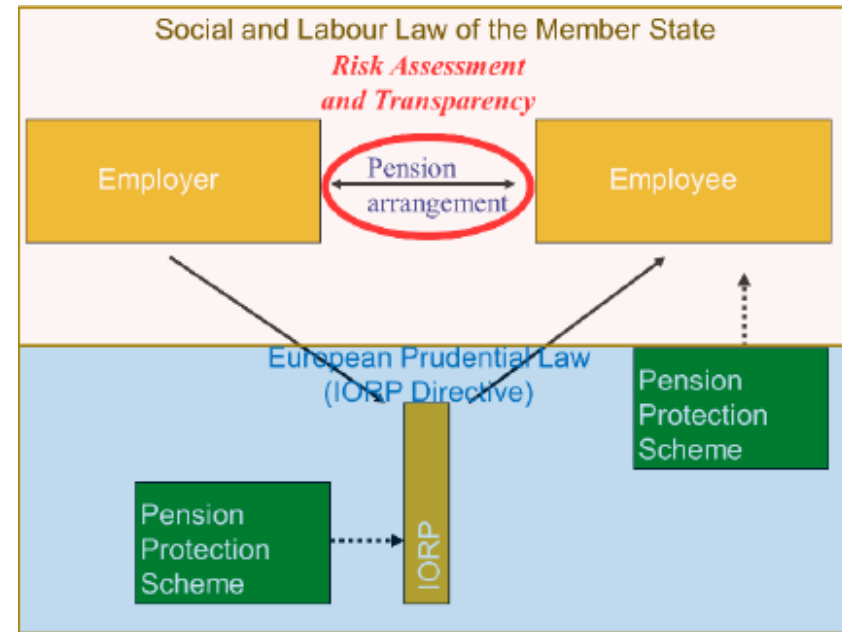
- Explore cash flow approaches
  - Evaluating the risk of not meeting commitments
  - Advantage: free from discount conventions

# Communication on TOTAL risk

- Communication on total and aggregated level
  - Supplementary information for management and supervisor.
- Focus on member/beneficiary perspective
- Defined Contribution to be included in scope
- Public disclosure: great care of both presentation and unintended impact
  - Sponsors usually already disclose under IAS19

# Protection of Members/Beneficiaries

- Protection of members and beneficiaries
  - ≠ consumer protection
- Arrangement governed by national SLL
- Risk assessment to contribute to assess pension plans so that the results in the context of social and labor law of the same pension arrangement but executed in different Member States would be (roughly) the same



# Further dialogue

- Looking forward to hearing the response of EIOPA to our views and suggestions
- Happy to contribute to a further dialogue
- OPSG feels that this topic goes really to the heart of the meaning of pensions
  - and what it means for each stakeholder