

| Comments Template on Consultation Paper on Further Work on Solvency of IORPs | | Deadline 13 January 2015 23:59 CET |
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| Name of Company: | United Utilities Group PLC | |
| Disclosure of comments: | Please indicate if your comments should be treated as confidential: | Public |
| <p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment/response in the relevant row. If you have <u>no response</u> to a question, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments/responses which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-14-040@eiopa.europa.eu . Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the questions refers to Consultation Paper on Further Work on Solvency of IORPs.</p> | | |
| Reference | Comment | |
| General Comment | <p><u>United Utilities Group PLC (UU)</u></p> <p>UU is a UK based FTSE 100 regulated utility which delivers water and wastewaterservices to the North West of England. We operate two defined benefit pension arrangements with cpmbedn pension assets of c€3billion.</p> <p>We are a member of the 100 Group and the National Association of Pension Funds and would normally comment on consultations via their submissions. We strongly support their submissions and felt that it was important to demonstrate that their views are shared by individual companies by additionally submitting our own response.</p> | |

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| | <p>We do not support EIOPA's work in developing the Holistic Balance Sheet concept and believe that our and other UK pension scheme Trustees already carry out appropriate assessments of employer covenant and take this into account within the valuation, funding and investment process and are monitored in doing so by the Pensions Regulator. Any additional requirements will increase cost, complexity and confusion but will not, in our view, provide additional security or understanding for members.</p> <p><u>Our response</u></p> <p>We have not commented on most of the technical questions but support the responses of the 100 Group and NAPF. We have tended to comment on a few of the specific questions asked by the consultation. Our silence on a particular question should not be taken as assent, nor should the fact of us responding to this consultation at all be taken as us agreeing to the concept of the holistic balance sheet or to the placing of a single value on sponsor support.</p> | |
| Q1 | <p>Q1: Do stakeholders think that the word "contract" is an adequate description of the characteristics of the set of rules and arrangements governing the provision of benefits to members and beneficiaries by an IORP?</p> <p>'Contract' is not an appropriate term to describe the arrangements under which pensions are provided by employers to former employees (and reflects the fact that the terminology for the holistic balance sheet has been adopted from an insurance context in which policyholders are in a contractual relationship with the insurance company). It should be replaced with a term that recognises that pension schemes are not, in general, contracts.</p> | |
| Q2 | Q2: Do stakeholders think that the word "boundary" is suitable here? | |
| Q3 | Q3: If not, please provide an expression more suitable for IORPs which could replace the expression "contract boundaries". | |

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| Q4 | Q4: Do stakeholders have any general comments on the above section? | |
| Q5 | <p>Q5: Do stakeholders think that unilateral rights (or obligations) of an IORP to terminate the contract/agreement/promise or reject additional contributions to the contract/agreement/promise or modify the promise in a way that contributions fully reflect the risk should be the basis for a definition of contract boundaries for IORPs? Are there cases where such rights (or obligations) should be the basis for a definition of contract boundaries for IORPs even though they are not unilateral rights (or obligations) of the IORP, but can be exercised unilaterally or jointly by other parties (possibly together with the IORP)?</p> <p>This does not capture the situation in the UK where the power to terminate an IORP may also reside with the sponsoring employer (either solely or by agreement with the trustees of the IORP). Such arrangements should also be included in the definition.</p> <p>It should be noted, however, that under UK legislation (section 67 of the Pensions Act 1995), it is not generally possible to modify benefits that have already accrued.</p> | |
| Q6 | Q6: Do stakeholders agree with the analysis above of the different ways of liabilities of IORPs arising? | |
| Q7 | Q7: Do stakeholders think that there should be a distinction between incoming cash-flows which are considered as “regular contributions” to finance (the accrual of) benefits on the one hand and sponsor support on the other hand? What is the view of stakeholders regarding the practicality of such a distinction? | |
| Q8 | Q8: Do stakeholders agree, that, if there was a distinction as described in question Q7, “regular contributions” should be recognised in technical provisions while sponsor support should be treated separately? | |
| Q9 | Q9: Do stakeholders agree that payments by the IORP to the sponsor related to a surplus of the IORP (in case such payments are allowed for in the scheme) should not be recognised in technical provisions of the IORP? If not, | |

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| | how/where should they be recognized/presented in the holistic balance sheet? | |
| Q10 | Q10: Are stakeholders aware of cases in which there would be an obligation of the IORP to pay out benefits without having received any contributions/payments to finance those benefits (e.g. because the obligation is constituted by social and labour law)? If yes, please describe. | |
| Q11 | Q11: Do stakeholders believe that the contract boundaries could be defined based on future benefit payments rather than contribution or premiums? | |
| Q12 | Q12: Do stakeholders have any general comments on the above section? | |
| Q13 | Q13: Do stakeholders have any general comments on the above section? | |
| Q14 | Q14: Do stakeholders think that the above definition of contract boundaries for IORPs is in line with the general idea that cash-flows should be recognised if and only if they lead to risks building up in the IORP as described in section 4.2.4 (all those cash-flows should be in technical provisions; no cash-flows where all risks could be avoided should be in technical provisions)? | |
| Q15 | Q15: In case more/higher cash-flows than appropriate (compared with the general idea) are included in technical provisions according to this definition, how should the definition be amended to exclude them? | |
| Q16 | Q16: In case not all cash-flows which lead to risk building up in the IORP, as explained in section 4.2.4, are included, with which wording could they be included? | |
| Q17 | Q17: Is the wording of the definition appropriate for IORPs? | |
| Q18 | Q18: Is it necessary to have both 2. a. and b. in the above definition, or could a. be restricted to cases where a termination of the agreement leads to a stop of additional contributions and/or the repayment of contributions received/payment of a surrender value (and then maybe a. and b. could be combined)? | |
| Q19 | Q19: Are there additional rights of the IORP or another party (unilateral or not) which should be considered in the definition (see section 4.2.4)? | |
| Q20 | Q20: Is it clear from the proposed wording of the definition that in principle not only benefits (out-going cash-flows), but also contributions (incoming cash-flows) have to be recognized in technical provisions? | |

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| Q21 | Q21: Are the cases described in parts a) and b) of the definition clearly distinguishable in practice? | |
| Q22 | Q22: Are the conditions mentioned above for making unilateral rights of the sponsor part of the definition of contract boundaries sufficient, or should further conditions be included? How could those rights and conditions be merged into the proposed definition of contract boundaries? | |
| Q23 | Q23: Do stakeholders agree that the proposed adapted definition of contract boundaries for IORPs (above) leads to the results described in this section? If not, please explain. | |
| Q24 | Q24: Do stakeholders consider the above definitions workable? If not, please explain why not and how you would suggest to improve the definition(s). | |
| Q25 | Q25: Do stakeholders have any general comments on the above section? | |
| Q26 | Q26: Would it be possible, in the views of stakeholders, to properly quantify the relation between the funding position of the IORP and elements of discretionary decision-making (the pattern) in order to take the pattern into account in the valuation process? If so, how? | |
| Q27 | Q27: Do stakeholders agree that IORPs need to produce a best estimate of expected future payments (under different scenarios), if pure discretionary benefits were to be recognised in a holistic balance sheet? If not, what alternative would you suggest? | |
| Q28 | Q28: Do stakeholders agree that IORPs need to produce a best estimate of expected future payments (under different scenarios), if mixed benefits were to be recognised in a holistic balance sheet? If not, what alternative would you suggest? | |
| Q29 | Q29: Do stakeholders agree that IORPs need to produce a best estimate of expected future sponsor payments (under different scenarios), if non-legally enforceable sponsor support was to be included on the holistic balance sheet? If not, what alternative would you suggest? | |
| Q30 | Q30: Do stakeholders agree that these are the two options for valuing off-balance capital instruments? If not, what alternative options would you suggest? | |

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| Q31 | Q31: Which option do you support? Please explain why you support this option. | |
| Q32 | Q32: Do stakeholders agree that surplus funds should be valued for their nominal value? If not, how would you suggest to value surplus funds? | |
| Q33 | Q33: Do stakeholders agree that these are the three options for valuing subordinated loans? If not, what alternative options would you suggest? | |
| Q34 | Q34: Which option do you support? Please explain why you support this option. | |
| Q35 | Q35: Do stakeholders agree with these two approaches to valuing benefit reduction mechanisms? If not, what alternatives or amendments would you suggest? | |
| Q36 | <p>Q36: Do stakeholders agree that at the EU level, there should only be a principle based approach to valuing sponsor support with the specifics being left to member states/supervisors and/or IORPs?</p> <p>Yes. We agree with a principles-based approach to the assessment of sponsor support. In our view, it should be for individual IORPs to make an assessment of sponsor support, using either qualitative or quantitative methods as appropriate to their circumstances, with national supervisors maintaining scrutiny (and the possibility of intervention) where needed.</p> <p>Our pension scheme Trustee assesses our covenant, using external advisers where necessary, on an ongoing basis and we work with them to ensure they have the information required to do so. The Pensions Regulator in the UK monitors this process and has an interest to ensure that it is correctly performed, given their role with the Pensions Protection Fund for cases where the covenant has been lost and the fund is unable to support the beneficiaries.</p> | |
| Q37 | Q37: Do stakeholders agree with the overarching principle that the valuation of sponsor support should be market consistent? If not, what principle(s) would you suggest? | |

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| Q38 | Q38: Do stakeholders agree that in order to achieve this market-consistent valuation, the expected cash flows required by the IORP should be valued allowing for affordability and credit risk of the sponsor? If not, what approach(es) would you suggest? | |
| Q39 | <p>Q39: What is the general view of stakeholders with regard to sponsor support as a balancing item?</p> <p>As we set out in our General Comments, we do not believe that it is appropriate to set a single value for sponsor support. Whilst we do not agree that there is any need to introduce the holistic balance sheet, if it were to be introduced, then allowing for the sponsor support to be introduced simply as balancing item would be a sensible simplification and allow the pension scheme to see the size of the covenant support that it is relying on. It can then take this into account in its funding and investment decisions. This is the how UK pensions schemes currently operate.</p> <p>The approach proposed by EIOPA would require IORPs to meet some arbitrary hurdles before they could use the 'balancing item' approach. We believe, however, that it would be more useful for the 'balancing item' approach to be the default approach and it to be for individual IORPs (under the scrutiny of their national supervisors) to take the decision as to whether any more complex valuation is required.</p> | |
| Q40 | <p>Q40: Which conditions should apply for sponsor support to be treated as a balancing item?</p> <p>We believe that it would be more useful for the 'balancing item' approach to be the default approach and it to be for individual IORPs (under the scrutiny of their national supervisors) to take the decision as to whether any more complex valuation is required.</p> | |
| Q41 | Q41: Are there other cases beyond the cases mentioned above in which sponsor support could be treated as a balancing item? | |
| Q42 | Q42: Do stakeholders have a view as to what value of M would be | |

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| | appropriate? | |
| Q43 | <p>Q43: Do stakeholders think a pension protection scheme could in principle be considered as impacting on sponsor support to allow it to be a balancing item if it is considered financially strong and based on a sufficiently permanent and certain legal arrangement?</p> <p>We do not agree with the concept of the holistic balance sheet in the first place. If, however, a holistic balance sheet is introduced, we believe that this should recognise all sources of support, including pension protection schemes. However, we believe this is an assessment to be made at an IORP-specific level, with the IORP including sponsor support and where necessary pension protection schemes as potentially balancing items.</p> | |
| Q44 | <p>Q44: Should considering a pension protection scheme as a balancing item be restricted to cases where a pension protection scheme protects 100% of benefits or is it appropriate to allow for the reduction in benefits in case of sponsor default where there is a pension protection scheme in place?</p> | |
| Q45 | <p>Q45: Do stakeholders believe that it is appropriate that where a pension protection scheme is used as the balancing item, a separate minimum level of funding with financial assets and/or sponsor support should be required?</p> | |
| Q46 | <p>Q46: Do stakeholders agree that technical specifications should allow for a principles-based, IORP specific valuation of sponsor support? Please explain.</p> <p>Yes. However, we would go beyond this: we think that any holistic balance sheet should also allow for a principles-based, IORP-specific qualitative assessment of sponsor support.</p> <p>Our pension scheme Trustee assesses our covenant, using external advisers where necessary, on an ongoing basis and we work with them to ensure they have the information required to do so. The Pensions Regulator in the UK monitors this process and has an interest to ensure that it is correctly performed given their role with the Pensions Protection Fund for case where the covenant has been lost and the fund is unable to support the beneficiaries.</p> | |

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| | <p>Our Trustees have access to information of various kinds to enable them to assess that support, ranging from quantitative metrics to more qualitative assessments of the employer's future business prospects and commitment to the pension scheme. The fact that we are a regulated utility, for example, is material element of our covenant and we do not believe that it is possible to quantify to place a single number on this.</p> <p>Any attempt to reduce this complex array of information to a single number is bound to produce results that are spurious and misleading.</p> | |
| Q47 | Q47: In what areas of valuation of sponsor support would it be most useful for EIOPA to specify guidance? Please explain and describe the possible contents of such guidance. | |
| Q48 | Q48: Are there any other issues in relation to stochastic models, which you believe should be covered? | |
| Q49 | <p>Q49: Do stakeholders believe that this approach is a suitable simplified method for determining sponsor support? In what circumstances is it appropriate? In what circumstances might it not be appropriate?</p> <p>We are a regulated utility with a rolling 25 years licence and do not believe that it is possible to correctly value this within a stochastic model.</p> | |
| Q50 | Q50: As EIOPA has provided a model for IORPs to derive a value using this specification as long as they provide the above input data, what more should EIOPA do to encourage use of this approach where appropriate? | |
| Q51 | Q51: Do stakeholders believe that this approach is a suitable simplified method for determining sponsor support? In what circumstances is it appropriate? In what circumstances might it not be appropriate? | |
| Q52 | Q52: As EIOPA has provided a model for IORPs to derive a value using this specification as long as they provide the above input data, what more should EIOPA do to encourage use of this approach, where appropriate? | |
| Q53 | Q53: Do stakeholders believe that this approach is a suitable simplified method for determining sponsor support? In what circumstances is it | |

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| | appropriate? In what circumstances might it not be appropriate? | |
| Q54 | Q54: Should EIOPA produce spreadsheets to enable IORPs to use this simplification? | |
| Q55 | Q55: Do stakeholders believe that this approach is a suitable method for determining sponsor support? In what circumstances is it appropriate? In what circumstances is it not appropriate? | |
| Q56 | Q56: Do the proposed adaptations to this option overcome the criticisms? Should EIOPA produce spreadsheets to enable IORPs to use this simplification? | |
| Q57 | Q57: Do stakeholders agree that a simplified one-size-fits-all approach for the calculation of maximum sponsor support is not possible and so the best approach is the proposed principles-based approach for including sponsor affordability? If not, please explain. | |
| Q58 | Q58: In respect of a further quantitative impact assessment, would stakeholders like EIOPA to define the parameters to use for maximum sponsor support? If yes, how could EIOPA improve the approach set out in the previous QIS? | |
| Q59 | Q59: Do stakeholders think that other options should be considered to determine a value to be used to assess overall sponsor affordability? | |
| Q60 | Q60: Do stakeholders believe that the approaches presented cover the full range of possibilities to estimate sponsor default probabilities? If not, what specific alternative approaches would stakeholders suggest? | |
| Q61 | Q61: What in the stakeholders' view is the appropriate time period on which to consider possible payments from sponsors for the calculation of sponsor support? Please explain. | |
| Q62 | Q62: Please provide your views on this suggested approach. | |
| Q63 | Q63: Are there any other suggestions on how to deal with single sponsors with multiple IORPs? EIOPA's proposed approach on sponsors with multiple IORPs is an attempt at a very simplistic solution to what may be a very complex and sponsor-specific situation. We would suggest that the decision of an appropriate approach is left to individual IORPs (under the scrutiny of national supervisors), who will be able to determine an | |

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| | approach that provides a reasonable assessment of the support being provided to individual pension schemes. | |
| Q64 | Q64: Please provide your views on this suggested approach. | |
| Q65 | <p>Q65: Are there any other suggestions on how to deal with multiple employer IORPs?</p> <p>EIOPA's proposed approach on multiple-employer IORPs is an attempt at a very simplistic solution to what may be a very complex and scheme-specific situation. We would suggest that the decision of an appropriate approach is left to individual IORPs (under the scrutiny of national supervisors), who will be able to determine an approach that provides a reasonable assessment of the support being provided to individual pension schemes.</p> | |
| Q66 | Q66: Please provide your views on this suggested approach. | |
| Q67 | Q67: Please provide your views on this suggested approach. | |
| Q68 | Q68: Are there any other suggestions on how to deal with not-for-profit entities? | |
| Q69 | Q69: Do stakeholders agree with the above comments on the options to value pension protection schemes? If not, please explain. | |
| Q70 | Q70: Which of the options to value pension protection schemes do stakeholders prefer? | |
| Q71 | Q71: Do stakeholders think a pension protection scheme could in principle be considered a balancing item on the holistic balance sheet, if considered as a separate asset on the holistic balance sheet? | |
| Q72 | <p>Q72: If it was decided to establish EU capital/funding requirements as part of pillar 1, would there in the stakeholders' view be a role for the holistic balance sheet? Please explain why and, if yes, what that role should be.</p> <p>We do not support the idea of applying a regime based on Solvency II to IORPs (and to the use of the holistic balance sheet as a mechanism for applying such a regime). We believe that this will be damaging to the provision of pensions to employees and that the UK already has a robust governance and regulatory pensions framework.</p> | |

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| | <p>The application of a solvency regime to pensions would have very damaging consequences for employers sponsoring pension schemes, who could see increased funding deficits and higher contribution demands, which would leave them with lower assets to invest in growth and jobs.</p> <p>We do not believe that EU capital/funding requirements should be introduced as part of Pillar I and therefore do not believe that the holistic balance sheet should be used for such a purpose.</p> | |
| Q73 | <p>Q73: Do stakeholders believe that the holistic balance sheet should be used as a risk management tool as part of pillar 2 requirements? Please explain.</p> <p>We do not believe that the case has been made for introducing a holistic balance sheet at all. However, if one is to be produced, then it is clearly preferable and less damaging to pension schemes, sponsors and the economy if these (possibly meaningless) numbers are used as part of a risk management process rather than to drive the funding of pension schemes.</p> <p>It should be noted, however, that the draft text of the revised IORP directive already contains a risk management tool in the form of the Risk Evaluation for Pensions. We believe that a qualitative assessment along the lines proposed in the Risk Evaluation for Pensions would form a much more effective tool that is better able to address the specificities of individual IORPs and sponsors (regulated utilities for example).</p> | |
| Q74 | <p>Q74: Do stakeholders agree that the outcomes of a pillar 2 assessment should be publicly disclosed as part of pillar 3 requirements?</p> <p>Once a specific holistic balance sheet calculation has been carried out, it will be difficult for companies (especially listed companies) not to disclose that (potentially market-sensitive) analysis publicly (even if it is not used for Pillar 1 funding purposes) and so we do not think it would be practical to prevent public disclosure.</p> <p>However, as noted above, we do not believe that it is appropriate to calculate a single</p> | |

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| | value for sponsor support across all IORPs. If a single value were to be calculated for risk management purposes and then publicly disclosed, this number may be misleading and may either damage a company's standing, or give an inappropriately positive view of an employer's obligations to their pension scheme. | |
| Q75 | Q75: Do stakeholders agree that competent authorities should be empowered to take supervisory action based on the pillar 2 assessment of the holistic balance sheet? Please explain and, if yes, what action? This should be left to the supervisors of individual member states to determine. | |
| Q76 | Q76: Which of the two options for recognising non-legally enforceable sponsor support do stakeholders support? Please explain why you support this option. | |
| Q77 | Q.77: Which of the two options for recognising pension protection schemes do stakeholders support? Please explain why you support this option. | |
| Q78 | Q78: Do stakeholders agree that pure discretionary benefits should not be included on an IORP's pillar 1 balance sheet, as these do not represent a part of the benefit promise that needs to be protected by quantitative requirements? If not, what alternative options would you suggest? | |
| Q79 | Q79: Which of the three options for recognising mixed benefits do stakeholders support? Please explain why you support this option. | |
| Q80 | Q80: Which of the three options for recognising benefit reduction mechanisms do stakeholders support? Please explain why you support this option. | |
| Q81 | Q81: Are there any additional options that stakeholders believe should be considered? | |
| Q82 | Q82: Do stakeholders agree that off-balance capital instruments should always be eligible to cover the SCR? If not, what alternative options would you suggest? | |
| Q83 | Q83: Do stakeholders agree that surplus funds should always be recognised on an IORP's balance sheet and could always be used to cover capital requirements? If not, how would you suggest to treat surplus funds in this | |

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| | respect? | |
| Q84 | Q84: Do stakeholders agree that subordinated loans should always be recognised on an IORP's balance sheet and could, bar possible future decisions to introduce restrictions, be used to cover capital requirements? If not, how would you suggest to treat subordinated loans in this respect? | |
| Q85 | Q85: In the stakeholders' view should the minimum requirement for the level of liabilities to be covered with financial assets be based on the Level A technical provisions or the Level B best estimate of technical provisions? Please explain. | |
| Q86 | Q86: If the Level B best estimate were to be used, in the stakeholders' view should it apply to all IORPs or should its use be restricted to IORPs which dispose of certain security and adjustment mechanisms, be subject to prior approval of the national supervisor or applied as a member state option? Please explain. | |
| Q87 | Q87: In the stakeholders' view should the level of technical provisions that needs to be covered with assets (incl. security mechanisms), and that potentially serves as a basis for the SCR, be based on Level A technical provisions or on the Level B best estimate of technical provisions? Please explain. | |
| Q88 | Q88: If the Level B best estimate were to be used, in the stakeholders' view should its use be restricted to IORPs which dispose of certain security and adjustment mechanisms, be subject to prior approval of the national supervisor or applied as a member state option? Please explain. | |
| Q89 | Q89: Do stakeholders believe it would be a sensible approach for member states to specify additional requirements regarding the funding with (financial) assets through national social and labour law, instead of through national prudential regimes? Please explain. | |
| Q90 | Q90: Do stakeholders believe that there is scope for harmonising the recovery period regarding the level of technical provisions to be covered with financial assets on the EU level? Please explain. No. This should be left to the member state level. | |

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| Q91 | <p>Q91: Do stakeholders think that the recovery period regarding the level of technical provisions to be covered with financial assets should be short or cover an extensive period of time? Please explain.</p> <p>This should be specific to the individual circumstances of an IORP and its sponsor(s).</p> | |
| Q92 | <p>Q92: In the stakeholders' view how long should the more extensive recovery period be and should it be restricted to IORPs which dispose of certain security and adjustment mechanisms and/or be subject to prior approval of the national supervisor? Please explain.</p> <p>This should be specific to the individual circumstances of an IORP and its sponsor(s).</p> | |
| Q93 | <p>Q93: Do stakeholders believe that there is scope for harmonising the recovery period for meeting the SCR on the EU level? Please explain.</p> <p>We do not believe that the case for an EU-level SCR has made. Any SCR (and therefore any associated recovery period) should be specified at member state level.</p> | |
| Q94 | <p>Q94: In the view of stakeholders should the recovery period in the event of non-compliance with the SCR be short or cover a more extensive period of time? Please explain.</p> <p>We do not believe that the case for an EU-level SCR has made. Any SCR (and therefore any associated recovery period) should be specified at member state level.</p> | |
| Q95 | <p>Q95: In the view of stakeholders how long should the more extensive recovery period be and should it be restricted to IORPs which dispose of certain security and adjustment mechanisms and/or be subject to prior approval of the national supervisor? Please explain.</p> | |
| Q96 | <p>Q96: Do stakeholders agree that IORPs should be required to submit a recovery plan if capital/funding requirements are not met or should more</p> | |

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| | <p>specific supervisory responses be specified on the EU level? Please explain.</p> <p>Under existing legislation, IORPs are required to submit a recovery plan where funding requirements are not met. We believe that this should continue to be the case and that no further supervisory responses should be specified at an EU level.</p> | |
| Q97 | <p>Q97: What is the view of stakeholders on the potential impact of a possible future European prudential framework for IORPs on existing contractual agreements and national social and labour law?</p> | |
| Q98 | <p>Q98: In the stakeholders' view is there scope for transitional measures in order to mitigate the potential impact of a possible EU prudential regime on existing contractual agreements and national social and labour law?</p> <p>We do not believe that the case has been made for a possible EU prudential regime based on the holistic balance sheet. However, if such a regime were to be introduced (and especially if the holistic balance sheet were to be used for Pillar 1 funding/solvency requirements), then an appropriate transitional regime would be essential to avoid major impacts on pension schemes, sponsors and long-term investment markets.</p> <p>We therefore agree that benefits that were accrued prior to the introduction of a holistic balance sheet approach should be excluded from the new EU regime.</p> <p>We would also favour a long transition period for employers to adapt their pension provision to fit the new regime.</p> | |
| Q99 | <p>Q99: Do stakeholders have any general comments on (the description of) example 1?</p> | |
| Q100 | <p>Q100: Could example 1, in the view of stakeholders, be used for all IORPs in the EU?</p> | |
| Q101 | <p>Q101: Do stakeholders have any general comments on (the description of) example 2?</p> | |

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| Q102 | Q102: Could example 2, in the view of stakeholders, be used for all IORPs in the EU? | |
| Q103 | Q103: Do stakeholders have any general comments on (the description of) example 3? | |
| Q104 | Q104: Could example 3, in the view of stakeholders, be used for all IORPs in the EU, taking into account national specificities? | |
| Q105 | Q105: Do stakeholders have any general comments on (the description of) example 4? | |
| Q106 | Q106: Could example 4, in the view of stakeholders, be used for all IORPs in the EU? | |
| Q107 | Q107: Do stakeholders have any general comments on (the description of) example 5? | |
| Q108 | Q108: Could example 5, in the view of stakeholders, be used for all IORPs in the EU? | |
| Q109 | Q109: Do stakeholders have any general comments on (the description of) example 6? | |
| Q110 | Q110: Could example 6, in the view of stakeholders, be used for all IORPs in the EU? | |
| Q111 | <p>Q111: Do stakeholders agree that there is scope for simplifications with regard to drawing up the holistic balance sheet? Which simplifications would you consider most important and in which situations?</p> <p>EIOPA should also consider an example 7, which is retaining the status quo <u>without</u> the introduction of the holistic balance sheet. EIOPA has not yet demonstrated why the holistic balance sheet is needed.</p> | |