

Summary of Conclusions

Occupational Pensions Stakeholder Group (OPSG)

First meeting

Date: 17 October 2018
 Time: 10:00 – 16:00
 Location: EIOPA premises
 Contact: Stakeholder.Groups@eiopa.europa.eu

List of participants:

OPSG: Alvinussen, Alf; Azzopardi, Moses; Briganti, Francesco; Delbecque, Bernard (Chairperson); Duarte, Valdemar; Fekeža Klemen, Senka; Gabellieri, Bruno; Gómez, José Carlos; Güllich, Christian; Jones, Olav; Kupsys, Kęstutis; Lemaire, Christian; Lewis, Sue; Luciano, Elisa; Maczynska, Aleksandra (Vice Chairperson); Maher, John; Micilotta, Flavia; Moriarty, Jerry; Nellshen, Stefan; Neyt, Philip; O'Quigley, John; Oroviceanu, Catalin; Reichert, Sibylle; Reiner, Michael; Seidel, Philippe; Valkenburg, Falco (Vice Chairperson); van der Lecq, Fieke; van Meerten; Hans, Wancke Widemar, Ann-Marie.

Not present: Sonia Maffei.

EIOPA: Gabriel Bernardino (EIOPA's Chairman), Fausto Parente (EIOPA's Executive Director), Manuela Zweimueller (Head of Policy Department), Ursula Bordas (Consumer Protection Department), Sandra Hack (Risk and Financial Stability Department), Guilia Conforti (Policy Department), Barthold Kuipers (Policy Department), Carine Pilot-Osborn (Policy Department), Kai Kosik (Corporate Affairs Department), Ivo Karshev (Corporate Affairs Department), Florian Ouillades (Corporate Affairs Department).

EIOPA National Competent Authorities (NCAs): Frank Grund (BaFin, DE)

1. Approval of the agenda

EIOPA's Chairman welcomed the OPSG Members to the inaugural meeting and presented the draft agenda. Members were informed that the EIOPA's Chairman would be chairing the inaugural OPSG meeting until agenda item 5 – Election of OPSG (Vice) Chairperson. Once the OPSG Chairperson has been elected, he/she will then take over.

Conclusion/Action:

- The meeting agenda (EIOPA-OPSG-18-18) was approved.

2. Introductory remarks by EIOPA's Chairman

EIOPA's Chairman welcomed the diversity of profiles represented in the OPSG as a strong asset for the Authority. He stressed the importance of the role of the Stakeholder Group Members in general and looked forward to maintaining a very good level of interaction with the group, as it had been the case with previous groups.

Conclusion/Action:

- EIOPA to take appropriate action for the replacement of a Member (Sonia Maffei) following her resignation due to a change in her employment.

3. Tour de table – introduction of OPSG members

Each Member provided a brief overview of his/her professional background and of the input he/she expects to provide to the Group's work.

EIOPA's Chairman welcomed the breadth of experience around table, including on interdisciplinary topics such as sustainable finance. He expressed confidence that the work of the group would add value to EIOPA's work.

Conclusion/Action:

- n/a

4. General introduction**4.1. The role and tasks of the EIOPA Stakeholder Groups**

The EIOPA presentation is available on the OPSG website: [link](#)

EIOPA staff presented an overview of the role and responsibilities of the Stakeholder Group, with particular attention from EIOPA's side to improve and formalise interaction with the group. As far as Members' duties are concerned, they shall, in their personal capacity, handle drafts on which the Group is being consulted and/or any other working documents with the appropriate level of confidentiality.

Conclusion/Action:

- n/a

4.2. Housekeeping

The EIOPA Presentation is available on the OPSG website: [link](#)

EIOPA staff presented EIOPA's supporting role to the Stakeholder Groups as well as the procedures for adopting advice as well as the reimbursement of expenses to Members representing non-profit organisations (excluding industry representatives).

Conclusion/Action:

- EIOPA to circulate instructions to Members in October 2018 regarding their registration to EIOPA's Extranet.

4.3. Rules of Procedures

EIOPA staff presented the proposed draft rules of procedures for approval.

Several Members suggested that the Group should have the possibility to elect two Vice Chairpersons in order to allow a broader representation of the different categories of stakeholders represented in the OPSG and ensure due consideration of the perspectives brought by each member.

Conclusion/Action:

- Members approved the OPSG Rules of Procedures (EIOPA-18-585) with one amendment: "the Group shall [...] elect one or, if the Group decides so, two Vice Chairpersons among its members by majority."
- EIOPA to circulate the adopted text of the OPSG Rules of Procedures (see [here](#)).

5. Election of the OPSG (Vice) Chairperson

EIOPA's Chairman welcomed the candidatures for the positions of OPSG Chairperson and Vice Chairperson. He presented the procedure to be observed for the purpose of the elections, according to the Rules of Procedures and to a guidance note prepared by EIOPA. The candidates briefly introduced themselves.

Conclusion/Action:

- Bernard Delbecque was elected as OPSG Chairperson according to the OPSG Rules of Procedures.
- Aleksandra Maczynska and Falco Valkenburg were elected as OPSG Vice Chairpersons according to the OPSG Rules of Procedures.

6. EIOPA's strategic update on upcoming work

The EIOPA Presentation is available on the OPSG website: [link](#)

EIOPA's Executive Director presented the EIOPA strategic objectives in the field of consumer protection, supervisory convergence and financial stability. He provided an overview of the key deliverables in the months to come and also mentioned the cross-cutting topics such as sustainable finance and Brexit.

Regarding the Board of Supervisors' (BoS) Decision on NCAs' cross-border collaboration with respect to IORP II (review of Budapest Protocol), EIOPA will monitor supervisory aspects relating to cross-border cases.

He explained the objectives of the 2019 IORP Stress Test exercise: (i) to assess the vulnerability of IORPs and plan members to adverse scenario(s) (ii) to analyse the second-round effects on the real economy and financial stability, and (iii) to investigate the assessment of IORPs' exposure towards Environmental, Social and Governance (ESG) risks. Next year's exercise is to focus on a more sophisticated approach to cash flow analysis and to explore meaningful ways to introduce an element to assess IORPs' exposure towards ESG risks.

The Peer Review on Supervisory practices with respect to the application of the Prudent Person Rule (PPR) for IORPs has been finalised. It is expected to be published in the first quarter of 2019. EIOPA's BoS decided to foster transparency and intends to publish the results of the peer review.

One Member presented his views on how transparency and good-quality data are crucial to the pensions data project. Several Members expressed concerns about the lack of proportionality, which leads in practice to a noticeable increase in costs for small IORPs. Solutions for the reporting costs were further discussed. EIOPA's ED mentioned that the incurred reporting costs have decreased. Another Member as well as a Management Board representative called for more clarity on the definition of sustainable investments and were supportive of the work undertaken on taxonomy. Another Member asked whether the Group would continue to give advice on the EIOPA Financial Stability Reports, whereby the OPSG Chairperson suggested to take the decision only once the report is available.

Conclusion/Action:

- Stefan Nellshen to lead working group on IORP Stress Test.
- Members to volunteer by 5 November 2018 to join the working group on IORP Stress Test ([send email](#)).
- Members to volunteer by 5 November 2018 to the working group on sustainable finance ([send email](#)).
- EIOPA to clarify its request in relation to sustainable finance.
- OPSG Chairperson and Vice Chairpersons to provide further information to Members on the draft OPSG yearly Work Plan, taking into consideration the clarifications provided by EIOPA regarding deliverables.
- OPSG to draft advice on EIOPA's Financial Stability Report in 2019 or 2020.
- EIOPA to send to the OPSG early November 2018 preliminary findings for information on the personal pension costs and returns included in the 2018 EIOPA report on costs and past performance of retail investment products.
- EIOPA to present to the OPSG the findings of the 2018 Consumer Trends Report and to request inputs for the 2019 Report: At the beginning of next year, an EIOPA questionnaire is expected to be circulated for input with a 8-week deadline.

7. European Commission update on current work on Pensions

No update was given to the Group.

Conclusion/Action:

- n/a

8. IORP II implementation

8.1. Pension Benefit Statement (PBS)

The EIOPA presentation is available on the OPSG website: [link](#)

EIOPA staff informed about the approval by the Board of Supervisors in September of the "Report on the Pension Benefit Statement: guidance and principles based on current practices". The Report will be published in the coming weeks. EIOPA Staff provided feedback to the OPSG on the comments received by Members during the summer 2018. The Report will be followed up with the development of several PBS designs, the aim being to explore the principles and guidance tackled in the Report. EIOPA staff also presented the current work on other information documents, as regards information to be provided to prospective members and information on pre-retirement and pay-out phases.

Members gave positive feedback on the PBS Report. They suggested to reflect upon the information provided to members by social partners, to look at standardisation within the TTYPE (tracking system) project at EU level, and supported to link the PBS with the digital pension dashboards and other digital innovations to reach out to those who have limited financial education (e.g. with the help of explanatory videos). Regarding the development of PBS designs by EIOPA, Members highlighted the importance of consumer testing to identify a standardised and user-friendly template for the use of all IORPs. One IORP representative was concerned that the requirements imposed on companies by the General Data Protection Regulation could hamper communication regarding information documents. The Group further discussed how the breakdown of cost and the biometric risks should be displayed on Pension Benefits Statements.

Conclusion/Action:

- Members to volunteer by 5 November 2018 to a working group on information to members and beneficiaries.
- EIOPA to provide once available a concrete timeline for the OPSG involvement in relation to the Pension Benefit Statement designs and other information documents projects.
- EIOPA to give additional information on the scope of recent changes to the draft Pension Benefit Statement report.
- Members to send to EIOPA any existing samples of Pension Benefit Statements documents.

8.2. Governance and risk assessment

The EIOPA Presentation is available on the OPSG website: [link](#)
EIOPA staff introduced the project on the implementation of IORP II in the areas of governance and risk assessment. The goal is to develop guidance for national supervisors by Q2 2019 in four key areas: 1) governance documents, in particular Statement of Investment Policy Principles (SIPP) and Own Risk Assessment (ORA), 2) practical implementation of EIOPA's common framework on risk assessment, 3) operational risk, including cyber and outsourcing risk, and 4) ESG risk assessment. The intention is to gather feedback from OPSG in Q1 2019.

Conclusion/Action:

- EIOPA to clarify its requests in relation to Governance and Risk Assessment.

9. AOB

Conclusion/Action:

- Members to block their calendars for upcoming OPSG meetings in Frankfurt:
 - 27 November 2018 – 16:30-18:30: Extraordinary OPSG meeting followed by a Joint reception.
 - 28 November 2018 – 09:30-15:30: Joint Board of Supervisors/IRSG/OPSG meeting
 - 21 February 2019 (10:00-16:00)
 - 8 May 2019 (10:00-16:00)
 - 10 July 2019 (10:00-16:00)
 - 15 October 2019 (10:00-16:00)
 - 26 November 2019 - Joint BoS/IRSG/OPSG meeting followed by a Joint reception.