Summary of Comments on Consultation Paper EIOPA-CP-15/001 - Pensions Transferability	14 April 2015

EIOPA would like to thank aba Arbeitsgemeinschaft für betriebliche Altersver, ABI (Trade Association, United Kingdom), Actuarial Association of Europe, Association Européenne des Institutions Paritaires, Better finance, BIPAR (the European Federation of Insurance Intermediaries), DIA (Trade Association for insurance and pensions), Financial Services User Group, German Insurance Association, Institute and Faculty of Actuaries (UK), Insurance Sweden (Industry Association, Sweden), Mercer (benefits consulting, Benelux and UK), OPSG, Pensioenfederatie (Pension fund association, the Netherlands), Pensions Europe, and The 100 Group of Finance Directors (Business Association, UK).

The numbering of the pages refers to Consultation Paper No. EIOPA-CP-15/001

No.	Name	Reference	Comment	Resolution
1.	aba Arbeitsgemeinschaft für betriebliche Altersver	General Comment	Introduction In January 2015 EIOPA published the consultation paper report on Good Practices on individual transfers of supplementary occupational pension rights, which relates back to the Call for Advice (CfA) on portability EIOPA received from DG Employment and Social Affairs. The consultation paper summarises the results of the EIOPA work regarding the CfA and is intended to form the basis for the future discussions around transferability of occupational pensions. We welcome that EIOPA is neutral in the discussions around whether it is desirable to leave vested rights where they are or whether to transfer them to the new employer. What is best often depends on the circumstances and has to be decided on an individual basis. We note that EIOPA stresses that the Good Practices proposed in the report will not be legally binding. Even though EIOPA stresses that social and labour law do not fall in its remit (p. 8), we would like to emphasise this point: it is the Member States who decide on matters regarding social, labour and tax law.□ Within some Member States, transfers	

			are addressed in collective agreements. These are most likely to be found in sectors where the different schemes deliver similar benefits (e.g. public sector in Germany). Collective agreements could facilitate transfers in other industrial sectors as well. Neither EIOPA nor the EU Commission can or should interfere with the right of the Member States to address these issues as they see fit. From a stakeholder perspective, we would like to emphasise that we do not find the way the Consultation is organised conducive to a good discussion of the issues. From our perspective it would have been better to structure the template for responses by topic and/or number of paragraph or heading. The reference to individual pages makes it difficult to concisely address all the relevant issues. Usually EIOPA asks stakeholders to reply to a number of questions. This would have been a more feasible way regarding the current consultation. Beyond this, we have a number of general remarks relating to the following topics: ☐ Increasing transferability ☐ The role of the employer and the definition of pension schemes ☐ Voluntary cooperation / agreement between pension schemes ☐ Obstacles to transfers which have not been addressed ☐ Will more transfers lead to more efficiency? Increasing transferability For over a decade we have advocated an adequate solution to issues around portability (see for example our Assessment of the proposal for a directive on improving the portability of supplementary pensions rights from 2005). We have contributed substantially to the solution implemented on the national level in 2005. We would also like to point out that in Germany portability is regularly practised in the second pillar provision for the public sector since the late 1970s. The experience in Germany shows that the key issues regarding transferability are in the area of labour and, particularly, tax law. The cooperation between the Ministry for Social Affairs and the Ministry of Finance was the decisive factor at the time. The Financial	

			Supervisory Authority was involved in the definition of the transfer value, but did not play a major role in creating the transferability rules. This all begs the question whether EIOPA with no experience itself and limited practical experience of the national supervisors in this area is best placed to answer the questions of the Call for advice. The long-lasting discussion around the Directive formerly known as the Portability Directive has shown that introducing EU-wide transferability rules is difficult. In practice the following suggestions would already be a big step forward for the mobility of workers and their occupational pensions within the EU: 1. mutual (tax) recognition of occupational pension systems, at least for the time the worker is posted abroad, and 2. establish an efficient system of transfers of pension schemes between IORPs (Art. 13 of the Commission Proposal for an IORP II Directive), with DG EMPL involved in the design of such a system. Bearing in mind EIOPA's competences and experience, we feel it would be better if the Authority focused on tasks which can be solved by prudential regulation. To foster the transferability of supplementary pension rights, from our perspective it would be best to use the Committee in the area of supplementary pensions (Pensions Forum) to work on mutual tax recognition and on establishing an efficient system for transfers of pension assets when individuals change employers. The role of the employer and the definition of pension schemes First of all we would like to stress the important role the employer plays in occupational pensions. In Germany, the employer initiates the occupational pension, supports it and is liable to ensure that the pension promise made is met. In particular this last point needs to be closely considered in relation to individual transfers: it is very important that in Germany a transfer means that this liability is passed on to the new employer. If the transfer is completed, the old employer is not liable to ensure that the pension promise is met; now the new employer has to ensure that the new promise she/he gave is met. In this context we would like to stress the difference between a transfer of pension rights and a transfer of a capital value (for a further discussion of the issue, see below): while a transfer of capital leads to liability from the point of the transfer onwards, a transfer of	

			pension rights leads to a transfer of the liability dating back, including the rights accrued while working for the first employer From our perspective, a transfer of capital value can be a fair and sensible way of balancing the interests of the employee and the new employer. A transfer of pension rights is therefore not suitable as a Good Practice Example if heterogenous occupational pension structures exist. In Germany the Pensions-Sicherungs-Verein aG (PSVaG) can ensure that the occupational pension promised is met if the employer becomes insolvent. In case of insolvency it is carefully assessed for which pension liabilities the bankrupt employer had to stand in – only those are covered by the PSVaG. It is therefore important that questions regarding the liability of employers are clear after any transfer. Considering the role of the employer, it becomes apparent that occupational pensions are very different from personal pensions. As the aba has pointed out several times before, when using external vehicles, occupational pensions are characterised by the triangular relationship between employee, employer and the IORP or life insurance company. In contrast, personal pensions are built on a contract between a provider / an insurance company and an individual, meaning that they follow a very different concept. Because of these differences we would like to emphasise the importance of not mixing the two pillars together. We note that in some countries a transfer is possible even between pillars – in Germany, the law does not allow such transfers. The German pension pillar architecture is in general not designed for these transfers. In addition, from the perspective of social and labour law, such transfers are not sensible in the vast majority of cases. We urge EIOPA to take these differences into account, starting with the terminology used. The title of the Consultation paper is “Report on Good Practices on individual transfers of supplementary occupational pension rights”. We welcome that the title explicitly refers to occupational pensions, however, it seems unnecessary to add “supplementary” – in the EU occupational pensions are always supplements to a (mandatory) first pillar. The same applies to the definition (p.7) – from our perspective a definition of “occupational pension schemes” would suffice. When discussing a complex topic such as pensions, unnecessary complexity introduced by the language used should be avoided.	

			Since the term “supplementary pension” includes both second and third pillar, we do not find it helpful that EIOPA throughout the paper refers to this term – even though in the definition it stated that “pension scheme” would be used as a shorthand for “supplementary occupational pension scheme”. The use of the term “supplementary pension” is very misleading and should be replaced at least as EIOPA suggested, by using “pension scheme”. For clarity’s sake it would be even more beneficial to use “occupational pension scheme”, which would reflect the link to an employment relationship and the important role of the employer. In addition, we suggest to replace the term “rights” in the title of the Consultation with the more accurate term „capital” (see our comments regarding p. 6 for a discussion of the differences between the two concepts for DB and DC schemes). Taking into account the amendment suggested in the General Remarks, the Title should read: „Consultation Paper on a Report on Good Practices on individual transfers of occupational pension capital”. Nevertheless, it should be made very clear that any transfer of capital from the occupational pension scheme of the previous employer to the pension scheme of the new employer must have the legal consequence that the pension promise of the previous employer including a any kind of liability will end. Voluntary cooperation or agreement between pension schemes We understand that EIOPA envisages a voluntary transfer agreement within and across Member States. However, it is important to be realistic as to what the involved stakeholders are prepared to do. This applies both to IORPs / insurance companies as well as to the beneficiary, who faces a more difficult decision the more different the two schemes are. Beneficiaries are likely to built their personal risk cover (e.g. invalidity, death) around what their employer offers. For example, if an occupational pension scheme does already include sufficient invalidity cover, there is no need to take out an additional personal insurance or it might not be possible because of limitations of total coverage (there is a limit to what can be insured relative to current income). Any change to what is offered by the employer therefore triggers a review of the personal insurances taken out. This is particularly critical because with increasing age it becomes more expensive and difficult to take out invalidity cover or survivor’s protection. Therefore the beneficiary has in most cases an interest that the benefits offered by the employer	

			remain similar. As a consequence a transfer between similar schemes is easier to complete than a transfer between completely different schemes. For these reasons, voluntary agreements are well suited for transfers between employers and their schemes/IORPs operating in the same industrial sectors or branches within one Member State but do not seem to be an feasible alternative for a cross-border transfer. From our perspective it is furthermore key what is addressed in the agreement. If for example it would include the use of the same actuarial assumptions, it is inconceivable that this would work in Germany across all five vehicles delivering occupational pensions, offered by either employers, IORPs or insurance companies. We would like to stress that even under a voluntary cooperation, a transfer can be to the detriment of the beneficiary and, in the end, always depends on the individual and personal circumstances of the respective employee. Adequate information and involvement in the process are therefore important. In Germany transfers are regularly carried out in the public sector (which does not fall under the IORP Directive or under the scope of this consultation paper). Many thousand transfers with a value of several hundred million are conducted every year. However, it is crucial to the success of this model, that the schemes between which the transfers take place are relatively similar (based on tariff agreements). Transfers are therefore (relatively) straightforward to administer and the changes for the beneficiaries are limited. Pension rights are also often transferred within a corporate group when an employee moves from one subsidiary to another. We doubt whether these conditions which from our perspective are crucial to the success of the transfers in the public sector or within a corporate group could be recreated within the entire German private sector or, still less likely, across Europe by setting up voluntary cooperation or agreements between pension schemes. The fundamental differences between defined benefit and defined contribution schemes, differences in social, labour and tax law across the EU and other obstacles which EIOPA has not addressed are discussed in the following section. It is unlikely that any kind of voluntary agreement between pension schemes would be able to overcome these obstacles.	

			Obstacles to transfers which have not been addressed We would like to point out a number of obstacles to transfers which have not been addressed (sufficiently) in the current Consultation Paper, but which from our perspective are relatively important: ☐ Regarding the right of both the transferring and the receiving IORP to reject a transfer: A rejection should not only be possible because of financial repercussions, rather, the IORP should be allowed to take all related risks into account. These include in particular the interest rate environment, biometric aspects and structural changes in the pool of members. The right of the employer and the IORP to reject a transfer is needed. ☐ There are other areas of law in addition to labour, social and tax law which have to be taken into account during a transfer. In Germany these areas include pension sharing in case of divorce (Versorgungsausgleich), data protection legislation and rights of co-determination. In addition to tax obstacles, social insurance contribution rules might also impact on the attractiveness of a cross-border transfer for beneficiaries (for example in Germany health insurance contributions have to be paid out of occupational pension income). ☐ Defined benefit and defined contribution schemes are fundamentally different from each other and therefore are subject to different challenges in the case of an individual transfer. These issues should be considered separately. One important difference becomes apparent when taking a closer look at what exactly is being transferred: in a pure DC scheme (i.e. without any actuarial or investment risk), it does not matter whether the capital value or the pension rights of the beneficiary are transferred, these two concepts are the same. However, for a DB scheme they are two different things: the pension right is what the employer promised, e.g. a certain level of benefit when the beneficiary reaches reitrement age, and additional risk cover such as against invalidity and/or death. The capital value is calculated according to certain standards and assumptions. In a DB scheme only the latter can be transferred. As a result, the previous employer is not liable anymore for the settlement of the given pension promise. ☐ Within the EU transfers could potentially include a change in currency, making it	

			even more complex. Will more transfers lead to more efficiency? Regarding a general requirement to transfer, the answer to this question is no. We do not expect significant efficiency gains because of individual transfers, to the contrary, they could potentially even lead to efficiency losses: ☐ If a transfer takes place between systems with different rules (tax or social insurance contribution rules; e.g. in Germany Riester incentives and limited EET taxation for "classical" occupational pensions contributions) it is necessary that the transferred account is kept separately, i.a. to be able to comply with current and potential future legislation. The information which has to be maintained includes: information about the occupational pension part and the private continuation, employee vs. employer contributions, information on whether and to which extent the plan received Riester incentives. ☐ Occupational pensions vary across the EU. Because of these differences i.a. in social, labour and tax law, it will be impossible for a pension promise to be continued in exactly the way it was before. An example is insolvency protection, which exists in Germany, but not in all EU Member States. If a German pension right was transferred to a country without insolvency protection, the pension promise would have to change. From a legal perspective this raises the question whether the transfer would be allowed – and, important under German law, whether under these circumstances the employer can pass on their liability to ensure that the pension promise is met to the new employer. ☐ While from the perspective of the beneficiary it is usually attractive if the pension promise remains unchanged during a transfer, for the involved employers and IORPs the transfer can in most cases only include a capital value. ☐ Overall, administrative systems would have to be extended; the costs are likely to borne by the employers sponsoring an occupational pension scheme and ultimately the employees benefiting from it. While there are also benefits from a transfer – it is more efficient to administer one larger pension entitlement than to administer several smaller ones – we doubt that they	

			would offset the efficiency losses mentioned above. Finally, we would like to point out that small changes in legislation / Good Practices can trigger relatively high administrative costs. An example from Germany is the reform of pension sharing in case of divorce (Versorgungsausgleich). It requires the IORP to hold a lot of information, which of course triggers additional costs, in particular investment in IT systems. In addition, transfers bring the risk that some information is lost. Conclusion Overall, we would like to stress the following points: ☐ Rather than promoting agreements governing individual transfers, from our perspective the labour mobility across the EU would be strengthened by mutual recognition in the area of tax and social insurance contributions for the time the worker is posted or delegated abroad. It should be allowed for the posted / delegated worker to stay in their home IORP – without rendering the scheme a cross-border IORP. In this case the prevention of a transfer would lead to higher pension benefits for the mobile worker and to lower costs for the employer and the IORP. ☐ Neither EIOPA nor the Commission have any competencies in the area of social and labour law. ☐ EIOPA regularly omits the role of the employer. Since it is the employer who sets up the pension plan, makes the pension promise and contributes to financing of the scheme, it is crucial to adequately consider this relationship. ☐ Voluntary cooperation or agreement between pension schemes are used in certain sectors, but not across Germany. From our perspective it would be very difficult to achieve this at the national level, let alone at the European level because of very different benefit structures. What is possible from our perspective is the transfer of capital. As stated above, it is crucial that the responsibility to ensure that the pension promise is met then lies with the new employer; the former sponsor is fully freed of his responsibilities. Several obstacles have not been addressed, such as legal requirements beyond social, labour and tax law. ☐ We propose a time limit of two years between the job change and the transfer.	

			From the perspective of the employer, it is important to know whether they are still liable for the pension promise made. In addition, the rationale for a transfer is to allow mobile workers to collect their pension entitlement within one (or at least few) institutions/sponsoring employers. Furthermore, a fixed time frame reduces the possibility for the beneficiary to engage in arbitrage against the collective pool of IORP members. ☐ In general, we doubt that efficiency is likely to increase through individual transfers: i.a. the diversity of occupational pensions and the administrative costs mean that a transfer is not automatically an efficiency gain – to the contrary. ☐ Due to the diversity of occupational pension schemes, it generally should be a capital value which is transferred between different schemes. It is important to be realistic as to what the involved stakeholders are prepared to do. This applies both to IORPs / insurance companies as well as to the beneficiary, who faces a more difficult decision the more different the two schemes are. As stated above, it is crucial that the responsibility to ensure that the pension promise is met then lies with the new employer; the former sponsor is fully freed of his responsibilities.	
2.	ABI (Trade Association, United Kingdom)	General Comment	The Association of British Insurers (ABI) welcomes the opportunity to respond to EIOPA's consultation on good practices on individual transfers of supplementary occupational pension rights. Before providing our general comments, it may be helpful to have some background information on the UK insurance industry and the role of the ABI. The UK Insurance Industry The UK insurance industry is the third largest in the world and the largest in Europe. It is a vital part of the UK economy, managing investments amounting to 25% of the UK's total net worth and contributing £10.4 billion in taxes to the Government. Employing around 320,000 people in the UK alone, the insurance industry is also one of this country's major exporters, with 26% of its net premium income coming from overseas business. Insurance helps individuals and businesses protect themselves against the everyday	

			risks they face, enabling people to own homes, travel overseas, provide for a financially secure future and run businesses. Insurance underpins a healthy and prosperous society, enabling businesses and individuals to thrive, safe in the knowledge that problems can be handled and risks carefully managed. Every day, our members pay out £148 million in benefits to pensioners and long-term savers as well as £58 million in general insurance claims. The ABI The ABI is the voice of insurance, representing the general insurance, protection, investment and long-term savings industry. It was formed in 1985 to represent the whole of the industry and today has almost 300 members, accounting for some 90% of premiums in the UK. The ABI's role is to: ☐ Be the voice of the UK insurance industry, leading debate and speaking up for insurers. ☐ Represent the UK insurance industry to government, regulators and policy makers in the UK, EU and internationally, driving effective public policy and regulation. ☐ Advocate high standards of customer service within the industry and provide useful information to the public about insurance. ☐ Promote the benefits of insurance to the government, regulators, policy makers and the public. General Comments The ABI recognises the importance of having a consistent approach when looking to facilitate cross-border transfers of pension rights, however we would maintain that EIOPA be as flexible as possible in this given that many member states, including the UK, are undergoing pension reforms which will encompass pension transfers. It is therefore important to take into account national developments when developing any good practices at EU-level, to ensure they do not unwittingly undermine positive national	

			efforts to support policyholders. For example, the UK is currently implementing a number of pension reforms and so we would encourage EIOPA to take this into account, particularly as each reform has an impact on the transfer of pension rights.	
3.	Actuarial Association of Europe	General Comment	The paper seeks to set out Good Practices which should apply when individuals seek to transfer their occupational pension rights to another pension arrangement, either within the same Member State, or cross-border to a pension arrangement in another EU Member State. The Portability Directive stopped short of requiring individuals to be give a right to transfer and hence this EIOPA report will not be binding on Member States. Many of the Good Practices identified already apply in some Member States, but the Report identifies some aspects where the transfer process could be made easier and more efficient. In general, we would support the Good Practices (GP) identified but we have some comments on details as outlined below. In this General Comment section we wish to highlight two specific points: 1. There is a (perceived) difference between transfer of "rights" and "capital". The Portability Directive refers to "supplementary pension rights" which can of course be DB or DC (or hybrid), and must be preserved if certain criteria are reached, and the consultation extends this to transferability, which is defined on p7 as the ability to transfer vested pension rights from one scheme to another. For DC, the "rights" are expressed as capital and this is what is transferred (less any penalties/charges) but for DB, the "rights" could be considered to be a pension of €5,000 p.a. from 65 (with revaluation to that date) or indeed a pension equal to 10/60ths of final salary at age 65. What happens on transfer in Ireland (and UK) is that the right i.e. the deferred pension plus future revaluation is converted by the actuary into capital and the capital is transferred to secure whatever it will in the new arrangement, which may be a DC scheme (or a "personal pension"), but if it is DB will be converted back into a "right" in the new scheme e.g. notional service/added years. The added years would not normally equate to those served in the first scheme, even for identical scheme structures/salaries, due to the loss of future salary linkage on the deferred pension "right" transferred. However in the Dutch system, the added years granted in the new scheme do equate to	

			those served (adjusted for scheme structure/ salary increment if necessary) with the receiving scheme effectively picking up the additional funding cost. This appears to work in the Netherlands, where it is perhaps a logical extension of the culture of industry-wide schemes, and it has traditionally applied in the public sector in Ireland (and UK). Although worthwhile considering the differences and making an informed choice between them, we think this cannot and should not be imposed on Member States by EU legislation. 2. Another point is whether a member should have freedom to take a transfer to any (regulated) vehicle in any member state even if he/she is not employed or resident there, purely to benefit from regulatory/tax/actuarial assumptions arbitrage. This is a live issue in Ireland, where individuals are being encouraged to transfer to a pension arrangement established in Malta, from which it is claimed that benefits can be drawn on a more favourable tax basis, and the refusal of an insurer to make such a transfer (based on Revenue requirements that it be "bona fide") is currently before the courts. We appreciate that this is not referenced in the consultation paper, but we think it is worthwhile considering the issue and perhaps take a view on what freedom an individual should have from an EU-wide perspective.	
4.	Association Européenne des Institutions Paritaires	General Comment	The European Association of Paritarian Institutions (AEIP) represents the social protection institutions jointly established and run by the Social Partners. AEIP Members cover a number of social protection branches, such as pensions, healthcare, long-term care, health & safety at work and unemployment benefits. Within the pension field, paritarian institutions are involved in both the managing of the first pillar and of the second pillar pensions, in accordance with the different European pension systems. AEIP represents pension schemes that are managed on pay-as-you-go (PAYG), mixed and funded basis, as well as defined contributions (DC), defined benefits (DB), and hybrid schemes. Regarding mobility of workers, some AEIP members, considering that they are compulsory by law, are part of the system of social security coordination provided for in Regulation (EC) n°883/2004 ; such contractual schemes that have been notified by Member States in this respect, are not concerned by individual transfers and consequently are out of the scope of the report. Today, AEIP has 27 members (mostly	

			retirement schemes) in 18 European countries, and it covers, through its members, about 75 million European citizens and € 1.3 trillion in assets. ☐ AEIP underlines that Directive 2014/50/EU generally contains no provisions on transferability and that recital 24 of this Directive simply encourages Member States – should they wish – to improve the transferability of vested pension rights. The legislators have consciously decided to do so. ☐ It is questionable whether national regulation considered as "Good Practice" could be transferred one to one to other Member States with different legislative frameworks and irrespective of the national context (e.g. Labour, Social and Tax Law). ☐ We underline the large differences between the regimes applicable in the individual Member States and the complexity of transferring supplementary pension rights, an operation that implies technical, actuarial, legal and fiscal challenges. ☐ AEIP welcomes that the report does not include the transfers from PAYG schemes to funded schemes. As a matter of fact, an out-transfer from a PAYG system could jeopardize the financial balance of the latter to the detriment both of the employers and employees. ☐ AEIP wants to remind that occupational pension provisions are generally based on an voluntary employer's pension commitment towards his employees. In order to enhance such commitments, employers need favourable framework conditions providing planning and legal certainty and small financial burdens. Against this background, the good practices must be critically examined. ☐ Even understanding the framework of EIOPA consultation under the mandate of EU Commission, we underline that the transferability issue should be considered taking into account the more general system of protection of a scheme member's rights. Indeed, some burden that could appear excessive if we consider only transfers, should not if there are in place some other mechanisms for protecting rights (e.g. preservation).	

6.	Better finance	General Comment	Better Finance advocates for a universal right of transfer of supplemental pension rights for EU citizens, that is easy to exercise and without penalty or discrimination of any kind. Indeed, the transfer right is often the only possibility for EU pension savers to get out of poorly performing pension schemes. Many of these schemes still do not allow for any individual transfers, or subject the transfer to a host of limitations, constraints and / or penalties. Better Finance believes no such barriers should exist, provided individual transfers do not penalise the participants who remain in the scheme. As a matter of fact, transfer of pension rights from one scheme to another one located in the same country is already extremely difficult in many cases. For example, in France Better Finance members ARCAF and FAIDER successfully obtained from the French public authorities the right of transfer for a supplemental pension scheme for public employees (PREFON) and for PERPs (individual pension savings plans) in 2010 only. But the other large supplemental scheme for public employees (COREM, 400.000 participants) still does not allow it; and PREFON has introduced so high barriers that it actually prevents participants to exercise their transfer rights: -10% penalty if the transfer occurs in the first 10 years -transfer value communicated once a year but only since 2012 and with more than a one year delay -disclosure of transfer process and compensation too complex and not intelligible by participants Besides, this French transfer right does not apply to the decumulation phase; it is only authorised towards other annuity; and limited for pension products not allowing for lump sums withdrawals	
7.	BIPAR, the European Federation of Insurance Interm	General Comment	BIPAR is the European Federation of Insurance and Financial Intermediaries. It groups 50 national associations in 30 countries. Through its national associations, BIPAR represents the interests of insurance agents and brokers and financial intermediaries in Europe.	

			Insurance intermediaries are active in the area of privately funded individual pensions as well as in the area of occupational pension schemes. They have clients who are employers who have placed the pensions of their employees in pension schemes operated by pension funds/IORPs. The intermediary advises for example the employer (and the beneficiaries/employees) on the pension scheme on an ongoing basis. The issue of the transfer of pension rights in the context of cross-border activities in particular remains important in Europe where there is a diversity of tax regimes and a difficulty, sometimes, to have a clear estimation of the potential administrative costs of the transfer. We welcome the opportunity to address these issues in our answer to the EIOPA consultation paper.	
8.	DIA Trade Association for insurance and pensions,	General Comment	The Danish Insurance Association finds that the option to transfer is important for scheme members. We do no consider transferability a problem in the Danish pension sector, as we for more than 25 years have had well functioning practices regaring domestic transfers. For most employees in the EU national transferability is of greater importance than cross-border transferability. Hence, creating national transfer options should be of higher priority than cross border transferability.	
9.	Financial Services User Group	General Comment	FSUG welcomes the initiative of EC and EIOPA in the area of strengthening the rights of savers and beneficiaries regarding the ability to switch and transfer the savings and accrued rights not only cross-border, but also domestically. Even if the identified Good Practices will not be legally binding, FSUG considers identified rights underestimated given the close relationship between pension savings and free movement of individuals. FSUG recognizes challenges in the cross border transfers and the different social, labor and tax laws within member states. However, FSUG supports the initiative that aims at strengthening rights and most importantly ability of savers to receive on-time information assisting them to make informed decision on transferring the savings and pension rights when the life situation changes significantly. As a matter of fact, discussing the cross border transfer of pension rights should start with close inspection of domestic barriers. Transfer of pension rights from one scheme to	

			another one located in the same country is already extremely difficult in many cases. For example, in France Better Finance members ARCAF and FAIDER successfully obtained from the French public authorities the right of transfer for a supplemental pension scheme for public employees (PREFON) and for PERPs (individual pension savings plans) in 2010 only. But the other large supplemental scheme for public employees (COREM, 400.000 participants) still does not allow it; and PREFON has introduced so high barriers that it actually prevents participants to exercise their transfer rights: ☐ 10% penalty if the transfer occurs in the first 10 years ☐ transfer value communicated once a year but only since 2012 and with more than a one year delay ☐ disclosure of transfer process and compensation too complex and not intelligible by participants Besides, this French transfer right does not apply to the decumulation phase; it is only authorized towards other annuity; and limited for pension products not allowing for lump sums withdrawals. Several new Member States apply restrictive conditions on switching, which in turn is multiplied by rigid information disclosure and low transparency of costs and charges. This approach significantly influences the economic functioning of demand side and allow supply side to exploit unreasonable information asymmetry on the market. The result can be seen in significant inertia of savers and low response of savers (and even the sponsors) to crucial parameters of pension schemes (performance, costs and charges, information disclosure, financial stability of the scheme). Transferability of pension savings (DC based schemes) and pension capital (DB based schemes) is therefore viewed as a crucial consultation in the process of building functioning pension market across EU.	
10.	German Insurance Association	General Comment	Wilhelmstr. 43G, 10117 Berlin (ID Number 6437280268-55) GDV welcomes the opportunity to comment contribute to EIOPA's consultation on a "Report on Good Practices on individual transfers of supplementary occupational pension rights".	

			We welcome EIOPA's intention developing non legally binding Good Practices on any party, which can be applied in all Member States. Many of the proposed Good Practices are already applied in § 4 "Übertragung" of the German employers' retirement benefits law. In addition, GDV has, together with its members, implemented a voluntary transfer agreement for insurance based occupational pensions with further benefits for Employer and Employees. The agreement has proven successfully in practice. The GDV sees no objective for any regulation besides the Good Practices on portability. Furthermore, a harmonisation of all different rules on portability in all Member states will not be easily fulfilled. As for example fiscal regulation on the transfer of occupational pension expectancies varies significantly across the Member States. Detailed regulation on taxation of portability can only be prescribed at national level because of Member State's responsibility for tax legislation. So far, Member states do not see any necessity for regulating the portability on a European level. Latest discussions on the Portability Directive made this opposition obvious, which finally led to the Directive on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights (Directive 2014/50/EU).	
11.	Institute and Faculty of Actuaries, UK	General Comment	The IFoA is supportive of the suggested approach to transfers, albeit in the context of the various prevailing legislative and tax regimes within the EU (see below). The differences in pension provision within Member States (MS) must lead to a system for individual transfers that reflect those differences. The IFoA welcomes EIOPA's recognition that differences of taxation, which lie outside EIOPA's remit, could cause specific challenges to pension transferability. Ensuring that Good Practice is not legally binding could encourage MS to implement the principles in accordance with the pension systems in each MS. The UK market is set up to allow for the transfers of individual pension rights; however, there is reluctance amongst individuals to exercise their right to transfer. In particular, there is strong encouragement in the UK for individuals not to transfer pension from	

			Defined Benefit (DB) schemes to Defined Contribution (DC) schemes. As a consequence, the two issues identified by EIOPA (on p7/8) are live UK issues; namely, small pots may be disadvantageous and members lose track of pots. EIOPA identified "pot follows member" as a solution, but has not incorporated this as Good Practice until it observes evidence.	
12.	Insurance Sweden (Industry Association) (Sweden)	General Comment	1. Introductory remarks Insurance Sweden welcomes the opportunity to respond to this consultation paper. In order to put our response into context we would like to start with an overview of the Swedish system for occupational pensions, and at the same time clarify some aspects of our system that we feel have not been described correctly in some recent EIOPA reports on national occupational DC systems. In relation to this, we would also like to highlight some ambiguous definitions and concepts that we think may cause problems both with the drafting and the outcome of such reports, including the present one. In addition, these general comments provide an overview of the right of transfer in Sweden, which in turn sets the scope for our response. 2. Types of Swedish occupational pension schemes Mandatory schemes The second pillar in Sweden is dominated by four major collectively agreed and sector-wide occupational pension schemes: ☐ SAF-LO (for blue collar workers in the private sector) ☐ ITP (for white collar workers in the private sector) ☐ PA-03 (for workers in the public sector) ☐ KAP-KL (for workers in municipalities) These schemes cover around 90% of the Swedish workforce. Other, smaller schemes present in the market will generally mirror the conditions of the four major schemes. It should also be noted that there is a possibility to opt out of the ITP scheme above certain	

			salary levels and instead choose other alternatives than those provided for by the scheme (for example “tiotaggarlösningar”). All collectively agreed occupational pension schemes are binding for both employers who have joined the agreements and their employees. Since the schemes are based on collective agreements, and in line with the Swedish labour law tradition, they are consequently mandatory per se. For the absolute majority of Swedish occupational pension schemes it is therefore not correct to describe them as “voluntary”, as stated in the EIOPA Survey of EU practice on default investment options, issued on 8 April 2013 (see page 5 of that survey). All of the four major schemes have moved from defined benefit (DB) to mainly defined contribution (DC) designs for new entrants, sometimes including options between DB and DC and combinations of both features. Older DB schemes can however still be applicable for earlier entrants. Voluntary schemes and self-employed persons Voluntary schemes, i.e. schemes that are not the result of collective agreements, only cover a smaller part of the Swedish workforce. Apart from workers and civil servants, such schemes will cover for example higher management. Moreover, self-employed persons may take out occupational pension insurance policies. Although the number of people covered by such schemes and policies is a lot lower than for collectively agreed schemes, the contributions to and assets involved in this area can come to considerable amounts, especially if funds related to opt-out solutions like for example “tiotaggarlösningar” are included. 3. Providers of Swedish occupational pensions Life insurance provided by insurance companies is the predominant solution for the funding of Swedish occupational pension schemes (approx. 80 % of total pension assets). Such insurers are subject to the article 4 option in the IORP Directive. Institutions directly regulated as IORPs include friendly societies and pension foundations. Friendly societies offer insurance-like solutions and cover approx. 4 % of total pension assets, whereas the foundations function as a pledge for the employer’s pension commitment (pledged assets amount to approx. 7 % of the total pension	

			assets). Pension commitments can also be safeguarded through credit insurance (approx. 9 % by insured pension commitments) or a combination of credit insurance and transfers of funds to a pension foundation. The total assets within funded solutions for occupational pensions in Sweden amount to approx. 200 billion euros. It should be noted that a report suggesting a new regulatory framework for IORPs has recently been subject to consultation in Sweden. The proposed new framework is based on the current IORP Directive, taking into account Solvency II as well as the IORP II proposal. Also proposed is a possibility for insurers providing occupational pensions to transform themselves into IORPs, followed by a phasing-out of the application of article 4 of the IORP Directive. As work on this project is still ongoing, the final outcome is not yet certain. More clarity on the matter is not expected until later in 2015. 4. Features of Swedish occupational DC schemes Swedish DC schemes are normally member-directed, i.e. while the employer will pay the contributions the employees are given a range of providers (insurers and IORPs) and different products offered by these providers to choose from. This is the case for all the four major collectively agreed schemes described above. In order for a provider to be designated as eligible for choice under these schemes, it has to offer products that fulfil certain criteria stipulated by the social partners. The products can be unit-linked insurance or traditional life insurance or a combination of products. Depending on the scheme, there may however be some limits on how much the employee is allowed to direct into each respective product. In this context, Insurance Sweden would like to highlight that the Swedish system for occupational DC schemes has not been correctly described in the EIOPA Report on Investment options for occupational DC scheme members, issued on 28 January 2015 (see page 18-21 of that report). As described above, members do indeed have investment options, both as regards the provider and the different products offered by the provider. For the collectively agreed schemes, choices are made through special “hubs” acting as “selection centres”. These include Fora (SAF-LO), Collectum (ITP) and Pensionsvalet and Valcentralen (KAP-KL). Such selection centres will also administer contributions, fees,	

			transfers etc., and thus act as a link between the scheme member and the provider (insurer or IORP). PA-03 is administered in the same way by the National Government Employee Pensions Board (SPV). It is worth noting that although the employer will be the formal policyholder for products chosen within DC schemes, with the employee as beneficiary, the employer is not informed of the choices made by the employee. Similar selection centres are also used for some voluntary schemes and for opt-out solutions such as “tiotaggarlösningar”. It should however also be noted that for some smaller schemes, even those collectively agreed, selection centres are not used. If the employee abstains from making a choice under the collectively agreed DC schemes, the contributions from the employer will be directed to a default alternative designated by the social partners (this will always be a traditional life insurance product offered by one of the designated providers under the scheme). As regards such default alternatives, Insurance Sweden would like to underline that it would be misleading to describe their investment strategies as “conservative” within the meaning of the EIOPA survey on default investment options mentioned above (“For conservative funds the aim is to preserve the value of contributions and provide minimum return”, see page 10 of that survey). On the contrary, these default alternatives will also seek to maximise return, taking into account the relevant risks. As regards costs and charges (Sweden was not among the member states covered by the EIOPA Report on Costs and charges of IORPs, issued on 7 January 2015), charges on the products offered by the providers designated under the four schemes described above are capped to a certain level. This is a criterion set by the social partners for those providers that wish to be designated under each scheme. Scheme members receive information about the costs and charges for the chosen products, both before making their choice and ongoing. When it comes to decumulation, occupational pensions can be paid out from the age of 55. The payments must take the form of annuities for at least five years or life-long (the latter being the starting point). We are not entirely sure why it has been stated in the EIOPA Fact Finding Report on Decumulation Phase Practices, issued on 27 October 2014, that early retirement would not be possible in Sweden (see page 9 and 11 of that report). This is indeed possible through so-called förtida uttag, where the employee can	

			start the decumulation phase earlier, regardless of whether he or she also applies for payments from the first pillar pension system. In this context, it should also be noted that in Sweden there is normally no “split” between the accumulation and the decumulation phases, in the sense that employees are moved out of the accumulation system with a lump sum (not allowed, as payments have to be in the form of annuities for at least five years or life-long). On the contrary, the payments within funded solutions will normally come from the same provider/s where the contributions were placed during the accumulation phase. This leads us to what seems to be another error in the EIOPA report on decumulation mentioned above, where Sweden has been grouped together with member states where only IORPs provide the retirement income (see page 52 of that report). This is not correct, as the members will also stay with insurers during both the accumulation and the decumulation phases and not necessarily switch to another provider or product for the decumulation phase. 5. Why clear definitions matter As already mentioned above, Insurance Sweden has noted some errors in the various EIOPA reports on national DC occupational pension systems. We wish to underline that we of course do not think that the Swedish Financial Supervisory Authority would not seek to give correct information to EIOPA. Instead, we suspect that the errors may be related to the definitions and other criteria in the templates/questionnaires used in the drafting of the reports. It goes without saying that we are concerned about such reports not being correct, not least as they may influence legislative and other actions at the EU level. In order to avoid misunderstandings and to enhance the quality of these reports we therefore think it would be useful to clarify some basic concepts. Even if there is a huge variety of occupational pension systems in the member states, we assume that there will be some common features for all funded solutions (DB or DC). Firstly, there will always be a pension agreement between employers and employees (or the social partners) as a basis for the system. Our next assumption is that there will normally be an institution/provider (a funding vehicle) separate from the employer that receives and manages the contributions from the employer. For DB systems this may be a single institution/provider, but for DC schemes it could be either a single institution/provider or a number of institutions/providers. In addition, in DC systems the	

			institution/s may offer different products, as is the case in Sweden. Such products can, as already mentioned, be in the form of traditional life insurance and thus (as any traditional life insurance policy) also include risk-sharing and a guarantee. Therefore, and in spite of the fact that the scheme is DC, the institution/provider may also take over risk from the employee as a result of product design. It seems to us that the ambiguous use of the term “pension scheme” in the reports and presumably in the underlying templates and questionnaires is one major source of confusion – it is often unclear whether this concept refers to the pension agreement, the institution/provider or sometimes even to the products. In our view it would therefore be very useful if the term “pension scheme” could be reserved for the pension agreements alone, which is already the case in the IORP Directive, see article 6 b) of that directive. This way the scheme could also be properly separated from the concept of institution/provider, compare the definition of IORP in article 6 a) of the IORP Directive. In addition, it has to be possible to properly acknowledge that institutions/providers can offer different products as investment options, including taking over risk from the members by offering guarantees, even if the scheme is DC. A “basic” system (including the Swedish system) could therefore be described as follows: EMPLOYER Pension scheme EMPLOYEE (= pension agreement) Choice of provider/product Contributions (where possible) INSTITUTION/PROVIDER	

			(= IORP, insurer, other) In conclusion, Insurance Sweden believes that a lot of misunderstandings could be avoided by the application of a common understanding along the lines explained above, making it clear what is meant by pension scheme, institution/provider and, where relevant, the products offered by the institution/provider. This would also make it clearer to whom/what references are made in different contexts, including who bears the risk in different models (the employer, the employee or the institution/provider). The latter does not only depend on the design of the scheme but also on the design of the products offered by the institution/provider, as explained above. 6. Right of transfer As already described in our general comments above, occupational pensions is primarily a matter for the social partners in Sweden. The schemes (= pension agreements) are mainly sector-wide and to an overwhelming degree based on mandatory collective agreements. The institutions/providers acting as funding vehicles (IORPs and insurers) are financial institutions, subject to prudential law and supervision by the Swedish Financial Supervisory Authority. But the design of the schemes and the choice of funding solutions form part of Swedish social and labour law as expressed primarily through collective agreements. The only requirements set out in legislation for these schemes concern the tax treatment of the products offered under the DC schemes and the limit on tax reductions for contributions from the employer. The right of transfer under Swedish mandatory DC schemes As regards the four major collectively agreed schemes in Sweden, the right of transfer is also dealt with through these agreements. For DC occupational pensions, all the four major schemes allow for a right of individual transfer between the providers designated under each scheme, but not to providers designated under another scheme. This latter restriction is mainly due to Swedish taxation law. It should also be noted that for insurance in general it is normally the policyholder who has the formal right to transfer. As already mentioned, the employer is the formal policyholder for the products chosen	

			under the Swedish DC schemes, with the employee as beneficiary. But in these cases the social partners have agreed to assign the right of transfer to the employee, which means that the employee does not have to seek to consent of the employer to transfer. The right of transfer under Swedish voluntary DC schemes For DC schemes that are not subject to collective agreements ("voluntary schemes") and for occupational pension insurance policies taken out by self-employed persons there is a statutory right of transfer of the value of the chosen product for contracts entered into after 1 July 2007, provided that both products are subject to the same tax treatment. There is however one important difference regarding who has the right of transfer in the case of voluntary schemes compared to the collectively agreed schemes. Under the voluntary schemes, the right of transfer is still attached to the policyholder, i.e. the employer. This means that the employee has to seek the consent of the employer to carry out a transfer. Swedish DB schemes There are no rights of individual transfer under Swedish DB schemes, either for mandatory or voluntary schemes. 7. Scope of our response, including what constitutes a transfer in Sweden Given the background above on the right of transfer under Swedish schemes, our response will only encompass DC schemes. In Sweden, such a transfer, regardless of whether the underlying scheme is mandatory or voluntary, equals the individual right of a member of a scheme to transfer the value of a chosen product from one institution/provider into another product offered by another institution/provider. It should be noted that it is only the value of the earlier product – the capital – that can be transferred, and not the features of the contract itself. A transfer will therefore also mean that the contract with the old institution/provider is terminated and replaced by a new contract with the new institution/provider.	

13.	Mercer (benefits consulting) Benelux and UK	General Comment	Mercer is pleased to participate in the current EIOPA consulation on good practices on individual transfers of supplementary pension rights. We have considered the draft report mainly from a Benelux and UK point of view. We welcome the EIOPA initiative for creating an overview of good practices on individual transfers of supplementary pension rights. We generally favour the creation of increased possibilities for pension scheme beneficiaries to transfer their pension rights cross-border. We believe additional good practices proposed on the calculation of transfer value and taxation could be useful as well. For example: the moment of taxation of the supplementary pension can differ from member state to member state. In Luxembourg, the taxation takes place during the payment of the premium. In most other countries it takes place at the moment of payment of the benefits. Even though this is mainly regulated by double taxation agreements, we strive towards harmonization concerning this matter. We are in favour of an application of the good practices on national level rather than on European,sector or company/scheme level. Application on sector or company/scheme level would create too many differences amongst the several pension schemes with pratical difficulties as a consequence. Furthermore we wonder if these good practices should be externalized by law or as guidelines. Both ways will have both advantages and disadvantages. When implementing the good practices by law, differences will be prevented and it will avoid more work for the IORPS. On the other hand it will be more difficult to continuously update in accordance with evolving market practices. An adaption to the evolving market practices will be easy if the good practices rather function as guidelines. On the other hand there can be much differences amongst the several pension schemes and their members as the application of the good practices will not be required.	
14.	OPSG	General	With the adoption of the Directive on the acquisition and preservation of supplementary	

		Comment	pension rights, Member States have made a conscious choice not to include transferability and to leave it to Member States to improve transferability for domestic transfers. In terms of cross border transfers, these remain very complex, and a general right to cross-border transfer pension rights or capital would be very problematic for many occupational pension schemes. We therefore welcome the fact that EIOPA stresses Good Practices will not be legally binding and we consider this important given the close relationship between cross border transfers and the different social, labour and tax laws within member states. We also welcome that EIOPA remains neutral as regards the topic of transferability of pension rights itself i.e. does not provide any advice or comments as regards whether a transfer may be preferable to the simple preservation of vested rights. Whether it is or not will of course depend on the circumstances of the individual concerned. A general right to cross-border transfer of pension rights or capital has the potential to be very difficult for some Member States pension systems. Transfers from DC to DC schemes are relatively straightforward compared to DB transfers. For DB schemes for example, differences in life expectancy between Member States are significant, which if not properly taken into account, can result in an imbalance between outgoing and incoming transfers, particularly for DB schemes. Moreover the technical, actuarial, legal and fiscal challenges show the complexity of cross-border transfers. With all these issues still in place, we would not support further regulation of these transfers. As is acknowledged in the paper, there are differences in the treatment of the calculation of transfer values, and equally differences in the conversion of that transfer value back into pension rights in the receiving scheme. This sits on top of differences in taxation, social insurance systems and or course social and labour law. In the domestic arena, transfer of pension rights from one scheme to another one even within the same country can already be extremely difficult. It can also be very expensive. To take just one example, in France, ARCAF and FAIDER successfully obtained from the French public authorities, the right of transfer for a supplemental pension scheme for public employees (PREFON) and for PERPs (individual pension savings plans) only in 2010. But the other large supplemental scheme for public	

			employees (COREM, 400.000 participants) still does not allow it; and PREFON has introduced high barriers to prevent participants exercising their transfer right, including for example a 10% penalty if the transfer occurs in the first 10 years. We also wish to emphasise that workplace pensions are regularly not-for-profit and within occupational pension schemes, some/all of the costs are borne by the employer. If the employers role is taken into account, it is clear that occupational workplace pensions are very different from personal pensions. Workplace pensions are characterized by the triangular relationship between employee, employer and the IORP (with some workplace schemes being managed by insurers). Personal pensions are built on a contract between a provider and an individual. Transfers between workplace pension schemes and personal pension schemes are possible in only a limited number of Member States, due to the different tax arrangements and the different setup of a scheme. For a transfer between occupational pension schemes, the shift in liabilities and its implications, for both the transferring and receiving employers, needs to be taken into account. The term “supplementary” in the title of the consultation can therefore be misleading as it includes both occupational pensions and individual pensions. The Report should recognize the differences between these systems. EIOPA has suggested the use of “pension rights”. We would suggest instead referring to “occupational pension schemes” which more accurately reflects the role of the employer (or ‘supplementary pension rights’ where both occupational and personal pensions are being considered in the Report). EIOPA should also consider replacing the term ‘rights’ in the title of the Consultation with the term ‘capital’. For DC schemes, the ‘rights ‘ are often expressed as capital and this is what is transferred. For DB schemes, the transferring scheme calculates a capital value based on the given pension promise, the receiving scheme then uses this capital value to calculate in turn what kind of pension promise the new scheme can offer based on that. In some jurisdictions there are requirements that the receiving scheme reflects in full the rights earned in the transferring scheme, with any shortfall being met as an additional funding cost. But this is not the case in other jurisdictions (and should not be made a requirement).	

			A general question, is whether the paper is also aiming to cover pay-as-you-go systems? We note that this does not seem to be covered, and would have thought transfers between these systems would be wanted by members, as much as between funded arrangements. Lastly, we welcome the fact that EIOPA invites stakeholders to comment on this Report before sending it to the European Commission. However, we don't find the way the Consultation is organized conducive to a good discussion. Posing concrete questions as EIOPA more normally does, or at least structuring the template for response by topic, is in our view a better way to address the impediments and the possible solutions towards overcoming these.	
15.	Pensioenfederatie (Pension fund association) (The	General Comment	General messages The Federation of the Dutch Pension Funds (Pensioenfederatie) supports the good practices EIOPA has identified in its consultation paper. From the Dutch perspective, we see many of the identified good practices reflected in our own ambition and practice. With the adoption of the 2014 Directive on the acquisition and preservation of supplementary pension rights, the Member States have made a conscious choice not to include transferability, and to leave it to Member States to improve transferability. It might be beneficial to take note of the underlying motivation and explanation of the Member States at the time. We welcome the statement that EIOPA remains neutral as regards the topic of the transferability of pension rights itself, and does not provide any advice or comments as regards whether a transfer may be preferable to the simple preservation of dormant rights. Furthermore, we support its notion that the Good Practices identified in this report are considered as helpful tools in facilitating transfers and consequently, that they are neither legally binding on any party, nor subject to the "comply or explain" principle and will remain 'sacro-saint' in future debates. In this consultation paper several good practices have been identified. However, with regard to the calculation of transfer value and taxation there are no good practices identified. This exposes and emphasises the fact that these are important obstacles. As we will explain below, these obstacles are rather fundamental to the practice of	

			transfers, and are of even greater importance in the case of cross-border transfers. As they are related to Social and Labour Law as well as taxation, overcoming them means dealing with the differences between the 28 different pension and taxation systems in the EU. Furthermore, we strongly believe that a European Directive providing for a general right to cross-border transfer of pension rights would impose a serious burden on some national pension systems in the EU. Differences in life expectancy between Member States are significant, which, if not properly taken into account, may easily result in an imbalance between outgoing and incoming transfers. In this respect, DB schemes are particularly vulnerable. In the meantime, we believe the further development of a European tracking service would be a more effective, and feasible, solution that is well-suited to serve the interests of mobile workers throughout the EU. Obstacles The Federation supports EIOPA's effort in ensuring pensions are not a hindrance to cross- border labour mobility. Although we agree that the transfer of supplementary pension rights can support this goal, we would like to remind EIOPA that substantial outstanding issues remain to be resolved. Furthermore, we would like to stress once again that transferring supplementary pensions is a very complex operation and should not put the participants to adequately functioning pension systems at risk. Direct transferability of pension capital can only happen if there are clear mutual agreements between Member States and institutions and certain preconditions are met. • Differences in life expectancy among Member States One of the essential impediments to transfers between different EU Member States is related to the calculation of the transfer value, as is acknowledged in the paper in chapter 3.6. However, the difficulties do not stem solely from the mentioned differences in applicable legislation, different actuarial standards and different discount rates. An important aspect to be considered is the significant difference in life expectancy in the different EU Member States. That, on its own, has an enormous impact on calculating the value of pension rights to be transferred, and also on the "translating" of that value back	

			into rights under the new scheme. • Technical and actuarial problems As the Actuarial Association of Europe has already outlined in its 2013 position on Portability, there are some remaining problems of a technical and actuarial nature. For example, transferability could be feasible if it was based on the assumption that the worker that is going cross-border takes its accrued capital and exchanges this for pension rights in another Member State. The new pension rights would then have to be based on the new scheme. However, the valuation method used to determine the value that will be exchanged is again complex. This complexity in itself is a result of the differences between Member States with regard to the types of schemes, the provided entitlements with regard to security (guaranteed or conditional), but also longevity expectations and different ambitions with regard to indexation. It should be taken into consideration that capital-funded pension rights, although they are transferable in an actuarial/technical sense, can still be subject to a completely different set of rules. Consider for example a situation when they are transferred from a book reserve scheme, and thus directly impact the balance sheet of the enterprise. Therefore, unless a European common actuarial transfer value basis can be agreed upon, transfers are likely to result in costs for either the worker going cross-border, the other participants to the (either transferring/receiving) scheme, or even the employer. • Fiscal problems A transfer between two capital-funded schemes carries the risk of creating tax issues between one Member State and another. This issue is well-known and stems from the differences between Member States' tax treatment of pensions: the so-called TEE/EET/ETT approaches. For example, a transfer from an EET or ETT to a TEE system could result in a situation of double non-taxation, if not addressed in bilateral tax treaties. In the opposite situation, double taxation may occur, obviously then to the detriment of the participant. The above mentioned technical, actuarial, legal, and fiscal challenges show the complexity of cross-border transfer of supplementary pension rights. However, they are only the tip of the iceberg. Solutions to the above mentioned problems should be found	

			before the cross- border transferability of supplementary pension right will be possible and desirable, and thus before it is even worth considering regulating it. Alternative to transfers: European tracking service A first necessary step to the benefit of mobile workers will be to have them well-informed, providing easy access to the status of their accrued pension entitlements as well as a uniform standard for information disclosure. In this respect, the draft text of the revised IORP Directive should be respected. As was already announced in its 2012 White Paper on Pensions, the European Commission has supported the setting up of a project on pension tracking in order to allow mobile workers to track and trace their accumulated pension rights in all Member States that they have been working in. This project, Track And Trace Your Pension in Europe (TTYPE), has researched the extent to which national tracking services exist within the EU. Furthermore, the project offers a thorough insight into the possibilities for a European Tracking Service (ETS). TTYPE has developed possible high level designs for different ambition levels, which accommodate diversity between Member States. The project concludes that the setting up of a European Tracking Service is feasible. The results of the project can be found in its final report and addendum. It should be clear that TTYPE thus already paves the way for the establishment of an effective tool for participants to keep track of their pension rights, but also for pension providers to find lost members within the EU. Given the objections to a EU Directive implying a general right to cross-border transfers, we are in favour of preservation rather than transferability of pension rights and strongly recommend TTYPE as a crucial and realistic method that supports the principle of preservation of vested pension rights. Specific comments on the Good Practices In addition to these General comments The Federation would like to provide some specific comments on some of the Good Practices. Good Practice 1: Voluntary transfer agreements	

			In respect of the proposed Good Practice the Federation first of all could not find a solid argumentation in the previous text in the consultation paper upon which this Practice could be based. Furthermore, in relation to the Good Practice that "such an agreement should cover as many scheme providers/sponsors as possible", the Federation holds the view that voluntary transfer agreements should be limited amongst "regulated" institutions. These would thus need to be IORPs or (group) life insurance companies. Furthermore, they should legally qualify as second pillar and not third pillar pension schemes. The Federation wants to stress that any outgoing or incoming transfer should be based on a 100 percent coverage ratio at the time of such transfer, in order to keep the practice sustainable. Last but not least the Federation fully agrees with the statement in the consultation paper that in case of industry-wide pension funds a change of jobs within the same sector a transfer of pension rights will not be necessary. The Federation considers this as an important advantage of industry-wide pension funds. Good Practice 5: Content of information to scheme member The Federation is of the opinion that the practice to inform the scheme members of the tax implications of a transfer should be limited to the domestic (tax) implications, since it is impossible for the scheme provider to give accurate information of all potential consequences of a transfer that result from other Member States' jurisdictions. Good Practice 8: Access to advice The Federation would like to stress that this good practice should imply an offer to the scheme member of the opportunity to receive information (instead of advice). We fully agree that it remains the right of the scheme member to hire any advice related to his or her transfer, but this should only take place on his/her own initiative and costs.	
16.	Pensions Europe	General Comment	In January 2015 EIOPA published the consultation paper report on Good Practices on individual transfers of supplementary occupational pension rights, which relates back to	

			the Call for Advice (CfA) on portability EIOPA received from DG Employment and Social Affairs. With the adoption of the Directive on the acquisition and preservation of supplementary pension rights, Member States have made a conscious choice not to include transferability and to leave it to Member States to improve transferability. We welcome therefore the fact that EIOPA remains neutral as regards the topic of transferability of pension rights itself i.e. does not provide any advice or comments as regards whether a transfer may be preferable to the simple preservation of dormant rights. We strongly believe that many obstacles still remain and would like to emphasize that a general right to cross-border transfer pension rights or capital can be problematic for occupational pension schemes and its members. Transferring supplementary pensions is a very complex operation and should not put members of adequately functioning pension systems at risk. Direct transferability of pension capital can only happen if there are clear mutual agreements between Member States and institutions. As mentioned, a general right to cross-border transfer of pension rights or capital can be problematic for some occupational pension schemes in the EU as well as to their members. Differences in life expectancy between Member States are significant, which if not properly taken into account, can result in an imbalance between outgoing and incoming transfers. This is particularly the case for DB schemes transferring pension rights. Moreover the technical, actuarial, legal and fiscal challenges show the complexity of cross-border transfers. Importantly, the main areas do not fall in EIOPA's remit. Good practices on the calculation of transfer value and taxation have not been proposed in this consultation, but are still important - and even fundamental - obstacles to the practice of transfers. That there are no good practices on these issues shows how complex it is to tackle these obstacles. These issues relate to Social and Labour Law and taxation. Even though EIOPA recognizes in the consultation that social and labour law do not fall it its remit (p. 8), we would like to emphasize this point: the Member States decide on matters regarding social, labour and tax law. We find it also important to highlight that workplace pensions are regularly not-for-profit and some/all of the costs are borne by the employer. Considering the role of the	

			employer, it becomes apparent that workplace pensions are very different from personal pensions. Workplace pensions are characterized by the triangular relationship between employee, employer and the IORP. Personal pensions are built on a contract between a provider and an individual. They follow a totally different concept. The term "supplementary" in the title of the consultation is therefore misleading as it includes both workplace pensions as individual pensions. We would like to emphasize the importance of not mixing these two different systems. Transfers between workplace pension schemes and personal pension schemes are often, even domestically, not possible due to the different tax arrangements and the different setup of a scheme. Moreover, we suggest to replace the term 'rights' in the title of the Consultation with the more accurate term 'capital'. The transferring scheme calculates a capital value based on the given pension promise, the receiving scheme then uses this capital value to calculate in turn what kind of pension promise the new scheme can offer based on that. Lastly, we welcome the fact that EIOPA invites stakeholders to comment on the Report on Good Practices on individual transfers of supplementary occupational pension rights before sending the Report to the European Commission. However, we don't find the way the Consultation is organized conducive to a good discussion. Asking concrete questions is in our view a better way to address the impediments and the possible solutions towards overcoming these.	
17.	The 100 Group of Finance Directors (Business Assoc	General Comment	The 100 Group represents the views of the finance directors of FTSE 100 and several large UK private companies. Our member companies represent around 90% of the market capitalisation of the FTSE 100, collectively employing over 7% of the UK workforce and in 2014, paid, or generated, taxes equivalent to 14% of total UK Government receipts. Our overall aim is to promote the competitiveness of the UK for UK businesses, particularly in the areas of tax, reporting, pensions, regulation, capital markets and corporate governance. In general terms, we welcome EIOPA's contribution to identifying good practice across all EU member states, which can serve as a 'source for stakeholders wishing to improve the	

			conditions for both domestic and cross-border transfers' (page 6). We think that EIOPA can play an important role in communicating the good practice that already exists in some member states so that it can be applied across the whole of the EU, including member states where supplementary occupational pension provision is much less well established. For example, the UK already has a well-established legal framework under which transfers between schemes can take place, which we think can provide useful material with which other member states could build, subject to their own local circumstances. We therefore also welcome the comment that the observations in the report are not meant to be exhaustive or universal, may not be readily applicable in some member states or in very small schemes, should be regarded as principles-based and only applied to the extent that they are of benefit within individual member states (page 6). We also note EIOPA's recognition that the Good Practices identified are not legally binding or subject to a 'comply or explain mechanism' (page 8). We believe that the identification of underlying Good Practice principles is a proportionate approach and one that could be followed elsewhere in the European regulation of pensions. We are largely in agreement with the specific Good Practices identified in the consultation paper, which are for the most part in line with the existing UK framework for transfer values. However, we note a few areas where we think the Good Practice should be reworded to some extent: Good Practice 4 (page 19): in the UK, it is common practice for most DB schemes not to allow transfers-in of benefits. This is because accepting a transfer-in involves the DB pension scheme in question taking on the risk that the transfer value received is insufficient to provide the promised benefits. We believe that this approach reflects Good	

			Practice and protects the interests of members who are already in the scheme to which the transfer is proposed (who might otherwise see the security of their benefits reduced in order to provide additional funding for a transferred-in pension). We therefore believe that the principle of it being Good Practice for a member to be able to request a transfer-in should be restricted to DC schemes. Good Practice 7 (page 23): large UK schemes (such as those sponsored by 100 Group companies) typically do provide members with online access to information relating to their benefits (which may include some information relating to transfers). However, online access is not appropriate for all schemes, employers or members. For example, many blue-collar workers will not have access to a computer at work, and may not have access to a computer at home either. For such members, paper-based communications will remain important. Good Practice 8 (page 23): if there is a perceived recommendation of an adviser by the scheme (or the sponsoring employer), then the scheme (or employer) could find themselves liable for the quality of the advice provided by that adviser. We therefore do not believe that it is the role of the scheme to offer the member the opportunity to receive advice prior to transfer, even though EIOPA acknowledges that it will typically be for the member to pay for that advice. The role of the scheme should be limited to signposting to the member that they should take properly regulated advice and it should be for the member to arrange for that advice. In the UK, from 6 April 2015, transfers from DB to DC schemes will only be possible where the member has taken independent regulated advice. It is also important to note that employers should not be responsible for paying for, or arranging, such advice, except in certain limited circumstances (for example, where they are running an exercise to encourage members to transfer out).	
18.	aba Arbeitsgemeinschaft für betriebliche	Page 4	We welcome that EIOPA does not have a preference for or against individual transfers.	

	Altersver			
19.	ABI (Trade Association, United Kingdom)	Page 4	The ABI would support in principle the use of good practices as a means to improve the transferability of pension rights between the European Economic Area (EEA) member states. We would also encourage measures to increase transparency and improve communication to consumers about their supplementary pension rights so that consumers are able to make informed decisions. As always, it is important that the information is clear and relevant to the consumer. However, it is unclear whether the adoption of good practices would help to address EIOPA's overarching objective to facilitate worker mobility between member states. Similarly, it is unclear whether there is sufficient demand / consumer benefit to have this in place at an EU level as many EU member states already have guidelines or rules in place. The ABI would further suggest that it may be valuable to conduct an Impact Assessment in order for EIOPA to assess the need / benefits of having the suggested good practices in the EEA member states.	
20.	Actuarial Association of Europe	Page 4	We agree with EIOPA's neutral position as regards to transferability of pension rights. The simple preservation of dormant rights is in any case important as well as the possibility for members/consumers to track and trace there pensions which is the focus of the Commission's TTYPE project. We are pleased to note that EIOPA emphasises that it is not advocating transfer as the best option in all cases but as a choice which should be available for individuals, based on their own personal preference and depending on the details of the pension arrangements concerned.	
21.	Association Européenne des	Page 4	☐ AEIP welcomes the statement according to which EIOPA remains neutral as regards to the topic of transferability of pension rights itself and does not provide any	

	Institutions Paritaires		advice or comments as regards whether a transfer may be preferable to the simple preservation of dormant rights (Par. 2). However, AEIP is concerned about EIOPA's exertion of influence on labour and social law issues.	
23.	BIPAR, the European Federation of Insurance Interm	Page 4	We welcome the statement of EIOPA regarding the fact that it remains neutral regarding the opportunity of the transfer pensions rights	
24.	Financial Services User Group	Page 4	FSUG has been a long-lasting advocate of the right to switch and presented these ideas at various forums and consultation responses to EIOPA (see for example FSUG Response to EIOPA Discussion Paper on a possible EU-single market for personal pension products – August 18th 2013). Even if the wording portability or transferability of pension rights is used when considering the most usual situation (job change), the transferability issue should be understood as a pure right to switch. Nevertheless, savers should have the choice between leaving the entitlements in the previous scheme or switching into the new scheme. In order to able to decide on this, savers should have the right to respective information about both options on a regular basis without having to request and so reveal their intention to quit. If the right to switch is limited on domestic as well as cross-border level, FSUG argues that the objective to create high added value pension schemes operating on a transparent and cost-efficient level could be jeopardized.	
25.	Insurance Sweden (Industry Association) (Sweden)	Page 4	Please see general comments above and comments to page 7 about terminology.	
26.	OPSG	Page 4	We welcome that EIOPA is neutral as regards the topic of transferability of pension rights, and emphasizes it should be a choice available for individuals based on their own preferences and depending on the detail of the pension arrangements concerned.	

27.	Pensions Europe	Page 4	☐ We welcome that EIOPA is neutral as regards the topic of transferability of pension rights itself i.e. does not provide any advice or comments as regards whether a transfer may be preferable to the simple preservation of dormant rights.	
29.	Actuarial Association of Europe	Page 5	Good practice in respect to the calculation of the transfer value would be to disclose whether or not the accrued pension rights are transferred on an actuarial neutral basis or not. If not the individual could get a higher or a lower pension after transfer. E.g. current practice in Belgium is that the accrued pension could effectively be reduced significantly after transfer (so virtually nobody transfers) and current practice in The Netherlands is that the accrued pension right is preserved and the sponsor or the collective of insureds pay for any difference in value. With regard to taxation we would see it a good practice not to tax at transfer but when in payment. Such taxation could then be in a different country, but if on the long run incoming and outgoing transfers would balance than this shouldn't cause financial issues for the Member States.	
30.	Association Européenne des Institutions Paritaires	Page 5	☐ With regard to the calculation of transfer value and taxation, no Good Practices were identified. This lack emphasises the fact that there are important obstacles, especially in cross-border transfers, and that they are complex and difficult to overcome. In this respect, DB schemes are particularly vulnerable, as for their possible revaluation and actuarial practices. Moreover, these issues are related to Social, Labour and Tax Laws, matters on which Members States hold jurisdictional power.	
31.	Insurance Sweden (Industry Association) (Sweden)	Page 5	Please see general comments above and comments to page 7 about terminology.	
32.	aba Arbeitsgemeinschaft für betriebliche	Page 6	Considering the diversity of occupational pensions across the EU, we welcome that the good practices are principle-based ("The Good Practice observations in this report should be regarded as principles-based, with Member States and market participants	

	Altersver		encouraged to apply them to the extent that they benefit their individual circumstances.") We note that the Good Practices are intended both for defined benefit (DB) and defined contribution (DC) schemes. However, as we have pointed out in the General Remarks as well as in other position papers□, these two types of pension promise are very different from each other – the potential challenges transfers face therefore vary with the type of pension promise. One important difference becomes apparent when taking a closer look at what exactly is being transferred: in a pure DC scheme (i.e. without any actuarial or investment risk), it does not matter whether the capital value or the pension rights of the beneficiary are transferred, these two concepts are the same. However, for a DB scheme they are two different things: the pension right is what the employer promised, e.g. a certain level of benefit when the beneficiary reaches reitrement age, and additional risk cover such as against invalidity and/or death. The capital value is calculated according to certain standards and assumptions. In structurally different DB schemes only the latter can be transferred. As a result of the transfer, the previous employer is not liable anymore for the given promise. In Germany pure defined contribution schemes do not fall within the scope of occupational pensions law and are thus not covered by national labour law. The transfer practice for the defined benefit and hybrid schemes is that the transferring scheme calculates a capital value based on the given pension promise; the receiving scheme then uses this captial value to calculate in turn what kind of pension promise the new employer can offer based on that. In other words, the transfer almost always takes the form of a capital value, never directly of pension rights. The pension rights are "translated" into a capital value, which then will be "translated" into a new pension promise, which is very likely to differ from the first promise. Looking at the German legal provisions, the new promise has to be of equivalent value. Such an equivalent value can be reached by multiple criteria but in general will not necessarily lead to the same benefits for the transferring employee or to the safeguarding of identical biometrical risks. Using the capital value as a bridge between different pension promises allows the receiving scheme to incorporate the accrued capital value of the new member into their	

			benefit mechanisms, so that to an extent it can be administered together with the pension rights of the existing scheme members (see General Remarks for administrative problems related to transfers). Transfers which are conducted according to these principles mean that the liability to ensure that the pension promise is met is completely passed from the transferring employer to the receiving employer. As a further result, a transfer can also lead to a situation where certain security mechanisms are lost – e.g. if a transfer is made from a German IORP whose employer is coverd by the PSVaG to a Member State where this mechanism does not exist. In such cases, it could be feasible to compensate the lower security level by higher benefits for the employee. As stated above, the beneficiary is likely to face a different set of benefits after the transfer. It is not always straightforward to say whether the beneficiary is better or worse off - a single beneficiary might be happy to loose the entitlement to a survivor's pension in favour of a higher old age pension; for a beneficiary with dependants this would look differently. A comprehensive assessment always depends on the personal situation of the employee requesting a transfer. Therefore we would suggest to replace the term "rights" in the title of the Consultation with the more accurate term „capital". Taking into account the amendment suggested in the General Remarks, the Title should read: „Consultation Paper on a Report on Good Practices on individual transfers of occupational pension capital".	
33.	ABI (Trade Association, United Kingdom)	Page 6	The ABI would agree that any adopted good practices ought to apply to both defined benefit (DB) and defined contribution (DC) pension schemes, although it is important to acknowledge the differences between types of schemes.	
34.	Actuarial Association of Europe	Page 6	Whilst we agree that the same principles should apply to DB and DC transfers, the issues are more complex where one or both of the arrangements are DB, and it might be helpful to spell these out in more detail in the Report.	
35.	Association	Page 6	☐ We welcome the statement that Individual Good Practices observations may not	

	Européenne des Institutions Paritaires		be readily applicable to certain schemes and that they should be regarded as principle-based. ☐ The report mentions that "All Good Practices may be applied to both DB as well as DC schemes". We would like to underline the profound differences between these two types of pension plans, both in terms of challenges and solutions. ☐ AEIP wants to remind that any exchange of information has to be in line with national data protection rules.	
36.	BIPAR, the European Federation of Insurance Interm	Page 6	The Good Practices listed in this report are not legally binding and we support the statement referring to the fact that the practices are not exhaustive nor universal and that the aim is to give the possibility to Member States to use the report as a point of reference.	
37.	Financial Services User Group	Page 6	FSUG welcomes the approach EIOPA have applied, where the purpose of the Consultation is not only cross-border switching (transfers) but also domestic issues. FSUG members are confident that pointing at domestic barriers and identification of main obstacles to transfers and switching of pension savings and/or pension capital on domestic level will uncover many potentially successful solutions. FSUG welcomes the EIOPA recommendation on using the Consultation Paper as an inspiration for enhancing the right to switch when transposing the Directive 2014/50/EU ('Directive on minimum requirements for enhancing worker mobility by improving the acquisition and preservation of supplementary pension rights'). FSUG has called for national and supranational regulators and decision-makers to recognize the right to switch as the key element when increasing the consumer protection, cost-efficiency and transparency of pension schemes.	
38.	Insurance Sweden (Industry	Page 6	Please see general comments above and comments to page 7 about terminology.	

	Association) (Sweden)		Para 4 and 5 Insurance Sweden has a positive view on the right of transfer in general. We can also support EIOPA´s objective to to map out obstacles and discuss solutions to such obstacles. The question is however whether “good practices” at the EU level is the right instrument to address these obstacles. We note EIOPA´s statements that “the outlined Good Practices have to be considered individually and together with the specific situation in the individual Member States”, that they are “neither exhaustive nor universal” and “may not be readily applicable in certain Member States”, “should be regarded as principles-based” and should be applied by Member States and market participants “to the extent that benefit their individual circumstances”. Regardless of these statements – which we welcome – there is still the question of the exact status of “good practices” at the EU level. We are of course aware of other examples, such as the good practices for occupational pension information and comparison websites issued earlier by EIOPA. But we still find it necessary to further flesh out how such practices should interact with legislation and soft law at the EU level as well as in the member states. In line with the references in the text to proportionality and subsidiarity, it is in any case clear that “good practices” at the EU level need to be applied with caution in the member states and not be too specific. Insurance Sweden finds it necessary to grant enough flexibility not least in the area of occupational pensions, where the borderline between EU and national competences is not always clear in relation to taxation and social and labour law.	
39.	OPSG	Page 6	We welcome that the Good Practices mentioned in this report are principle based and that due to the nature of the individual legal framework or the costs and benefits Good	

			Practice observations may not be readily applicable in certain member States. The consultation mentions that all Good Practices may be applied to both DB as well as DC schemes. These two types of pension promise are very different from each other and it will not be possible to replicate exactly from one system across to the other. The issues are much more complex where one or both of the arrangements are DB.	
40.	Pensions Europe	Page 6	☐ We welcome that the Good Practices mentioned in this report are principle-based and that is mentioned that due to the nature of the individual legal framework or the costs and benefits Good Practice observations may not be readily applicable in certain Member States. ☐ The consultation mentions that all Good Practices may be applied to both DB as well as DC schemes. These two types of pension promise are very different from each other and they are therefore facing different challenges in the case of individual transfers.	
41.	The 100 Group of Finance Directors (Business Assoc	Page 6	In general terms, we welcome EIOPA's contribution to identifying good practice across all EU member states, which can serve as a 'source for stakeholders wishing to improve the conditions for both domestic and cross-border transfers'. We think that EIOPA can play an important role in communicating the good practice that already exists in some member states so that it can be applied across the whole of the EU, including member states where supplementary occupational pension provision is much less well established. For example, the UK already has a well-established legal framework under which transfers between schemes can take place, which we think can provide useful material with which other member states could build, subject to their own local circumstances. We therefore also welcome the comment that the observations in the report are not meant to be exhaustive or universal, may not be readily applicable in some member states or in very small schemes, should be regarded as principles-based and only applied	

			to the extent that they are of benefit within individual member states.	
42.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 7	As already stated in the General Remarks, we have a number of concerns regarding the definitions proposed in the consultation document. ☐ "Supplementary occupational pension scheme": The addition of the word "supplementary" in the title and in the definition of the subject of the Discussion Paper is not necessary: in the EU occupational pensions always supplement (mandatory) first pillar pensions. The term should therefore be dropped. In addition, we would like to emphasise that supplementary pensions include both the second and third pillar – the term should therefore not be used in this document, because it is misleading. The two concepts should be kept separate (see General Remarks) and a simple language should be used throughout the report. EIOPA should at least stick to the suggestion made in the definition to use "pension scheme". For clarity's sake it would be even more beneficial to use "occupational pension scheme", which would reflect the link to an employment relationship and the important role of the employer. ☐ "Transfers": First of all, the definition should state clearly that in this context only individual transfers are addressed. It should be clear that the Good Practices collected in this report do not relate to the transfer of pension schemes (see proposed Article 13 IORP II Directive). Second, as explained above, in Germany there can be no transfer of pension rights, we therefore suggest to delete "vested rights". Nevertheless, it should always be clear that any transfer of capital ends the old employer's liabilities for the given pension promise. Third, we would like to point out that individual transfers only happen because of job changes, "for example" should therefore be deleted. ☐ We propose the following text: "'Occupational pension schemes': are understood as any occupational retirement pension scheme established in accordance with national law and practice and linked to an emplyoyment relationship, intending to provide a supplementary pension for employed persons." ☐ "Transferibility": Following from the amendments suggested for the definition of "transfer", we propose to replace "vested rights" in the definition of "transferibility" with the words "capital value".	

			Scope of the report We welcome that the scope of the report is limited to IORPs and other occupational pension plans provided by insurance undertakings (it does not apply to book reserves and PAYG schemes, from a German perspective it means that it does not apply to direct pensions promises (Direktzusage) and support funds (Unterstützungskasse)). Put differently, the Good Practices are mainly intended for individual transfers between occupational pension schemes already under the supervision of EIOPA.	
43.	ABI (Trade Association, United Kingdom)	Page 7	The ABI would suggest that EIOPA conduct an Impact Assessment to accurate assess the differences between 'transfer regimes' in the EEA member states, which could then be compared against the impediments and subsequent good practices identified.	
44.	Actuarial Association of Europe	Page 7	We would agree that, where possible, the same approach is applied to cross border as well as to "within State" transfers, but additional complexities arise in the latter due to different regulatory and taxation requirements, and in some cases, different languages. We also agree that "bulk transfers" should be considered differently. Last sentence on the page : We agree. If vested rights are regularly revalued it could even be a good diversification to have rights in several places. This links, again, to the great good of working tracing and tracking systems. It is stated that it may be disadvantageous to an individual to have several small benefits in pension plans linked to previous employments. Whilst this may be administratively inconvenient, we would stress the "may" in this statement, as (a) this provides an element of diversity ("not all your eggs in the same basket") in relation to type, security and even currency of the various pension entitlements, and (b) for DB	

			benefits, the amount available for transfer may not be “good value” compared with the accrued benefits. The references to “small pots” seems to indicate that transferability should be encouraged (or even enforced) for small DC accounts and this may be more appropriate, given that the member may have the option to decide on investment strategy in the receiving scheme, so that the diversification benefit identified above may not be important. We agree that EIOPA should not include a GP recommendation that “pot follows member” be enforced for small DC accounts.	
45.	Association Européenne des Institutions Paritaires	Page 7	☐ In addition to the footnote n. 7, the report should clearly mention that schemes covered by EC Regulations 883/2004 are out of the scope of the report.	
47.	DIA Trade Association for insurance and pensions,	Page 7	As the vast majority of occupational pensions in Denmark are organised in pension entitites subject to insurance regulation we welcome this broad definition of occupational pensions compared to the more narrow definition defined by the scope of the IORP directive. When protecting the rights of the scheme members, the legal form of the pension insitution is of less importance.	
48.	Insurance Sweden (Industry Association) (Sweden)	Page 7	1. Para 1 See our general comments as regards the Swedish system, the terminology in the report and the scope of our response. Insurance Sweden questions the use of the term scheme. Transfers in Sweden take place between insitutions/providers (i.e. the funding vehicles). Moreover, when it comes to collectivey agreed schemes in Sweden, it would not be correct to state that the same rules apply for crossborder and domestic transfers from a social and labour law point of view, as only transfers to providers under the same scheme are allowed under these schemes. There may therefore be limits in this respect. It is however true that the taxation rules make no difference between a domestic or crossborder transfer in Sweden, as long as the products involved qualify for the same tax treatment. 2. Terminology	

			"Transfers": We would recommend using the same terms throughout the report regarding the object of transfer. For DB and DC schemes alike, we assume that the report seeks to cover cases where capital is being transferred or, in other words, the value of accumulated pension rights. Using terms such as "vested rights", "rights" or "entitlements" (as found later in the report), could give the wrongful impression that the actual capital or value is not transferred. We would therefore suggest replacing these terms by capital or value of accumulated pension rights throughout the report. "Transferability": Stating that a transfer always takes place between schemes creates confusion – is it a transfer between pension agreements or between institutions/providers? In Sweden, a transfer normally does not and in most cases actually cannot be made between schemes (see our general comments). Instead, a transfers takes place between the institutions/providers designated under the respective schemes. The present wording could give the impression that all such transfers between providers are out of scope of the report. Insurance Sweden would therefore suggest a clarification throughout the report that a transfer takes place between institutions/providers. 3. Scope of the report As for the pension arrangements considered in the report and in line with our reasoning above, Insurance Sweden also wishes to point out that in Sweden the schemes (= pension agreements) are not under supervision by the Swedish Financial Supervisory Authority, the institutions/providers are (IORPs and insurers). The design and the supervision of the schemes themselves are matters for the social partners/other parties to the pension agreement to decide on.	
49.	OPSG	Page 7	As mentioned above, we would prefer not to use the word 'supplementary' as it could refer to both occupational pensions and personal pensions. There will be considerable additional complexities in transferring cross border as opposed to within State.	

			It is appropriate that bulk transfers may be dealt with differently from individual transfers in some circumstances.	
50.	Pensions Europe	Page 7	☐ As mentioned, we find the word 'supplementary' misleading as it could refer to both workplace pensions and personal pensions. EIOPA should at least stick to the suggestion made in the definition to use "pension scheme". For clarity's sake it would be even more beneficial to use "workplace pension scheme", which would reflect the link to an employment relationship and the important role of the employer.	
51.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 8	Automatic transfers: We note EIOPA's positive stance towards automatic transfers. We would like to point out that while some Member States are testing this idea, we are sceptical. Automatic transfers can lead to a situation where the beneficiary is made worse off by the transfer – from our perspective it is therefore crucial that the beneficiary always takes an active role in any kind of transfer. Regarding the introduction of an online platform (potentially across the EU as suggested by the Track and Trace Your Pensions in Europe team) we would like to point out: ☐ Any kind of pension information requirements have to create a real added value for members and beneficiaries. ☐ The related costs have to be proportional to this added value. ☐ A standardised EU occupational pension information which is simple and clear is unrealistic and comparability difficult to achieve due to the different national characteristics of occupational pension schemes. ☐ Particularly in large companies different funding methods and pension schemes are combined (for historic reasons and because of the legal and fiscal background). ☐ Information has to be transparent and easy to understand and therefore has to be adapted to the individual situation of the employee. ☐ One size does NOT fit all. The world of pensions is diverse and complex, not only in Germany – an EU-wide online platform would not be a realistic instrument to pass on relevant information to	

			beneficiaries at a reasonable cost. We note that for specific employees who are very mobile across Europe, improvements have already been achieved: An internet-based platform is helping public sector researchers finding their pension rights both in the statutory state-run schemes and in occupational pension schemes all over Europe.☐“ Legal basis We note that EIOPA stresses that the Good Practices proposed in the report will not be legally binding. Even though EIOPA stresses that social and labour law do not fall in its remit, we would like to emphasise this point: it is solely the Member States who decide on matters regarding social, labour and tax law. Within some Member States, transfers are addressed in collective agreements, these are most likely to be found in sectors where the different schemes deliver similar benefits (e.g. public sector in Germany or when employees move from one subsidiary to another within a corporate group). Neither EIOPA nor the Commission can or should interfere with the right of the Member States to address these issues as they see fit. At the same time the main obstacles to individual transfers clearly fall into the remit of the Member States. To acknowledge this, we propose to amend the following sentence (addition marked bold): „Due to the fact, that the transferability of supplementary pension rights has several contact points with other issues, it was unavoidable to also address questions which relate to social and labour law as well as to taxation, which constitutes the major obstacles to cross-border transfers due to different tax regimes in the Member States.”	
53.	Actuarial Association of Europe	Page 8	Comment to the “pot follows member” approach: alternatively and probably more (cost) efficient if the pot would stay with the member and the (new) employer pay their pension contribution to their individual pension account (very similar to paying their salary into their individual bank account). Transfers wouldn’t be necessary if each member would have its own pension account. However, further consideration would need	

			to be given to the administration implications for the employer and pension providers. If the “pot follows member” approach takes away the active decision of the scheme member the value of the pension that is to be transferred to the new scheme should remain (at least) equal to that of the old scheme using the same valuation basis. This is not always the case. One example is Belgium where vested rights are calculated on the basis of a 6% discount rate (social and labour law) but in case of a transfer that pension is reduced to a pension having the same value but based on (in the current low interest environment) much lower discount rate. This is one of the reasons why transfers in Belgium are rarely seen even since deferred pensions are not revalued. We would emphasise the need to ensure that former employees with deferred benefits (DB or DC) are able to keep track of their pension entitlements and to obtain updated information on request. It is also in the plan’s interests to keep track of former members so that benefits can be administered when they fall due. This would be facilitated if there were national/EU wide tracking or tracing services which enabled individuals to get details of their pensions from previous employments (and indeed ideally their personal pension policies and State pension entitlements as well). We are happy to see the reference to “pension tracking services” as we think this offers great value to European citizens. We take the liberty to refer to our second report on this topic that was published on 27 February 2015: http://www.actuary.eu/documents/AAE_Tracking_Services_Feb2015.pdf On footnote 8: The NL tracking system includes both 1rst and 2nd pillar pensions. A description of the existing tracking systems in is presented in our first report on tracking services in Europe: http://www.actuary.eu/documents/Report%20national%20Tracking%20Services%20Sw-Fi-DK-NL%20Final.pdf	

54.	Association Européenne des Institutions Paritaires	Page 8	☐ AEIP welcomes the fact that the Good Practices identified should be simply considered as helpful tools in facilitating transfers and they are not legally binding on any party, nor subject to the “comply or explain” mechanism.	
56.	DIA Trade Association for insurance and pensions,	Page 8	Footnote 8) in DK « pensionsinfo.dk » gives a personalised overview of all pensionsschemes a person participates in and their payouts in case of retirement, death or diablement. Information is provided by all pensionsproviders (lifeinsurance companies, banks, ATP and public authorities)	
57.	Financial Services User Group	Page 8	FSUG position on automatic transfers using “pot follows member” should be used very carefully. The right to switch should be used as a predefined option, however automatic switching might involve potential detriments to savers (members). Automatic switching according to mentioned rule could lead to a possible reduction of pension rights for the beneficiary or it could have a negative impact for savers when the receiving scheme doesn’t fit the personal needs of the savers. This is the case mostly for DB schemes. For DC schemes, potential detriments might arise if the receiving DC scheme offers significantly worse conditions or is of pure added value when considering the after-fees performance or poor choice of pension funds. In several MS which has introduced 3rd pillar schemes and/or 1bis DC schemes, the provider offers only one pension scheme (pension fund) which significantly limits the competition and leads to a poor value for savers.	
58.	Institute and Faculty of Actuaries, UK	Page 8	The IFoA would encourage EIOPA to weigh up the evidence of “pot follows member” from individual MS before considering whether Good Practice should be updated. Good Practice 2: Objective reasons to suspend a transfer including financial sustainability checks of schemes EIOPA (p16) notes the restrictions on unapproved transfers and the tax charge applied. We would see no reason to change this given the generous tax benefits available in the UK on pension contributions and investment returns.	

59.	Insurance Sweden (Industry Association) (Sweden)	Page 8	1. Para 1 and 2 A “pot problem” also exists in Sweden, especially when employees move to a sector covered by another scheme. As described in our general comments, the problem with multiple pots is partly a consequence of Swedish taxation law. The tracking problem is mitigated by the Swedish tracking system Min Pension, which now covers virtually all 2nd pillar pensions, as well as 1st and 3rd pillar pensions. In this context, Insurance Sweden would strongly argue against a pan-European tracking solution that would not take well-functioning national systems into account. 2. Legal basis Regardless of the statements in the report, there is still the question of the exact status of “good practices” at the EU level. We are of course aware of other examples, such as the good practices for occupational pension information and comparison websites issued earlier by EIOPA. But we still find it necessary to further flesh out how such practices should interact with legislation and soft law at the EU level as well as in the member states. In line with the references in the text to proportionality and subsidiarity, it is in any case clear that “good practices” at the EU level need to be applied with caution in the member states and not be too specific. Insurance Sweden finds it necessary to grant enough flexibility not least in the area of occupational pensions, where the borderline between EU and national competences is not always clear in relation to taxation and social and labour law.	
60.	OPSG	Page 8	Automatic transfers: Although as the report recognizes it ‘may’ be disadvantageous to have several small benefits in several pension plans, it may also provide the member with a degree of diversity, and for DB transfers, the transfer may not represent ‘good value’.	

			Some Member States have looked into possibilities to transfer pension entitlements automatically ('pot follows member'). However, the risk of detriment to the beneficiary needs to be considered. It could lead to a possible reduction of pension rights for the beneficiary or it could have a negative impact for people when the receiving scheme fails to fit the personal needs of the beneficiary (in particular with regard to the risk cover for invalidity or death that is offered by some schemes and not by others). We would support national/EU wide tracking or tracing services so that former employees can keep track of their pension entitlements in past employments, and it facilitates administration for the pension scheme itself.	
61.	Pensions Europe	Page 8	☐ Automatic transfers : indeed some Member States have looked into possibilities to transfer the pension entitlements automatically ('pot follows member'). However, we are sceptical about this as automatic transfers can be to the detriment of the beneficiary who can be worse off by a transfer. It could lead to a possible reduction of pension rights for the beneficiary or it could have a negative impact for people when the receiving scheme doesn't fit the personal needs of the beneficiary (in particular with regard to the risk cover for invalidity or death that is offered by some schemes and not by others). ☐ Legal basis : We note that EIOPA stresses that the Good Practices proposed in the report will not be legally binding. It is the Member States who decide on matters regarding social, labour and tax law. Within some Member States, transfers are addressed in collective agreements, these are most likely to be found in sectors where the different schemes deliver similar benefits. Neither EIOPA nor the Commission can or should interfere with the right of the Member States to address these issues as they see fit.	
62.	The 100 Group of Finance Directors (Business Assoc	Page 8	We note EIOPA's recognition that the Good Practices identified are not legally binding or subject to a 'comply or explain mechanism'. We believe that the identification of underlying Good Practice principles is a proportionate approach and one that could be followed elsewhere in the European regulation of pensions.	

64.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 10	In the current language the notion of portability is evident and can be considered as synonym for transferability. This is also the case in other languages (e.g. “Portabilität” in DE, “portabilité” in FR or “portabilidad” in ES). Only due to the first proposal of the portability directive of October 2005, the European Commission started to redefine the insofar clear notion of portability. We therefore propose to add the following text (marked in bold): „There is no agreed use of the term “portability” at least as far as occupational pensions at EU-level are concerned.”	
66.	Insurance Sweden (Industry Association) (Sweden)	Page 10	Pen-ultimate para : In line with our general comments and our comments to page 7, we would suggest rewording this para along the following lines: “Transferability covers moving (i.e. transferring) the capital/value of accumulated pension rights from one institution/provider to another”.	
67.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 11	Visualisation: As we understand the visualisation, it shows two employment periods with different employers, in between which there is a gap. From our perspective this is not the most common scenario: often employees change employers without a significant break in between. From our perspective it would be better to depict this more common scenario. In Germany the current legislation addressing individual transfers can be found in Art. 4 (3) of Occupational Pension Law (Betriebsrentengesetz, BetrAVG). It clearly establishes a link to the termination of an employment relationship and therefore falls under labour law. It stipulates that the transfer must take place within one year after the termination of the employment relationship. Collective agreements and industry agreements (e.g. GDV Übertragungsabkommen) might go beyond the provisons in this Article. OECD Guidelines for the Protection of Rights of Members and Beneficiaries in Occupational Pension Plans: We would like to point out that the OECD Guidelines refer to a transfer of the “value of their vested account balance”. This is fundamentally different from a transfer of “pension rights”, which EIOPA refers to in the last sentence of this paragraph (see our comments regarding p.6). From the German perspective it would not	

			be possible to require a transfer of pension rights. EIOPA points out that there is currently “no explicit legal rule on the European level which grants members of supplementary pension schemes the right to transfer”. In this regard we would like to emphasie that from our perspective it would not be adequate to create a European level rule in this area. This is an issue which falls under labour law (due to the link of an occupational pension scheme to an employment relationship) – it is firmly in the remit of the Member States whether to change legislation in this area. Example from Germany: The transfer of an occupational pension scheme inevitably affects the legal relationship between the employer and the employee. With the transfer, the employer behind the transferring scheme is freed from her/his responsibility to ensure that the pension promise is met; this responsibility is passed on to the employer behind the receiving scheme (Art. 1 (1) BetrAVG). In addition we doubt that it would be possible to develop an EU-wide rule which would do justice to all the existing differences in national labour law.	
70.	DIA Trade Association for insurance and pensions,	Page 11	In the figure the timing of decision of transfer is set before the start of emplyment 2. In Denmark the scheme member will only have a new scheme to tansfer to, when employment 2 has started. Hence the decision to transfer the pot – as compared to new contributions – will be made later than the figure implies.	
71.	Financial Services User Group	Page 11	EIOPA has pointed at the key issue regarding the portability/transferability/right to switch: “Currently there is no explicit legal rule on the European level which grants members of supplementary pension schemes the right to transfer their pension rights.” The key aspect that should be taken into account and understood by regulators is the need to enforce real freedom of movement of capital and thus the right to switch if the main objective of remains pursued (pension saving). This right has been granted mostly only to the pension providers. Increasing transferability might certainly improve the movement of capital (savings) and increase the freedom also for consumers (savers). Therefore, the issue of diversity of social and labor law as well as tax treatment between	

			MS should not prevail if the right to switch is exercised by the savers (sponsors) and the main objective (pension saving) is met.	
72.	Insurance Sweden (Industry Association) (Sweden)	Page 11	Chart: The chart is difficult to understand, as it mixes the concepts of scheme and provider. See also our general comments and our comments to page 7. Moreover, in the Swedish system a transfer does not have to be linked to the termination of employment, it can also be carried out during the employment by a switch of institution/provider and products (subject to what is allowed under the scheme and to taxation law). Conversely, the termination of an emplomente does not have to entail a transfer as long as the new employer is covered by the same scheme as the earlier employer. The same comments are also valid for para 2.	
73.	OPSG	Page 11	This shows two employment periods with different employers with a gap in between. We would expect that most employees change jobs without a significant break in between. We question how feasible it would be to develop a European framework for members of occupational pension schemes to have a right to transfer their pension entitlements and capital across border. We conclude this due to the diversity in the EU pension systems and the differences in taxation and social and labour law. We therefore strongly support starting with (1) voluntary transfers and (2) domestic transfers within Member States, before considering the cross border, European level.	
74.	Pensions Europe	Page 11	☐ We don 't think the visualization shows the typical situation of an employee. It shows two employment periods with different employers with a gap in between. Most employees change jobs without a significant break in between. ☐ The OECD guidelines indeed state that « individuals who are changing jobs should be able, upon request, to move the value of their vested account balance from their former employer's pension plan either to the plan of their current employer (where permitted) or to a similar, tax-protected environment provided by an alternative financial instrument or institution. ». EIOPA hereafter states there is currently no explicit legal rule on the European level which grants members of supplementary pension schemes the	

			right to transfer their pension rights. We question the feasibility to develop such a European rule due to the diversity in the EU pension landscape and the differences in taxation and social and labour law.	
75.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 12	We propose the following addition to footnote 20: „and in DE for unfunded occupational pensions in the public sector."	
77.	DIA Trade Association for insurance and pensions,	Page 12	The life insurance company has to notify the FSA about the companies' conditions concerning transfer of rights to annuities in the case of new employment for the participants. Thise rules must ensure that the pensionssystem does not inflict negatively on the job market mobility. In order to facilitate this entention the sector has drawn up a « job-change agreement » (as referred to on page 13). The agreement deals with transfer values, transfer costs and the participants' right to disablity insurance on preexisting health information. All life insurance companies have joined the agreement. Footnote 22) incl Denmark. The job-change agreement has a 3 year limit. Footnote 23) in Denmark the transferring scheme can only transfer to schemes of the same tax-status. Footnote 24) The job-change agreement determines the value to be transferred to the recieving company. Minmimum the surrender value.	
78.	Financial Services User Group	Page 12	The Consultation Paper claims that only 5 MS apply conditions with regard to the sum transferred, however there are 7 Member States identified in the footnote.	
79.	Insurance Sweden (Industry	Page 12	First para and footnote 18 The information about Sweden is not quite correct, see our general comments (section	

	Association) (Sweden)		6) as regards the scope of the statutory right of transfer.	
80.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 13	Comment relating to the sentence „Outside of legislation and the statutory framework in each Member State, as discussed above, there is little common, voluntary practice such as industry codes or ad-hoc agreements above what is required in regulation.": In the public sector in DE, which covers roughly 30% of all persons with occupational pension entitlements, transfer agreements between the single pension institutions already exist since the middle of the 1970s even though these schemes are not funded. Nowadays, there are yearly about 60,000 transfers with a transfer value of almost 450 million Euros only in the local and church sector. As stated e.g. also in our comments regarding p. 15, this success is built to a large extent on the similarity of the schemes (based on tariff agreements) between which the transfers take place.	
82.	Insurance Sweden (Industry Association) (Sweden)	Page 13	Second para : See our comments to page 32 on recent developments.	
84.	BIPAR, the European Federation of Insurance Interm	Page 14	We agree with the description made of industry-wide pension funds mechanisms in the Netherlands.	
85.	DIA Trade Association for insurance and pensions,	Page 14	Also the condition that transfer can only be done to a scheme of similar tax-status can be an empediment to transfer.	
86.	Insurance Sweden (Industry Association) (Sweden)	Page 14	Page as a whole: The mixed terminology used on this page (scheme/bank/investment fund/pension fund) illustrates our point in our general comments above that the terminology needs to be more stringent throughout the paper, see also our comments to page 7.	

			Overarching aspects, para 1, 2 and 4: The right of transfer in Sweden mentioned in para 1 and 2 only covers transfers between eligible providers under the same scheme, please see our general comments. As regards para 4, we would like to compare this to the Swedish system and refer to our comments to page 11: In the Swedish system a transfer does not have to be linked to the termination of employment, it can also be carried out during the employment by a switch of institution/provider and products (subject to what is allowed under the scheme and to taxation law). Conversely, a termination of the emploment does not have to entail a transfer as long as the new employer is covered by the same scheme as the earlier employer.	
87.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 15	Comments on Good Practice 1 ☐ Due to the diversity of occupational pension schemes, it generally should be a capital value which is transferred between different schemes. Nevertheless and as already described, such a capital transfer means that any responsibility/liability of a former employer in accordance to the transferred capital/the given pension promise expires. It is important to be realistic as to what the involved stakeholders are prepared to do. This applies to IORPs / insurance companies as well as to the beneficiary, who faces a more difficult decision the more different the two schemes are. ☐ Beneficiaries are likely to built their personal risk cover (e.g. invalidity, death) around what their employer offers. For example, if an occupational pension scheme does already include sufficient invalidity cover, there is no need to take out an additional personal insurance or it might not be possible because of limitations of total coverage. Any change to what is offered by the employer therefore triggers a review of the personal insurances taken out. This is particularly critical because with increasing age it becomes more expensive and difficult to take out invalidity cover or survivor's protection. Therefore the beneficiary has in most cases an interest that the benefits offered by the employer remain similar. As a consequence a transfer between similar schemes is easier to complete than a transfer between completely different schemes. ☐ We support the idea to start with voluntary agreements between schemes / in areas where the schemes are relatively similar. As already described above, voluntary	

			transfer agreements like for example on a collective basis could be a feasible way to facilitate transfers between employers/their schemes within industrial sectors or other areas at a national level if the schemes operated and the benefits offered are relatively similar. ☐ Interests in relation to a transfer: The proposed agreement would of course need to comply with existing legislation and should take into account not only the interests of the pension scheme member transferring the capital value, but also the interests of the transferring and the receiving IORPs, each of their collective memberships and the sponsoring employers. ☐ Depending on the legal background, such an agreement would need antitrust clearance. ☐ Any data exchange of personal data of an employee would need a legal agreement between the IORP and the employer, for which the agreement of the employee is necessary. ☐ Regarding the last sentence, we disagree. Agreements should be restricted to similar schemes at national level in order to establish a well-functioning transfer procedure. It might be tried to extend it to further schemes at national level or later to foreign schemes, if all the other legal and tax issues are resolved (see first point). ☐ From our perspective it is key what is addressed in the agreement. Transfers at a wider scale will only be feasible if the former IORP calculates the transfer value according to its own actuarial assumptions and if later, the receiving instutions “translates” this transfer value into pension claims according to its own rules. If on the other hand it would include the use of the same actuarial assumptions, it is inconceivable that this would work in Germany across all five vehicles delivering occupational pensions, offered by either employers, IORPs or insurance companies. Comments on Good Practice 2 ☐ A small amendment is necessary in paragraph 4 (marked in bold): “Receiving schemes can become underfunded if not sufficient assets are transferred to cover the	

			associated rights e.g. as a result of different actuarial methods used by the schemes involved (see also section 3.6. Calculation of transfer value)." ☐ Comment regarding the above text: This problem can be solved by respecting the following rule: calculation of transfer value according to premises of transferring scheme and transfer of this value in new pension entitlements according to rules of receiving scheme. ☐ From our perspective the focus on funding status and the potential reduction of transfer values is too narrow (paragraph 6) - the interests of the transferring and the receiving IORPs, each of their collective memberships and the sponsoring employers should be considered.	
89.	Actuarial Association of Europe	Page 15	We support GP 1. In Ireland there is a statutory entitlement to transfer out and transfer in but (a) the statutory right to a transfer value is limited to two years after leaving employment and (b) the transfer value from a DB scheme may be reduced to reflect underfunding on the statutory funding standard basis. In practice, the limit in (a) is not applied and the reduction in (b) [which is generally applied when a scheme is underfunded] means that transfer values are not often taken (at least until the funding position recovers). There is no restriction on transfers in, although an individual may be reluctant to transfer in to an underfunded DB scheme: it is now usual (but not always the case) that benefits in respect of transfers in are provided on a DC/money purchase basis even in a DB scheme, and a recent legislative change has given such benefits priority on wind-up.	
90.	Association Européenne des Institutions Paritaires	Page 15	☐ With respect to the Good Practice 1, we express some concerns on the sentence "Such an agreement should cover as many scheme providers/sponsors as possible". We hold the view that voluntary transfer agreements should be limited amongst "regulated" institutions.	

92.	Insurance Sweden (Industry Association) (Sweden)	Page 15	Good Practice 1: It is not clear what is meant by scheme providers/sponsors. This is again linked to the concepts of scheme and transfer, see our general comments and our comments to page 7 and 14. Insurance Sweden assumes that both terms relate to the employer, although we are not entirely sure as regards scheme provider. But the question of who can actually decide to allow transfers depends on the system and the nature of the scheme – it could be the employer, the social partners (on both sides) or the provider (insurer/IORP/other). We would therefore suggest to replace "scheme providers/sponsors" by "relevant stakeholders" in the first para of the practice. We do not understand what the second para is aimed to cover, as a transfer would not take place from an employer, but rather from an institution/provider (IORP/insurer/other). Either this para could be deleted as already covered by the first para or replaced by the more neutral "The regime for transfers should be as extensive as possible".	
93.	OPSG	Page 15	Good Practice 1: Voluntary transfer agreements: in the absence of a general statutory rule on transfers EIOPA considers it Good Practice if the scheme providers/sponsors agree on a regime for transfers. Such an agreement should cover as many scheme providers/sponsors as possible. We support the suggestion that in Member States where there are not statutory rules, there could be voluntary agreements between schemes where the schemes are relatively similar. One example of this would be transfers between employer and their schemes within industrial sectors or other areas on a national level. The interest of the transferring and receiving IORPs, and the administrative onus and the transferring liabilities of the employers should be duly taken into account, as well as the other members in the scheme and the impact on their pension capital. The agreements would need to cover not only the conversion of pension rights into transfer values, but the forward conversion of transfer values into pension rights. Even where there are statutory rules, there are examples where these are not applied in practice (e.g. Ireland) where the limit on statutory transfers to two years after leaving is not used in practice and (e.g. both in the UK and Ireland) where a statutory rule	

			permitting reduction in transfer payments to reflect underfunding, can also lead to a reduction in the number of transfers actually taken. When stating that such an agreement should cover as many scheme providers/sponsors as possible, we consider however that transfers should be limited to 'regulated' institutions, and possibly institutions with the same frameworks. Moreover, we question who should set up such voluntary agreements. The reference in the 4th paragraph "see also section 3.5 Calculation of transfer value", should be "section 3.6 Calculation of transfer value".	
94.	Pensions Europe	Page 15	☐ We support the idea to start with voluntary agreements between schemes where the schemes are relatively similar. The interest of the transferring and receiving IORPs should be duly taken into account, as well as the other members in the scheme and the impact on their pension capital. We understand that EIOPA envisages a voluntary transfer agreement within and across Member States. However, it is important to be realistic as to what the involved stakeholders are prepared to do. This applies both to IORPs / insurance companies as well as to the mobile worker, who faces a more difficult decision the more different the two schemes are. Mobile workers are likely to built their personal risk cover (e.g. invalidity, death) around what their employer offers. For example, if an occupational pension scheme does already include sufficient invalidity cover, there is no need to take out an additional personal insurance. Any change to what is offered by the employer therefore triggers a review of the personal insurances taken out. This is particularly critical because with increasing age it becomes more expensive and difficult to take out invalidity cover or survivor's protection. Therefore the mobile worker has in most cases an interest that the benefits offered by the employer remain similar. As a consequence a transfer between similar schemes is easier to complete than a transfer between completely different schemes. ☐ From our perspective it is key what is addressed in the agreement. Transfers at a	

			wider scale will only be feasible, if the former IORP calculates the transfer value according to its own actuarial assumptions and if later, the receiving instutions "recalculates" this transfer value into pension claims according to its own rules. If on the other hand it would include the use of the same actuarial assumptions, it is inconceivable that this would work. ☐ When stating that such an agreement should cover as many scheme providers/sponsors as possible, we deem it important to state that transfers should be limited amongst 'regulated' institutions. Moreover, we question who should set up such voluntary agreements. ☐ The reference in the 4th paragraph « see also section 3.5 Calculation of transfer value », should be « section 3.6 Calculation of transfer value ».	
95.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 16	Further comments on Good Practice 2 ☐ Rejection of a transfer: In addition to financial repercussions for the IORP, the overall risk environment should be taken into account, this includes in particular the interest rate environment, biometric aspects and structural changes in the pool of members. The complete risk environment should be considered when deciding against a transfer (see General Remarks). In addition, accounting repercussions and tax implications from the perspective of the sponsoring employers have to be taken into account. Furthermore, technical aspects (e.g. the integration in the IT system of the receiving IORP) can lead to the rejection of a transfer. ☐ Establishing criteria for the rejection of a transfer: We are opposed to the idea that the IORP should set certain criteria at the beginning of the transfer with the goal to only allow a suspension of the transfer if one or several of these criteria are met. As stated above, a decision against a transfer is made based on a consideration of the	

			overall risk environment, not on a fixed set of criteria. ☐ To conclude, the right of the employer and the IORP to reject a transfer is needed unless it is only a capital value which is being transferred and the transfer time as well as the transfer value is limited (in Germany: contribution ceiling of the statutory pension insurance – Beitragsbemessungsgrenze in der gesetztlichen Rentenversicherung - €72,600 p.a. in 2015). It is important that the former employer is not liable anymore for the given promise in relation to the capital that is being transferred. Comments on Good Practice 3 ☐ From our perspective it is likely that cross-border transfers will need different requirements than a domestic transfer. In the case of the latter, compliance with national social, labour and tax as well as other relevant legislation (e.g. on data protection) can be taken as given, because the receiving IORP has to comply with the same national requirements. This is not the case for cross-border transfers and should be reflected in the requirements for cross-border transfers. Therefore Good Practice 3 does not make much sense when there are different national regimes; establishing the same requirements for both domestic and cross-border transfers would only be possible if there was a uniform legal framework across the EU. ☐ Regarding footnotes 49 and 50, we would like to point out that for DB schemes a transfer is also about a capital value. As explained above (see comments regarding p. 6), the transferring IORP calculates the value, which is then transferred. The receiving IORP then calculates the benefits which can be offered based on the transferred value. We would like to stress that there is no negotiating between the two IORPs.	
96.	ABI (Trade Association, United Kingdom)	Page 16	The ABI would support good practice 2 as we recognise the importance of developing objective criteria in instances where the transfer of a pension should be suspended, namely in order to protect the pension scheme member. We believe that the suggested criteria should be added to, to include that a pension scheme transfer can be suspended in instances of fraud. Pension scams are an ongoing risk in the UK and the UK Government is concerned that consumers are unwittingly persuaded by seemingly attractive /legitimate pension transfer offers to release their accumulated pension funds, which is often an irreversible decision. The UK has embarked on an awareness raising	

			campaign (known as Project Bloom) to highlight to consumers the potential risks and the checks they can carry out before considering transferring their pension pot. With regards to guideline 3, the ABI would support the premise of having the same requirements for receiving schemes for both domestic and cross-border transfers; however in practice this may not be entirely appropriate given that not all transfers are the same. For example, as set out elsewhere in this paper, in the UK there is different treatment of defined benefit to defined contribution schemes; automatic transfers between workplace pensions; and tax treatment of pensions that have been accessed flexibly.	
97.	Actuarial Association of Europe	Page 16	We would be strongly supportive of GP 2: there should be objective criteria as to when a transfer value offered has been reduced, and how this reduction should be applied, [and this should be made clear in the information provided to individuals who request transfer values]. We are not clear exactly what is meant by GP 3, i.e. does this mean that the same requirements apply to receiving schemes in respect of all transfers they receive or does it mean that the transferring scheme should have the same requirements of the arrangement to which they are asked to transfer regardless of whether the transfer is domestic or cross border? In our experience, the latter is the more difficult issue for cross border transfers e.g. an IORP can pay a transfer value to an IORP in another Member State, but may require advance approval from Revenue to pay a transfer to another vehicle e.g. a third pillar pension, which would not be required for a domestic transfer. As noted on p17, it can be difficult to verify the status of a receiving scheme in another jurisdiction.	
98.	Association Européenne des	Page 16	☐ AEIP expresses some concerns about the Good Practice 2 stating that only objective criteria could represent a reason to suspend a transfer. In those MS where	

	Institutions Paritaires		these criteria are regulated or listed in Social and Labour Law or by universally applicable collective agreements, potential trials could arise in case some members would consider that such criteria were not met. Such statement could lead to awkward conflict. ☐ Systems that are based on collective agreements often reject any out-transfer, but provide for the transfer of pension rights within the system. Therefore social partners should have the possibility to regulate within their collective agreements the rejection of transfers without needing to give objective criteria. ☐ AEIP wants to bear in mind that a transfer also means the loss of capital. This could weaken the financial situation of the system. ☐ In principle we support the Good Practice 3, but we would like to stress the difficulties that arise form cross-border transfers, thus including the identification of the receiving scheme and the differences between fiscal and accounting systems. Moreover the cross-border transferability could lead to excessive burdens for small and medium pension schemes. Not coincidentally transfers are not so frequent either at national level.	
100.	BIPAR, the European Federation of Insurance Interm	Page 16	Good Practice 3: Same requirements for receiving schemes for domestic and cross-border transfers EIOPA states that in practice it may be difficult to apply the same conditions for cross-border activities as to domestic schemes. We would like to highlight in this respect that it is indeed more difficult to operate cross-border transfers due to national differences regarding in particular tax, employment law and social aspects.	
101.	DIA Trade Association for insurance and pensions,	Page 16	Footnote 47) There is no tax issue concerning transferring pension rights between « pillars ». The problem only occurs if the participant wants to transfer an annuity or a expiring annuity to a lump sum pension. Or if s/he want to transfer an annuity to an expiring annuity. Theese pension types has different tax-status and the pension will be taxed when transferred.	

102.	Financial Services User Group	Page 16	EIOPA claims that "..Member States do not differentiate between conditions for domestic and cross-border receiving schemes. This approach is in line with the single market philosophy. In practice, applying these conditions may however be more difficult in a cross-border context." FSUG points as several cases in new MS, where the national legislation prohibits transfers (switching) of savings into pension schemes in other MS. This allows domestic pension players to impose higher fees and charges on sponsors as well as savers even when the same pension providers offer better conditions for pension schemes (pension funds) offered in other MS.	
103.	Insurance Sweden (Industry Association) (Sweden)	Page 16	Good Practice 2 : The use of this practice again depends on what is meant by a scheme and a transfer, see our general comments and our comments to page 7. Especially if we assume that there is a transfer of capital/the value of accumulated pension rights, the term scheme does not seem to be correct. It should be replaced by "institution/provider" to make sense. Para 2 In Sweden, the tax requirements relate to the product offered by the institution/provider and not to the scheme itself, see our general comments. Good Practice 3 : From our point of view this practice would only be relevant for the product, see our general comments. The only transfer requirements set out in Swedish legislation are related to the taxation of products, i.e. that the same requirements must apply to the new product. We would however also like to reiterate that transfers from providers under the four major collectively agreed schemes in Sweden are only allowed to other institutions/providers under the same scheme.	
104.	Mercer (benefits consulting) Benelux and UK	Page 16	We follow the philosophy behind good practice 3 related to having similar requirements for receiving schemes for domestic and cross-border transfers. With regard to the cross-border transfers we doubt its practical implementation because of the differences between the member states systems, especially with regard to taxation.	

			For example: when transferring accrued reserves from Belgium to the Netherlands, the paid lump sum will be more taxed as opposed to a payment in Belgium (some 22%). If the beneficiary opts for the payout in a lump sum after transferring the accrued reserves from the Netherlands to Belgium, a heavy tax valuation of 52 % progressive rate + 20 % revision rate will be applied. Besides that an additional taxation will be applied in Belgium on the actual earned income.	
105.	OPSG	Page 16	Good Practice 2: Objective criteria for reasons to suspend a transfer including financial sustainability checks of schemes. We agree that the effect of the transfer of pension capital on the transferring pension scheme is critical and could in some circumstances provide reasons not to transfer. Reasons not to transfer may not be limited to the effect on the funding level of the transferring scheme, but should also take into account the overall risk environment, such as the interest rate environment and biometric aspects, and the interests and security of the remaining, non transferring members of the pension scheme. In the context of cross border transfers between different Member States there is the additional issue of the significant difference in life expectancy within different EU member states which can result in significant imbalance between incoming and outgoing transfers (if this cannot be adjusted for in the receiving scheme 'credit). The reasons to reduce or not to permit transfers should be applied objectively and disclosed clearly to members who request transfers. Some Member States have seen the growth of fraud/illegal scams as members are encouraged to transfer out in order to access their pension values: the ability to suspend should include dealing with known fraudulent schemes.	

			Good Practice 3: Same requirements for receiving schemes for domestic and cross border transfers We would highlight that indeed it is more difficult in a cross-border context to make a transfer than in a domestic context. The life expectancy issue mentioned in Good Practice 2 is only one of a number of difficult issues which would make a general right to receiving the cross border transfer of pension rights difficult. The receiving IORP has to comply with national requirements so there will be other issues, including differences in legislation, actuarial standards and interest rates, and other laws such as local application of data protection. The receiving scheme would need to be a recognised scheme in the transferring scheme environment, and it can be difficult to verify the status of a receiving scheme in another jurisdiction. The potential for new scams and incentives would also seem to be an issue, and alongside any additional rights or freedoms, methods to protect members against non – bona fide schemes, should also be explored. In our view it is important to focus first on the domestic level.	
106.	Pensions Europe	Page 16	☐ When transferring pension capital it is not only of importance to take into account the funding of the transferring pension scheme, but to also look into the overall risk environment, such as the interest rate environment and biometric aspects. It should be possible to add this in the criteria for reasons to suspend a transfer. ☐ With regard to Good Practice 3 we deem it important to highlight that indeed it is more difficult in a cross-border context to make a transfer than in a domestic context. It is important to focus first on the domestic level.	
108.	Association Européenne des	Page 17	☐ With regards to paragraphs A) Legal status and B)Transfer between 2nd and 3rd pillar, we think that it should be mentioned, perhaps even as a specific Good Practice,	

	Institutions Paritaires		that each condition should be considered in the context of the general mechanism system that the pension fund and/or the country have implemented in order to protect pension rights.	
109.	DIA Trade Association for insurance and pensions,	Page 17	Footnote 57) incl. DK. A transfer can be - and is often - subject to a condition of no possibility of cash surrender in the receiving scheme.	
110.	Financial Services User Group	Page 17	B) Transfer between 2nd and 3rd pillar In many new MS, the law prohibits the right to switch among “pillars” and thus allows the pension providers to exploit the market by imposing high AMCs (asset management costs). A good example of this approach could be found in Slovakia, where the TER for 1bis pillar is close to 0,75% p.a., while 3rd pillar pension providers impose charges measured by TER close to 3% p.a. Both pillars are almost identical in their operational setting, but the national legislation prohibits savers to execute the right to switch to better performing and low-cost scheme. 3rd pillar providers are even more expensive than typical UCITS funds and investment companies. FSUG wonders why EIOPA has gone deeper into this issue to confront the current practice of pension providers on this issue. FSUG therefore urges supranational regulators to raise this issue on the EU level.	
111.	Insurance Sweden (Industry Association) (Sweden)	Page 17	The whole page: Again, the terminology is confusing, as the descriptions sometimes seem to refer to the schemes, sometimes to the institutions/providers under the schemes and sometimes to the products offered by these institutions/providers, see our general comments and our comments to page 7.	
113.	Insurance Sweden (Industry Association) (Sweden)	Page 18	Second para and footnote 61: As for the situation described in the last sentence, it should be noted that transfer rights under the four major Swedish schemes (covering 90 % of the workforce) are restricted to transfers between institutions/providers designated under the same scheme also in this situation, see our general comments. As you cannot transfer to an institution/provider designated under another scheme the question of any	

			delays of either out- or in-transfers stipulated by the schemes therefore do not seem to be relevant for these Swedish schemes. As regards transfers between institutions/providers under each scheme the only restriction is that a right of transfer is not allowed during the first year of the contract with the institution/provider. The same applies for transfers under voluntary schemes and for occupational pension insurance policies taken out by self-employed persons.	
114.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 19	Comments on Good Practice 4 ☐ From the perspective of the (rational) employee, full flexibility in terms of the timing of the transfer is desirable. However, the point in time at which a transfer is realised has financial repercussions on IORPs and therefore effectively on the other members and beneficiaries and / or the sponsoring employer. While without doubt few beneficiaries would change jobs (or even countries) with the sole aim of improving their occupational pension, once a job change has taken place, the beneficiary could signficiantly benefit depending on when the transfer takes place. A beneficiary could, for example, opt to stay in a scheme which offers a high guarantee during the accumulation phase until just before retirement, and only then transfer to a scheme which offers a generous formular for the calculation of the actual retirement benefits. Another example would be to use the change to benefit e.g. from a pool of beneficiaries with a higher life expectancy (and lower annuity rates) to one with lower life expectancy (and higher annuity rates). In addition, links to other issues (e.g. pension sharing orders - Versorgungsausgleich in Germany) have to be considered. ☐ The rationale for a transfer is to allow mobile workers to collect their pension entitlement within one (or at least few) institutions/sponsoring employers. On this backdrop it makes sense for the transfer to take place relatively soon after the job change. While it is important that beneficiaries have an adequate amount of time to collect information and make a decision, a limit on this time might also serve as encouragement to finally complete the necessary documents and request the transfer (from a behavioural perspective, many beneficiaries might otherwise always postpone this to “tomorrow”). We therefore propose a time limit of two years between the job change and the transfer. ☐ A fixed time frame also gives the IORP as well as the sponsoring employer the	

			possibility to plan ahead (rather than expecting any number of transfers on any given day – but which might also never happen) as well as avoiding the risks around arbitrage (Point 1 regarding Good Practice Principle 4).	
116.	Actuarial Association of Europe	Page 19	We support GP4. To the last sentence under "D) Benefit structure of the receiving scheme": yet another good practice could be: to allow transfers to and from any sort of 2nd pillar pension system and (under conditions?) to and from 3rd pillar pension systems.	
117.	Association Européenne des Institutions Paritaires	Page 19	☐ With regards to the Good Practice 4, we recognize that allowing for a sufficiently long period to request an out-transfer is beneficial to the scheme member. However, the financial situation of the IORPs should also be taken into account on this regards. Indeed allowing member schemes to request an out-transfer until retirement could imply uncertainties in the management of the assets or could lead to disproportionate costs.	
119.	Financial Services User Group	Page 19	FSUG supports the EIOPA suggestion for a Good Practice 4 which might improve the situation for savers.	
120.	Institute and Faculty of Actuaries, UK	Page 19	Good Practice 4: Timeframes for in- and out- transfers The IFoA supports the availability of transfers within a longer timeframe.	
121.	Insurance Sweden (Industry Association) (Sweden)	Page 19	Good Practice 4 : The four major Swedish schemes do not pose any restrictions on transfers as long as the transfer is carried out between institutions/providers designated under the respective schemes, see our general comments. As you cannot transfer to an institution/provider designated under another scheme the question of any delays of either out- or in-transfers stipulated by the schemes therefore do not seem to be relevant for these Swedish schemes. As regards transfers between institutions/providers under each scheme the only restriction is that a right of transfer is not allowed during the first year of the contract with the institution/provider. The same applies for transfers	

			under voluntary schemes and for occupational pension insurance policies taken out by self-employed persons. This practice therefore does not seem particularly relevant for Sweden, as a transfer between institutions/providers under different schemes are not allowed under most Swedish schemes. But again, the terminology is confusing – is this practice referring to a transfer between schemes or between institutions/providers ? We note that the term pension institution is used in para 2. See our general comments and our comments to page 7 on terminology.	
122.	Mercer (benefits consulting) Benelux and UK	Page 19	We confirm the principle of providing a sufficiently long period to request for in- and out-transfers as well, but it might encounter practical problems in cross-border situations because of the differences between the member states systems, especially in the field of taxation.	
123.	OPSG	Page 19	Good Practice 4: Time frames for in – and out – transfers. EIOPA considers it Good Practice if the transferring scheme allows for a sufficiently long period to request an out-transfer, ideally until retirement or other benefits are due. Furthermore, EIOPA considers it a Good Practice if the scheme members are allowed to request an in-transfer of his supplementary pension rights at any time during his membership in the new scheme or the pension institution. Out – transfers: From a members point of view it is clearly attractive to have a long period to request an out-transfer. In some member states (e.g. the UK) members have a statutory right to transfer any time up to a year before normal retirement age. However, the timing (depending on the numbers transferring and the size of the transfer value relative to the funding of the scheme) will effect the financial position of the IORP and possibly the financial security of the remaining members. We would therefore suggest the IORP should be allowed to limit this timeframe to a certain extent or to limit this timeframe by collective agreement. In addition there may be times when it is difficult to transfer out, e.g. if an IORP has an insolvency situation.	

			In-transfers: In the absence of a statutory time limit, it may make sense for the member to be encouraged to take the transfer relatively soon after a job change, particularly if one of the rationales for allowing in – transfers is that mobile workers can collect all their entitlements 'under one roof' to have as few IORPS as possible. It has been suggested that it would be helpful to give employers certainty about the liabilities they bear, if there was a time limit of two years between job change and transfer.	
124.	Pensions Europe	Page 19	☐ We understand that it is beneficial for the employee to allow for a sufficiently long period to request an out-transfer. However, the point in time at which a transfer is realised has its effects on the financial situation of the IORP and therefore on the funding of the scheme, it should therefore be possible for the IORP to limit this timeframe to a certain extent or to limit this timeframe by collective agreement.	
125.	The 100 Group of Finance Directors (Business Assoc	Page 19	Good Practice 4: in the UK, it is common practice for most DB schemes not to allow transfers-in of benefits. This is because accepting a transfer-in involves the DB pension scheme in question taking on the risk that the transfer value received is insufficient to provide the promised benefits. We believe that this approach reflects Good Practice and protects the interests of members who are already in the scheme to which the transfer is proposed (who might otherwise see the security of their benefits reduced in order to provide additional funding for a transferred-in pension). We therefore believe that the principle of it being Good Practice for a member to be able to request a transfer-in should be restricted to DC schemes.	
126.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 20	Looking at the issue from a practical perspective, the proposed layering of information is very elaborate. It is unclear who should provide this information: Employers or IORPs? The transferring or the receiving parties? We would also like to point out that it is very difficult to give legally accurate information which is easy to understand for the average beneficiary, even if the information is presented in several layers. Finally, cross-border transfers are likely to involve two languages, which adds further complexity. The information called for in paragraphs 4-7 is too extensive, the expected added value	

			is likely to be much lower than the expected costs. We agree with EIOPA that information for members and beneficiaries needs to be "correct, understandable and not misleading". However, we would like to add that the information provided to the member also needs to fit the particular scheme and pension promise it is pertaining to. We would also like to point out that the KID stems from investment products and is therefore not appropriate for occupational pensions. Hence, any information document should be tailored to the specific situation of 2nd pillar provisions as described on the next page. The legal basis at the European level will probably be Art. 53b of the IORP II proposal.	
128.	Actuarial Association of Europe	Page 20	1rst paragraph : we would like to confirm that we are very supportive of the mentioned layering approach to the dissimination of information the scheme members. Whilst we are a strong supporters of "layered" information in general, we are not sure that this is appropriate for transfer options if the information is provided to the individual in paper form, as opposed by accessing a website, where the layered approach is more appropriate. In our view, it would be better to provide all relevant information initially (although this can be structured in such a way that there is a concise "Max" summary on page 1, with more detail in subsequent pages) so that the individual can take advice and reach an informed decision, without having to have protracted communications with the scheme administrators which would incur additional time and possibly expense. This information should of course give details of costs and charges where these are borne by, or impact on, the individual.	
130.	Financial Services User Group	Page 20	FSUG welcomes the EIOPA pledge for layering of information and a "new approach to information disclosure". A) Information disclosure FSUG fully supports the EIOPA in its initiatives and steps taken towards greater transparency of pension schemes. In this context FSUG reminds EIOPA of the EuroFinUse Study on Real Returns of Pensions as well as the OXERA Study on Position of Savers in	

			Private Pension Products where these issues have been scrutinized and analyzed deeply. The results point at a low transparency and significant negative impact on savers. FSUG urgently calls for a unified approach on the disclosure of impact of returns and costs. If the returns are presented on a continual historical basis and/or modeled for the future on the continual basis (often using compound impact), so should be the impact of costs and charges presented on the whole saving cycle of a member.	
131.	Institute and Faculty of Actuaries, UK	Page 20	The IFoA would support the provision of information to members that met their specific needs rather than meet a compliance need. Informative, educational and relevant information that is specific to the scheme and the member would be more beneficial to members. However, the IFoA also recognises the challenges in establishing a regulatory framework that provides sufficient flexibility while ensuring that all members received a minimum standard of information.	
132.	Insurance Sweden (Industry Association) (Sweden)	Page 20	A) Information disclosure: From a Swedish point of view, it is difficult to have an opinion on the reasoning here, since it is unclear whether the information requirements refer to the schemes and/or to the products that can be offered by institutions/providers designated under DC schemes, see also our general comments and our comments to page 7. Swedish law sets out information requirements on both aspects, but the information on transfer rights would be linked to the product information rather than to the scheme information. As regards product information it should be noted that the Swedish legislation is only applicable to products offered by institutions/providers under voluntary schemes and for occupational pension insurance policies taken out by self-employed persons. For the schemes that are subject to mandatory collective agreements (like the four major Swedish schemes covering 90 % of the workforce), the information rules are decided by the social partners.	
133.	OPSG	Page 20	We agree with EIOPA that information for members and beneficiaries should be correct, understandable and not misleading. A clear information document specific to IORPs is	

			essential (rather than aKID –type document tailored to investment products). Any information given should be tailored to the specific situation of IORPs. It would help the member if all relevant information were provided initially (albeit with a summary), so that the individual can take advice and reach a decision without protracted (and possibly expensive) correspondence with the scheme administrator/employers. The costs of a transfer should be made available to the member who requested the transfer, so that he/she can make an informed decision.	
134.	Pensions Europe	Page 20	☐ We agree with EIOPA that information for members and beneficiaries should be correct, understandable and not misleading. However, a KID document is tailored to investment products and does not fit workplace pensions. Any information given should be tailored to the specific situation of IORPs. ☐ We agree that the information about the costs of a transfer should be made available to the member who requested the transfer, so that he/she can make an informed decision.	
135.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 21	We would like to point out that a personal pension product (PPP) has nothing to do with transferability of occupational pensions. We are not sure why in this report which discusses the individual transfer of occupational pension schemes, EIOPA sees it fit to advertise the idea of a European-wide PPP. We agree with EIOPA that demographic developments paired with cuts in state pension provision create the need to supplement retirement income with private pensions. From our perspective, however, the first choice in this regard are occupational pensions. Because of the involvement of employers, occupational pensions can be organised at collective level. Occupational pensions are therefore good value for money, particularly for those on low incomes. They balance security against returns and provide a life-long pension for their beneficiaries, who can also share the risks around death and invalidity. In contrast to personal pensions, occupational pensions can therefore address these risks without undertaking an	

			individual assessment. In contrast to those taking out a personal pension, members and beneficiaries of occupational pensions are mainly protected through social and labour law. From our perspective the information about the potential loss of risk coverage e.g. invalidity is crucial. We believe that for members this might be an important factor when deciding on whether to ask for a transfer.	
138.	BIPAR, the European Federation of Insurance Interm	Page 21	Concerning the information form accompanying the transfer, we would like to add that regarding the example of Belgium, social law requires this form and a concrete procedure exists.	
139.	DIA Trade Association for insurance and pensions,	Page 21	Footnote 77) not correct – collective agreements do not regulate information regarding transfers. The obligation to inform and advice on the transfer option is mainly on the receivning scheme. We have, though, a general regulation that any scheme must give advice when circumstances imply the need. When contribuituons stops in the transfering scheme, the scheme will contact the member informing on among other things the possibility to transfer.	
140.	Financial Services User Group	Page 21	EIOPA correctly states that: “The information relevant for the transfer can comprise the following elements: transfer value, transfer options, procedure, time frames and tax implications of a transfer. However, it can be argued that the economic consequences of the transfer are more important for the decision whether to transfer compared to procedural or administrative requirements.” FSUG welcomes the EIOPA sensitive recognition of the economic utility and impact of the decision to switch, which is not of the procedural issue rather than economic one.	
141.	Institute and	Page 21	The IFoA notes EIOPA’s work in developing an EU-wide market for personal pension	

	Faculty of Actuaries, UK		products. However, as noted in our general comments, the IFoA would consider the establishment of such a market to be extremely challenging given the variability in tax regimes.	
142.	Insurance Sweden (Industry Association) (Sweden)	Page 21	The whole page: From a Swedish point of view, it is difficult to have an opinion on the reasoning here, since it is unclear whether the information requirements refer to the schemes and/or to the products that can be offered by institutions/providers designated under DC schemes, see also our general comments and our comments to page 7. Swedish law sets out information requirements on both aspects, but the information on transfer rights would be linked to the product information rather than to the scheme information. As regards product information it should be noted that the Swedish legislation is only applicable to products offered by institutions/providers under voluntary schemes and for occupational pension insurance policies taken out by self-employed persons. For the schemes that are subject to mandatory collective agreements (like the four major Swedish schemes covering 90 % of the workforce), the information rules are decided by the social partners.	
143.	OPSG	Page 21	As this consultation is regarding occupational schemes managed by IORPs or by insurance undertakings, we question the need to mention the PPP here. However, any pension scheme linked to a current or previous employment relationship should be considered as part of workplace pensions, with the involvement of the employer being a key factor to distinguish workplace pension from personal pensions. Workplace pensions have a different setup with different features that should be taken into account when transferring pension capital, such as intergenerational risk-sharing and risk-sharing around death and individuality in some cases. We note that in some countries transfers between pillars are possible, but this is still unusual and would require considerable additional protections in place, particularly for the member.	
144.	Pensions Europe	Page 21	☐ As this consultation is regarding IORPs as well as other occupational pension	

			plans provided by insurance undertakings, we question the need to mention the PPP here. The first and the second pillar should provide the bulk of the retirement income; personal pensions (third pillar) can be an instrument to further top up retirement income. However, any pension scheme linked to a current or previous employment relationship should be considered as part of workplace pensions, with the involvement of the employer being a key factor to distinguish workplace pension from personal pensions. Workplace pensions have a different setup with different features that should be taken into account when transferring pension capital, such as intergenerational risk-sharing and risk-sharing around death and invalidity in some cases.	
145.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 22	Comments on Good Practice 5 To us it is not clear who will be responsible for the provision of this information – and, crucially, who will be liable in case it is not accurate. In particular information about tax implicatons (and social insurance contributions) is already very complex in national transfers. We are not sure how this would work for cross-border transfers. The Commission Proposal for the IORP Directive and the agreed Council Compromise☐ clearly address the IORP when stipulating the information requirements. Neither the employer nor the IORP can provide real advice on issues like tax and social insurance contributions and potentially be liable for it. Considering the regulation of tax and financial advisors, they might not even be allowed to provide advice. From our perspective it is sufficient if the transferring beneficiary receives information on the value the transferring scheme is offering and the benefits the new scheme can provide based on that value. However, this should not only include bare numbers, but also refer to issues such as invalidity protection, survivor's pension, security mechanisms etc. It should explain what the beneficiary is entitled to under which circumstances. Comments on Good Practice 6 ☐ For efficiency reasons, information relating to the transfer should in principle only be delivered to an employee upon request. ☐ We are against the idea to establish such an information requirement in this Good	

			Practice. We would also like to point out that the transferring scheme can only provide the beneficiary with the information of the transfer value they can offer – they cannot provide any information on the type of benefits the receiving IORP would offer. It is therefore impossible for the transferring employer / IORP to provide "the relevant information upon the termination of the employment relationship". ☐ In German law the beneficiary has a right to request information on a possible transfer (Art. 4a (1) Number 2 BetrAVG) from the potentially transferring IORP / the sponsoring employer. Correspondingly, Art. 4a (2) BetrAVG gives the beneficiary the right to request information from the potentially receiving IORP / the new employer. Calculating these values for all leaving employees (even if they never considered a transfer) would add additional administration costs and would make occupational pensions less efficient. ☐ The information members need as well as the amount of information they can compute varies from case to case. It is therefore not possible to create an automatic process which would lead to a package with all relevant information. What is relevant in an individual case will always depend on the beneficiary who has asked for the transfer. ☐ Finally, we would like to point out that the proposal does not clearly address who is responsible to provide the information.	
146.	ABI (Trade Association, United Kingdom)	Page 22	The ABI agrees that it is essential that the scheme member should be adequately informed about all aspects regarding their pension transfer so they can make an informed decision about whether to proceed with the transfer or not. However, we would argue that good practice 5 is not sufficiently clear about who will provide this vital information to the consumer, would there be a standardised format and at which point would the information be given. In the UK, as part of the recent pension reforms, the Government will be introducing a measure for the automatic transfer of occupational pensions, known as 'pot-follows-member'. The Government have recently outlined their approach, and associated	

			challenges, to this in their policy paper 'Automatic transfers : a framework for consolidating pension savings' (February 2015), which state the key messages that ought to be communicated to pension scheme members and at which stage (ref: p.18-19). These key messages include: explaining what automatic transfer means, the individual's options (i.e. opting-in or opting-out), and information on previous qualifying pot. We would therefore refer EIOPA to initiatives, such as these, which may be useful in developing an EU-level good practice.	
147.	Actuarial Association of Europe	Page 22	We support GP 5 although we would be cautious about giving definitive tax advice to an individual: clearly if there is a requirement on the scheme/employer to withhold tax from the transfer payment this must be stated, but it would seem inappropriate to give advice on what might happen to the payment in the receiving scheme (particularly where this is in another Member State). We support GP 6 which we suspect applies already in many Member States although "relevant" information should be defined – does this include the transfer value which would be available if the member requested this on date of termination, or is it sufficient to state that he/she has a right to transfer payment at any time and that further details will be provided on request?	
148.	Association Européenne des Institutions Paritaires	Page 22	□ With regards to the Good Practice 5, the practice to inform the scheme members of the tax implications of a transfer should be limited to the domestic (tax) implications, since it is impossible (or it would pose an excessive burden) for the scheme provider to give accurate information of all potential consequences of a transfer that result from other Member States' jurisdictions. The EU Institutions should keep in mind that fiscal matters remain within the national competences and all information about the tax implications in a possible cross-border transfer would require a cooperation between the different national tax authorities. Finally, we propose to add at the first paragrah, after the words «implication of	

			transfers», the words «and of alternative options, if any». Indeed, an informed decision can be assumed only if the member is informed about all possible alternatives. ☐ With regard to Good Practice 6, AEIP wants to bear in mind that an automatic delivery of information means undefined costs for employers and schemes.	
150.	BIPAR, the European Federation of Insurance Interm	Page 22	Good Practice 5 : Content of Information to scheme member EIOPA considers it Good Practice to inform the scheme member about all aspects concerning the transfer needed to reach a decison whether to transfer (eg. transfer value, transfer options, procedure, time frames (if applicable), impact of the transfer on benefits and other specific risk coverage (if applicable) – including whether any specific risk coverage may be lost as a result of the transfer), as well as the tax implications on transfer. Since the economic consequences of a transfer are arguably the most important for the members all reductions and costs associated with the transfer should be clearly stated. Tax rules vary from one Member State to another and it might be impossible to provide accurate information about the tax implication the transfer would generate in case of a cross-border transfer.	
151.	DIA Trade Association for insurance and pensions,	Page 22	We agree that scheme members should be systematically informed without request at the proper time. In the Danish system where the transfering scheme informs the scheme member when contributions stops and the new scheme informs when new contribution starts it seems unnecessary also to give information at the time termination of the employment relation. The important point is that information is given when the scheme member should act on it. Footnote 84) We are not sure what specific tool you are referring to. There is not a tool specifically for transfers.	
152.	Financial Services	Page 22	FSUG can only agree with the proposed wording for Good Practice 5: Content of	

	User Group		Information to Scheme Member FSUG thinks that economic consequences of the decision to switch are far more important than the main procedure of the switching process and therefore the central point of the information should be the economic impact of such decision than the main procedure of switching. However, FSUG supports to implement the full disclosure of the impact of costs and charges as well as potential reduction of benefits or coverage of various risks before the main decision to switch is taken. FSUG agrees with proposed “Good Practice 6: Systematic Delivery of Information “, providing the above mentioned approach to information disclosure and structure of the information is observed.	
153.	Institute and Faculty of Actuaries, UK	Page 22	As noted previously, the IFoA would support the provision of information to members that met their specific needs rather than meet a compliance need. However, the IFoA also recognises the challenges in establishing a regulatory framework that provided sufficient flexibility while ensuring that all members received a minimum standard of information. Good Practice 6: Systematic delivery of information The IFoA agrees with this approach.	
154.	Insurance Sweden (Industry Association) (Sweden)	Page 22	Good Practice 5: We can agree with these principles. Good practice 6: This practice only seems to cover cases where a member of a scheme can never stay with the same institution/provider after the termination of the employment, a situation that does not seem relevant for the Swedish system (see our comments to pages 11 and 14) .	
155.	Mercer (benefits consulting) Benelux	Page 22	With regard to good practices 5 and 6 related to the information provision to the scheme member we agree that the information related to occupational pension schemes	

	and UK		should be correct, understandable and not misleading so each member is adequately informed. However it is not clear who would be responsible for providing such information: the employer, the transferring entity, an external entity? As EIOPA considers a wide information provision (all aspects concerning the transfer needed to reach a decision + information provision on a systematical basis) it will result in a comprehensive task. Futhermore, which information should be provided, only domestic information or specific information related to other member states as well? Finally we wonder how far this information provision needs to go. E.g. it would be practically impossible, and costly, to fulfil a continuous information requirement with updates to the pension plan beneficiary every time rules change, e.g. changes in tax rules.	
156.	OPSG	Page 22	Good Practice 5: Content of Information to scheme member: EIOPA considers it Good Practice to inform the scheme member about all aspects concerning the transfer needed to reach a decison whether to transfer (e.g. transfer value, transfer options, procedure, time frames (if applicable), impact of the transfer on benefits and other specific risk coverage (if applicable) – including whether any specific risk coverage may be lost as a result of the transfer), as well as the tax implications on transfer. Since the economic consequences of a transfer are arguably the most important for the members all reductions and costs associated with the transfer should be clearly stated. Each IORP should be obliged to give clear information about the transfer in an easy to understand way. In terms of domestic transfers, with the exception of the tax implications (see below) we agree the members will need the information described above. Where appropriate, the information should also include the impact on invalidity protection, survivor's pension, discretionary benefits and security mechanisms. It could also include where relevant information about the differences between DB and DC, guarantees, effects of solvency margins etc. In relation to risk coverage however while	

			the issue needs to be drawn to the members attention, it is not reasonable for the IORP to have to do for example the analysis of the comparison between the covenant of its sponsoring employer, as against the covenant of the transferring sponsoring employer, or the position on an insolvency of the transferring corporate entity compared to that of a particular receiving insurance company. It should be enough that the members are alerted to the generic issue. Tax issues equally can be raised with the member, but they cannot be member specific without full information on the member's tax position which the IORP will not have, nor can the transferring scheme comment on any tax implications of payment in the receiving scheme. There is also the issue of not giving unauthorised financial or tax advice. We would suggest therefore that the member be told of the topics, and be encouraged to take his or her own financial advice if necessary. In terms of cross border transfers, we consider it impossible for the IORP to give accurate information of all potential consequences of a transfer that result from other Member States' jurisdictions. The IORP can only provide information on its scheme. Other issues, such as tax implications are out of the remit of the IORP and when the IORP were to inform its members on possible tax implications this might lead to a situation where the IORP becomes unwittingly liable in the event that the Member States decides to change its tax rules. Good Practice 6: Systematic delivery of information. EIOPA considers it Good Pratice for members to be systematically (i.e. without request) provided with the relevant information upon termination of the employment relationship. Whether this is efficient and cost effective will depend on how much information (and whether generic or individual) the IORP is expected to provide on termination. If it is extensive, then this should be on request, with basic information as of right. It would be	

			helpful if 'relevant' information were defined.	
157.	Pensions Europe	Page 22	☐ It is impossible for the IORP to give accurate information of all potential consequences of a transfer that result from other Member States' jurisdictions. The IORP can only provide information on the scheme and its contracts itself. Other issues, such as tax implications are out of the remit of the IORP and if the IORP were to inform its members on possible tax implications this might lead to a situation where the IORP becomes liable in case a Member States decides to change its tax rules.	
158.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 23	Comments on Good Practice 7 ☐ It is sufficient if one medium is used to provide the information – if it is done by mail it should not be required to also offer an online platform. ☐ Since all information relates to a transfer, it would be necessary to set up an interface for the two employers and two pension schemes. Since this would render any online platform very complex and expensive, we are against the requirement to built up an online tool. ☐ One problem we would like to emphasise is that while is it very efficient to use a company intranet to inform active members about their pension entitlements, it is not a means of communication for dormant members, because leaving a company often also means loosing the right to use the company intranet. ☐ For any kind of online tool, extensive questions around data protection would have to be addressed. Any kind of external data storage goes beyond the employment relationship and therefore falls under co-determination procedures (Mitbestimmung). ☐ Based on the comments above, we would at least propose the following addition (marked in bold) to Good Practice 7: „If available, EIOPA considers it as Good Practice to provide the scheme member with access to an online tool/portal with (additional) relevant information concerning his/her transfer." Comments on Good Practice 8 ☐ We would like to emphasise that advice can only be free of charge if it concerns	

			information delivered by the IORP or the employer. External advice has to be paid by the employee. The need for information and external advice and hence the related costs are likely to be lower if the transfer takes place between similar schemes (see also our comments regarding p. 15).	
159.	ABI (Trade Association, United Kingdom)	Page 23	We would agree, in principle, that providing advice to pension scheme members could be beneficial in helping them make an informed decision about the pension scheme transfer. However, in the UK, advice is not provided by the transferring scheme to the scheme member, as stated in footnote 87 of EIOPA's consultation paper. In the UK, a receiving scheme may often require advice to be sought ahead of any transfer, and the receiving scheme may provide advice themselves. One reason for doing this is the regulatory risk involved in accepting a transfer without the scheme member having taken advice. In certain instances of when a member would like to transfer out of a defined benefit (DB) pension scheme to a defined contribution pension, the pension scheme is required to make sure that the pension scheme member has had advice; they may introduce the pension scheme member to an adviser, however for them to provide advice themselves would constitute a conflict of interest. This is set out in a recent Financial Conduct Authority (FCA) paper concerning transfers from DB to defined contribution (DC) occupational pension schemes, and builds on an existing requirement that where these types of transfers occur, that they are checked by a qualified individual, a 'Pensions Transfers Specialist'. Therefore, consumers in the UK would be required to take regulated advice before transferring out of a DB pension – this would include being made aware of the potential detriment / potential loss of certain underlying guarantees.	

160.	Actuarial Association of Europe	Page 23	GP 7 would be helpful although is likely to impose unacceptable costs for smaller schemes where transfers/transfer requests are infrequent. However, national tracking services could in time provide this facility for all scheme benefits. We agree that individuals should take advice on transfer decisions, but in our view it would be sufficient for the transferring and receiving schemes to tell the member this, and (possibly) refer them to a list of approved advisers, as otherwise the advice might not be seen to be independent. Hence we think the wording of GP 8 needs to be revised.	
161.	Association Européenne des Institutions Paritaires	Page 23	☐ AEIP supports Good Practice 7, insofar it does not imply excessive costs or burdens. This risk expecially occurs for small pension funds. ☐ With regards to the access to advice, AEIP would like to stress that the offer to the scheme member should be limited to the possibility to receive information, not advice. It should not be up to the scheme to offer advice, but only to allow the scheme member to make an aware decision through the delivering of clear and accurate information.	
163.	DIA Trade Association for insurance and pensions,	Page 23	Footnote 88) incl DK Footnote 90) incl DK	
164.	Financial Services User Group	Page 23	FSUG welcomes the EIOPA proposal for Good Practice 7: Online Tool/Portal with (additional) relevant information concerning scheme member´s transfer. However, it should be noted that such portals should be provided either by demand side of the market participants (savers associations, non-profit organizations) and not by the	

			supply side providers as it could lead to the detriments to the savers as mentioned above (page 21 and 22). Building and operation of such portals/tools should be at the central point of any support from the national as well as supranational regulators and decision-makers.	
165.	Institute and Faculty of Actuaries, UK	Page 23	Good Practice 7: Online tool with relevant information concerning the transfer The IFoA supports this as it would form part of good disclosure and would assist in meeting Good Practice 5. Good Practice 8: Access to advice It would be useful to understand who EIOPA considers would be responsible for paying for the advice, what the advice would contain, any restrictions around the advice and other limitations EIOPA understands to be relevant. Depending on restrictions within MS, the maximum obligation on a scheme would be to highlight where advice is available. In many cases, employers may have limited interest in paying for advice to former employees.	
166.	Insurance Sweden (Industry Association) (Sweden)	Page 23	Good Practice 7 : Insurance Sweden agrees that as much information as possible should be made available also online. B) Advice Good and Good Practice 8: Again, it is not clear what is meant by scheme in either section B) or in the proposed good practice. It could refer to either the employer or to the institution/provider designated under a scheme. We are therefore not in a position to say whether it is correct to include Sweden in footnote 90, although we assume that scheme refers to the institution/provider in this case. It should also be noted that the need for advice depends on the products offered by the designated institutions/providers under a scheme and may not always be needed. In addition, some IORPs in Sweden (friendly societies) are not allowed to engage in selling activities. Consequently, these providers will not give advice.	

			Generally speaking, a compulsory requirement to give advice could in any case be very cumbersome and costly for systems like the Swedish one. It must be kept in mind that the investment options under the major sector-wide schemes covering 90 % of the Swedish workforce have already been vetted by the social partners.	
167.	Mercer (benefits consulting) Benelux and UK	Page 23	With regard to good practice 8, we welcome the idea that a scheme member should have the opportunity to hire or receive additional personalized advice. However, we question the practical side of it. We are not in favour of the pension scheme or the plan sponsor providing the additional advice. The pension scheme or plan sponsor should be able to facilitate access to an external advisor for the pension scheme member. That external advisor should either be giving independent advice (meaning not influenced by sales techniques), or informing the pension scheme member of the fact that the advice is not independent. With regard to the additional costs, who should pay for this? It seems not reasonable that the cost related to this kind of advice should be indirectly paid by the other scheme members. Generally it seems the best solution that the costs are directly paid by the individual.	
168.	OPSG	Page 23	Good Practice 7: Online tool /portal with (additional) relevant information concerning scheme members transfer. EIOPA considers it Good Practice to provide the scheme member with access to an online tool/portal with (additional) relevant information concerning his/her transfer. Where possible, transparent on-line information in comparison websites is to be welcomed, if the website is well made including information about costs and charges and can compare the proposed solution with possible alternatives. It may however impose unacceptable costs for small schemes with infrequent transfers. Larger IORPS or ones where an insurance company or institutional pension provider is running the administration may well have this facility. However if for example a member joined and remained in a scheme having left employment 10/15 years ago, the relevant information	

			may not be easily held on-line, even now. It is suggested that if an online platform is provided, members should not need to also be contacted by mail. Good Practice 8: Access to Advice. EIOPA considers it Good Practice for the scheme to offer to the scheme member the opportunity to hire or receive advice. The Scheme can offer information and alert the member to the possibility of obtaining external advice at his/her own initiative and cost, and even refer the member to where he or she might find a list of approved advisers. Members should be able to properly access the risk of transfer and the consumer protection issues around this need careful consideration. We are aware that the UK has introduced a statutory requirement for members to take external advice when making a DB to DC transfer over a certain amount, but usually a requirement should not be necessary.	
169.	Pensions Europe	Page 23	☐ Good Practice 8 : this good practice should imply that scheme members can receive information from the IORP, not advice. When a member of a pension scheme would like to receive advice, he or she should be able to hire external advice, but this should be on his/her own initiative and costs.	
170.	The 100 Group of Finance Directors (Business Assoc	Page 23	Good Practice 7: large UK schemes (such as those sponsored by 100 Group companies) typically do provide members with online access to information relating to their benefits (which may include some information relating to transfers). However, online access is not appropriate for all schemes, employers or members. For example, many blue-collar workers will not have access to a computer at work, and may not have access to a computer at home either. For such members, paper-based communications will remain important. Good Practice 8: if there is a perceived recommendation of an adviser by the scheme (or	

			the sponsoring employer), then the scheme (or employer) could find themselves liable for the quality of the advice provided by that adviser. We therefore do not believe that it is the role of the scheme to offer the member the opportunity to receive advice prior to transfer, even though EIOPA acknowledges that it will typically be for the member to pay for that advice. The role of the scheme should be limited to signposting to the member that they should take properly regulated advice and it should be for the member to arrange for that advice. In the UK, from 6 April 2015, transfers from DB to DC schemes will only be possible where the member has taken independent regulated advice. It is also important to note that employers should not be responsible for paying for, or arranging, such advice, except in certain limited circumstances (for example, where they are running an exercise to encourage members to transfer out).	
171.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 24	Comments on Good Practice 9 ☐ We would like to point out that the costs related to a transfer do not only relate to the transfer itself, but also to other aspects: e.g. options and guarantees, changes in the pool of members in the pension scheme (Bestandsänderungen), running administration costs, special requirements for the data keeping (e.g. parallel data keeping, data exchange for international tax issues), corporate tax for the employer etc. ☐ In Germany employers and IORPs currently work a lot with lump charges (rather than calculating the exact amount it has cost for each case). Usually the costs for the transfer are independent of the sum of capital transferred. This practice works, it is quick and efficient. We are therefore opposed to a Good Practice Principle which calls for the calculation of the charges according to the actual work necessary to carry out the transfer. However, if EIOPA's concern is that costs and charges would be related to the transfer amount, a lump compensation would also solve this issue. ☐ Finally, we would like to point out that small changes in legislation / Good Practices can trigger relatively high administrative costs. An example from Germany is the reform of pension sharing in case of divorce (Versorgungsausgleich). It requires the IORP to hold a lot of information, which of course triggers additional costs, in particular investment in IT systems. In addition, transfers bring the risk that some information is	

			lost.	
173.	Actuarial Association of Europe	Page 24	GP 9: we feel sympathy for the suggested good practice. It could result though in less transfers of small pensions as the costs would be relatively be much larger. This might be a reason to charge a % of the transferred value but with a cap. Clearly, where the member bears the charges these should be reasonable and equitable so we would support GP 9 although consideration could be given to having a cap related to the amount of the transfer value (e.g. 5%) to protect the individual in the case of a small amount and a complex transfer. We agree with EIOPA that a standard charging structure (e.g. 1% of the transfer value) whereby the scheme can recoup amounts well in excess of the work done for a simple transfer of a large amount should not be permitted.	
174.	Association Européenne des Institutions Paritaires	Page 24	□ With regards to the calculation of charges, IORPs should be able to decide whether this calculation should be done according to the actual work necessary to carry out the transfer or to the transfer amount . The guiding principles should be the common sense and the proportionality, as the transferring of very small or very large amounts could lead to disproportionate costs both for the scheme member or for the IORP.	
176.	BIPAR, the European Federation of Insurance Interm	Page 24	Good Practice 9: in cases where the scheme member is charged for the transfer, EIOPA considers it as a Good Practice to calculate the charges according to the actual work necessary to carry out the transfer and not to the transfer amount We believe it is impossible to make such a general statement. Whether one or the other system is better depends upon each individual case and is a contractual issue between the parties.	

			What is the research upon which this statement is based?	
177.	DIA Trade Association for insurance and pensions,	Page 24	Regarding who pays for the transfer it is in Denmark only allowed for the transfering company who can charge a minor fee and not the receiving scheme. Most schemes however refrain from charging individually. Hence the costs are paid through general costs.	
178.	Financial Services User Group	Page 24	EIOPA has, according to our view, identified the malpractice of pension providers on imposing higher than economically reasonable fees on the switching members. FSUG supports the idea of EIOPA expressed in the Good Practice 9: Charges, if any, to reflect the actual work necessary. Claiming that the main process of transferring the savings from one pension scheme to another has any statistically significant relation to the amount transferred cannot stand.	
179.	Insurance Sweden (Industry Association) (Sweden)	Page 24	Costs and charges are closely related to product design. Depending on this design, Sweden could actually be included under footnotes 99, 101, 102 and 103 as well. Good Practice 9: Insurance Sweden does not find it appropriate to set out a good practice on these aspects, as they are closely related to product design. What matters is that the transfer charges are made transparent to the employee.	
180.	OPSG	Page 24	Good Practice 9: Charges, if any, to reflect the actual work necessary. In cases where the scheme member is charged for the transfer, EIOPA considers it Good Practice to calculate the charges according to the actual work necessary to carry out the transfer and not the transfer amount. We consider that the key is for the IORP to be transparent about the costs and charges, whether it is a flat fee, a fee related to the amount, or a fee related to the amount of work. The latter may not be straightforward as it can depend on for example, complexity of the scheme, the receiving scheme terms, administration costs, changes in funding, tax issues ,any investment platform used. Consideration could be given to a	

			cap related to the amount of the transfer value (e.g. 5%) to protect the individual in the case of a very small amount and a very complex transfer.	
181.	Pensions Europe	Page 24	☐ It can be difficult to determine the actual costs of a transfer, as there are so many aspects to be taken into account such as administration costs, changes in the funding of the pension scheme, corporate tax etc. We therefore think it should be up to the IORP, taking the interest of the member into account, to decide whether they calculate the charges according to the actual work necessary to carry out the transfer, to the transfer amount or whether they use a flat fee - as long as the IORP is transparent about the costs and charges.	
182.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 25	Paragraph 4: In this context it should be taken into account that not only the IORPs and the beneficiary are involved, but also the employers.	
184.	Actuarial Association of Europe	Page 25	It would clearly be desirable for the process to be as efficient as possible, with the information to be provided (by the individual or by either the receiving or transferring schemes) being the minimum necessary to implement the transfer. Some of the existing information requirements arise from regulatory or tax provisions which should be reviewed to ensure that they are not causing unnecessary impediments to transferability. The cross border process will inevitably be more complex, but it would be desirable for this to be streamlined as much as possible by agreement between Member States/NCAs e.g. as per the Budapest Protocol. WeI would agree that co-operation between the transferring and receiving schemes should be encouraged, provided the individual is kept informed (e.g. by being copied for information on material correspondence) rather than requiring all communications to go through the individual. In our experience this does happen where possible but it can be more challenging for cross border transfers. Hence we support GP 10 and GP 12.	
186.	DIA Trade Association for insurance and pensions,	Page 25	Footnote 109) incl. DK	

187.	Insurance Sweden (Industry Association) (Sweden)	Page 25	Insurance Sweden strongly agrees with the need to tackle unnecessary obstacles to transfers. The process must however leave room for necessary adjustments of the transfer value in relation to factors such as the employee´s health and the nature of the underlying assets in the product.	
188.	OPSG	Page 25	None	
189.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 26	Comments on Good Practice 10 ☐ From our perspective it is often the case that information which is important to make a decision on whether to transfer or not only emerge when the involved parties communicate with each other. Examples are the level and type of benefits the receiving IORP offers; which costs and charges will be deducted and how long it will take to complete the transfer. From this perspective it does not make sense if only the two IORPs communicate with each other, the beneficiary needs to be involved as well. We would like to stress again that the two IORPs cannot negotiate on behalf of the beneficiary. The beneficiary remains the main decision maker. ☐ However, it does make sense from our perspective if the two involved IORPs discuss any purely technical details between themselves. ☐ This Good Practice does not take into account the role of the employer: it neither considers that it is the employer who makes the pension promise, nor that the employer sponsors the IORP. ☐ As mentioned several times above, this Good Practice would also raise data protection issues. Comments on Good Practice 11 ☐ We disagree with this Good Practice: delays in processing transfers can be due to external factors (e.g. legal changes) or to the implementation of a new IT tool. Furthermore, what are the consequences of any delay if the conditions are already fixed? We therefore propose to replace the fixed time limits with the following: “Time limits should be reasonable and adequate for the task required”. This takes into account the	

			complexity of the topic while at the same time granting that the transfer should be completed within a reasonable time frame.	
190.	ABI (Trade Association, United Kingdom)	Page 26	The ABI would like to highlight that footnote 110 is not entirely accurate concerning the reasons for some providers in the UK imposing minimum limits on how much can be transferred into a pension scheme from another. It is important to also note that, in addition to costs and the associated processes, another factor is the need for the customer to take advice. If, as mentioned in our response to p.23, the receiving scheme insists that the customer has taken advice before they transfer, the cost of the advice will not be economic for the consumer if their pension pot is below a certain value.	
191.	Actuarial Association of Europe	Page 26	Clearly it would be desirable to have some “target” timescales to process transfers when all of the required details have been obtained: this could be encouraged by a requirement to add interest if the time elapsed exceeds say 10 working days. Hence we support GP 11.	
192.	Association Européenne des Institutions Paritaires	Page 26	☐ AEIP supports Good Practice 10 insofar as it refers to the pure execution of the transfer, after the member has decided to transfer his/her pension rights. ☐ Insofar the transfer is possibile and feasible, we support the Good Practice 11.	
194.	DIA Trade Association for insurance and pensions,	Page 26	With regards to « small pots » we currently have a branch agreement that all dormant occupational pensions up to 20.000 DKK can be transferred free of charge to another pension provider. In Denmark the « job-change agreement » has a time limit of « end of the month + a month upon reception of the request for a transfer » after which the transfer value will	

			acrue default interest (payable by the transfering pension provider).	
195.	Financial Services User Group	Page 26	FSUG agrees with EIOPA argumentation on the Good Practice 10: Direct communication between schemes on transfer execution. Direct involvement of a transferring member (saver) as a communication channel should be avoided and member (saver) should be communicated only when for receiving key messages on the result of the process.	
196.	Institute and Faculty of Actuaries, UK	Page 26	Good Practice 10: Direct communication between the schemes on transfer execution The IFoA welcomes this approach. Good Practice 11: Reasonable time limits for the execution of transfers The IFoA welcomes this approach, but subject to appropriate limits for transfers that reflect specific circumstances that require additional work e.g. DB-DC.	
197.	Insurance Sweden (Industry Association) (Sweden)	Page 26	Good Practice 10: Insurance Sweden agrees that communication between institutions/providers is important (again, it is difficult to understand what is meant by scheme, see our general comments and our comments to page 7). We assume that this practice refers to pure practicalities. This could be clarified. Good Practice 11: There are no legal timelines in place in Sweden. Such timelines may also depend on factors related to the scheme, the employee and the type of product. Insurance Sweden would therefore prefer the following, more neutral wording : "EIOPA considers it good practice that timelines for the processing and execution of transfers should be appropriate for the process and tasks required, however without unnecessary delays".	
198.	Mercer (benefits consulting) Benelux and UK	Page 26	With regard to good practice 11, we agree that the processing and the execution of transfers should be executed during reasonable and appropriate time limits. As 'reasonable' can be interpreted on different ways and to avoid many difference with regard to time limits it is important to give a more concrete timeline. Should such time limit be binding by law or as a guideline? Futhermore it seems important to mention that external factors can cause a delay and if	

			so, can someone be liable for damage caused by the delay?	
199.	OPSG	Page 26	Good practice 10: Direct communication between the schemes on transfer execution. EIOPA considers it Good Practice if the scheme communicates directly with each other on the practicalities of a transfer execution instead of via the member. Furthermore it is considered Good Practice if the member has to communicate only with one of the two schemes. As far as we are aware this is already normally the case, although it can be challenging for cross border transfers. The information should be the minimum necessary to achieve the transfer, and this is not always the case currently. It is important to note that when two schemes directly communicate with each other they have to do this based on a set of rules in which the technicalities of transfers are addressed. The receiving scheme rules and the conversion of the transfer value back into entitlement to benefits under the receving scheme, are as relevant as the transferring schemes and would not usually be known in sufficient detail by the member. It would be sensible if the cross border process could be as streamlined as possible by agreement between the Member States. Good practice 11: Reasonable time limits for the execution of transfers. EIOPA considers it Good Practice to define time limits for the processing and execution of transfers. These time limits should be reasonable and appropriate for the process and tasks required, however, without unnecessary delays. Time limits should be reasonable for the processing and execution of transfers. Target timescales would be useful once all the details have been obtained. However delays can arise as a result of external factors such as when tax authorities do not respond in time, when there is a delay from the 'other' pension scheme, when it is a period of legal changes going through. Therefore, the IORP should not be held liable for not meeting deadlines when this is out of their control.	

200.	Pensions Europe	Page 26	☐ Good practice 10: It is important to note that when two schemes directly communicate with each other they have to do this based on a set of rules in which the technicalities of transfers are addressed. ☐ Good practice 11: Time limits should be reasonable for the processing and execution of transfers. However, sometimes external factors can delay the process. Therefore, the IORP should not be held liable for not meeting deadlines when this is out of their reach for example when changes in legal rules mean that a transfer takes longer than expected.	
201.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 27	Comments on Good Practice 12 ☐ Good Practice 12 is very similar to Good Practice 10 – would it make sense to combine these two Good Practices? ☐ Our comments to Good Practice 10 apply here as well. ☐ From the German experience it is important to be careful here: the beneficiaries need to be aware of the benefits they are foregoing and what they get in return – if this is not clear but the transfer goes ahead, it is likely that the beneficiary will request a reversal of the transfer. Under German law it is not sufficient to request a transfer. ☐ From our perspective it is important that the beneficiary first requests information on the transfer (e.g. capital value) and then makes a decision on whether to transfer or not. ☐ We therefore propose the following text for Good Practice 12: “The member first needs to request information regarding the transfer, after receving the information the member has to make a final decision on whether to transfer or not.” Comment regarding the sentence „Specifically in the case of cross-border transfers, satisfying additional requirements under national law may prove complex if there are insufficient procedural aids - one Member State noted strong market demand for a central database where the transferring provider can see all eligible receiving providers in order to fulfil its requirement to check the eligibility of the receiving scheme.”: No,	

			such a database is currently too ambitious, because first, we have never heard of any problems in this area at the national level, and second, it would be an inappropriate amount of work with respect to the relatively low number of individuals working in another Member State and accuring an occupational pension. Comments on Good Practice 13 Paragraphs 3 to 5: The identification of the receiving scheme completely ignores that it is also a new employer who stands behind the receiving scheme.	
203.	Actuarial Association of Europe	Page 27	This is the biggest issue with cross-border transfers and whilst a register would help, we think the QROPS approach is a bit excessive. We support the principle of GP 13 but it would be interesting to develop the idea; perhaps consultation responses will identify a consensus…. We support the AAE principles on calculation of transfer values.	
204.	Association Européenne des Institutions Paritaires	Page 27	☐ We support Good Practice 12.	
206.	Financial Services User Group	Page 27	Above presented argumentation (page 26) is logically linked to the formulation of Good Practice 12: Member involvement reduced to request and decision on transfer.	
207.	Institute and Faculty of Actuaries, UK	Page 27	Good Practice 12: Member involvement reduced to request and decision on transfer The IFoA welcomes the general intent of this approach; however, the issue of costs, particularly for cross-border transfers, cannot be ignored. It is also likely that members may have to provide additional information for the transfer to proceed.	
208.	Insurance Sweden (Industry Association)	Page 27	Good Practice 12: We agree, but would like to add the following to the end of the sentence: "..., provided that the transferring institution/provider has all the information necessary to carry out the transfer."	

	(Sweden)		As for the rest of the page up to Good Practice 13, the use of the word scheme is again causing problems, we assume that it refers to institution/provider in relation to who has to make the checks, see our general comments and our comments to page 7. The checks would, at least in the Swedish case, relate to the product of the receiving institution/provider, who would have to check whether the product meets the requirements for equal tax treatment.	
209.	Mercer (benefits consulting) Benelux and UK	Page 27	Good practice 10 and 12 can be combined as they mention the same.	
210.	OPSG	Page 27	Good Practice 12 is very similar to Good Practice 10. It would make sense to combine these into one Good Practice.	
211.	Pensions Europe	Page 27	☐ Good Practice 12 is very similar to Good Practice 10. It would make sense to combine these into one Good Practice.	
212.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 28	Further comments on Good Practice 13 ☐ In 2013 3.3% of EU employees were mobile across borders☐. It is unlikely that all of these workers have acquired and vested rights in an occupational pension scheme, but there are no figures on this questions. Nevertheless, as it currently stands it seems unnecessary to promote such a platform based on the limited number of people benefits from it. The related costs and benefits are not proportionate; in addition, there would be huge practical questions around who should set up and update such a register. We do not think that this falls in EIOPA's remit. We are therefore against the promotion of an international register. ☐ Again, the identification of the receiving scheme completely ignores that it is also a new employer who stands behind the receiving scheme. Calculation of transfer value:	

			It is important to bear in mind that any transfer has direct and indirect costs (see our comments regarding p. 24). From the perspective of the employer it is problematic if the employee can singlehandedly decide the point in time for the transfer and the valuation.	
213.	ABI (Trade Association, United Kingdom)	Page 28	The ABI would agree the need for a process to assist with the identification of a pension scheme with the receiving pension scheme, not only to give legal certainty for eligibility but also to counter instances of potential fraud, as previously raised in comments for page 16.	
214.	Association Européenne des Institutions Paritaires	Page 28	□ AEIP support Good Practice 13, but we deem it important to highlight that the receiving scheme should have a proactive role in helping the transferring scheme collecting all the information it needs in this context if proportionate.	
216.	DIA Trade Association for insurance and pensions,	Page 28	The value a member has the right to transfer, is notified to the FSA as part of the technical base. According to agreement in the sector all companies transfer the cash holding of the scheme.	
217.	Financial Services User Group	Page 28	Good Practice 13 : Identification of receiving scheme especially for cross border transfers. EIOPA considers it Good Practice if there is a mechanism (e.g. a register) or other practice (e.g. questionnaires) to help the transferring scheme to identify with legal certainty whether the receiving scheme is eligible to receive a transfer, especially for cross border reasons. FSUG agrees that a register of schemes would be helpful, provided there is a mechanism for keeping it up to date and removing schemes where it no longer meets the requirements.	

			3.6. Calculation of transfer value FSUG recognizes this issue as a key point in a whole debate on the economic utility of exercising the right to switch. Most DC schemes are transparent on this issue as there are no major differences between valuation methods. However, even for DB schemes, FSUG argues that there should be no major difference among values between transferring and receiving pension scheme. Furthermore, members should be consulted and explained in details on any major differences between the values calculated and the member shall have the right to ask for clarification and to consult NCAs.	
218.	Insurance Sweden (Industry Association) (Sweden)	Page 28	Good Practice 13: It is not possible to apply such a practice without the scope being clear, see our general comments and our comments to page 7. Again, what is meant by scheme? Does it refer to the pension agreement or to the institution/provider? It also seems that the barriers described earlier in the text all relate to the product features. In light of this, Insurance Sweden would consider a register for the tax treatment of products more useful.	
219.	Mercer (benefits consulting) Benelux and UK	Page 28	Although we agree that legal rules for calculating the transfer value are important in reducing the impediments attached to a cross-border transfer, an European approach for these rules does seem too difficult in our opinion, since the systems of pension accrual/insurance across Europe are very different and do not seem to lend themselves very well for a uniform approach. Establishing that the calculation rules are the same as in case of a domestic transfer does however seem a reasonable solution.	
220.	OPSG	Page 28	Good Practice 13: Identification of receiving scheme especially for cross border transfers. EIOPA considers it Good Practice if there is a mechanism (e.g. a register) or other practice (e.g. questionnaires) to help the transferring scheme to identify with legal certainty whether the receiving scheme is eligible to receive a transfer, especially for cross border reasons.	

			We would agree that a register of schemes would be helpful, provided there is a mechanism for keeping it up to date and removing schemes where it no longer meets the requirements. Regarding the calculation of transfer value: as mentioned in the general remarks, there are several impediments to transfer of pension capital cross-border related to the calculation of transfer value: ☐ Differences in life expectancy: if there is an intention (which we would not agree with) to impose on receiving schemes an obligation to replicate in full service earned in the transferring scheme, this could have a huge impact on calculating the value of pension rights to be transferred, and on the translating of that value back into rights for the new scheme. Differences in life expectancy are significant, which if not taken into account, can result in imbalance between incoming and outgoing transfers. ☐ Technical and actuarial problems: the receiving scheme will need to reflect its own local requirements in terms of the calculation of service credit or any additional funding cost. There may also be differences in entitlement with regard to security (whether guaranteed or conditional) and different indexation requirements. It should be taken into consideration that capital funded pension rights, although they are transferable in an actuarial/technical sense, can still be subject to a completely different set of rules. Because of the differences in social labour and tax laws, it will not be possible for the pension promise to remain in exactly the same form as pre–transfer. ☐ Insolvency protection issues: it is complex to compare the protection between member states rules on insolvency, for example if there is a transfer of German pension rights (where there is insolvency protection) to a country where there is none or limited insolvency protections.	

			☐ It can be difficult to calculate the administration costs of a transfer as there, as mentioned earlier, many issues that should be taken into consideration. However if there was a right to cross border transfers, administration systems would need to be extended (with a cost to be borne by the sponsoring employer). Small changes can produce relatively high additional costs.	
221.	Pensions Europe	Page 28	☐ Regarding the calculation of transfer value: as mentioned in the general remarks, there are several impediments to the transfer of pension capital cross-border related to the calculation of transfer value : ☐ Differences in life expectancy : this has an impact on calculating the value of pension capital to be transferred, and on the translation of that value back into rights for the new scheme. ☐ Technical and actuarial problems : it is very complex to determine the value that will be transferred due to the differences between Member States with regard to the types of schemes, the provided entitlements with regard to security (guaranteed or conditional) and different ambitions with regard to indexation. It should be taken into consideration that capital-funded pension rights, although they are transferable in an actuarial/technical sense, can still be subject to a completely different set of rules. ☐ It can be difficult to calculate the administration costs of a transfer as there are, as mentioned earlier (comment on p.24), many issues that should be taken into consideration.	
222.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 29	We propose the following addition (marked in bold): “The method for calculating the transfer value to be paid from the transferring scheme may be considered as a potential impediment if the calculated sum to be transferred is less than the vested rights. This deduction can constitute major costs to the member from an economic point of view. Therefore, sound and understandable information prior to the transfer decision are necessary.”	

			We propose the following addition to footnote 124: „In order to avoid financial distortion, the transfer value should be calculated according to premises of transferring scheme and this value should be converted into new pension entitlements according to rules of receiving scheme." Again, it is important to bear in mind that any transfer has direct and indirect costs (see our comments regarding p. 24). From the perspective of the employer it is problematic if the employee can singlehandedly decide the point in time for the transfer and the valuation. While without doubt few beneficiaries would change jobs (or even countries) with the sole aim of improving their occupational pension, once a job change has taken place, the beneficiary could signficiantly benefit depending on when the transfer takes place. A beneficiary could, for example, opt to stay in a scheme which offers a high guarantee during the accumulation phase until just before retirement, and only then transfer to a scheme which offers a generous formular for the calculation of the actual retirement benefits. Another example would be to use the change to benefit e.g. by moving from a pool of beneficiaries with a higher life expectancy (and lower annuity rates) to one with lower life expectancy (and higher annuity rates). We would also like to stress that there is no fixed transfer value, in particular the timing will have an impact on the level of the transfer value, which makes information about it even more complex (regarging paragraph 4 of this page). We very much agree with EIOPA that tax issues are an important obstacles for cross-border transfers. However, tax does not fall in EIOPA's remit of regulation, it firmly sits with the Member States.	
223.	ABI (Trade Association, United Kingdom)	Page 29	The ABI would assert that the section concerning taxation does not take into account that there may be certain conditions attached to a pension which is transferred, as in some cases in the UK. For example, if flexible benefits are taken from a pension (such as a lump sum payment), then the amount of further contributions the customer can make is restricted, and a receiving provider would need to be aware of this if they transferred to a different scheme.	

			The ABI would highlight that footnote 127 concerning the restrictions of where a pension scheme could transfer to is incorrect, as this only applies to the transfer of a domestic pension scheme with a non-domestic pension scheme.	
224.	Association Européenne des Institutions Paritaires	Page 29	☐ A cross-border transfer between two capital-funded schemes carries the risk of creating tax issues. This issue is related to the profound differences between Member States' tax treatment of pensions: the so-called TEE/EET/ETT tax approaches. In order to avoid any loss on the mobile worker or on the different national taxation systems, a good practice could be envisaged in the setting of bilateral or multilateral agreements between national taxation systems.	
226.	DIA Trade Association for insurance and pensions,	Page 29	Also with regard to transfer in DC schemes the calculation of value is of great importance. Here the issue of guarantees is important. Footnote 126) « Expiring annuities » are treated like installments. « Endowments » can be converted to an installment or an annuity at a later date. Regarding the « age insurance » there is a yearly limit of 28.600 DKK contribution (not deductable and not taxed when payed out)	
227.	Financial Services User Group	Page 29	FSUG recognizes that the differences between tax treatment of pensions in the Member States are enormous. Furthermore, the development in this are is rather diverging than converging, which might have detrimental impact on savers and members. Tax differences among MS complicate switching cross-border and thus creating a functioning pension market in EU. As MS impose different tax regimes (EEE, EET, ETT,	

			TEE, TTE), the switching might result either in avoiding taxation or in double taxation. Solution could be in the EU register of recognized pension schemes (similar to the UK QROPS)	
228.	Insurance Sweden (Industry Association) (Sweden)	Page 29	Insurance Sweden welcomes that EIOPA has chosen not to include a good practice for the calculation of transfer values. Such values depend heavily on the design of the scheme for in particular DB and on product design as regards DC. Given the diversity of national systems and products the matter of transfer values is best dealt with at the national level.	
229.	OPSG	Page 29	The differences between tax treatment of pensions in the Member States are enormous. This complicates transferring pension capital cross-border. For example, when a transfer takes place from an EET or ETT to a TEE system, this could result in double non-taxation when there are not taxation agreements in existence. Whereas in the opposite situation double taxation may be the case. The same is true of social insurance contribution rules	
230.	Pensions Europe	Page 29	☐ The differences between tax treatment of pensions in the Member States are enormous. This complicates transferring pension capital cross-border. For example, when a transfer takes place from an TEE system to an EET or ETT system, this could result in double taxation when there are no taxation agreements. Whereas in the opposite situation double non-taxation may be the case.	
231.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 30	Regarding paragraphs 6 and 7: From an efficiency perspective it can make sense to pay out very small amounts to avoid high administrative costs relative to the transfer value. In these cases it can happen that a transfer is neither in the interest of the beneficiary nor in the interest of the employer.	
233.	Actuarial Association of Europe	Page 30	We have mixed views about permitting capital payout: for example, if an individual has a relatively small vested benefit in a Member State, say Ireland, as a result of working there for say 3 years, but has now moved (back) to, say, Poland, it may not be possible to transfer to an IORP or other arrangement in that country, so the only option is a small pot in Ireland which he/she will have to wait 30 years to access.	

			We would support a capital payout (less any tax reliefs obtained) in such cases, at the individual's request as permitted by the Portability Directive. However, this would not be desirable if it enable individuals generally to access (larger) pension pots, possibly on a tax favourable basis, which were intended to provide retirement benefits. GP 14 as worded does not rule out a capital payout so we can support it.	
235.	DIA Trade Association for insurance and pensions,	Page 30	Foot note 135) In Denmark a capital payout of a small pension can be possible against the members wish, if it is stated in the contract.	
236.	Insurance Sweden (Industry Association) (Sweden)	Page 30	We would agree that different tax treatment should be seen as a major impediment for crossborder transfers. However, as we have already described above, there are also tax obstacles in Sweden affecting the possibility to merge multiple pots (see eg. our comments to page 8).	
237.	Mercer (benefits consulting) Benelux and UK	Page 30	In our opinion a cross-border transfer should indeed be dealt with fiscally in the same manner as a domestic transfer. Fiscal impediments should therefore be removed as much as possible. If the pension plan to which the value is transferred is a pension plan in the receiving country, there should in our opinion not be any limitation. Fiscal impediments can also be more subtle. Although for instance in The Netherlands a cross-border transfer is allowed without fiscal consequences, this only applies if the transferring pension provider, the accepting pension provider or the plan member accept the fiscal liability regarding for instance surrender of pension within 10 years after transfer. In practice this is a major obstacle, which is the result of this 10 year rule in legislation and the conditions attached to the transfer by the State department of finance as a result thereof.	
238.	OPSG	Page 30	Good Practice 14: Safeguarding the right to transfer over the right to unilateral capital pay out. Capital pay outs are often restricted anyway, where the pension scheme benefits from favourable tax treatment. In some cases however it makes sense to pay out very small	

			amounts at the member's request, to avoid costs instead of transferring the capital, and to avoid the retention of very small pension entitlements within schemes.	
239.	Pensions Europe	Page 30	☐ In some cases it makes sense to pay out very small amounts to avoid costs instead of transferring the capital.	
240.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 31	Comments on Good Practice 14 ☐ Regarding the idea of an automatic transfer for smaller entitlements, we would like to stress again that from an efficiency perspective it can make sense to pay out very small amounts to avoid high administrative costs relative to the transfer value. Therefore it is important to schemes,employers and beneficiaries that very small entitlements can be paid out. ☐ Automatic transfers: We note EIOPA's positive stance towards automatic transfers. We would like to point out that while some Member States are testing this idea, we are sceptical. Automatic transfers can lead to a situation where the beneficiary is made worse off by the transfer – from our perspective it is therefore crucial that the beneficiary takes an active role in any kind of transfer (see our comments regarding p. 8).	
243.	DIA Trade Association for insurance and pensions,	Page 31	Footnote 140) In Denmark lump sum pensions can be payed out before retirement age in case of permanent disablitity or life threatening desease.	
244.	Financial Services User Group	Page 31	FSUG agrees with EIOPA proposal for Good Practice 14 : Safeguarding the right to transfer over the right to unilateral capital pay out.	
245.	Institute and Faculty of Actuaries, UK	Page 31	Good Practice 14: Safeguarding the right to transfer over the right to unilateral capital pay-out Members should be encouraged to consider the way in which they receive pension income. Maintaining pension assets, rather than removing them from a fund, may	

			encourage members to consider a longer term view of income requirements.	
246.	Insurance Sweden (Industry Association) (Sweden)	Page 31	Good Practice 14: Not relevant for us as unilateral payouts are not allowed in Sweden.	
247.	ABI (Trade Association, United Kingdom)	Page 32	It may not be entirely appropriate to cite the Centre for Policy Studies (2013) paper as an example in footnote 143, as the CPS paper argued for a slightly different approach to the one the UK Government will now be introducing as 'pot-follows-member'.	
248.	Insurance Sweden (Industry Association) (Sweden)	Page 32	Recent developments in SE : As described, "the government has urged the insurance industry to come to an agreement for a transparent transfer information standard ". This message was conveyed through an addition to the mission statement for the Swedish Financial Supervisory Authority, issued in June 2014. The Authority delegated this very important task to Insurance Sweden. Insurance Sweden has since developed an industry standard for information to policyholders in connection with portability of pension insurance, covering individual occupational pensions (products under voluntary schemes and occupational pension insurance policies taken out by self-employed persons) as well as 3rd pillar pensions. The standard (which takes the form of a "Recommendation" and is subject to comply or explain), was adopted by Insurance Sweden on 17 March 2015. The Recommendation complements the rules and guidelines on transfer information issued by the Swedish Financial Supervisory Authority and covers five areas: 1) Additional information on transfers in the existing fact sheet with general product information, 2) additional information on transfers in the annual statements issued to consumers, 3) and 4) special fact sheets for the comparison of the most essential product information for the actual transfer situation, covering the present and the potential new product respectively, and 5) cooperation between providers to avoid administrative obstacles in a transfer	

			situation. The fact sheets under 3) and 4) have been subject to thorough consumer testing. Moreover, the information under 1), 3) and 4) will be complemented by key ratios for fees and charges. The basis for these key ratios are currently being fleshed out by an independent expert group, appointed by Insurance Sweden. After further consumer testing, these key ratios are set to be included in the Recommendation. The Recommendation as a whole will enter into force on 1 January 2016 and be subject to a follow-up during 2017.	
249.	OPSG	Page 32	None	
250.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 33	We do not understand why Good Practices 2,3,4 and 14 are not mentioned any more in the conclusions. Regarding paragraph 3: We would like to point out that any agreement between pension schemes needs to take into account the myriad of existing legal requirements. Regarding paragraph 4: We would like to point out that there are issues around liability if the employer or the scheme provides certain information or even advice to the beneficiary. The employer might even not be allowed under national legislation to provide advice for example on tax questions. Regarding the creation of online tools, we would like to emphasie that the related costs need to be in a sensible relationship to the added value the tool provides as well as to the number of potential transfers addressed. Regarding paragraph 5: All stakeholders benefit from efficient processes. However, it should be considered that the new processes should only be introduced if the related effort and costs are proportionate to the potential number of transfers addressed.	
252.	Actuarial Association of Europe	Page 33	We think EIOPA have identified the 3 overarching principles, although we would prefer if they repeated here the comment made on page 4 that a transfer is not necessarily the best option.	

254.	Insurance Sweden (Industry Association) (Sweden)	Page 33	In general, Insurance Sweden can agree with the conclusions, but we wish to reiterate our views above on terminology and the use of “Good Practices” as an instrument, see our general comments, our comments to page 7 and to pages 6 and 8 . We would however also like to include differering taxation regimes as a major obstacle to transfers. Regardless of what transfer rights that may exist under the various national regimes, product taxation and a lack of information on the respective tax treatment of products in different jurisdictions will in many cases make transfers impossible. In addition, social and labour law in the member states, as well as the exclusive competence of member states to design the national pension system, must be respected and not automatically be seen as obstacles.	
255.	OPSG	Page 33	None	
256.	aba Arbeitsgemeinschaft für betriebliche Altersver	Page 45	EIOPA describes the basics of the German Art. 4 (3) BetrAVG. It indeed requires that the occupational pension of the leaving employee is organised through an external vehicle. However, a transfer is also possible if the new employer (so far) only uses a direct pension promise (Direktzusage) or a support fund (Unterstützungskasse). In this case the beneficiary can also request a transfer with the transfer value up to the contribution ceiling of the statuatory pension insurance. The employer then has to offer a pension promise equivalent to the transfer value, which has to be administered through an external vehicle (according to Art. 4 (3) Sentence 3 BetrAVG).	
257.	Association Européenne des Institutions Paritaires	Annex I	☐ It is not clear why Annex I reports the data of 24 Member States, while the footnote n. 5 reports that information were received by 28 MS. Apperently, information from EE, IE, IS and IT were not reported in Annex I. Even considering that “the objective is not to give a full comparison of all countries in all aspect” (page 6) it makes no sense to not report in Annex I those information once received.	
258.	Insurance Sweden (Industry Association) (Sweden)	Annex I	It seems like the information on Sweden has been based on transfers taking place between institutions/providers (not schemes), which is correct in light of our overview of the Swedish system (see general comments and the answer to Q 3). Please note that the figure only covers transfers between insurers.	

			The answer given to Q 4 does not seem relevant in relation to the question. We note a reference from this answer to the answer to Q 3, but wish to underline that there are no particular statistics available showing the reasons why employees choose to transfer. The answer to Q 4 now stated in the report must therefore be considered as purely anecdotal.	
259.	OPSG	Annex I	None	
260.	OPSG	Annex II	None	
261.	aba Arbeitsgemeinschaft für betriebliche Altersver	Annex II	Is there any evidence that women are more likely to need transfers than men (p. 40)? Caring for relatives normally does not lead to a transfer.	
262.	OPSG	Annex III	None	