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EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

Implementation of IORP II: Next steps on Pension Benefit Statement and new deliverables on other disclosure requirements

EIOPA Occupational Pensions Stakeholder Group meeting
Frankfurt, 17 October 2018

1. What is the issue about?

- o Providing feedback to OPGS on the PBS, PBS next steps (PBS designs) and inform OPSG on work on “other information documents” (prospective members, pre-retirement and pay-out phases)

2. What does EIOPA want OPSG to do?

- o EIOPA invites OPSG to give input to PBS designs approach and feedback to the work on “other information documents” in Q4 2018

3. What are the next steps?

- o Consultation on the PBS designs
- o Finalisation of Report on “other information documents” (January/March 2019)

1. The PBS Report

- o OPSG feedback and EIOPA resolution

2. Development of PBS designs

- o Objectives
- o Timeline

3. IORP II “Other information documents”

- o Areas of work

The PBS Report – OPSG feedback



Comment by*	Substance	Resolution
Academic	<ul style="list-style-type: none"> Examples in Layout & layering section are useful illustrations, but CONs are a bit far-fetched, most of them of minor importance 	<ul style="list-style-type: none"> Agree and some were deleted
SME	<ul style="list-style-type: none"> At the receiving end of PBS are two main categories of individuals: employed in the accumulation phase and retired and/or receiving payments from the pension scheme, plus the third party beneficiaries (spouse/children) PBS must reflect the nature of the Pension Scheme (PS) itself and the Social and Labour Law (SLL). In countries where Pillars are coordinated, the PBS/internet should ideally unite the info of all relevant pension schemes and provide the corresponding total pension rights for the beneficiary. List of PBS relevant info (21 elements) Importance on the language used 	<ul style="list-style-type: none"> IORP II distinguishes between the PBS and the information during the pay-out phase (for the retired) – two types of documents. Agree and taken as a principle (nature of the PS); SLL prerogative of MS Agree and taken as a principle (integration of other pension entitlements if a dashboard is in place) Noted, but no longer a concise PBS Agree and taken as a principle (layout)
IORP	<ul style="list-style-type: none"> The PBS goal is difficult to achieve by regulating the PBS of the IORPs only. A more ambitious approach should include all sources of pension benefits (1st, 2nd and 3rd pillar). In favour of national tracking systems to harmonise pension benefit information from all providers (government, bank, insurance company, etc...) “DEDUCTED BY THE IORP” should be added in g) breakdown of the costs at least over the last 12 month 	<ul style="list-style-type: none"> Agree – not taken, but following progress of TTYPE project Agree

*Individual feedback - Total => 4 OPSG members

The PBS Report – OPSG feedback



Comment by	Substance	Resolution
Academic	<ul style="list-style-type: none"> Valuable content, but late for national implementation Suggests renaming the Report into a good practice report since there is hardly any guidance on the concrete legal content Suggests to clearly state that this report is not legally binding as other reports in good practice The aim of the PBS varies with the governance arrangements of the pension scheme. E.g. in Austria the employer concludes the contract with the IORP, hence there is no contractual relationship between the members and the pension fund. Hence one might ask what a single member can do with the information about e.g. costs? PBS must not be constructed just from the content of the PBS but also from the underlying governance of the scheme and the actual rights of the members. "Subgoal 4" assumes that the PBS answers the question "How can I improve my retirement prospects". This is not the case since the PBS contains no information what exactly to do in case of poor retirement savings. The report assumes a legal right of the member vis a vis the IORP to this supplementary information. But this is not the case. Art. 40 allows e.g. also for the NCA, the employer or the workers representatives to give this supplementary information. 	<ul style="list-style-type: none"> Noted Partially agree: principles and guidance were made more explicit and report renamed to reflect current practices Agree – this will be made clear in the press communication Partially agree and taken as a principle (nature of the PS) Noted, it depends on the PBS design Noted, indeed the PBS shall specify where and how to obtain supplementary information.

- o September BoS adopted the PBS Report to be published in the next weeks
- o Follow-up work: PBS designs

Development PBS designs: Objectives



- Explore the **behavioural approach** on the PBS: test a few options on how to structure/layer the information according to the member's needs, responding to his/her questions
- Explore some of the **layout tools** observed in several existing PBSs: questions as heading, use of font and colour, symbols and signs, boxes and tables, etc.
- Explore the **presentation of cost and pension projection**: test the use of diagrams and charts to help the member understand and process the information easily
- Develop a PBS design in combination with **digital information** (website, apps)

Development PBS designs: Timeline



- EIOPA to develop the specifications for several PBS designs – Q4 2018
- EIOPA to consult PBS designs amongst **targeted** industry participants and members & beneficiaries representatives – Q1 2019
- Follow-up workshop to be organised in Frankfurt – Q2 2019
- Finalisation and publication of editable and free of charge PBS designs for voluntary public use of NCAs or IORPs (where there are no designs foreseen at national level) – Q2/Q3 2019

IORP II “Other information documents”



Two areas of work:

1. Information for prospective members: calculation and presentation of Past Performance
2. Information for pre-retirement and pay-out phases: presentation of retirement options, timing of issuance of documents, channels used, etc.

Approach:

- Look at current practices and possible improvements, extract principles and guidance

Timeline:

- BoS adoption January/March 2019