

# **Report on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members**

## Table of Contents

<b>Executive Summary</b> .....	<b>3</b>
<b>Feedback statement</b> .....	<b>5</b>
<b>Report on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members</b> .....	<b>8</b>
<b>1. Introduction</b> .....	<b>8</b>
<b>2. Legal and supervisory framework</b> .....	<b>14</b>
2.1. European legislation .....	14
2.2. National requirements.....	15
2.3. National (supervisory) approaches: Rules-based or Principles-based .....	16
<b>3. Factual findings</b> .....	<b>19</b>
3.1. Communication to new members .....	19
3.2. Communication to active members .....	20
3.2.1. During accumulation phase .....	20
3.2.1.1. Regular individual pension information.....	20
3.2.1.2. Retirement planning information/aids .....	21
3.2.1.3. <i>Ad hoc</i> personalised communication .....	21
3.2.1.4. Pension transfer options and request form (occasion: job change) .....	22
3.2.2. Pre-retirement or at retirement.....	23
3.3. Communication to deferred members .....	24
3.3.1. During accumulation phase .....	24
3.3.1.1. Regular individual pension information.....	24
3.3.1.2. <i>Ad hoc</i> personalised communication .....	24
3.3.2. Pre-retirement or at retirement.....	25
3.4. Communication to beneficiaries.....	26
<b>4. Good Practices</b> .....	<b>28</b>
<b>5. Conclusions</b> .....	<b>33</b>
<b>6. References</b> .....	<b>35</b>
<b>Annex I: Literature review – Theory behind communication tools and channels</b>	<b>37</b>
<b>Annex II: Recent developments</b> .....	<b>41</b>
<b>Annex III: Questions to stakeholders</b> .....	<b>44</b>
<b>Annex IV: Resolution table</b> .....	<b>45</b>

## Executive Summary

This Report summarises the findings of EIOPA and puts forward Good Practices with regard to the use of different communication tools and channels to communicate to members of occupational pension schemes operated by Institutions for Occupational Retirement Provision (IORPs) and insurance undertakings.

EIOPA conducted a public consultation on the draft Report between 21 December 2015 and 22 March 2016 seeking in particular stakeholder's views and input on possible Good Practices. To facilitate giving feedback to EIOPA, dedicated questions to stakeholders were included<sup>1</sup>. The comments received have been duly considered and the Report updated where appropriate. Please see Section 2. Feedback Statement below for further details.

The Good Practices outlined in this Report depict existing rules and market practices in one or more Member States that have particular merits in improving the communication tools and channels to occupational pension scheme members. Good Practices are neither binding on any party nor subject to the "comply or explain" principle<sup>2</sup> and are not intended to be exhaustive nor universal. In this sense the Good Practices do not set forth any Guidelines, Recommendations or Opinions as defined under the formal tasks and powers of the Authority<sup>3</sup>.

As a starting point, the communication practices by IORPs, insurance undertakings, employers and other relevant entities have been analysed. EIOPA looked in particular at the following issues:

- How the **welcome/enrolment pack** is transmitted to new members;
- In which form active and deferred members receive any **regular information** about the status of their individual pension entitlements;
- Whether there are any **retirement planning tools** made available to members;
- How *ad hoc* **information** on changes directly affecting pension scheme members is being communicated;
- Should pension scheme members change jobs, in which format they would be informed about the options available including the **pension transfer** request form; and
- Once the point of **retirement** is drawing closer, whether, and in which format, pension scheme members are informed about the options available.

The analysis (see Section 3 for further details) concluded that **most Member States follow a rules-based approach towards disclosure and communication**, i.e. there are clear and detailed prescriptive regulatory and/or supervisory requirements regarding the frequency, content, calculation method, format and channels to be used. In a number of jurisdictions, **a gradual transition towards a more principles-based approach** can be observed.

Furthermore, in the absolute majority of cases, **information is provided to pension scheme members by the IORP and/or insurance undertakings directly**. There

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<sup>1</sup> Please refer to Annex III.

<sup>2</sup> Article 16 of Regulation 1094/2010/EU (EIOPA Regulation).

<sup>3</sup> Article 8 of same Regulation.

are only few examples when relevant information would be communicated by the employer or another relevant entity.

Besides, the **most prevalent communication channel used at the moment on all of the above occasions is paper**. There is however an indication of a **shift towards the use of the electronic communication channels**, in particular email and online user accounts.

Building upon these findings as well as own research, EIOPA has developed seven Good Practices.

In line with common EIOPA policy with regard to Good Practices, these **are aimed as an inspiration to any relevant parties interested in maintaining and continuously improving effective communication practices towards occupational pension scheme members with a clear focus on communication tools and channels**. In this sense, EIOPA expects that the Good Practices put forward in this report will be considered for adoption by the relevant market players and may serve as reference for further work by National Competent Authorities whilst stressing that the Good Practises are voluntary and neither legally binding on any party nor subject to the 'comply or explain' principle.

They illustrate practices that, in EIOPA's view, have distinctive merits in particular situations and/or when aiming to reach specific type(s) of pension scheme member(s). In this context, **EIOPA does not wish to promote one specific communication tool or channel at the expense of other possibilities**, but instead suggests a multi-channel communication strategy combining several different communication tools and channels.

Other Good Practices developed by EIOPA can be broadly distinguished into two main groups:

- Firstly, **Good Practices which are considered as generally valid and beneficial to be followed when communicating to all types of pension scheme members and on all occasions:**
  - *Good Practice 1: Coherent communication strategy*
  - *Good Practice 2: Storing of all communication in one online space*
  - *Good Practice 5: Advanced tracking services*
- Secondly, **Good Practices concerning the use of specific communication tools and channels on specific occasions:**
  - *Good Practice 3: Employer online platform to combine information about related Human Resources matters and pensions*
  - *Good Practice 4: Pension calculators*
  - *Good Practice 6: Evaluation of communication strategy effectiveness*

All in all, taking into account EIOPA's previous work on this topic<sup>4</sup>, the Report seeks to promote transparency and inform future discussions on communication tools and channels.

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<sup>4</sup> See for example EIOPA (2012): EIOPA's Advice to the European Commission on the review of the IORP Directive 2003/41/EC; [https://eiopa.europa.eu/Publications/Consultations/EIOPA-BOS-12-015\\_EIOPA\\_s\\_Advice\\_to\\_the\\_European\\_Commission\\_on\\_the\\_review\\_of\\_the\\_IORP\\_Directive.pdf](https://eiopa.europa.eu/Publications/Consultations/EIOPA-BOS-12-015_EIOPA_s_Advice_to_the_European_Commission_on_the_review_of_the_IORP_Directive.pdf); EIOPA (2013): Good Practices on information provision for DC schemes;

## Feedback statement

All comments received were given a careful consideration by EIOPA and are outlined in Annex IV, which presents EIOPA's resolutions on the individual comments received.

In the following two sections, the key topics raised during the public consultation and EIOPA's considerations on these issues are outlined. A distinction is being made between i) comments of general nature, and ii) specific comments affecting only selected parts of the report, in particular concrete Good Practices.

The summary is not meant to be exhaustive, i.e. it does not list all comments received. In this respect, please consult Annex IV. The purpose is to provide an overview of the main considerations and changes to the draft Report.

### I. General and overarching comments

There was an overall support for the Report and the approach adopted by EIOPA. In particular, the overview of the different communication tools and channels used in different Member States and the highlighting of the importance of improving communication tools and channels, so as to empower and engage pension scheme members to understand better their pension provisions and make informed decisions, was appreciated.

The following overarching issues were raised:

#### **a) Good Practices should not be mandatory**

Several stakeholders pointed out that the Good Practices could be taken to imply extensive and unlimited obligations for pension providers, a very broad duty of care towards pension scheme members, and that they should not be legally binding on any party. As EIOPA has outlined in the past in relation to Good Practices Reports, the Good Practices identified in the Report are neither legally binding on any party nor subject to the "comply or explain" mechanism provided for under Article 16 of Regulation 1094/2010/EU (EIOPA Regulation).

Good Practices should be regarded as principles-based and, accordingly, market participants are encouraged to apply the Good Practices to the extent that these would benefit their individual circumstances and fit with the pension system in question.

#### **b) Suggestion to limit the Good Practices to IORPs and insurance undertakings only**

A number of stakeholders pointed out that EIOPA should limit Good Practices to IORPs and insurance undertakings, indicating that EIOPA has to act within the scope of the relevant Directives, which is the IORP Directive and the Solvency II Directive for

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[https://eiopa.europa.eu/Publications/Reports/Report\\_Good\\_Practices\\_Info\\_for\\_DC\\_schemes.pdf](https://eiopa.europa.eu/Publications/Reports/Report_Good_Practices_Info_for_DC_schemes.pdf); EIOPA (2014): Report on issues leading to detriment of occupational pensions scheme members and beneficiaries and potential scope of action for EIOPA; [https://eiopa.europa.eu/Publications/Reports/8\\_1\\_EIOPA-BoS\\_-14-071\\_Report\\_on\\_Issues\\_leading\\_to\\_detriment\\_of\\_pension\\_scheme\\_members.pdf](https://eiopa.europa.eu/Publications/Reports/8_1_EIOPA-BoS_-14-071_Report_on_Issues_leading_to_detriment_of_pension_scheme_members.pdf); EIOPA (2015): Report on Investment options for occupational DC scheme members; [https://eiopa.europa.eu/Publications/Reports/2015-01-29\\_Final\\_report\\_on\\_investment\\_options.pdf](https://eiopa.europa.eu/Publications/Reports/2015-01-29_Final_report_on_investment_options.pdf); EIOPA (2015): Final Report on Good Practices on individual transfers of occupational pension rights; [https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104\\_Final\\_Report\\_on\\_Pensions\\_Transferability.pdf](https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104_Final_Report_on_Pensions_Transferability.pdf).

insurance undertakings. As sponsoring employers are not covered by these Directives, they should be excluded. In line with EIOPA's approach to Good Practices, it is however reiterated that these are aimed as an inspiration to all relevant parties interested in maintaining and continuously improving effective communication practices including, but not limited to IORPs, insurance undertakings, employers, service providers, third-party administrators, consultants, advisors, governments, governmental agencies, national competent authorities and other public and private entities. Since the Good Practices are neither legally binding, nor subject to a "comply or explain" mechanism, defining the entities to which they apply, and hence potential addressees, is not warranted.

### **c) Suggestion to also consider content and presentation of information**

EIOPA recognises the importance of both content and presentation of information. In particular, EIOPA considers the use of simple, jargon-free, clear language and relevant and timely communication important in promoting transparent and member-focused communication. The format in which information is presented to pension scheme members may also positively impact member interest, understanding and engagement. However, the focus of the Report is specifically on communication tools and channels, and not addressing content and presentation of information.

### **d) Suggestion to differentiate between defined benefit and defined contribution schemes**

A number of stakeholders pointed out that different approaches to communication should be considered for defined benefit and defined contribution schemes and that, consequently, the Good Practices should reflect this. EIOPA acknowledges the specificity of different types of schemes and that some Good Practices may be more relevant to some scheme types. Good Practices are generally aimed at any type of pension scheme (defined contribution, defined benefit or hybrid) and market participants are encouraged to apply the Good Practices to the extent that they benefit their individual circumstances.

## **II. Specific comments**

Specific comments were raised with regard to concrete parts of the draft Report, and in particular in relation to certain Good Practices. The most frequently made comments and suggestions are outlined below following the structure of the Report.

### **a) The selection criteria of Good Practices should be clear and additional criteria considered**

Some stakeholders pointed out that the methodology should be clear, in particular in what concerns how the Good Practices reflect the mapping exercise and the criteria used to select the Good Practices.

The proposed Good Practices are based on already existing practices in one or more Member States. These are not necessarily the most widespread practices. Existing practices were assessed on their merits in improving the communication tools and channels to occupational pension scheme members based on three criteria: scheme member engagement, cost efficiency and accessibility.

With regards to the criteria used by EIOPA, a number of stakeholders suggested including additional criteria. These additional possible criteria were not used as they (i) referred to very specific circumstances (e.g. size of class of non-reacting members) and (ii) referred to the characteristics of information (e.g. tailor-made information),

not directly related to communication tools and channels. However, where appropriate, references to the issues raised were included in the Report.

**b) The cost of implementing the Good Practices must be reasonable**

Several stakeholders raised concerns regarding the costs of implementing some Good Practices (in particular Good Practices 2, 3 and 6), in particular for small schemes and for multi-employer schemes. EIOPA agrees that individual Good Practices may not be applicable from the perspective of proportionality to certain schemes and would encourage market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the costs and benefits of applying specific Good Practices. Both implementation and running costs should be considered.

**c) Suggestion that information on all pension entitlements should be provided and a reference to the TTYPE project added in the Report**

The main focus of the Report is on occupational pension schemes (excluding state and personal pensions) and on communication tools and channels (excluding content of information). However, EIOPA sees merits in providing information on all pension entitlements, including individual's entitlements in different Member States and follows with interest the TTYPE project.

**d) Evaluating the effectiveness of a communication strategy may be costly and complex, and assessing if pension scheme members have understood communications impractical**

Although stakeholders highlighted the importance of evaluating the effectiveness of communication strategies and ensuring that pension scheme members understand the communications, some concerns were raised regarding the costs and practicality of applying these principles. As noted, Good Practices are not binding, and market participants should consider applying them to the extent that they benefit their individual circumstances. Specifically with regard to the principle of ensuring that pension scheme members understand the communications, a proportionate approach should be considered; it is not likely to be feasible, for instance, to assess whether every single pension scheme member has fully understood the information provided to him/her. Based on the feedback received, the Report provides practical examples of tools and metrics used to evaluate the effectiveness of communication. However, the principle that good communication entails checking that the recipient of information understands the information being communicated should be taken into consideration.

# Report on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members

## 1. Introduction

### Motivation and previous work by EIOPA

Ensuring effective and appropriate communication to occupational pension scheme members (also referred to as pension scheme members or scheme members) was identified by EIOPA in 2014 as an important topic in its **Report on issues leading to detriment of occupational pension scheme members and beneficiaries and potential scope of action for EIOPA**<sup>5</sup>.

The results of the **2014 Annual Retirement Readiness Survey conducted by Aegon**<sup>6</sup>, pointed out a rather high dissatisfaction amongst scheme members with the information provided to them. This was on the basis that they feel that they do not receive enough information from their employer/occupational scheme provider regarding their pension. This suggested that there may be potential for improvement in terms of transparency and appropriate communication. Namely, relevant information should be made available in such a way so that individuals can easily access it.

Moreover, linking the information communicated to the scheme members with tools helping them to understand it better (e.g. financial education tools/initiatives) could boost the actual positive effect on individuals<sup>7</sup>.

Secondly, in EIOPA's recent **Report on Good Practices on individual transfers of occupational pension rights**<sup>8</sup>, communication/information disclosure was earmarked as one of the three key areas which, if addressed, could make a significant difference to facilitating transferability of pension rights.

In EIOPA's view, it is essential to ensure that scheme members can reach an informed decision whether to transfer or not. In this regard, both the content of the information provided to scheme members as well as its timing are key.

Layering of information and the use of appropriate tools (e.g. online platforms) to provide (additional) relevant information may also prove helpful. Furthermore, it was considered a Good Practice to inform scheme members of the possibility or the need to seek advice on transfers<sup>9</sup>.

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<sup>5</sup> [https://eiopa.europa.eu/Publications/Reports/8\\_1\\_EIOPA-BoS\\_-14-071\\_Report\\_on\\_Issues\\_leading\\_to\\_detriment\\_of\\_pension\\_scheme\\_members.pdf](https://eiopa.europa.eu/Publications/Reports/8_1_EIOPA-BoS_-14-071_Report_on_Issues_leading_to_detriment_of_pension_scheme_members.pdf).

<sup>6</sup> The results of the 2014 Aegon Retirement Readiness Survey are available at <http://www.aegon.com/en/Home/Research/Aegon-Retirement-Readiness-Survey-2014/>.

<sup>7</sup> EIOPA (2014): Report on issues leading to detriment of occupational pensions scheme members and beneficiaries and potential scope of action for EIOPA; [https://eiopa.europa.eu/Publications/Reports/8\\_1\\_EIOPA-BoS\\_-14-071\\_Report\\_on\\_Issues\\_leading\\_to\\_detriment\\_of\\_pension\\_scheme\\_members.pdf](https://eiopa.europa.eu/Publications/Reports/8_1_EIOPA-BoS_-14-071_Report_on_Issues_leading_to_detriment_of_pension_scheme_members.pdf).

<sup>8</sup> [https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104\\_Final\\_Report\\_on\\_Pensions\\_Transferability.pdf](https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104_Final_Report_on_Pensions_Transferability.pdf).

<sup>9</sup> EIOPA (2015): Final Report on Good Practices on individual transfers of occupational pension rights; [https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104\\_Final\\_Report\\_on\\_Pensions\\_Transferability.pdf](https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104_Final_Report_on_Pensions_Transferability.pdf).



Furthermore, in EIOPA's **Report on Good Practices on information provision for DC schemes**<sup>10</sup>, it is underlined that the average European DC scheme member behaves differently than the 'Homo Economicus', i.e. people have limited time and motivation to read and understand pension information. Instead, they often use heuristics (i.e. rules of thumb) to quickly process information<sup>11</sup>. Whereas it has been assumed that information leads to better understanding, to the willingness to act and to subsequent appropriate actions, studies in behavioural economics have shown that this is most often not the case. Members have often scarce processing resources and cannot consciously read and analyse all the information that they encounter.

In addition, in the recent **EIOPA Report on investment options for occupational DC scheme members**<sup>12</sup>, insights from behavioural research suggest that when provided with a high level of choice and faced with complexity or uncertainty, average members tend to make suboptimal decisions.

In addition, whilst information provision is not a panacea to address individuals' bounded rationality<sup>13</sup> in the context of investment decision-making, it is highly important for on-going member engagement (after the initial choice – whether passive or active). Disengaged members give rise to potential choices of unsuitable investment strategies and/or investment options over time.

Finally, according to the said Report<sup>14</sup>, there is some evidence that interactive automated tools can have a positive impact on actual decision-making also relevant to occupational pension schemes. The development of interactive automated decision tools could support scheme members in their decisions and increase feedback mechanisms in DC schemes.

## **Communication campaigns**

In general, communication campaigns could be seen as interplays of four main components:

1. *The information transmitted ["content"] – this depends on the occasion and purpose;*
2. *The way in which the information is presented ["presentation"] (e.g. use of charts; visualisation; layering);*
3. *The way how the information is transmitted ["channel"] (e.g. online; paper; face-to-face); and*
4. *The format in which the information is transmitted ["tool"] (e.g. a letter; meeting). N.B. A channel and tool are often considered in conjunction (e.g. a newsletter = a letter sent online; a webinar = an online meeting.).*

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<sup>10</sup> [https://eiopa.europa.eu/Publications/Reports/Report\\_Good\\_Practices\\_Info\\_for\\_DC\\_schemes.pdf](https://eiopa.europa.eu/Publications/Reports/Report_Good_Practices_Info_for_DC_schemes.pdf).

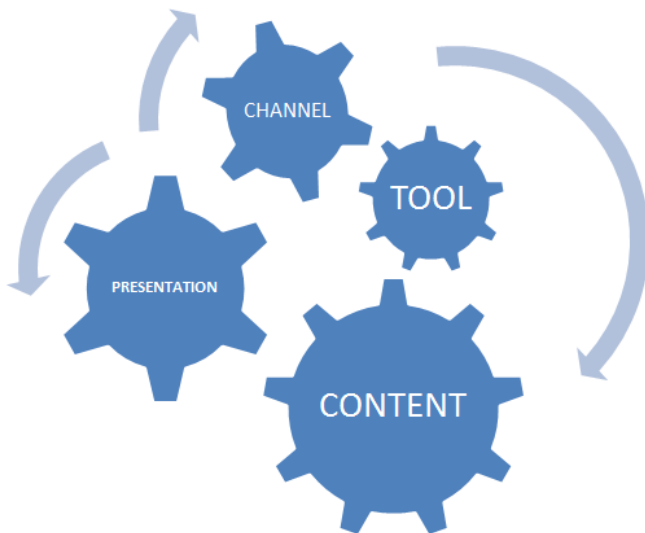
<sup>11</sup> EIOPA (2013): Good Practices on information provision for DC schemes, p.3; [https://eiopa.europa.eu/Publications/Reports/Report\\_Good\\_Practices\\_Info\\_for\\_DC\\_schemes.pdf](https://eiopa.europa.eu/Publications/Reports/Report_Good_Practices_Info_for_DC_schemes.pdf).

<sup>12</sup> [https://eiopa.europa.eu/Publications/Reports/2015-01-29\\_Final\\_report\\_on\\_investment\\_options.pdf](https://eiopa.europa.eu/Publications/Reports/2015-01-29_Final_report_on_investment_options.pdf).

<sup>13</sup> The concept of "bounded rationality" describes situations where perfectly rational decisions may not be feasible due, for example, to limited available information, poor understanding of the decision problem or lack of time to make a decision.

<sup>14</sup> EIOPA (2015): Report on Investment options for occupational DC scheme members, p.52.

Furthermore, literature<sup>15</sup> distinguishes also between so-called “push” and “pull” communication channels. In the case of the first, information is being sent towards scheme members at the initiative of the IORP or the insurance undertaking operating the occupational pension scheme. There is typically little interaction or follow-up expected (e.g.: annual benefit statements sent by mail/email). In the case of “pull” communication channels, the initiative comes from scheme members, who request certain information (e.g. pension calculators).



Source: EIOPA

Depending on the intention of the communication campaign – merely to “inform” or to trigger certain action from the addressee – the choice or calibration of the above parameters may differ. In its previous work on DC pensions-related topics<sup>16</sup>, EIOPA encouraged stakeholders envisaging a communication campaign to firstly and foremost think about the objective they would like to achieve. In its previous work, EIOPA provided substantial input on the content of information to be disclosed<sup>17</sup> as well as how it should be presented best and recommended, in particular, the use of layering and visualisation<sup>18</sup>.

As outlined below, this piece of work is focusing on the channel and associated tools used to communicate the information. In this way, it will both build upon previous findings, as well as complement them with new insights.

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<sup>15</sup> Sinickas, A.D. (2002): The Role of Intranets and Other e-Channels in Employee Communication Preferences; <http://sinicom.com/Sub/pubs/articles/article46.pdf>.

<sup>16</sup> EIOPA (2013): Good Practices on information provision for DC schemes; [https://eiopa.europa.eu/Publications/Reports/Report\\_Good\\_Practices\\_Info\\_for\\_DC\\_schemes.pdf](https://eiopa.europa.eu/Publications/Reports/Report_Good_Practices_Info_for_DC_schemes.pdf).

<sup>17</sup> EIOPA (2012): EIOPA’s Advice to the European Commission on the review of the IORP Directive 2003/41/EC; [https://eiopa.europa.eu/Publications/Consultations/EIOPA-BOS-12-015\\_EIOPA\\_s\\_Advice\\_to\\_the\\_European\\_Commission\\_on\\_the\\_review\\_of\\_the\\_IORP\\_Directive.pdf](https://eiopa.europa.eu/Publications/Consultations/EIOPA-BOS-12-015_EIOPA_s_Advice_to_the_European_Commission_on_the_review_of_the_IORP_Directive.pdf).

<sup>18</sup> EIOPA (2013): Good Practices on information provision for DC schemes; [https://eiopa.europa.eu/Publications/Reports/Report\\_Good\\_Practices\\_Info\\_for\\_DC\\_schemes.pdf](https://eiopa.europa.eu/Publications/Reports/Report_Good_Practices_Info_for_DC_schemes.pdf).

## Scope of this Report

The focus of this Report is on occupational pension schemes operated by IORPs<sup>19</sup> and insurance undertakings (for insurance-based occupational pensions). Furthermore, where relevant, the Report covers also communication by employers and any other parties.

When preparing this Report, EIOPA benefitted from insights and experience of its Member authorities<sup>20</sup> and from additional input from the Occupational Pensions Stakeholder Group. The information presented in this Report is based on responses received by 10 September 2015.

The purpose of the Report is twofold:

**1. Identify communication tools and channels** that are used in practice to transmit scheme-specific, personalised/tailored information to individual new/active/deferred scheme members and beneficiaries or specific target groups on specific occasions (e.g. members due to retire next year).

Therefore, focus is put on personalised communication, i.e. information which is prepared for a specific member/target group and is sent only to him/her, taking into account his/her personal situation.

## 2. Suggest Good Practices

When assessing potential Good Practices, the following criteria have been considered of particular relevance:

- *Scheme member engagement*: Is a practice of using a certain communication tool/channel effective at engaging scheme members? Is it interactive?
- *Cost efficiency*: Is the practice cost-effective? What is the cost-benefit ratio?
- *Accessibility*: Is the information communicated via a particular tool/channel accessible to a wide variety of scheme members (ideally all)?

The Good Practices portray existing rules and market practices in one or more Member States that have particular merits in improving the communication tools and channels to occupational pension scheme members.

With reference to the principle of proportionality, **the Good Practices in this Report are intended to be neither exhaustive nor universal**. Individual Good Practices may not be applicable in certain Member States, for example due to the nature of the individual legal framework or the costs and benefits, or may not be applicable to certain schemes (e.g. very small and voluntary schemes).

**The Good Practice observations in this Report should be regarded as principles-based**, with Member States and market participants encouraged to apply them to the extent that they benefit their individual circumstances and that they fit

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<sup>19</sup> In RO, although Law no. 204/2006 transposes Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003, there are no IORPs currently established. However, individual pension funds operate under the IORP Directive as informal reference by national legislation. For the purpose of this Report, these personal pension funds are regarded as providers that would fall under the IORP Directive, i.e. references as IORPs.

<sup>20</sup> In total, 27 Member States took part in the overall survey (AT, BE, BG, CZ, DE, DK, EE, ES, FI, FR, HR, HU, IE, IS, IT, LI, LU, LT, MT, NL, PL, PT, RO, SE, SI, SK, UK). As part of the survey, 12 Member States provided information about market practices of IORPs (BG, ES, FI, HR, HU, IE, IT, LI, PT, RO, SK, UK), one Member State about insurance undertakings (DK) and 8 Member States about both (AT, BE, DE, LU, NL, PL, SE, SI).

with the pension system. In this sense, EIOPA expects that the Good Practices put forward in this report will be considered for adoption by the relevant market players and may serve as reference for further work by National Competent Authorities whilst stressing that **the Good Practices are voluntary and neither legally binding on any party nor subject to the “comply or explain” principle.**

## Definitions

For the purposes of this Report, the following terms have been defined as follows:

- **Channel:** The way in which information is transmitted (e.g. online, paper, face-to-face).
- **Tool:** The format in which the information is transmitted (e.g. a letter; meeting etc.).
- **National measures:** National measures should be interpreted broadly and may include, for example: national law and national non-legally binding measures (e.g. national guidelines, rules, principles and internal procedures of Competent Authorities).
- **Active members:** An active member of an occupational pension scheme is accruing benefits/assets and/or paying contributions under that scheme in respect of current service.
- **Deferred members:** A deferred member of an occupational pension scheme has preserved benefits or accrued assets (to be payable at a later date upon retirement), but no longer contributes to or accrues benefits/assets in the scheme.
- **Hard-to-reach members:** “Hard-to-reach members” should not be treated as a homogeneous group. In the context of communication channels, “hard-to-reach” groups would often include members who are difficult to contact “operationally” because of: a) record-keeping issues (e.g. out-of-date mail address on the scheme member’s record is often an issue with deferred members); b) accessibility issues (e.g. disability, nature of the member’s job means he/she does not have access to core communication channels, for instance, catering staff may work shifts and may not have access to emails); c) transient employment (e.g. seasonal workers, students) which can also be linked with the previous issue of scheme record-keeping.
- **Beneficiaries:** A person receiving retirement benefits from the pension scheme. Dependents are not included in scope for the purpose of this work.
- **Enrolment/welcome pack:** A personal information pack provided by occupational pension schemes/IORPs/employers to employees which are newly enrolled into an occupational pension scheme which explains to new members how the occupational pension scheme works, and whom to contact. The enrolment/welcome pack may also include personal member information (e.g. certificate of membership with personal member ID).
- **Retirement planning information/aids:** Communication whose aim is to inform/educate scheme members about retirement and pensions (e.g.: pension entitlement calculator).

- **(Ad hoc) Personalized information:** Member-specific information relating to a specific issue or situation/occasion such as termination of employment.
- **Pension calculator:** An interactive tool that allows members to estimate pension entitlement(s) normally considering the member's specific circumstances and characteristics. Some pension calculators may, depending on the pension scheme, allow for members to change parameters (e.g. retirement age, inflation, contribution level, investment income) to estimate their impact on pension entitlement(s).
- **Online space/platform:** Online space/platform should be interpreted broadly and may include, for example: websites, web portals and online storage.
- **Pension tracking tool/service:** A tool/service that allows scheme members to keep track of their pension entitlements acquired in different jobs (occupational pension schemes) and, in some cases, also of first pillar (state pension) and third pillar (personal pensions) entitlements.

## **2. Legal and supervisory framework**

### **2.1. European legislation**

Articles 9(1)(f) and 11 of the IORP Directive contain provisions on the information to be given to members and beneficiaries of IORPs. Article 9(1)(f) provides that Member States shall ensure members are sufficiently informed of the conditions of the scheme, while Article 11 specifies the information that members and beneficiaries should be given either automatically or on request. Depending on the nature of the pension scheme established, each Member State shall ensure as a minimum that every institution located in its territory provides at least the following information to:

#### **I. Members and beneficiaries and/or, where applicable, their representatives**

##### ***a. mandatory***

- Within a reasonable time, any relevant information regarding changes to the pension scheme rules.

##### ***b. on request***

- The annual accounts and the annual reports referred to in Article 10, and, where an institution is responsible for more than one scheme, those relating to their particular pension scheme.
- The statement of investment policy principles, referred to in Article 12.

#### **II. Members**

##### ***a. mandatory (every year)***

- Brief particulars of the situation of the institution as well as the current level of financing of their accrued individual entitlements.

##### ***b. on request***

- Detailed and substantial information on:
  - The target level of the retirement benefits, if applicable;
  - The level of benefits in case of cessation of employment;
  - Where members bears the investment risk, the range of investment options, if applicable, and the actual investment portfolio as well as information on risk exposure and costs related to the investments;
  - The arrangements relating to the transfer of pension rights to another institution for occupational retirement provision in the event of termination of the employment relationship.

### III. Beneficiaries

- On retirement or when other benefits become due, the appropriate information on the benefits which are due and the corresponding payment options.

#### 2.2. National requirements

The fact-finding among the National Competent Authorities (NCA) enquired about communication/information disclosure requirements at national level and whether these may be mandatory, on request or voluntary.

In total, answers were received from 27 jurisdictions<sup>21</sup> describing different communication occasions.

Overall, the following occasions were distinguished:

1. *Enrolment/welcome pack*
2. *Regular information*
3. *Ad hoc information*

With regard to communicating at the point of **enrolment**, in most jurisdictions, the communication comprises the send out of a key information document and/or welcome pack and is mandatory in the majority of Member States on IORPs and insurance undertakings<sup>22</sup>. In four Member States<sup>23</sup>, it is however the employer who is obliged to communicate to scheme members on this occasion.

The communication of **regular information** comprises typically the following elements:

- 1) Annual statement of the scheme – in the majority of Members States, it is disclosed on a mandatory basis, in **IS** on request.
- 2) Information about the scheme (regular and regarding changes to the pension scheme rules) – in a number of jurisdictions, there are legal limits set by when scheme members are to be informed about any changes affecting them<sup>24</sup>.
- 3) Information about the investment strategy; structure of portfolio, etc. – there is no prevalent practice; it could be disclosed on mandatory basis or on request/voluntary basis.

Finally with regard to **ad hoc information**, the elements described could be grouped into the following categories:

1. Termination of employment/transfer – in most Members States mandatory by IORP or insurance undertaking;
2. Options (if any) at retirement – in most countries mandatory, with the exception of **LI** where it is on request;

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<sup>21</sup> AT, BE, BG, CZ, DE, EE, ES, FI, FR, HR, HU, IE, IS, IT, LI, LT, LU, MT, NL, NO, PL, PT, RO, SK, SE, SI and UK.

<sup>22</sup> An exception is AT where such disclosure is voluntary for the IORP and in ES on request from the IORP.

<sup>23</sup> AT, HU, PL and UK (in respect of automatic enrolment).

<sup>24</sup> EE: within 30 days; PT within 45 days; BG, FR, IT and SI, at least annually.

3. Access to information about one's account (e.g. historical annual statements, access to dossier) – where this exists, access is typically on request; however, in **LU** it is to be provided by the IORP/insurance undertaking on a mandatory basis.

### **2.3. National (supervisory) approaches: Rules-based or Principles-based**

Most NCAs have indicated that their **national law specifically prescribes measures with respect to member information provision**<sup>25</sup>.

Moreover, pension information disclosure requirements are **in most cases rules-based**, with clear and detailed prescriptive requirements regarding the frequency, content, calculation method, format and channels used, rather than being principles-based.

**The majority of Member States**<sup>26</sup> that have indicated that their national law has specific measures with regard to member information provision, **have acknowledged the existence of a rules-based system.**

These legislative provisions may refer either to general scheme provisions (pension fund characteristics or important changes to the pension scheme or investment approach) or more personal information for scheme members (regarding own status or choices that they may take in an informed way with regard to *their* pension in different stages of life).

**Some Member States, however, have a more principles-based approach to information provision** and others have indicated that they are in a transition from a rules-based to a principles-based system.

#### Specific country examples

- In **NL**, although some elements of information content and frequency are legally prescribed, the legislation is less detailed and prescriptive than before.
- A similar situation can also be found in **HR**, where most NCA efforts are directed towards the completeness and trustworthiness of the information contained in the **Prospectus**.
- In **FI**, legislation prescribes only elements with regard to information content, while in **CZ**, **IS** and **NO** there are more general descriptions of what information and when it should be provided to members, in the third Member State specifically based on **Article 11 of the IORP Directive**.
- In the **UK**, although a principles-based approach is the norm for most aspects of regulation, there are rules-based regulatory requirements that specify what information must be sent to which scheme members at what time and with what frequency.

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<sup>25</sup> 26 out of the 27 respondent countries (with the exception of EE): AT, BE, BG, CZ, DE, ES, FI, FR, HR, HU, IS, IE, IT, LI, LT, LU, MT, NL, NO, PL, PT, RO, SE, SI, SK and UK.

<sup>26</sup> 19 out of 26 Member States: AT, BE, BG, DE, ES, FR, HU, IE, IT, LI, LT, MT, LU, PL, PT, RO, SE, SI and SK.



**In the majority of Member States<sup>27</sup>, there are specific channels and tools prescribed in the applicable legislation for information provision to members.** Although this situation is more common in rules-based systems, there are principle based approaches that make such specifications too<sup>28</sup>.

Most Member States refer to the annual information statement, enrolment information or retirement information to be sent to members, and although many countries specify as mandatory the **physical form** (9 out of 16) or the form agreed directly with the scheme member, some allow, encourage or prescribe the electronic means (email or website), such as in **BE, BG, EE, IT**, and the **UK**.

Moreover, in **NO**, employers and/or employees have to give specific consent for communication via electronic channels, and, in **ES**, only at specific member request can electronic means be used.

**In about half of the Member States<sup>29</sup>, NCAs have a direct role concerning member information provision**, and usually this regards format and content established through regulations and secondary legislation, and also providing guidelines.

#### Specific country examples

- In **NL**, legislation has been adapted to accommodate online tools of communication, one successful example being the pension tracking service with a total overview of pension income from different sources for members. A legislative effort to accommodate online tools is planned in **ES** as well.
- In **SE**, the internet tends to be promoted in member communication while in **IE**, the NCA has become directly involved in providing disclosure guidelines as models to be used in practice, not as mandatory but as an inspirational basis. **IS** is considering such a move.
- In **BG, NO** and **SK**, the authorities encourage or mandate IORPs to form a digital file for each member, allowing them to have a secure access to it afterwards.
- In **EE** and **IT**, the industry is promoting electronic and social means of communication, while in **RO** some pension fund administration companies voluntarily provide online facilities for members.
- NCAs have drawn limited conclusions from practice in some Member States. For example, in **NL**, one conclusion was that most insurance undertakings provide good information to members via online portals (i.e. financial planners for members). However, many members do not manage to use these portals.
- In **NO**, it has been observed that often a combination of channels is used in member communication, including personalised website accounts.
- In **RO**, analysis has shown that mandatory postal means of communication with members are quite costly for pension fund administration companies. However, other digital forms of communication have gained ground.

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<sup>27</sup> 15 Member States: AT, BE, BG, EE, ES, HR, LT, NO, PL, RO, SE, SI, SK and UK.

<sup>28</sup> HR, NO and UK.

<sup>29</sup> 17 out of 27 Member States: AT, BE, BG, FR, HR, HU, IE, IS, IT, LI, LU, MT, PT, RO, SI, SK, and UK.

- In **IS**, the fact that the annual statement can be accessed online has proven quite successful. Even so, not all electronic means of communication turn out to be a success.
- In **PT**, the national authority has concluded that the mere availability of information on a provider's website is not sufficient and tailored information should be personally delivered or addressed to members and beneficiaries in order to make them fully understand their retirement situation.
- In the **UK**, the FCA (Financial Conduct Authority) is looking at how to effectively engage consumers with the choices they need to make and has recently published a discussion paper (Smarter consumer communications<sup>30</sup>) to encourage firms, consumer groups, and stakeholders to work together to deliver information to consumers in smarter and more effective ways.

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[http://www.fca.org.uk/static/channel-page/dp-smarter-comms/dp-smarter-comms.html?utm\\_source=smarter-comms&utm\\_medium=smarter-comms&utm\\_campaign=smarter-comms#home](http://www.fca.org.uk/static/channel-page/dp-smarter-comms/dp-smarter-comms.html?utm_source=smarter-comms&utm_medium=smarter-comms&utm_campaign=smarter-comms#home)

### 3. Factual findings

This section provides an overview of communication tools and channels most predominantly used in practice by IORPs, insurance undertakings, employers and other entities (where relevant) on different situations. More concretely, the following occasions during the scheme member's membership have been considered:

- Communication to new members: welcome/enrolment pack
- Communication to active members:
  - *During accumulation phase*
    - *Regular individual pension information*
    - *Retirement planning information/aids*
    - *Ad hoc personalised communication on changes directly affecting active members*
    - *Pension transfer options and request form (occasion: job change)*
  - *Pre-retirement or at retirement: Pre-retirement or at retirement information/assistance (e.g. retiring early/late, payment options available)*
- Communication to deferred members:
  - *During accumulation phase*
    - *Regular individual pension information*
    - *Ad hoc personalised communication on changes directly affecting deferred members*
  - *Pre-retirement or at retirement: Pre-retirement or at retirement information/assistance (e.g. retiring early/late, payment options available)*
- Communication to beneficiaries: *ad hoc* personalised communication on changes directly affecting beneficiaries

The factual findings are based on the survey among EIOPA's members<sup>31</sup>.

#### 3.1. Communication to new members

New members of a pension scheme often receive information (welcome/enrolment pack) about the most important characteristics of the pension scheme.

The **most common communication tools/channels for IORPs, insurance undertakings and employers to communicate the welcome/enrolment pack to new scheme members is physical mail (paper)**: this is the case in fifteen Member States<sup>32</sup>.

Email (a pdf/html file) is the second most common communication channel in most Member States<sup>33</sup>. The third most common communication channel for the

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<sup>31</sup> 12 Member States provided information about market practices of IORPs (BG, ES, FI, HR, HU, IE, IT, LI, PT, RO, SK, UK), one Member State about insurance undertakings (DK) and 8 Member States about both (AT, BE, DE, LU, NL, PL, SE, SI). As most NCAs do not (regularly) collect information about communication tools and channels, it is based on their experience and knowledge of their markets.

<sup>32</sup> AT, DE, ES, FI, IE, IT, LU, MT, NL, PL, PT, SE, SI, SK and UK.

<sup>33</sup> DE, IE, IT, HR, MT, NL, PT, SK and UK.

welcome/enrolment pack is a website<sup>34</sup>. For these websites, a log-in is generally required to access personalised information (e.g. workplace intranet).

In six Member States<sup>35</sup>, there are occasions where the **employer** communicates the enrolment/welcome pack to scheme members.

In five Member States<sup>36</sup>, along with IORPs, insurance undertakings and employers, **other entities** communicate the welcome/enrolment pack. In these Member States, the most common type of "other entity" is intermediaries while in SE, selection centres (*valcentraler*) play an important role in communicating the welcome/enrolment pack.

## **3.2. Communication to active members**

Active members typically form the bulk of membership of pension schemes. A number of typical occasions that scheme members may encounter during their life have been examined in greater detail.

### **3.2.1. During accumulation phase**

The accumulation phase is the period of employment when the scheme member gathers and/or maintains pension rights entitlements.

#### **3.2.1.1. Regular individual pension information**

Scheme members may be informed about their accumulated pension rights entitlements at regular intervals (e.g. annually) or this information may be put at their disposal to be accessed any time (e.g. via personal online accounts or pension tracking websites).

In practice, the **majority of Member States have indicated that paper is the main form of regular individual communication with members both by IORPs as well as insurance undertakings**<sup>37</sup>. The forms of communication that have been most commonly chosen as second are email and personal online accounts (i.e. websites requiring a log in).

As far as regular individual pension information is concerned, five Member States<sup>38</sup> have reported the employer as being an important entity in communicating with members.

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<sup>34</sup> IE, IT, MT, NL, RO and UK.

<sup>35</sup> BE, MT, PL, SE, SI and SK.

<sup>36</sup> HR, IS, RO, SE and SK.

<sup>37</sup> For the purpose of this Report, Pension Fund Administrators from the Romanian pension system are assimilated with IORPs, although they are not. Please refer to footnote 19.

<sup>38</sup> DE, HR, PL, SE and UK.

### Specific country examples

- In **PL**, the employer develops internal procedures to inform members on specific topics prescribed by legislation. However, he has limitations to his responsibilities, as all changes in regulations are notified to the employer by the IORP/insurance undertaking. The employer is not responsible for updating the information until becoming aware of any regulatory change.
- In the **UK**, benefit statements may sometimes be passed to members via their employer, but the duty to provide this information on time and in the correct manner remains with the pension scheme. Employers will usually bear the cost of such communications within DB schemes.
- Also in the **UK**, other parties (e.g. providers, third-party administrators, employee benefit consultants or other advisers) may issue communications to members on behalf of the scheme/employer. Even so, the relevant legal duty to communicate remains with the scheme (or employer in the case of some automatic enrolment communications).
- In **BE**, since 2016, active and deferred members receive on an annual basis their individual pension information from the administrator of the public database on occupational pensions (Database Second Pillar, abbreviated DB2P)<sup>39</sup>.

#### **3.2.1.2. Retirement planning information/aids**

The purpose of such tools is to help scheme members assessing and predicting future retirement income. This information or tools are most commonly provided by the IORPs and/or insurance undertakings.

The most common communication channel for retirement planning information for IORPs and insurance undertakings is paper<sup>40</sup>. The second most common channel for IORPs is email<sup>41</sup>, while the third most common channel is through a website, this is the case for **BG, IE, IT** and **SI**. In the case of insurance undertakings, the second most common channel is through the website (log-in) (**AT, NL** and **SE**) followed by email; this is the case for **AT** and **SE**.

Only in two Member States<sup>42</sup> the **employer** also plays a role in providing scheme members with such information and in four Member States<sup>43</sup>, **other entities** take on this role.

#### **3.2.1.3. Ad hoc personalised communication**

*Ad hoc* developments such as, for example, changes in the legislation may have repercussions on scheme members' situation. Scheme members typically receive this information from IORP and/or insurance undertakings. To inform scheme members about any such changes directly affecting them, IORPs and insurance undertakings

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<sup>39</sup> Refer to Annex II Recent developments for additional detail on the DB2P.

<sup>40</sup> AT, BG, DE, ES, FI, HU, IE, IT, LU, NL, PT, SE, SI, SK and UK.

<sup>41</sup> BG, DE, ES, HR, HU, IE, IT, MT, PT, SI and SK.

<sup>42</sup> HR and SE.

<sup>43</sup> BE, IS, SE and SK.

most frequently rely on paper-based communication<sup>44</sup> followed by email and personal online accounts.

There are a few exceptions to this general trend: in **DK**, information about changes directly affecting active members is communicated on a public website, an automated decision tool and in face-to-face meetings with an adviser. In **BG**, the relevant information could be communicated in a newsletter.

It is rather rare that *ad hoc* information on changes directly affecting active members may be also communicated by the employer (**BE**<sup>45</sup>, **PL**<sup>46</sup> and **SI**<sup>47</sup>) or by other entities (**SI** and **SK**). In these cases, the typical means of communication is via email, face-to-face meetings or physical mail.

#### **3.2.1.4. Pension transfer options and request form (occasion: job change)**

When changing jobs, one of the decisions to take regards also one's pension, and in particular whether to transfer any existing pension rights into the scheme of the new employer (where this is possible<sup>48</sup>) or whether to maintain them in the scheme of the previous employer and become a so-called deferred member.

In July 2015, EIOPA advised that in order to reach an informed decision, scheme members need to be appropriately informed about the options (if any) and their consequences.

In practice, the pension transfer options and request forms (on the occasion of a job change) are communicated mainly by physical mail (paper) followed by the email. Nevertheless more countries seem to use websites as a possible tool/channel to transport the information to the relevant recipient. The used website requires almost exclusively a log-in to access personalised information (e.g. workplace intranet).

The data collected also shows that the information is, in most Member States, provided by the responsible IORP or insurance undertaking. In three countries, the employer is in addition responsible.

##### Specific country examples

- In **IT**, the employer informs scheme members about the possibility to join a sectoral/collective pension scheme in occasion of job change.
- In **MT**, the employer provides the employee with an information pack, which includes the options for transferring the accrued capital into the scheme of a new employer, when the employee terminates his/her employment.

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<sup>44</sup> AT, BE, BG, DE, ES, FI, HU, IE, LI, LU, NL, PT, RO, SE, SI, SK and UK.

<sup>45</sup> In BE, the employer is legally obligated to ask for advice from the employees on proposed changes of the pension scheme, the investment policy, funding method, etc.. This information is not personalised.

<sup>46</sup> In PL, the employer informs its employees, in accordance with its standard (internal) procedure, of the terms and conditions of a scheme (general information which may significantly affect members). Employers also confirm the receipt of disposals made by the scheme member, for example, change in the amount of supplementary contributions, change of allocation of contributions, change in instructions to be followed in the case of the employee's death.

<sup>47</sup> In SI, the employer communicates to scheme members about the implications of a change of the pension scheme and/or change of contract.

<sup>48</sup> For further details please consult EIOPA (2015): Final Report on Good Practices on individual transfers of occupational pension rights; [https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104\\_Final\\_Report\\_on\\_Pensions\\_Transferability.pdf](https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-104_Final_Report_on_Pensions_Transferability.pdf).

- In **HR**, the pension company and the sponsor of a pension scheme provide adequate information to pension scheme members when they move to another Member State regarding their pension rights and the choices available to them under the scheme.
- In **SE**, any job change would be registered as a new enrolment by the selection centres (*valcentraler*).

### 3.2.2. Pre-retirement or at retirement

As the retirement age draws closer, scheme members may be in need of more specific information preparing for retirement, and explaining any options (if any) and their implications (e.g. of retiring early/late, payment options available etc.).

Typically, this information is communicated by the IORP and/or the insurance undertaking and/or the employer. In this case, the most frequent communication channel in the majority of jurisdictions to communicate to active members in preparation of or at retirement is paper<sup>49</sup>.

There are a few exceptions to this general rule: in **HR** this information is communicated in the first instance via a public website. In **DK**, the most prevalent communication channel is a website requiring a log-in.

Furthermore, email and website requiring a log-in follow. In a number of countries, also communication channels involving personal contact seem to play an important role.

More concretely, in five Member States<sup>50</sup>, telephone calls have been indicated as the second or third most frequent communication channel; in **HR** and the **UK**, face-to-face meetings with an advisor are also offered.

In two Member States (**PL**<sup>51</sup> and **SI**<sup>52</sup>), the information in preparation of or at retirement is communicated by the employer, typically by email, paper or in a face-to-face meeting. Finally, in two other Member States (**BE**<sup>53</sup> and **SK**<sup>54</sup>), other entities are also entrusted with this task.

In **SK**, financial advisors may provide pre-retirement information/assistance with planning; including when retiring early/late to active members during the pre-retirement phase. This is predominantly done in face-to-face meetings.

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<sup>49</sup> Classified as the most frequent communication channel in AT, BE, BG, DE, ES, FI, HU, IE, IT, LU, NL, PL and PT.

<sup>50</sup> DK, HR, MT, NL and UK.

<sup>51</sup> In PL, the employer is obliged to provide the scheme member with written information on the terms of disbursement of the assets accumulated in the scheme: 1) in the first quarter of the calendar year in which the participant reaches the age of 60, or 2) within 30 days of the termination of employment as a result of the employee gaining early pension entitlement.

<sup>52</sup> In SI, the employer informs scheme members on the assets accumulated and rights which arise out of these assets. This information can be communicated by email, paper or in a face-to-face meeting.

<sup>53</sup> In BE, if the administrator of the public database on occupational pensions (DB2P) detects that pension rights have not been paid to the scheme member six months after his retirement, the administrator will inform the scheme member by letter (on paper).

<sup>54</sup> In SK, financial advisors may provide pre-retirement information/assistance with planning; including when retiring early/late to active members during the pre-retirement phase. This is predominantly done in face-to-face meetings.

### 3.3. Communication to deferred members

Similarly to active members (see Section 1.2. above), deferred members may also be approached on different occasions with relevant information. Compared to active members however, the communication to deferred members is not always mandatory (e.g. **RO**<sup>55</sup>).

#### 3.3.1. During accumulation phase

##### 3.3.1.1. Regular individual pension information

The most frequent communication channel by both IORPs and insurance undertakings is paper<sup>56</sup>. In addition to paper, the most prevalent communication channel is communication via personal online accounts; this is the most frequent practice in one country<sup>57</sup>.

##### Specific country examples

- In **SE**, addition to communication by IORPs and insurances undertakings themselves, a tracking website also exists (Min Pension). Two main services are provided on the Min Pension website: a tracking service which includes information about all pillars and a retirement planner which enables projections of future pensions from all three pillars. Min Pension is owned by the Swedish Insurance Federation, the national insurance trade association, but half of the financing is provided by the Swedish state via a public- private partnership.
- In **BE**, since 2016, pension institutions (IORPs and insurance undertakings) are no longer obliged to send individual pension information to deferred members. Deferred members receive on an annual basis their individual pension information via the DB2P.

##### 3.3.1.2. *Ad hoc* personalised communication

Deferred members receive *ad hoc* information on changes predominantly from IORPs and insurance undertakings in written in paper. The second most prevalent communication channel is email followed by personal online accounts.

##### Specific country examples

- In **MT**, this information is predominantly sent via email but can also be communicated by telephone.
- In **DK**, this information is posted on a public website and communicated via an automated decision-making tool.

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<sup>55</sup> In RO, the pension system was established in 2007. Only in few exceptional cases, members have reached the legal retirement age. Also, the law regarding the personal pension payment system is currently undergoing the legislative process and there is no established market practice regarding information for retirement yet. Until the above mentioned law comes into force, there are only lump sum payments, and in this process there is a direct contact between the scheme member/beneficiary and the pension fund management company (via paper, telephone etc.).

<sup>56</sup> Classified as the most frequent communication channels by IORPs in AT, BE (till end 2015), BG, DE, ES, FI, HU, IE, LI, LU, NL, PT, RO, SE, SI, SK, and UK; Classified as the most frequent communication channels by insurance undertakings in AT, BE (till end 2015), DE, LU, NL, SE and SI.

<sup>57</sup> DK.



- In **BE**, since 2016, the administrator of the DB2P sends each scheme member who reaches the age of 45 his individual pension information by letter (on paper). As long as the scheme member doesn't agree to consult his/her individual pension information in an electronic way, he/she receives this information on paper every 5 years (at the age of 50, 55, 60 and 65).
- In **SK**, financial advisors may provide (on request) *ad hoc* personalised communications on changes directly affecting deferred members to deferred members during the accumulation phase. The communication channel predominantly used is face-to-face meeting.
- In **SE**, the selection centres (*valcentraler*) may provide general information on broader issues concerning major changes in pension schemes in paper form.

### 3.3.2. Pre-retirement or at retirement

In most Member States, deferred members receive individualised pre-retirement information. Only three communication tools/channels are frequently used.

**A letter (on paper) is among the most common communication tool/channel, used in the majority of Member States<sup>58</sup>.**

**Email is emerging and already used in a growing number of Member States<sup>59</sup>,** however, sometimes with restrictions. In some Member States, email can only be used at the request of the scheme members. Sometimes the explicit approval of the scheme members is necessary to be able to use email. In other Member States, IORPs and insurance undertakings can use email, unless members make objection against it or request the information on paper.

The third most used communication tool/channel is a website where a log-in is required to access personalised information (e.g. workplace intranet). This communication tool/channel is used in five Member States<sup>60</sup>.

Exceptionally, other communication tools/channels are used such as a **public website<sup>61</sup>**, a **telephone call<sup>62</sup>**, an **automated decision tool<sup>63</sup>**, a **mobile app<sup>64</sup>** or **face-face meetings with an advisor<sup>65</sup>**. New communication tools are not (yet) widespread: only in **NL**, mobile apps are used by IORPs. In **DK**, insurance undertakings developed automated decision tools. Furthermore, other more traditional communication tools/channels are not widely used. In only three Member States, IORPs use a telephone call to communicate with the deferred members about their retirement (**BG, MT** and the **UK**). Insurance undertakings use a telephone call only in one Member State (**NL**). In some Member States, deferred members receive pre-

<sup>58</sup> 16 Member States: AT, BE, BG, DE, ES, FI, HR, HU, IE, IS, LU, MT, NL, PT, SE, and SK.

<sup>59</sup> 13 Member States: AT, BG, DE, DK, ES, HR, HU, IE, IS, MT, PT, SE and SK.

<sup>60</sup> AT, BE, IE, NL and SE.

<sup>61</sup> DK, HU, SE, SK and UK.

<sup>62</sup> BG, MT, SE and UK.

<sup>63</sup> DK.

<sup>64</sup> NL and SE.

<sup>65</sup> UK.

retirement information from other entities than their IORP, insurance undertaking or employer.

#### Specific country examples

- In **SE**, members can consult a special all-inclusive website compilation for all pension pillar values, which also provides forecasts of future pension benefits for each citizen. This website (Min Pension, *cf.* 3.3.1.) is owned by the Swedish Insurance Federation, the national insurance trade association. Sometimes, the selection centres (*valcentraler*) provide annual information of paid-up pension benefits within the scheme (in paper form).
- In **BE**, as from October 2016, active and deferred members shall be able to consult their pension rights online on the website of the DB2P. If the administrator of the DB2P detects that pension rights have not been paid to the member six months after his/her retirement, the administrator will inform the member by letter (on paper).
- In **SK**, financial advisors may provide (on request) pre-retirement information and assistance (planning; including when retiring early/late) to deferred members during the pre-retirement phase. The communication channel predominantly used is face-to-face meeting.
- In the **UK**, members with DC benefits nearing retirement age can find guidance on their retirement options on the website "Pension Wise". This is a free and impartial government service. Pension Wise does not recommend products or tell members what to do with their money, but provides guidance on the options available. Scheme members can use the Pension Wise website, or book an appointment for free guidance either over the telephone or in person. Independent financial advisers may also provide members with advice on their retirement planning options and provide them with information/communication as part of this service, although these communications would be separate to any information provided by the scheme and subject to different legislation.

### **3.4. Communication to beneficiaries**

Beneficiaries form the last type of audience. As they are already receiving benefits from the scheme, the personalized communication to them may focus on *ad hoc* changes (e.g. due to legislation) which may directly affect their situation.

**The data collected shows that the most predominant communication tool/channel in respect to *ad hoc* personalised communications on changes directly affecting beneficiaries is still the letter (on paper) followed by email.** Nevertheless more countries seem to be developing websites, at least as an additional tool/channel to transport information to the relevant recipient.

As expected, the available information in respect to the occasions when the employer communicates the *ad hoc* personalized communications on changes directly affecting beneficiaries to the beneficiaries during the pay-out phase, is limited. The reason is that this is outside of most NCA's jurisdiction. Furthermore, during the pay-out phase and in respect to the beneficiary, the employer plays less of a role for the communication aspects.

There was not much reported in respect to any other (next to IORPs, insurance undertakings or employers) entities (e.g. consultants etc.) who would provide *ad hoc*

personalized communications on changes directly affecting beneficiaries to the beneficiaries during the pay-out phase.

Specific country examples

- In **SK**, financial advisors may provide (on request) *ad hoc* personalized communications on changes directly affecting beneficiaries to the beneficiaries during the pay-out phase. The communication channel predominantly used is face-to-face meeting.
- In **IE**, if there are to be changes in benefits, beneficiaries will receive notification of the reduction in benefits within a period of 2 months of the reduction. The letter could be written or in electronic format where certain conditions are met, for example, the scheme member consents.

## 4. Good Practices

The aim of this section is to put forward so-called Good Practices, i.e. practices that in EIOPA's view have distinctive merits in particular situations and/or when aiming to reach specific type(s) of scheme member(s).

The Good Practices are intended to be neither exhaustive nor universal.

Individual Good Practices may not be applicable in certain Member States, for example, due to the nature of the individual legal framework or may not be applicable to certain schemes (e.g. very small schemes, voluntary schemes or multi-employer schemes). Market participants, in assessing the extent to which they may apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices. The source of inspiration for the Good Practices below has been the fact-finding exercise as well as own research into market practices. They aim to illustrate practices that in EIOPA's view have distinctive merits in particular situations and/or when aiming to reach specific type(s) of scheme member(s). In this context, EIOPA does not wish to promote one specific communication tool or channel at the expense of other possibilities.

When assessing potential Good Practices, the following criteria have been considered:

- *Scheme member engagement*: Is a practice of using a certain communication tool/channel effective at engaging scheme members? Is it interactive?
- *Cost efficiency*: Is the practice cost-effective? What is the cost-benefit ratio?
- *Accessibility*: Is the information communicated via a particular tool/channel accessible to a wide variety of scheme members (ideally all)?

### **Good Practice 1: Coherent communication strategy**

**Without prejudice to national legal requirements, EIOPA considers it a Good Practice if the IORPs, insurance undertakings, employers and/or other relevant entities implement a coherent communication strategy, of which communication tools and channels are elements.**

Effective communication requires a coherent plan of action that should consider the objectives, constraints and imperatives for communicating to occupational pension scheme members. The selection of the most appropriate communication tool(s) and channel(s) to reach scheme members on a given occasion should be made in light of the overall communication strategy<sup>66</sup>.

When it comes to communicating appropriately, it is certainly true that "one size does not fit all". For example, as noted in Section 3 above, sending of information by physical mail (paper) is currently the most prevalent means of communicating with scheme members. On the one hand, it is a rather established and traditional way of

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<sup>66</sup> It is understood that in some Member States, the use of particular communication tools and channels is prescribed by national legislation (please see Section 2. for further details). EIOPA Good Practices do not supersede such national laws but could still serve as a source of inspiration.

communicating, and may be appreciated in particular by elderly members or those not internet-savvy or who do not trust the internet due to security or fraud concerns.

On the other hand, it is not the most interactive way of communicating. Should scheme members move without informing the scheme and leaving a new address, it may give rise to other types of concerns<sup>67</sup>. The latter may however be also the case when communicating via email if the email address changes, and could be seen as another reason for deploying a multi-channel communication strategy (see also Good Practice 7 for further details). In this regard, a coherent communication strategy should consider the most adequate tool(s) and channel(s) to tackle specific scheme member groups such as hard-to reach members, non-reacting members and, in addition, any group considered vulnerable due to its characteristics (e.g. access or familiarity with a specific tool/channel). Furthermore, the feedback expressed by some EIOPA Members suggests that there is a gradual shift towards a greater reliance on other communication tools/channels, in particular email and internet. Against this background, the parties communicating to scheme members are encouraged to keep considering what would be the most appropriate communication tools and channels on each occasion.

When developing a coherent communication strategy, it is important to take into account availability of information from other sources, such as, for example, tracking services and, where appropriate, ensure seamless integration hereof.

### **Good Practice 2: Storing of all communication in one online space**

**EIOPA considers it a Good Practice if IORPs and/or insurance undertakings store all communication with scheme members in one online platform, if appropriate. The online platform should be accessible to all scheme members at any point in time. In this regard, personal data of scheme members is to be protected.**

Storing of all communication in one online space would imply an absolute transparency and tracking of actions towards scheme members; it may be particularly beneficial for internet-savvy members. Importantly, deferred members and beneficiaries should equally have access. IORPs and insurance undertakings should take into account their own individual circumstances, for instance in regards the communication systems they already have in place, when considering whether and how they can implement this Good Practice.

Where practicable, information on all occupational schemes of which scheme members are or were members, as well as other retirement entitlements (state and personal pensions) could be made available from a central source or from a single entry point. The same principles apply to information on an individual's entitlements in different Member States. The provision of such information depends on the existence of national tracking services and of a EU-wide tracking service such as the Track and Trace Your Pension in Europe (TTYPE) project<sup>68</sup>.

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<sup>67</sup> Referring in particular to "hard-to-reach" members.

<sup>68</sup> The TTYPE consortium composing market actors from NL, DK and FI has been established to investigate the feasibility, and further details of setting up a European tracking service. Further information about the TTYPE project is available at <http://pensionstogether.eu/>.

### **Good Practice 3: Employer online platform to combine information about related Human Resource matters and pensions**

**EIOPA considers it a Good Practice if the employer combines information about related Human Resources matters (e.g. information about benefits and entitlements) and pensions in one online platform accessible to all scheme members at any point in time. In this regard, personal data of scheme members is to be protected.**

In this way, when consulting the HR-related information, scheme members may be motivated to consult relevant pension information and communication. This practice would however involve coordination between the relevant IT systems of the employer and of the scheme. There are, however, first examples documenting this practice<sup>69</sup>. In the case of multi-employer schemes such coordination also between the different employers is particularly important. In these cases, embedding a link to the scheme's online platform/website (if available) in each of the employers' online platform could be suitable and provides for a fast and easy connection.

In light of the exchange of and access to information, which may be of a personal and confidential character, due care must be exercised in ensuring that scheme members consent to the collection and use of their personal information, and in protecting personal data and upholding online security.

### **Good Practice 4: Pension calculators**

**EIOPA considers it a Good Practice to offer scheme members the use of pension calculators in addition to regular communication. In this regard, personal data of scheme members is to be protected.**

The aim of "pension calculators" or similar tools is to help scheme members with assessing and predicting their future retirement income. It is a highly interactive tool often developed and included on websites in addition to other information. It is however accessible to internet users only. Where possible and relevant, these tools could also be made available to a wider audience, in addition to scheme members. Also, if adequate, these tools could integrate other retirement entitlements (state pensions, other occupational schemes and personal pensions). Pension calculators could be a useful tool for new and active members to find out whether they are "on track" to ensure an adequate level of retirement income. In addition, such tools may also be useful for beneficiaries or members close to reaching retirement. In the case of the latter, pension calculators may be useful to analyse the impact of retiring early/late and of different pay-out options (where available). See also Good Practice 6 for further details.

Where relevant, and depending on the characteristics of pension scheme, pension calculators should allow scheme members to obtain a view of different future scenarios and how income at retirement could be affected by changes to key variables (e.g. retirement age, investment return, inflation, wage increases, etc.). Providing different scenarios in addition to a central scenario will be important to manage

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<sup>69</sup> E.g. ASDA supermarket chain in the UK; see Partridge, K. (2015): Why fancy tools are not enough to communicate with savers; Pensions Expert, 7 January 2015, <http://www.pensions-expert.com/Comment-Analysis/Why-fancy-tools-are-not-enough-to-communicate-with-savers?ct=true>.

expectations of scheme members and when estimates are provided, it is important to include appropriate disclosures and warnings.

The development and maintenance of these tools should consider the use of widely accepted, proven and robust methodologies, consistent and meaningful assumptions and updated and accurate information.

### **Good Practice 5: Advanced tracking services**

**EIOPA considers it a Good Practice when tracking services can in addition serve also as communication channels e.g. include alerts/notifications when new information becomes available.**

The purpose of online tracking tools/services is to facilitate scheme members to maintain accurate knowledge about their current entitlements. There are, however, also examples<sup>70</sup> of more advanced tracking services which serve also as communication platforms with scheme members and send alerts/notifications via email or other channels when new information becomes available. Relevant new information may include, for example, changes to the scheme itself, appointment of new providers, changes in market conditions or changes to legislation and tax rules. The alerts/notifications may also, where relevant, set out the actions or options that scheme members may want to consider in response to events or circumstances.

### **Good Practice 6: Evaluation of communication strategy effectiveness**

**EIOPA considers it a Good Practice if the IORPs, insurance undertakings, and, where applicable employers and/or other relevant entities assess the effectiveness of their communications and the degree to which members have understood them.**

The definitive purpose of an effective communication strategy is to ensure that members receive and understand the information and, if required, act upon it. Any party responsible for communication should, on one hand, make utmost efforts to ensure that the information provided has been understood and, on the other hand, gauge the degree to which scheme members have understood the information as a means to assess the strategy and trigger changes to the communication strategy itself, if deemed necessary.

Some individual decisions may require particular level of information; most notably in the case of a job change or when preparing for retirement. On such occasions, it may be desirable to offer scheme members the possibility to have their specific questions answered and to ask follow-up questions.

It is recognised that making sure that information has been understood requires significant efforts on the side of the communicating party. In many cases, it may not be feasible to assess whether every single scheme member has sufficiently understood the information provided to him/her, and a generalised approach may be more relevant and proportionate.

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<sup>70</sup> E.g. the newly enhanced tracking service in NL.

To this end, the use of highly interactive communication channels such as telephone calls or face-to-face meetings may be of help. In addition, several tools may be used to assess the effectiveness of communications, such as feedback forms (online or paper), or surveys. The evaluation processes could also include metrics that allow the effectiveness of the communication to be assessed by making comparisons between what members were doing prior to the communication campaign and after it. This would be particularly relevant when scheme members are not reacting when they have to make a decision following a specific communication.

The assessment of specific communication tools and channels may also consider straightforward metrics such as the number and nature of inquiries, the accuracy of forms received and, for online tools and channels, web analytics (level of activity in a tool, hit rates, time spent on certain parts of the tool, number of visitors, etc.).

In addition to ex-post evaluation, testing communications and the appropriateness and usefulness of specific communication tools and channels may also be carried out prior to the communication campaign. For this purpose, employee focus groups, panels and linguists and marketing experts may be involved in the planning stage.

### **Good Practice 7: Multi-channel strategy**

**EIOPA considers it a Good Practice if IORPs, insurance undertakings, where relevant, employers and/or any other relevant entities make use of a multi-channel strategy to communicate to their members.**

When using a multi-channel strategy, several communication tools and channels are to be combined. For example, a website (including user-friendly navigation and use of layering) could serve as a first source of reference providing comprehensive information. In addition, in case of questions, scheme members could also make use of telephone or email to establish contact. In a multi-channel strategy it is important that the different tools and channels cross-refer to each other in order not to leave members in a situation where they think that the information they get through one channel represents the full information. In a similar vein, an adequate management of the interaction of the different channels is required to avoid an overflow and duplication of information.

Due to the combination of different channels while offering fall-back options, such a strategy could be useful for all types of scheme members and occasions (including elderly members, those not internet-savvy or who do not trust the internet due to security or fraud concerns or vulnerable scheme members).

Furthermore, as suggested above, a multi-channel strategy may help to tackle non-reacting members and mitigate the risk of losing contact with scheme members (hard-to reach members) as the IORPs, insurance undertakings, and/or other relevant entities do not rely on a single communication channel to reach scheme members.

The use of multiple communication channels to address a larger array of scheme members, particularly where their preferences are taken into account, will also avoid situations where a specific communication tool or channel is detrimental to a type of scheme members.



## 5. Conclusions

EIOPA identified seven Good Practices aiming to improve the communication tools and channels to occupational pension scheme members.

EIOPA acknowledges that when it comes to communicating effectively, "one size does not fit all". Besides, communication practices and strategies should be seen also as a mirror of their time. In this context, while paper-based communication is at the moment the most prevalent practice, EIOPA noted a gradual shift towards the use of additional channels such as email or online platforms. This development may follow from changing preferences of scheme members (e.g. the younger generation being more internet-savvy).

Against this background, **EIOPA does not wish to promote one specific communication tool or channel at the expense of other possibilities.** In fact, EIOPA came to the conclusion that **a multi-channel communication strategy which combines several different communication tools and channels<sup>71</sup> seems to be an effective way to reach different types of scheme members with different habits and preferences.**

For example, younger scheme members may refer to the website of the scheme as a primary source of information and, in case of questions, seek answers via email or online chat, while older scheme members and beneficiaries may prefer to seek contact over the telephone. In this way, the risk of losing contact with scheme members, should they move without leaving an address, can be also mitigated given that the scheme would possess – besides a physical address – also telephone numbers and emails and assuming that not all of the above contact details would change at once.

The remaining Good Practices can be broadly grouped into two categories:

- The first group comprises **practices, which are seen as generally valid and beneficial to be applied when communication to all types of scheme members and occasions** (i.e. active and deferred members as well as beneficiaries). In this context, EIOPA firstly notes the importance of a coherent communication strategy and selecting an appropriate communication tool and channel in light of the overall strategy<sup>72</sup>. Secondly, EIOPA believes that storing all communication in one domain accessible to all members could help fostering transparency and accountability towards the scheme members<sup>73</sup>. Related to that possibility and in combination with the preceding Good Practice, advanced tracking services<sup>74</sup> could be used as communication tools which would notify scheme members when new information becomes available.
- The second group depicts **specific communication tools and channels in the context of specific occasions.** For example, so-called "pensions calculators"<sup>75</sup> are considered a particularly helpful tool for new and active members in order to keep track of one's retirement income planning. Similarly, combining information about HR-related pensions matters with specific pension information in one online platform<sup>76</sup> could increase the convenience in particular for active members, and

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<sup>71</sup> Good Practice 7.

<sup>72</sup> Good Practice 1.

<sup>73</sup> Good Practice 2.

<sup>74</sup> Good Practice 5.

<sup>75</sup> Good Practice 4.

<sup>76</sup> Good Practice 3.

encourage them to take greater interest in the matter. Furthermore, EIOPA is of the view that some occasions and decisions (e.g. whether to transfer vested pension rights or not on the occasion of a job change or the decision whether to retire early/late) may require a specific level of information, ideally provided in an interactive way so as to make sure that it has been fully understood and scheme members are aware of the implications<sup>77</sup>.

EIOPA is confident that the facts and practices depicted in this Report will serve as a useful source of inspiration to any relevant parties interested in maintaining and continuously improving effective communication practices towards occupational pension scheme members. EIOPA will also take into account the feedback received from the public on the Good Practices in its future work analysing developments and potential causes of detriment for members of occupational pension schemes.

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<sup>77</sup> Good Practice 6.

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## **Annex I: Literature review – Theory behind communication tools and channels**

This chapter sets out the goal of exploring current trends and market practices in communication with members of occupational pension schemes that are mentioned in studies and articles developed by institutions with a direct involvement in the personal pension systems of European and non-European origin.

### **Challenges and goals**

In the OECD research paper, *Lessons from National Pensions Communication Campaigns (2012)*, we observe that the main challenges in pension communication are: (i) the lack of interest in the topic (especially for the young), (ii) the perceived and actual complexity of the topic and (iii) the low level of financial awareness and literacy.

Moreover, members seem to be more engaged if facing clear and simple messages, accompanied by visual aids, active statements (rather than passive documents), and snapshots of the future (like projections). Messages that have a clear and measurable objective seem to be perceived as more effective and the mean and method of delivery seem to have a better impact if correspondent to the needs and characteristics of the target group. For example, neuro-marketing studies from the Netherlands show that, although pensions overall as a topic is negatively perceived, the uniform annual pension statement as means of communication with members is perceived quite favourably.

### **Market practice trends in communication with members**

In an article published in 2014<sup>78</sup>, RPMI, a British pension scheme administrator, underlines that importance of effective and relevant communication with members as a main role of a pension administrator. As such, the first step in establishing a good communication line seems to be the understanding of your target audience, their attitude towards occupational pension schemes and their pension related needs, motivations and concerns. Having formed a vision and a goal, the institutions can work on building a consistent communications strategy that can be developed at an integrated level by encompassing different media channels and communication tools. Having understood the personas (target group) and communication strategy, recent trends put a higher emphasis on the use of technology. As such, although they may still be always people that prefer written communication, the use of email and SMS have become increasingly popular.

### **Main strategies of pension communications and tips for better communications**

In the *Pensions Communications' Project (2010)* the NAPF (UK) has discovered where main member communications effort is directed and what tips could be used for improving such communication in the future.

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<sup>78</sup> Engaging, innovative, relevant: what do your member communication say about your scheme

Current and Future Efforts	Tips
Simplification of complex ideas (push non-essential information in secondary channels)	<b>Take advantage of scale</b> wherever possible (target more people so to be more cost effective)
Creative ideas/graphics (highlight messages in larger campaigns)	<b>Personalize everything you can</b> (best and easiest way is by doing things at a large scale)
Call to action (focus on influencing specific member behaviour and maximize retirement outcomes)	<b>Communications is a discipline</b> (requires experts as it involves the need for consistency over multiple channels)
Segmentation of audiences (clustering based on member activity and behaviours, and not so much on age)	<b>Education in an impersonal sense is no longer a useful tool</b> (members want to be educated personally)
Personalization of messaging (more costly, needing more resources and skills to engage with members personally)	<b>Improve the accountability of communications</b> (measure the impact of pension practitioners)
	<b>Regulation is not the problem</b> (may be a nuisance but not the problem, because it stirs creativity)

## Framing information

The effects of framing information and providing context to it is based on the need to provide members with more relevant information, more comprehensive information and easy accessible information.

Online information tools may manipulate information (e.g. by presenting it as a monthly stream of income rather than a pension pot) and, as such, may decrease the urge of members to engage in large spending transactions and increase the effort to save more. These are also very useful tools as they have a large financial impact in the decision to save or spend for members, and provide a cost-effective solution for providers<sup>79</sup>.

One innovative approach in communication with members is to encourage them to build well thought out goals (financial independence, travel, leisure, bequests, self-improvement etc.), sort them in "buckets" by importance and build their retirement plan based on these goals.<sup>80</sup>

One other innovative approach is building concise and cohesive phrases that evolve around a core message to be transmitted to the target group (e.g. NEST: "Tomorrow is worth saving for" – builds engagement).

<sup>79</sup> Information Architecture and Intertemporal Choice: A randomized field experiment in the United States, Yaron Levi, 2014

<sup>80</sup> A web tool to refine your retirement priorities, Shlomo Benartzi

## **Electronic disclosure**

More and more, information disclosure in occupational pension schemes is diversified in between: post (paper), website (general information and personal accounts) and via email. Electronic information disclosure presents an important advantage in cost savings, bypassing printings, and packaging and postage fees. Furthermore, such information is easily accessible for members that do have access to the electronic means necessary. However, if emails are not provided or if members specifically request information on hard-copy, electronic means are avoided and the best channel used remains the paper form.

## **Case studies:**

### 1. UK auto enrolment results

Non-engaging information is not well received by members (such as regulator standard letters) and there is an apparent link between good communication and low opt-out rates. Moreover, good communication can reduce costs for employers by reducing the number of people that need additional assistance and help. There is still a serious problem of awareness and engagement, since employees have generally a low engagement level with their pension and do not know much more that the specific amount taken from their wages.

### 2. Local Government association – best practice in communication with members

Among the most important forms of communicating with members, the most effective (must-have's) in the UK are considered to be the following: a pension fund interactive website, a dedicated members' helpline, newsletters to active and deferred members, as well as for pensioners, guideline for employers and meetings organized on their behalf, presentations, leaflets and factsheets, summary reports and combined forecasts built for members, and, last but not least, an online access platform for employers, as well as for employees.

### 3. Communication tools and channels used by Wiltshire pension fund (market practice)

For active members: literature, benefit statements, newsletters, website, pension surgeries (info sessions at work), pre-retirement courses, retirement packs, pension helpline.

For deferred members: benefit statements, website, pension helpline.

For pensioners: pay advice (taxes), newsletters, website, pension helpline.

For prospective members: new starter packs, website, promotional leaflets and posters, corporate induction courses.

For employers: guides, technical newsletters, individual meetings, promoting the scheme, website, annual report and accounts.

Other organizations (trade unions).

4. "Smarter Consumer Communications" discussion paper (until 25th of September 2015) launched by the FCA (Financial Conduct Authority) states the importance of the type of information presented to consumers, the way it is delivered, and when it is delivered so as to stem positive outcomes regarding their choices of purchasing a specific product. The paper has a goal of encouraging firms, consumer groups and other stakeholders in delivering smarter and more effective information that is clear, easy to understand and engaging.

Examples of smarter communication from the paper include: plain language, short format, bullet points, graphics, interactive apps, videos and infographics.

### **Behavioural aspects for members:**

As mentioned, when faced with making pension related decisions or when interpreting pension related information, members are prone to making different types of mistakes. Common causes for these patterns of mistakes can be found in aspects explained by behavioural finance.

As previously stated, members are not a good representative of the so called "Homo Economicus" and cannot fully understand and apply, in most cases, the principles of traditional finance (bounded rationality) where they would: be able to fully identify their goals and needs, fully assess/forecast their current and future resources and capabilities, and determine a good prognosis of financial and human capital in order for them to make the optimal financial decisions regarding their pension allocation. As such, members strive to analyse information make decisions based on heuristics applied to the contextual background members manifest in making investment decisions.

#### *Inertia or status quo*

This is an emotional bias that individuals manifest based on the strong desire to do nothing if such a possibility is offered to them or if they are confronted with a passive choice (for example with the only the possibility to opt out). Specifically directed member information regarding their need to adjust at certain moments might be crucial.

This bias leads to a higher success for auto-enrolment plans (successfully mitigating the risk of non-participation), but does little for the diversification and adjustments that members need to make during their active lifetime in order to maximize their future pension income (the possibility of sticking with an investment choice that becomes inappropriate to their objectives)<sup>81</sup>.

#### *Representativeness and availability heuristics*

When faced with complexity, risk and/or incomplete information, individuals use simple rules of thumb or mental shortcuts, so called heuristics, leading them to make inaccurate estimations and hence sub-optimal decisions. In order to avoid the possibility of forming erroneous heuristics, messages to members should be specifically simplified and clear to encourage a certain behaviour.

#### *The influence of information framing*

As previously discussed, framing is an information processing cognitive bias that individuals manifest, and it refers to the direct connection between the manner that information is framed and the way that the information is processed and consequently, the decision or answer that individuals will form in a particular context. Thus, a decision/action may very well be positively influenced by the phrasing or frame in which the problem is presented<sup>82</sup>.

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<sup>81</sup> Madrian, C. B. et al (2001).

<sup>82</sup> An & Shi, N. (2012)



## **Annex II: Recent developments**

### **The Netherlands**

Recently, in the Netherlands new legislation came into force changing the requirements on pension information. Relevant in the light of communication tools and channels are the following changes.

First of all, it is easier for IORPs and insurance undertakings to communicate electronically with members, deferred members and beneficiaries. Whereas the IORP/insurance undertaking first needed explicit approval from the scheme members before it could send information electronically, now the scheme member has to make objection against receiving information electronic. If the scheme member does not react/does not make objection the IORP/insurance undertaking can inform the scheme members electronically.

Moreover, the IORPs and insurance undertakings can use the digital mailbox from the government to inform their members. All information (welcome pack, pension benefit statement, regular pension information etc.) can be given electronically.

Electronic information is cost efficient and – even more important – makes it easier to provide the information in layers to members. An example is the "Pension1-2-3": the welcome pack for new members. Layer 1 gives the most important information, layer 2 some more explanation on the subjects mentioned in layer 1, and layer 3 is background information such as the annual report of the IORP. A test with the Pension1-2-3 showed that members who received the first layer on paper, did not look up more information in the layers 2 and 3, whereas members who received the first layer electronically, did click for more information. Layered information is one of the recommendations following the Report of EIOPA 'Good Practices on information provision for DC schemes'.

An important channel and tool for pension information in the Netherlands is the pension tracking service [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl). This is an online tool where members can check their total pension income on the retirement age in the first and second pillar. With the new legislation the pension tracking service gets a more central role in the communication to members. This means the pension tracking service will in the future also give information about risks, important choices and the influence of life events on the pension income. Next to this development, IORPs and insurance undertakings have or are developing their own online tools for pension information or financial planning. Although these tools often give a lot of useful information for members, they amount of members who log in is still disappointing.

### **Belgium**

On January 1st 2016, a new legislation came into force, changing the requirements on pension information. Relevant in the light of communication tools and channels are the following changes:

- **DB2P**

A public database on occupational pensions is created, called Database Second Pillar (abbreviated DB2P). This is a nationwide government owned database who collects the individual pension rights of Belgian employees, self-employed persons and civil servants within the context of the second pension pillar. The database is fed by declarations of the pension institutions (IORPs and insurance undertakings).

As from October 2016 active and deferred members shall be able to consult their pension rights online on the website of the DB2P. The advantage is that they can consult an overview of all their pension rights accrued in different pension schemes (e.g. if he/she changed jobs several times and therefore is member of different pension schemes).

- Individual pension information to active and deferred members

Since 2016, active and deferred members receive yearly their individual pension information from the administrator of the DB2P.

The law prescribes that this individual pension information has to be sent to the secure email box (e-box) every Belgian citizen has for communication with the government. If communicated, the active and deferred members receive a warning in their private mailbox when information is available in their e-box.

- Pension benefit statement only for active members

Until 2015, pension institutions (IORPs and insurance undertakings) were obliged to send an annual pension benefit statement to both active and deferred members.

Since 2016, pension institutions are no longer obliged to send an annual pension benefit statement to deferred members: deferred members receive yearly their individual pension information from the administrator of the DB2P. This measure is cost reducing for the pension institutions.

Moreover, by signing an agreement, the administrator of the DB2P can take over the obligation to send the pension benefit statement to active members from the pension institutions (IORPs and insurance undertakings).

Pension institutions are allowed to provide the annual pension benefit statement to the active members in an electronic way, but the law stipulates the following conditions:

- members should be able to print their pension benefit statement;
- the pension benefit statement should be stored on a durable medium;
- all scheme members should receive access to a computer in order to be able to consult their pension benefit statement;
- members have a legal right to request their pension benefit statement on paper.

- Specific anniversaries

Since 2016, each scheme member receives at the age of 45 his/her individual pension information by letter (on paper) from the administrator of the DB2P. As long as the scheme member doesn't agree to consult his/her individual pension information in an electronic way, he/she receives this information on paper every 5 years (at the age of 50, 55, 60 and 65).

- Retirement

If the administrator of the DB2P detects that pension rights have not been paid to the scheme member six months after his retirement, the administrator will alert the scheme member by letter (on paper).

## **Bulgaria**

Ordinance No 47 of the Financial Supervision Commission on the requirements to the information systems of the pension insurance undertakings, requires them to establish an electronic dossier of each fund member (which contains all documents related to the social insurance of the scheme member) and to provide him/her upon request with a unique identifier for accessing the data in the electronic dossier and in the individual account.

## **Norway**

NORSK PENSJON is an initiative of the Norwegian Life insurance undertakings. It collects information on pension schemes/plan, from both insurance undertakings, from IORPs and now also from the Norwegian Public Service Pension Fund and the Norwegian Labour and Welfare Organisation, which organize the national insurance (pillar 1).

Norsk pensjon aims to give the individual active and deferred members in occupational pension schemes an informal overview of the different schemes from the participating pension providers. Furthermore it includes a webpage which shows historical returns on the various profiles, life insurers offer to members of DC pension schemes.

The website [www.norskpensjon.no](http://www.norskpensjon.no) is used by individuals for illustration purpose after applied request. In order to log in to Norsk Pensjon, electronic ID from MinID or from Buypass is used.

## **Portugal**

ASF has been promoting and assuring the delivery of personalized information to members and beneficiaries through durable media (paper or other instrument that allows them to store the information for future reference, in accordance with the definition already foreseen in some EU legal instruments, and included in the Portuguese law).

In what concerns industry initiatives, the Portuguese Association of Investment Funds, Pension Funds and Asset Management has implemented a certification system for Defined Contribution Plans ("Certificado de Responsabilidade para a Reforma") which prescribes, as one of the mandatory elements for certification, that members are given access, preferably through electronic means, to the value of their individual account and to the projection of the expected amount of the pension to be received at the normal retirement age.

## **Annex III: Questions to stakeholders**

Questions to stakeholders during public consultation

- 1. Do you consider the above criteria i) level of scheme member engagement, ii) cost-efficiency of the communication and iii) accessibility to a wide variety of members) that were considered when choosing among possible Good Practices appropriate?**
- 2. What additional criteria should EIOPA consider and why?**
- 3. Do you consider the Good Practices outlined above appropriate to address the occasions and/or specific scheme members indicated? If not, please explain the reasons and provide further details (e.g. with regard to concrete experience made).**
- 4. In respect to proportionality, do you see any limitations to the applicability of the Good Practices suggestions that should be taken into consideration (e.g. size of scheme in terms of number of members; single-employer or multi-employer schemes etc.)? If so, please name the Good Practice in question and provide further details.**
- 5. With regard to ensuring that information has been understood, what measures/practices to apply in practice? Please describe your experience.**
- 6. How do you check the effectiveness of communication strategies in combination with the use of particular tools and channels? Please describe your experience.**
- 7. With regard to layering of information, do you have any experience with regard to the use of particular communication tools/channels?**
- 8. Would you like to suggest any other/additional Good Practice(s) on communication tools and channels? If so, please explain the reasons and provide further details (e.g. with regard to concrete experience made).**
- 9. Would you like to make any other comments and/or suggestions? If so, please indicate the topic/section of the Report that the comment refers to.**

## Annex IV: Resolution table

Resolution on Comments on Consultation Paper EIOPA-CP-15/011 - Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members				
<p>EIOPA would like to thank Actuarial Association of Europe (AAE), Arbeitsgemeinschaft für betriebliche Altersversorgung e.V. (ABA), Association of British Insurers (ABI), European Association of Paritarian Institutions of Social Protection (AEIP), Aon Hewitt Limited, Associazione Nazionale Promotori Finanziari (ANASF), APG, The European Federation of Insurance Intermediaries (BIPAR), Danish Insurance Association, European Association of Public Sector Pension Institutions (EAPSPI), European Federation of Financial Advisers and Financial Intermediaries (FECIF), Federation of the Dutch Pension Funds, German Insurance Association (GDV), Insurance Europe, Das Institut der Versicherungsmathematischen Sachverständigen für Altersversorgung (IVS), Min Pension, Insurance Sweden, NN group, Occupational Pensions Stakeholder Group (OPSG), PensionsEurope, Pensionskasse der Mitarbeiter der Hoechst-Gruppe VvaG, Previnet, RPMI Limited, Superannuation Arrangements of the University of London (SAUL) and The Pensions Advisory Service.</p> <p>The numbering of the paragraphs refers to Consultation Paper EIOPA-CP-15/011.</p>				
No.	Name	Reference	Comment	Resolution
1.	AAE	General Comment	We believe that it is important to aim for member-focused communication. Information should be relevant for an individual or an household. Generally this means that it should link with the life the member desires to live and that the information is personal. General information such as technical and/or legal pension information is generally not “consumer binding”.	Noted. EIOPA recognises the importance of the issues raised; however, this Report focuses on communication tools and channels, not addressing content and presentation of information.

			<p>We further believe that it is important to show in addition to an expected outcome, the outcome in a "bad weather" scenario. This could of course go together with showing the outcome in a "good weather" scenario as well. We will need to discuss how to define bad and good weather, but it is key in managing expectations of the members to show these outcomes in addition to the expected outcome. Further thoughts on managing expectations and providing clarity to members of pension schemes can be found in our paper "Clarity before Solvency (May 2015)". <a href="http://actuary.eu/documents/AAE-Clarity-before-Solvency-19-05-2015-FINAL.pdf">http://actuary.eu/documents/AAE-Clarity-before-Solvency-19-05-2015-FINAL.pdf</a></p> <p>Different approaches to communication should be considered for defined benefit and defined contribution schemes.</p>	<p>Agreed. A reference to different scenarios has been added to the text immediately following Good Practice 4.</p> <p>Noted. As outlined in the Report, Good Practices are aimed at any type of pension scheme (defined contribution, defined benefit or hybrid). Market participants are encouraged to apply them to the extent that they benefit their individual circumstances.</p>
2.	ABA	General Comment	<p>The consultation paper gives a good overview of the different information and communication channels and tools used in the different Member States. The development of good practices and the provision of practical examples could be an opportunity for IORPs as well as for life insurance undertakings providing occupational retirement provision to check and identify potential room for improvement. We welcome that the developed good practices should neither be legally binding for IORPs nor be part of any kind of comply or explain regime. Whether a Good Practice is suitable should be decided at the Member State level and by each individual IORP.</p>	Noted.

		<p>To derive Good Practices which will support IORPs and life insurance undertakings in their strife to deliver good occupational pensions to their members and beneficiaries, the following conditions need to be met (set out in detail below):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> EIOPA's Good Practices can apply to IORPs and insurance undertakings only</li> <li><input type="checkbox"/> The cost-benefit-ratio of communication strategies has to be reasonable</li> <li><input type="checkbox"/> Handle with care: the move towards more electronic information</li> <li><input type="checkbox"/> EIOPA's methodology must be sound and clear</li> </ul> <p>EIOPA's Good Practices can apply to IORPs and insurance undertakings only</p> <p>EIOPA must limit its Good Practices to IORPs and insurance undertakings. According to Art. 1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives, that is the IORP Directive (relevant for German Pensionskassen und Pensionsfonds) and the Solvency II Directive for insurance undertakings. Sponsoring employers are not covered by these Directives.</p> <p>The information requirements an employer has towards its employees are addressed in national labour law and are clearly outside the scope of EIOPA's work.</p> <p>German occupational pensions are characterised by the relationship between the employer, potentially an IORP and the beneficiary. To avoid unnecessary duplication, it should be possible that the prudential information requirements of the IORPs are met by third parties, e.g. the employer.</p> <p>To sum this point up, EIOPA has no legal basis to develop any Good Practices for employers; IORPs and insurance undertakings should however be granted the option to comply with their prudential information requirements by passing information via the employer to the beneficiaries.</p>	<p>Partially disagree to the conditions described (see below).</p> <p>Disagreed. The legal basis for preparing this Report is Article 8(1) and Article 9(1) of Regulation 1094/2010/EU. In line with common EIOPA policy with regard to Good Practices, these are aimed as an inspiration to relevant parties interested in maintaining and continuously improving effective communication practices including, but not limited to IORPs, insurance undertakings,</p>
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			<p>The cost-benefit-ratio of communication strategies has to be reasonable</p> <p>Pension information and communication has to create a real added value for members and beneficiaries. The related costs have to be proportional to this added value. A system in which members cannot make any choices needs to inform its members, but it does not need an interactive approach which engages members and actively triggers responses. In collective systems members and/or beneficiaries or their representatives sit in the decision making bodies; in contrast to individual insurance or savings products, the</p>	<p>employers, service providers, third-party administrators, employee benefit consultants, advisors, governments, governmental agencies, national competent authorities and other public and private entities. Furthermore, as pointed out in the Report, Good Practices are not legally binding on any party nor subject to the "comply or explain" mechanism provided for under Article 16 of Regulation 1094/2010/EU.</p> <p>Noted.</p>
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		<p>individual has no or only limited choices in collective systems. For members of such schemes a point of contact where they can ask questions if they have any is much more important than an interactive online tool. Finally, it should be considered that additional costs are often borne by the individual and therefore lead to a lower replacement rate. Based on these considerations, we welcome that cost efficiency is one of the three criteria when assessing potential good practices.</p> <p>However, five out of seven Good Practices promote internet-based solutions, which could require both a large up-front investment and are of high maintenance when up and running. While internet-based solutions are likely to be the future, Section 3 of the Consultation Paper (Factual Findings) shows that at present (paper) mail is still the prevalent form of communication. Both financial and other factors (see below) call for a cautious approach when supplementing or replacing (paper) mail by electronic communication. For some beneficiary groups and for many pensioners, electronic communication is not the norm yet. Any Good Practice regarding a move towards more electronic information should recognise this.</p> <p>Handle with care: the move towards more electronic information</p> <p>The internet affection of the beneficiaries depends very much on the sector, their qualifications and their age. When introducing electronic communication it should be borne in mind that not all members and beneficiaries might be reached, and alternative channels should be used to reach those who do not have access to the internet. Based on these considerations, we welcome that accessibility is one of the three criteria when assessing potential Good Practices.</p> <p>But access is not the only challenge online communication poses: there are also often issues around the protection of personal data and data security in a wider sense. We</p>	<p>Disagreed. The Good Practices do not aim to promote a specific communication tool or channel, as outlined in the Report. Also, EIOPA does not have evidence to establish comparisons of setting-up and running costs for different communication tools and channels.</p> <p>Noted.</p>
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			<p>therefore doubt that it would be desirable to store all communication (which might include e.g. legal disputes) electronically.</p> <p>In addition to these general issues, we have further concerns around Good Practice 3 (Employer online platform to combine information about related Human Resource matters and pensions). This Good Practice would be impossible to implement for multi-employer IORPs like for example for the independent multi-employer pension fund that serves Germany's construction industry. This industry-wide scheme has a huge, heterogeneous membership with restricted internet affection. Since 2016 more than 70,000 German construction enterprises participate in the ZVK-Bau which serves around 1.02 million members and beneficiaries. The vast majority of participating employers are small and medium sized enterprises. In Germany 84% of all construction companies have less than 10, 90% less than 20 employees. Only 0.05% have more than 100 employees. That means that the vast majority is unlikely to have an HR Department, let alone an internet platform through which they communicate with their employees. In many Member States small and medium-sized enterprises play an important role, but Good Practice 3 does not take into account their reality and day-to-day challenges.</p> <p>EIOPA's methodology must be sound and clear</p> <p>We welcome the long fact finding section in this consultation paper. However, it is not clear to us how the proposed Good Practices relate to the factual findings. If a sound and clear methodology was used, the Good Practices should be derived from the factual findings. To us it is not clear whether and if so, how, this is the case for this consultation paper. But even if the Good Practices were derived from the factual findings, it should be taken into account that a mechanism which has been shown to work in one Member State cannot just be elevated to a Good Practice example across the EU. Occupational pensions vary significantly in different Member States, and lessons learnt in one Member State might not necessarily be valid for another. To enhance the quality of the Good Practices, they should be clearly related to the factual findings and the question whether it is possible to export proven success to other countries should be addressed.</p>	<p>Noted. EIOPA recognises the specificity of multi-employer arrangements. However, Good Practices should be regarded as principles-based and market participants encouraged to apply them to the extent that they benefit their individual circumstances.</p> <p>Disagreed. The proposed Good Practices are based on already existing practices (refer to section 3. Factual findings) which have been assessed considering the set of criteria described in the Report. Furthermore, EIOPA acknowledges that</p>
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				not all Good Practices can be applicable in all Member States. As indicated in the Report, Good Practices should be regarded as principles-based and Member States encouraged to apply them to the extent that they fit with the pension system.
3.	ABI	General Comment	<p>The Association of British Insurers (ABI) welcomes the opportunity to respond to EIOPA's consultation on good practices on communication tools and channels for communicating to occupational pension scheme members. Before commenting on the consultation paper, we think it would be helpful to provide some background on the UK insurance industry.</p> <p>The UK Insurance Industry</p> <p>The UK insurance industry is the third largest in the world and the largest in Europe. The ABI is the leading trade association for insurers and providers of long term savings in the UK. Our 250 members include most household names and specialist providers who contribute £12 billion in taxes and manage investments of £1.9 trillion. Employing around 334,000 people in the UK alone, the insurance industry is also one of this country's major exporters, with 24% of its net premium income coming from the EU. 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.</p>	Noted.

		<p>Summary</p> <p>The ABI recognises the value of EIOPA looking into how occupational pension scheme members are communicated with, in particular as good member communication only serves to empower and engage consumers to understand their pension provision and make informed decisions. However, we would like to highlight the following:</p> <ul style="list-style-type: none"> <li>- Take a principles-based approach – we would support a high level, principles-based recommendation from EIOPA regarding good practices of communicating with occupational pension scheme members. We would not want any mandatory recommendations as pension communication is already highly regulated in the UK by the Pensions Regulator (TPR) and the Financial Conduct Authority (FCA).</li> <li>- Layered approach to communication – we would support a ‘layered’ approach to communicating with pension scheme members, which has the advantage of targeting appropriate information to scheme members at the appropriate moment.</li> <li>- Simple, jargon-free language – we consider the use of ‘simple’ communication, in which ‘jargon’ specific to the pensions is not used. This is essential in order to engage and inform consumers, which is arguably the most powerful way to increase consumer awareness in pensions.</li> </ul> <p>From the ABI’s point of view, it is imperative that any good practice recommendation that is made takes into consideration how pension systems vary across the EU, and therefore</p>	<p>Noted. Good Practices are not legally binding on any party nor subject to the “comply or explain” mechanism provided for under Article 16 of Regulation 1094/2010/EU.</p> <p>Noted. EIOPA is generally supportive of a layered approach.</p> <p>Noted. EIOPA recognises the importance of the issue raised; however, this Report focuses on communication tools and channels, not addressing content and presentation of information.</p> <p>Noted. EIOPA does</p>
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			<p>does not advocate a one-size-fits-all approach. Similarly, occupational pension scheme communication has evolved as in the UK as our market has matured and according to what consumers expect.</p> <p>We would also want EIOPA to recognise the recent radical pension reforms that the UK market has undergone, which has impacted the way in which pension scheme providers' communication with scheme members.</p> <p>The ABI also remains an active participant and supporter of UK developments of a Pensions Dashboard by 2019, as a tool which would empower consumers to see their pension entitlement across all three pillars. We believe the use of digital technology and the development of new tools can only service to further this consumer empowerment.</p> <p>Given these developments in the UK, while we support EIOPA looking at this important area, we would urge that any recommendation remains principles-based and does not impede national developments.</p>	<p>not advocate a one-size-fits-all approach and does not promote a specific communication tool or channel. Furthermore, Good Practices should be regarded as principles-based and Member States are encouraged to apply them to the extent that they fit with the pension system.</p> <p>Noted.</p> <p>Noted. Refer to comments above.</p>
4.	EAPSPI	General Comment	<p>The European Association of Public Sector Pension Institutions (EAPSPI), which covers 25 pension institutions and associations of the public sector out of 15 European countries and speaks for more than 25 million active workers and retirees throughout Europe, would like to make the following general remarks concerning the consultation launched by EIOPA on Good Practices on Communication Tools and Channels for communicating to</p>	<p>Noted. EIOPA appreciates sharing of such information.</p>

		<p>occupational pension scheme members.</p> <p>EAPSPI members, pension providers to the public sector, regard pension communication as an important aspect of their duty to provide good quality pensions. The topic of pension communication has been high on the agenda of the Association since 2010 and a task force on communication with affiliates was created in order to allow specialists in member institutions to share experience in the domain.</p> <p>Following an initial study we carried out to look at practices put in place by member institutions, it rapidly became clear that no “one-size-fits-all” approach could be relevant in a European context. EAPSPI members reported highly different degrees of involvement in pension communication depending on different factors, notably the length of time since the implementation of national measures, the state of e-government in the country, the nature of the pension scheme (funded or pay as you go, first or second pillar, mandatory or voluntary, collective or individual, ...) and the level of choice offered to affiliates in the different pension schemes.</p> <p>Our study revealed a spectrum of actions put in place by member institutions ranging from compliance with measures laid down in national law to targeted communication to specific groups of affiliates identified from databases managed by pension providers. In some cases, pension providers have undertaken research to identify different profiles and tailor communication to each profile. The aim of these initiatives is to improve engagement on the part of affiliates. According to research carried out in one Northern European country, the average affiliate devotes just 5 minutes a year to the different information sent out by the different pension providers. The challenge is clearly to ensure that this time is spent well and will help to produce positive outcomes for affiliates many years later.</p> <p>In addition to the above mentioned activities of the association, EAPSPI supports the <a href="http://www.FindyourPension.eu">www.FindyourPension.eu</a> (FYP) website and initiative which is a good example of targeted and tailored pension communication. FYP addresses mobile researchers and provides answers to frequently asked questions in terms of pension accrual, entitlements and applications in various European countries. The information is presented in an easy comprehensible way according to specific life situations. By using the FYP platform, mobile workers have access to essential information on the state and occupational pension schemes they are/were affiliated to. Many EAPSPI members contribute to assisting workers in navigating within the European Pension Landscapes and in dealing</p>	
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			<p>with their different pension claims. This is also in the line with the concern of the OECD to raise pension awareness and pension literacy.</p> <p>The short report drawn up by EIOPA contains some references to interesting articles, both academic and written by practitioners, on the subject of pension communication and, more generally, financial literacy. The list of references may provide a useful starting point for the non-specialist.</p> <p>The 7 good practices listed in the EIOPA report would seem to be sensible, appropriate and coherent. The report contains many references to the purely voluntary nature of the good practices and to the fact that they will not become mandatory. This is an important point. However, in an earlier draft of the revision of the IORP Directive, the text contained 6 pages of details of the information to be included in a Pension Benefits Statement which should not exceed 2 pages. Furthermore, the information required by the draft text was in no way certain to improve the comprehension of the document. Indeed, in some countries, where information requirements are based more on the understanding by the recipient (i.e. a principles-based approach), rather than the information delivered in the document, this measure would have meant deterioration in information provision to affiliated members. The cost of providing information of questionable value should not be overlooked, particularly for smaller schemes that may not be able to employ a team of communication and marketing professionals. For this reason, EAPSPI members believe that it is important to remain vigilant on the respect of guarantees contained in the EIOPA report.</p>	
5.	AEIP	General Comment	<p>The European Association of Paritarian Institutions (AEIP) represents the social protection institutions jointly established and run by the Social Partners. 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.</p> <p>AEIP welcomes the publication of this Consultation Paper by EIOPA. The improvement of different communication tools and channels to communicate to pension scheme members of occupational pension schemes operated by Institution for Occupational Retirement Provision (IORPs) is of pivotal importance for AEIP and its members. Therefore, we appreciate the opportunity to provide our inputs on this document and in particular on the good practices (GP) suggested and on the questions asked by EIOPA.</p>	Noted.

			<p>In principle we support multi-channel communication strategies, but we would like to stress the need to take better into consideration the proportionality principle related to the large variety of pension schemes across Europe. In particular, cost-efficiency criteria should play a pivotal role in such an assessment, thus, they are correctly listed between the criteria taken into consideration by EIOPA in assessing potential GPs (page 9). Communication costs form an important part of the total costs of a pension fund. This is true especially for smaller pension funds where economies of scale are limited to non-existent and as a consequence a bigger proportional amount of fixed costs has to be distributed among a (more) limited number of members and beneficiaries. Therefore, we raised some concerns related to the cost-effectiveness of GP2 and GP3 (see our answers below).</p> <p>We think that a differentiation of communication contents between Defined Benefit (DB) and Defined Contribution (DC) schemes needs to be done. The information provided should correspond to the concrete needs of members or beneficiaries and therefore the communication should be as much tailor-made as possible.</p>	<p>Noted. EIOPA is aware of the diversity of arrangements across the EU and the relevance of costs. It should be noted that Good Practices should be regarded as principles-based, with Member States and market participants encouraged to apply them to the extent that they benefit their individual circumstances and that they fit with the pension system.</p> <p>Disagreed. The Good Practices are aimed at any type of pension scheme (defined contribution, defined benefit or hybrid). Member States and market participants are encouraged to apply them to the extent that they</p>
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			<p>It is also fundamental to keep information as much simple as possible. This could be achieved through a “layered” approach. In such an approach different layers of information are given under different circumstances, i.e. allowing members to receive just some basic (legally requested) information (level 1) and, on request, more detailed information (level 2) or very specific ones (level 3). This is the case of Pensioen 1-2-3 in the Netherlands.</p> <p>We would like to raise another related issue: people usually either do not read information they received at all, or, if they read it, they are able to understand just a small part of it. It is not just a question of what should what the content of communication should be, but also how communication should be delivered. The lack of reactions to communication by members or beneficiaries generates a lot of wasted efforts and avoidable cost for the funds. Therefore, the communication should be differentiated among different members/beneficiaries based on their needs. For instance, some Dutch pension providers are already assessing the feasibility to introduce different kind of “pension personae” and to tailor the communication for them.</p> <p>Finally, we observed that some GPs seem to imply an unlimited obligation for pension providers to actively provide members and beneficiaries with information, as well as a very broad duty of care. In our opinion these obligations cannot be unlimited and this should be better explained in the consultation paper (see, for example, the case of “hard-to-reach members in GP1).</p>	<p>benefit their individual circumstances and that they fit with the pension system.</p> <p>Noted. EIOPA is generally supportive of a layered approach. However, this Report focuses on communication tools and channels, not addressing content and presentation of information.</p> <p>Noted, as also highlighted in the Report.</p> <p>Disagreed. Good Practices do not imply unlimited obligations. They are not legally binding on any</p>
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				party.
6.	ANASF	General Comment	<p>Anasf is the national association representing over 12,000 financial advisors in Italy.</p> <p>Our association commits itself to cooperate with European and national competent authorities for the enhancement of investor protection and financial education.</p> <p>While we acknowledge that these Good Practices are neither binding nor subject to the “comply or explain” principle, we also consider that effective communication to occupational pension scheme members needs to be achieved in each Member State.</p>	Noted.
7.	Aon Hewitt Limited	General Comment	<p>Aon Hewitt empowers organizations and individuals to secure a better future through innovative talent, retirement and health solutions. We advise, design and execute a wide range of solutions that enable clients to cultivate talent to drive organizational and personal performance and growth, navigate retirement risk while providing new levels of financial security, and redefine health solutions for greater choice, affordability and well-being. Aon Hewitt is the global leader in human resource solutions, with over 30,000 professionals in 90 countries serving more than 20,000 clients worldwide.</p> <p>Aon Hewitt is delighted to respond to EIOPA’s consultation paper. EIOPA states that its proposed Good Practices are aimed as “an inspiration to any relevant parties interested in maintaining and continuously improving effective communication practices towards occupational pension scheme members”. We consider ourselves to be a relevant party. Aon Hewitt is a global leader in the management, design and communication of occupational pension schemes all around the world. We have over 4,000 retirement specialists in Europe providing pensions support to over 10,000 employers and pension funds and employers in over 25 European countries.</p> <p>Aon is pioneering innovative and award-winning forms of communication with a clear focus on communication tools and channels. In the UK, we have developed BigBlue Touch to guide employees through decisions as they accumulate and decumulate pension funds. BigBlue Touch uses the latest on-line technology to empower employees to take control of their finances, giving them the best chance of improving their own outcomes and pointing them towards advice at the moments they need it. For the last 3 years, this has led to Aon winning Best Use of Technology by a Corporate Adviser Award (Corporate Adviser Awards 2016). We have recently won the At Retirement Solutions Provider of the Year (Pension Age Awards 2016). In 2015 we won the Benefits Innovation and Benefits</p>	Noted. EIOPA appreciates sharing of such information.

		<p>Technology Awards at the Workplace Savings and Benefits Awards. Our benefit communication teams in other countries, most notably in the USA, have consistently won awards for the quality of communications for our clients.</p> <p>In this section, we provide some general comments and summarise key findings of several recent Aon surveys/research from around the world on the subject of effective forms of communication; and which should be helpful for EIOPA as it develops its views. This includes:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> recent surveys of DC members in the UK;</li> <li><input type="checkbox"/> various studies on retirement adequacy and financial well-being in the USA;</li> <li><input type="checkbox"/> research from Australia on the effectiveness of financial education;</li> <li><input type="checkbox"/> recent findings from Singapore (a country with limited occupational pension provision and, in this regard, potentially similar to many countries in Central &amp; Eastern Europe);</li> <li><input type="checkbox"/> results from a global benefit communication survey of over 900 employers in 28 countries.</li> <li><input type="checkbox"/> Internal survey of views from senior Aon retirement consultants around the world on the effectiveness and potential development of automated online communication tools</li> </ul> <p>The key findings from these publications provide rich global insight which we are delighted to share with EIOPA. We would be happy to provide EIOPA with further information on our global research and survey findings.</p> <p>We are also seeing employers, pension funds and insurers combining technology with behavioural science to improve the financial health of plan members. Leading-edge providers are providing access to a web and mobile site, where members can view all of their financial information in one place and receive unbiased guidance on how to spend wisely, manage their debt, and make the most of their company benefits. Aon has observed that when people get their other finances in order (reducing debt, paying off loans, understanding and avoiding hidden fees from banks and other institutions, etc.) they are able to focus more on saving and retirement planning.</p> <p>Introduction</p> <p>Aon’s view is that communication tools and channels tools fall into the wider category of “financial well-being”. One definition of this is “the ability to manage your financial life today, while preparing for the future and anything unexpected along the way”.</p>	
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		<p>We believe that managing employees' financial well-being is becoming increasingly important; and will continue to grow in future years as more workers participate in Defined Contribution and other savings arrangements. Surveys in the US have found that employees who have higher overall well-being have higher levels of engagement in their work; higher productivity; lower absenteeism; and lower turnover. However many employees have financial challenges. Our US surveys show that over-half of US employees, across many employers, are feeling that they are just getting by financially or having financial difficulties; and 30% feel that debt is ruining their lives. Financial difficulties can lead to stress; and this is major factor in employee well-being. Consequently there is a vital link between financial well-being and individual and company performance. More employers, in many countries, are now introducing financial well-being programs as part of their employee benefits programs. A key element of these programs is targeted communication to different groups of employees using multiple channels including the use of online technology.</p> <p>Also the shape and characteristics of workforces has changed considerably and there are now up to four generations in the workplace for the first time ever (Baby Boomers, Generation X, Generation Y, Millennials). Couple this with a growing contingent of international employees, dual income families and flexible work patterns mean that effective communication of employee benefits and rewards is becoming far more complex.. The one-size-fits all approach to benefits is no longer fit for purpose, the solution requires more flexibility, choice and consideration of the different needs of each generation.</p> <p>However, despite the growth in technology solutions, there will still be a need for face-to-face communication. Our research finds that this is still the most effective way of communicating with employees in many countries. In our view it is important that employers and pension funds still develop face-to-face communications to meet the needs of particular groups of employees or for conveying difficult or complex messages.</p> <p>Aon's 2016 EMEA Benefits Communication survey found that preferred form of communication varies by country:</p> <ul style="list-style-type: none"> <li>• Print is preferred in Belgium, Bulgaria, France, Italy, Spain</li> <li>• Face-to-face is preferred in: Czech Republic, Ireland, Latvia, Lithuania, , Slovakia,</li> <li>• Digital is preferred in: Finland, Hungary, Ireland, Netherlands, Norway, Portugal, Romania,</li> </ul>	
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		<ul style="list-style-type: none"> <li>• All 3 methods (print, face-to-face, digital) are used in Austria, Hungary, UK (with no one method preferred over the others)</li> </ul> <p>Financial well-being initiatives can be in many forms. The prevalence of these differs by country. For example, almost all of the above initiatives can be found in USA, UK and Germany</p> <ul style="list-style-type: none"> <li>• Employee Assistance Programs (with financial capabilities)</li> <li>• Financial Literacy online training</li> <li>• Financial modelling tools</li> <li>• Flexible or voluntary benefit options</li> <li>• Phased retirement alternatives</li> </ul> <p>However, the initiatives below are now being used by UK and US employers; but are less widespread amongst German employers</p> <ul style="list-style-type: none"> <li>• Savings and investment workshops/coaching</li> <li>• Online eAdvice / individual phone advice</li> <li>• Retirement preparation workshops</li> <li>• Financial Fitness Assessment</li> <li>• Financial Well-being classes</li> </ul> <p>The Real Deal, 2015 Retirement Income Adequacy at Large Companies</p> <p>Aon Hewitt's Real Deal study in the USA analyses the financial retirement readiness of 2.1million employees of 77 large US employers. The study projects employees' retirement needs and resources, assuming their current behaviours continue. The study shows that employees need an average of 11 times their final pay for an adequate retirement at age 65. However 4 out of 5 employees are projected to have retirement savings that are less than the amount needed for an adequate pension at age 65. The study indicates employees who save for retirement over long periods of time and who invest efficiently can accumulate benefits reasonably close to what they might need to maintain their preretirement standard of living during retirement. The study also indicates almost 60% of full-career contributing employees are not projected to be close to retiring with adequate financial resources. This highlights the importance of helping employees save more and invest their savings appropriately for retirement.</p> <p>Financial Mindset Study, Insights into Employees' Financial Perceptions and Behaviour</p>	
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		<p>(2015)</p> <p>Aon Hewitt’s Financial Mindset Study comprehensively explores employees’ financial and savings attitudes and behaviours, including confidence, literacy and engagement, saving intentions, retirement benefits, and communication preferences. It was observed that:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Employees are optimistic but want to feel more confident when it comes to their financial situation. Employers should provide basic, easy-to-access financial education to improve financial literacy and security among employees.</li> <li><input type="checkbox"/> Employees are concerned about their short-term and long-term financial needs, and they want to be seen as financially responsible and prepared. Employers should provide a variety of tools and resource to meet the diverse needs of their people and help them take appropriate steps toward a more confident financial future.</li> <li><input type="checkbox"/> Employees say they understand the need to save but lack full confidence when it comes to investing and planning for their future. Employers should offer tools and resources that empower employees to improve their financial wellbeing.</li> <li><input type="checkbox"/> Employees say their employer retirement plans are good, but they want more support there and in other financial areas. Employers should create an environment of ongoing and relevant (timely and targeted) communication and education.</li> </ul> <p>UK: Aon DC Member Survey “In a brave new pensions world what will DC members really want?”</p> <p>In 2014, Aon carried out a survey of 2,000 individuals in UK DC pension schemes. The survey results in this paper provide an invaluable insight into the behaviours, expectations and concerns of members. Our survey reinforces the message for employers and trustees to engage more with their scheme members.</p> <p>One third of our survey sample intends to make these important retirement-related decisions on their own, or with the help of friends and family. But the very high proportion of DC members that currently invest in their default DC investment option probably indicates that members do not engage much with the investment process prior to retirement. Another quarter of the respondents said that they would seek the help of an Independent Financial Adviser (IFA)</p>	
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		<p>This gap between interest and understanding must be closed, and there is much that employers can do to reduce it. With employees' experience of benefits technology reported to be good, employers can capitalise on the growing interest in benefits to deliver more pension and benefit information online, and specifically to tablets and smartphones, enabling employees to have 'anytime' access to benefits information, in much the same way as they would expect to access their bank balance or emails.</p> <p>USA: Aon Hewitt : 2016 Hot Topics in Retirement and Financial Well-being</p> <p>In the USA, Aon has seen significant changes in the focus employers place on financial benefits. For 12 years, Aon has carried out an annual survey that examines the financial benefit focus areas for employers in the forthcoming year. The 2016 survey included responses from over 250 employers covering nearly 7 million workers.</p> <p>12 years ago, employers were concentrating on increasing employees' perception of their DC plan's value. More recently employers have focused on mitigating risk and assessing appropriateness of retirement plan designs. Over the next 12 months, we expect to see a marked shift in how employers are helping employees gain a solid financial footing.</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Employers are making great strides in expanding their financial well-being services, tools and educational campaigns to employees. These include information on Basics of Financial Markets; Budgeting; Debt Management; Financial Planning; Saving for Life Stages; Prioritizing Savings. 56% of US employers indicated they are very likely to create of focus on the financial well-being of employees in ways that expand beyond retirement decisions. Helping employees understand the basics of financial markets is the most popular initiative (provided by 46% of employers)</li><li><input type="checkbox"/> Employers are offering employees a bevy of tools and services to improve financial well-being (55% of employers already offer help in at least one category of financial well-being products). 89% of employers indicate they are very or moderately likely to add tools, services, or communications to expand their financial well-being focus. 66% of employers already offering online modelling tools or mobile apps to help employers determine how much they can spend in retirement; and 66% of the remainder intend to offer these tools in 2016</li><li><input type="checkbox"/> Employers are providing more assistance to near-retirees to help them navigate the retirement process (20% of employers have increased the level of automation, self-service and/or web access to retirement plans so workers can more easily start their</li></ul>	
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		<p>retirement process. 89% of employers are planning to increase their communication efforts to workers regarding the retirement process)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Employers are looking to ways to help employees preserve money earmarked for retirement income</li> </ul> <p>Australia: FPA: Investment Trends Advice and Limited Advice Report</p> <p>Australia is a very large DC market, with total DC assets significantly in excess of almost all European markets. The Australian market has grappled with the issue of communication tools and channels for many years, and we think there is a lot that European markets can learn from Australia.</p> <p>For example, a recent survey on investment trends advice showed that only 20% of Australians have ever accessed financial advice. Their experience was, generally, not positive</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> They rated the advice experience, on average, 5 out of 10</li> <li><input type="checkbox"/> They found the written advice too long (the average Statement of Advice is 30 pages)</li> <li><input type="checkbox"/> 39% felt they did not have enough funds to make the financial advice worthwhile</li> <li><input type="checkbox"/> Younger workers said they were likely or very likely to access advice online</li> <li><input type="checkbox"/> Older workers tended to be the ones to access financial advice with an adviser; and the average age for those doing so was around 51</li> <li><input type="checkbox"/> The 80% who had not accessed advice rated their financial expertise as 4 out of 10</li> </ul> <p>The findings in Australia are that financial advice is not effective, and is not offering good value for employees. Our experience is that employees want guidance and education; but do not necessarily want formal advice</p> <p>Singapore: Retirement &amp; Financial Well-being Survey for Singapore Employers (August 2015)</p> <p>Aon's recent survey on trends and communications in Singapore provides a helpful perspective on countries with limited occupational provision (e.g. many in Central and Eastern Europe). In Singapore, occupational and private pension provision remains underdeveloped, with employers currently playing a passive role in supporting and encouraging employees to save adequately to fund their retirement. However, moving</p>	
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		<p>forward, we are seeing more employers implementing financial well-being programs to help employees save adequately for their retirement. This allows employees to feel less stressed, be more engaged and productive. Many companies are also doing this in order to differentiate themselves, and increase their ability to attract and retain talent, and thus gain a sustainable business advantage.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> As Singapore’s population rapidly ages and life expectancy significantly increases, employers’ role in helping their workforce plan adequately for retirement by proactively facilitating retirement readiness, with the benefit of improving employee engagement, is coming under scrutiny.</li> <li><input type="checkbox"/> Our survey revealed that around half of participants consider their companies’ current retirement support to be ineffective in retaining and attracting the right employees. Employers perceive that approximately 50% of employees that are not in the main Central Provident Fund, executives / high earners and those reaching retirement age are provided with ineffective retirement support.</li> <li><input type="checkbox"/> Singaporean employers are becoming increasingly aware that the current status quo is not sustainable. About 25% of employers in the survey are stepping up to assist their workforce by providing avenues for financial well-being. These company-wide programs and resources typically include encouraging more savings for retirement and financial goal setting, among others.</li> <li><input type="checkbox"/> In terms of effectiveness, Singapore employers find face-to-face individual discussions; online tools, and telephone helplines to be the most effective form of financial well-being programs. However these are provided by few employers. The most popular form of financial well-being program is financial education (provided by 25% of employers); but only 25% of companies say these programs are effective. We have found that there is an inverse relationship between what companies offer and what is perceived as effective.</li> </ul> <p>APAC/EMEA : Aon Global Communication Survey 2016</p> <p>In February 2016, Aon released its latest APAC / EMEA Benefits Communication Survey. This survey included responses from 905 employer contacts in within 28 countries from EMEA and the APAC region.</p>	
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		<p>The 2016 results show that 77% of organizations in EMEA were communicating on compensation and benefits packages, and 84% in APAC. Within Europe</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 29% of employers communicate using printed material; 36% use digital media; and 35% use face-to-face communications</li> <li><input type="checkbox"/> 87% of employers communicate at least once a year (with 48% communicating several times a year). Half the companies that communicate several times a year do so digitally. However, companies who only communicate once a year tend to use printed material.</li> <li><input type="checkbox"/> Cost of communications is an issue. 65% of employers said they have no budget for communications; and 17% spend less than €5 per employee.</li> <li><input type="checkbox"/> The top 4 preferred communication channels for the future are manager cascades, face-to-face presentations, online benefits portals and internal notices</li> <li><input type="checkbox"/> Only 20% of employers used personalized communications</li> <li><input type="checkbox"/> The preferred form of communication varies by country:</li> <li><input type="checkbox"/> Print is preferred in Belgium, Bulgaria, France, Italy, Spain</li> <li><input type="checkbox"/> Face-to-face is preferred in: Czech Republic, , Ireland, Latvia, Lithuania, , Slovakia,</li> <li><input type="checkbox"/> Digital is preferred in: Finland, Hungary, Ireland, Netherlands, Norway, Portugal, Romania, Ukraine</li> <li><input type="checkbox"/> All 3 methods (print, face-to-face, digital) are used in Austria, Hungary, UK (with no one method preferred over the others)</li> </ul> <p>Aon Global Internal Survey: Automated online advice (“Robo-advice”)</p> <p>In November 2015, we asked senior Aon retirement leaders in 27 countries in 6 continents to provide insights on the prevalence/sophistication of ‘robo-advice’ (ie automated, online advice at low to no cost). We also asked if they expected to see this grow significantly in the coming years.</p> <p>The responses were interesting as they were not affected by whether an Aon business in that country had an advice business currently or not. Instead the answers were more dependent on the design of the retirement system, culture and prevalence of the insurers/banks in the system. There was also variation on the interpretation of ‘advice’ with many countries limiting it to investment choice or believing these types of services are not ‘advice’ rather education related. The level of investment choice available to participants in a particular market also impacts on the responses received.</p>	
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			<p>Reflecting the dominance of employer driven benefits, even those countries where there was no market or advice was provided by the financial institutions, there is interest in a simple low cost solution expanding beyond retirement which could be provided by employers to their employees.</p> <p>Most countries also mentioned the need for greater financial education not just product issuer advice as well as increased transparency on provider fees. It was noted in many countries, that advice was either already bundled into institutional fees or perceived and marketed as 'free' which, in our view, devalues the perception of independent broad based advice.</p>	
8.	APG	General Comment	<p>We welcome the publication of this Consultation Paper by EIOPA. It is a good initiative in the process of improving communication tools and channels for communicating to occupational pension scheme members. We fully subscribe to the aim of improving communication and appreciate of the opportunity given by EIOPA to provide our input to the good practices (GP) as proposed and on the questions asked by EIOPA.</p> <p>As a further general comment we observe that the GP's seem to imply a relatively unlimited obligation for pension providers to actively provide participants with information as well as a very broad duty of care. However, in our opinion these obligations for pension providers should not be unlimited. In particular, we advocate for an equilibrium between on the one hand the duty of care and on the other hand the practical use of this information for the participants concerned, the time and costs needed for the provision of information and finally the own responsibilities which may be expected from the members themselves in this respect. In respect of such equilibrium an overkill in information provided by a pension provider should furthermore be avoided, as this could lead to adverse instead of positive effects for the provision of information to participants.</p> <p>Furthermore we would like to draw the attention to the (at least in our opinion) main problem in respect of communication with participants: in practice a large majority of the participants does not read the information and (as a consequence) does not take any action based on this information. In our view it is therefore of great importance that the GP's address this problem. As a consequence, we advocate for adding to the GP's that information to and communication with participants should be tailor-made, based on the specific features and preferences of various types of participants. To this effect we would like to draw the attention of EIOPA to the recent development that some of the Dutch service providers are already applying a typology of different participants (or different</p>	<p>Noted.</p> <p>Disagreed. Good Practices do not imply unlimited obligations. They are not legally binding on any party.</p> <p>Partially agreed. EIOPA recognises the need to adequately tackle non-reacting members and agrees that, in general, communication</p>

			<p>« »pension personae ») based on the type of exchange with them and participants' personalities, as well as needs and wishes in respect of pensions and pension funds. This helps to provide more precisely the kind and degree of detail of information which is of most help for them, as well as the tone of voice, channels and frequency of this information preferred. We would be ready to provide more insight in this.</p> <p>We recommend to EIOPA to establish an adequate link between this Good Practices process and the current TTYPE pilot project (Trace and Track Your Pensions in Europe). The aim of this project promoted by the European Commission in its White Paper on Pensions in 2011, is to provide European citizens (in particular mobile workers) with an adequate insight into their pension rights in EU Member States.</p>	<p>should fit the audience. This Report focuses on communication tools and channels and, hence, a Good Practice focusing on content and presentation of information would be out of scope.</p> <p>Agreed. EIOPA is aware and follows with interest the TTYPE project. A reference has been added in the text immediately following Good Practice 2.</p>
9.	BIPAR	General Comment	<p>BIPAR is the European Federation of Insurance Intermediaries. It groups 52 national associations in 30 countries. Through its national associations, BIPAR represents the interests of insurance agents and brokers and financial intermediaries in Europe.</p> <p>Insurance intermediaries are active in the area of occupational pension schemes. They have clients who are employers who have placed the pensions of their employees in IORPs. For example, the intermediary advises for example the employer (and the beneficiaries/employees) on the pension scheme on an ongoing basis.</p>	Noted.
10.	Danish Insurance Association	General Comment	<p>The Danish Insurance Association welcomes EIOPA's emphasis on identifying good practices on communication channels and communication tools with regard to communicating to occupational pension scheme members. It is of vital importance that all EU citizens of working age are provided with appropriate information on what their future pension entitlements are likely to be. Information presented in the right manner is</p>	Noted.

			<p>important when encouraging people to save enough for their old age and make arrangements that best meet their particular circumstances.</p> <p>The Danish Insurance Association supports the seven principles for good practices. The Danish Insurance Association would in particular like to stress the importance of principle number 4, namely "Pension calculators". Whereas, as the consultation paper states, the most prevalent communication channel used to communicate with occupational pension scheme members is paper, the Danish Insurance Association would like to emphasize the importance of using electronic communication channels.</p> <p>More specifically, the Danish Insurance Association has gone to great lengths to develop interactive tools relevant for occupational pension scheme members. Using such interactive tools help occupational pension scheme members make decisions that take their individual circumstances into account. Interactive tools that help estimate the extent to which one saves enough for one's old age, or compare occupational pension schemes in order to determine which gives the best rate of return, are essential in communicating to the occupational pension scheme members in a way that encourages them to engage and make decisions regarding their own savings towards their old age.</p>	
11.	FECIF	General Comment	<p>The federation commits itself to cooperate with European and national competent authorities for the enhancement of investor protection and financial education. While we acknowledge that these Good Practices are neither binding nor subject to the "comply or explain" principle, we also consider that effective communication to occupational pension scheme members needs to be achieved in each Member State.</p>	Noted.
12.	Federation of the Dutch Pension Funds	General Comment	<p>The Federation welcomes the publication of this Consultation Paper by EIOPA. It is a good initiative in the process of improving communication tools and channels for communicating to occupational pension scheme members. We fully subscribe to the aim of improving communication and appreciate the opportunity to provide our input to the good practices (GP) as proposed and on the questions asked by EIOPA.</p> <p>As a general comment we observe that the GPs seem to imply a relatively unlimited obligation for pension providers to actively provide participants with information as well as a very broad duty of care. However, in our opinion these obligations for pension providers should be limited. In particular, a balance needs to be found between on the one hand the duty of care and on the other hand the practical use of this information for the participants concerned. This includes the time and costs needed for the information</p>	<p>Noted.</p> <p>Disagreed. Please refer to answer to comment 2.</p>

			<p>provision and finally the members' own responsibilities, to the extent they may be expected from them in this respect.</p> <p>Furthermore, we would like to draw the attention to what we see as the main problem regarding communication with participants: in practice the large majority of participants does not read the information provided. As a consequence, they do not take any action based on this information. It is therefore of great importance that the GPs address this problem. We propose adding to the GPs that information to and communication with participants should be tailor-made, based on the specific features and preferences of various types of participants. To this effect we would like to draw the attention of EIOPA to the recent development that some of the Dutch service providers are already looking into possibilities to introducing a typology of different participants (or different «pension personae») based on the type of exchange with them. This helps to provide more precise information, tailored to their needs, so as to be most helpful and useful to them. The Federation would be willing to provide more insight into these developments.</p> <p>Our recommendation to EIOPA would be to establish an adequate link between this Good Practices process and the current TTYPE pilot project (Trace and Track Your Pensions in Europe). The aim of this project promoted by the European Commission in its White Paper on Pensions in 2011, is to provide European citizens (in particular mobile workers) with an adequate insight into their pension rights in EU Member States.</p>	Agreed. Please refer to answer to comment 8.
13.	GDV	General Comment	<p>The GDV welcomes EIOPA's work on identifying good practices in communication tools and channels for communicating to occupational pension scheme members.</p> <p>In our opinion, it is particularly important to make sure that all citizens of working age are provided with appropriate information on what their future pension entitlements and survivor's benefits are likely to be. Enhanced and timely information can play an important role in encouraging people to save more for their old age and make the arrangements that best meet their particular circumstances. This applies not only to occupational pensions but also to public pension systems and personal pension products. In countries with multi-pillar pension systems people would greatly benefit from an integrated cross-pillar approach which can be achieved through online tracking tools. The German insurers believe that such projects require a political will of all stakeholders and pragmatic solutions for implementation which are not burdensome for small and medium size employers, IORPs and insurers. Finally, a solid legal basis is required with respect to the data protection issues to ensure a successful implementation of online portals and legal certainty for providers.</p>	Noted.

			<p>The German insurers support the multi-channel communication approach. We believe that there should be flexibilities in communication methods with members and beneficiaries. For example, it should be clarified by law that providers are allowed to communicate with consumers through electronic means only (email, website) if agreed to by the beneficiary. Under the current legal framework, a paper-free communication is either not possible or there are legal uncertainties due to unclear provisions.</p> <p>Furthermore, it is important that relevant key information is communicated to members and beneficiaries in a first layer. In their further work on information provision to new and active members and beneficiaries, EIOPA should thoroughly assess which information new and active members and beneficiaries require for understanding the value of their future benefits: The GDV believes that particularly the true risk profiles should be made transparent to new members, members and beneficiaries:</p> <ul style="list-style-type: none"> <li>- the share of risk borne by an IORP itself compared to the risk borne by the sponsoring undertaking or members and beneficiaries,</li> <li>- existence or non-existence of a system that protects the pension benefits in case of the insolvency of either an IORP or the sponsoring undertaking, depending on who bears the risks,</li> <li>- the right to impose additional contributions on the employers and/or benefit reduction mechanisms inherent to IORPs.</li> </ul> <p>We would like to point out that there is a range of DB schemes, for which the traditional definition of final salary DB schemes does not fit. Some of them provide conditional guarantees and IORPs can reduce benefits. Even if in some cases employers are liable for the difference between promised and paid benefits, those employees are not always protected through a pension protection scheme. Therefore, if the employer becomes insolvent, members will see their benefits reduced. On the other hand, if past employees continue paying into the pension scheme after a change of employer, the previous employer is not liable anymore. Thus, it should be clearly communicated to new and active members and beneficiaries whether the promised benefits are subject to IORP's discretion to reduce the benefits or not.</p>	<p>Noted. Requirements to use particular communication tools and channels are a competence of national regulators.</p> <p>Noted.</p>
14.	German Institute of	General Comment	The German Institute of Pension Actuaries (IVS – Institut der Versicherungsmathematischen Sachverständigen für Altersversorgung e.V.) welcomes the	Noted.

	Pension Actuaries		<p>opportunity to comment on EIOPA’s Consultation Paper on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members. The Consultation Paper provides an overview of some of the content and communication of information in different Member States.</p> <p>While the IVS supports good communication on pension issues, and the approach of attempting documentation of “Best Practices” we strongly suggest that – as EIOPA states itself – the good practices identified should neither be legally binding nor subject to the “comply or explain” principle. There are many different pension schemes in the EU and, in some cases, the use of particular tools or channels is prescribed by national law. EIOPA’s laudable actions on this topic should not impose additional burdens on European pension arrangements.</p> <p>We suggest EIOPA to re-consider the delineation between its statutory scope of duties as supervisory authority for IORPs, and thus for regulated IORPs, as opposed to retirement arrangements outside of this scope. We feel that that EIOPA’s position on this issue should be made clear in the document i.e. whether EIOPA intends this document to include out-of-scope arrangements, or not.</p>	Disagreed. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.
15.	Insurance Europe	General Comment	<p>Insurance Europe welcomes EIOPA’s work in identifying good practices in communication tools and channels for communicating to occupational pension scheme members.</p> <p>Insurance Europe believes that it is particularly important to make sure that all EU citizens of working age are provided with appropriate information on what their future pension entitlements and – where applicable - survivors’ benefits are likely to be. Such enhanced and timely information can play an important role in encouraging people to save more for their old age and make the arrangements that best meet their particular circumstances.</p> <p>Ensuring the provision of adequate information through appropriate channels and tools is primarily the responsibility of member states. The latter often have better knowledge of the expectations and needs of members and beneficiaries. We would like to mention that some member states are currently running initiatives jointly with the industry to improve communication towards members and beneficiaries.</p>	Noted.



		<p>The EU has a role in identifying good practices in this area. Since individual good practices may not be applicable in certain member states, to certain schemes or other relevant players such as national tracking systems, this consultation should rather help to encourage solutions that governments can tailor to their national systems and members' needs. A single EU approach would not be appropriate as it would not grasp the variety of communication tools and channels already being employed. This is why we agree with EIOPA that these good practices "are neither binding on any party nor subject to the "comply or explain" mechanism."</p> <p>Insurance Europe wishes to stress the importance of simple, clear and transparent information in increasing pension awareness and engagement in retirement savings. In our view, one can fulfil these objectives only if information requirements for occupational pensions are:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Principle-based</li> <li><input type="checkbox"/> Focussed on outcomes for members and beneficiaries</li> <li><input type="checkbox"/> Sufficiently flexible to cater for different national systems</li> </ul> <p>Most importantly, communication tools and channels should be used for the purpose of ensuring that prospective members, ongoing members and beneficiaries are fully aware of the risks they bear. This includes providing appropriate information in the pre-enrolment phase. Of particular importance is to clearly disclose all the conditions linked to pension promises (eg soft or hard guarantees, insolvency protection and benefit reduction mechanisms). Communication tools and channels should also aim to increase awareness on the need to continue to save.</p>	<p>Partially agreed. The Good Practices are not exclusively aimed at governments but at any relevant party interested in maintaining and continuously improving effective communication practices. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.</p> <p>Noted.</p>
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16.	Min Pension / Insurance Sweden	General Comment	<p>The Swedish system for occupational pensions</p> <p>The second pillar in Sweden is dominated by four major and sector-wide occupational pension schemes, all based on collective agreements:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> SAF-LO (for blue collar employees in the private sector)</li> <li><input type="checkbox"/> ITP (for white collar employees in the private sector)</li> <li><input type="checkbox"/> PA-16 (for employees in the public sector)</li> <li><input type="checkbox"/> KAP-KL/AKAP-KL (for employees in municipalities)</li> </ul> <p>Collective agreements are also in place for some smaller schemes that generally mirror the conditions of the four major ones. All of these schemes cover around 90 per cent of the Swedish workforce and, in line with the Swedish labour law tradition, collective agreements are binding as law for all employers and employees covered by the schemes.</p> <p>Schemes subject to collective agreements are funded. Life insurance provided directly by insurance companies is the predominant funding solution (approx. 80 per cent of total pension assets), while IORPs (friendly societies and pension foundations) presently cover about 10 per cent. The friendly societies offer insurance-like solutions, whereas foundations function as a pledge and may also cover some of the liabilities with credit insurance.</p> <p>All four 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.</p> <p>The DC schemes are member-directed, which means that while the employer will pay the contributions stipulated by the scheme, the employees are given a range of providers and different products offered by these providers to choose from. In order for a provider to be designated as eligible for choice under the schemes, it has to offer products that fulfil certain criteria set out by the social partners.</p> <p>The products can either include a guarantee (traditional life insurance) or be linked to underlying investment funds (unit-linked insurance). If the employee abstains from making a choice, 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).</p>	Noted. EIOPA appreciates sharing of such information.
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		<p>Choices under DC schemes are made through special “hubs” acting as “selection centres” (“valcentraler” – in the consultation paper these centres are called “election centres”, which we find less accurate). 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). 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.</p> <p>The total assets managed within the Swedish second pillar system by the different providers amount to approximately 200 billion euros. The payments from the second pillar constitute an important complement to the first pillar system towards ensuring adequate pension levels in Sweden.</p> <p>Swedish law as well as regulations issued by the our Financial Supervisory Authority set out information requirements concerning both the features of the pension scheme and information about the funding of the scheme, including the performance, fees and charges and other features of products chosen under DC schemes. Moreover, employees will of course also have access to product information before making a choice. These rules are directed at the providers (insurer or IORP). It should however be noted that the above-mentioned Swedish legislation on information is only applicable to funding/products offered under voluntary schemes and for occupational pension insurance policies taken out by self-employed persons. For schemes that are subject to mandatory collective agreements, this is a matter for the social partners to decide and the information is normally distributed (digitally and/or on paper) from the selection centres in addition to or instead of information sent from the providers.</p> <p>In addition to the information sent by the selection centres and the providers we would like to highlight in particular the Swedish tracking system Min Pension as a very important, digital information source. Through Min Pension, consumers have access to a comprehensive and individual picture of all three pillars of the Swedish pension system, including the possibility to make pension projections. Min Pension is therefore a tool that to a large degree already fulfils many aspects of the proposed good practices and also a solution that in general is very well placed to deliver the desired information.</p> <p>More about Min Pension</p> <p>Min Pension was established in 2003 and is a website providing individual pension</p>	<p>Agreed. The text has been reworted accordingly.</p> <p>Noted. EIOPA appreciates sharing of such information.</p>
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		<p>statements and projections regarding all three pillars of the Swedish pension system. There are no printed paper statements or similar services connected to the system. Daily operations are to a large extent outsourced to different vendors or insurance companies. Min Pension is a subsidiary of Insurance Sweden. But it can also be described as a public-private partnership, as the operational costs are shared 50/50 between the state and the insurance industry. Consequently, half of the board of Min Pension is manned by government officials and the other half by representatives of the insurance industry.</p> <p>Min Pension covers around 99% of the total pension capital in Sweden, with ever increasing market penetration. At the moment, Min Pension has more than 2.5 million registered users and collects information regarding more than 10 million pension agreements.</p> <p>The right information approach</p> <p>In general we support a principles-based approach (compared to rules-based) in order to ensure sufficient flexibility in designing, implementing, and conducting communication as regards occupational pensions. The guiding principle should be to serve consumer needs and avoid "quantity over quality".</p> <p>Although we support a multi-channel approach for communication, we find it important to also look at the matter from a digital strategy perspective. New technology means that for the first time individuals, entrepreneurs and businesses can access and exploit data in a way that increases accountability, drives choice and spurs innovation.</p> <p>Joint ventures between the private and public sectors should also be promoted in this context. This can for example be done as a contractual consortium arrangement in which the parties contract to work together on a specific programme. Min Pension is a good example. Such joint ventures can also serve as the starting point for providing standards for interfaces and projections.</p> <p>Finally, we would also like to point to the need to be clear on whether the information concerns the pension scheme as such or the funding of the scheme (including possible investment alternatives). A consumer will of course need information on both aspects. But as the pension scheme is the agreement between the employer and the employees (or their respective representatives), and the funding in most cases is provided by a separate entity (IORP, insurer, other), it must be kept in mind that both the employer and the entity providing the funding can be relevant as information sources for</p>	<p>Noted. However, this Report focuses on communication tools and channels, not addressing content and presentation of information.</p>
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			occupational pensions. In this context we would also like to underline that Min Pension provides information relating to the funding of the schemes.	
17.	NN Group	General Comment	NN Group is an insurance and investment management company active in more than 18 countries, with a strong presence in a number of European countries and Japan. NN Group has elaborate experience in communicating with pension scheme members and invests in innovative ways to bring pensions closer to the members and the general public by making it more accessible, for instance by providing an app.	Noted.
18.	OPSG	General Comment	<p>Good practices on communication tools and channels can be an incitement for IORPs and insurance undertakings operating occupational pension schemes to develop and improve their own communication.</p> <p>OPSG finds that the value of good practices on communication tools and channels for communicating to occupational pension scheme members would be improved if followed up by good practices on the content of the communication and not only the tools and channels.</p> <p>OPSG hopes, that the information about what is going on in the Member States, the literature, the case studies and the reports in the annexes about recent development can serve as inspiration for the Member States, the IORPs and the insurance companies.</p> <p>Regulations and communication strategies should all serve the same purpose, giving scheme members the information they need about their own occupational pension scheme in an economically sound way and do it by using communication tools and channels adapted to suit the members and the information content.</p> <p>The majority of citizens find it difficult to understand and react to information about pensions.</p> <p>OPSG finds that it would be a help if information on all the individual's pensions (first,</p>	<p>Noted.</p> <p>Noted. However, this Report focuses on communication tools and channels and does not address content and presentation of information.</p> <p>Noted.</p> <p>Agreed. A reference to the</p>

			<p>second and third pillar) can be obtained from a central source or from one entry point. The same applies for information on the individual's pensions obtained in different Member States.</p>	<p>availability of information on all pension entitlements has been added to the text immediately following Good Practice 1.</p>
19.	PensionsEurope	General Comment	<p>PensionsEurope welcomes the opportunity to comment on EIOPA's Consultation Paper on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members. The Consultation Paper gives a good overview of the different information and communication channels and tools used in different Member States. The development of good practices and the provision of practical examples provides an opportunity for pension funds to learn from each other and to improve, where deemed necessary, their information provision. However, we question whether EIOPA is the most appropriate institution to work on this issue, in our view the Member States together with the European Commission is better suited to take up this task. From our perspective, Member States are mainly responsible for pensions.</p> <p>PensionsEurope is in favour of good communication and communication tools and channels play an important role in this regard. Numerous initiatives on information disclosure have taken place at Member State level with the aim of providing good quality information to members and beneficiaries via channels that are easily accessible.</p> <p>The guiding principle for the provision of information to members and beneficiaries is that it provides added value for members. The related costs have to be proportional to this added value. We welcome that cost efficiency is one of the three criteria when assessing potential good practices. Occupational pensions are characterized by their diversity across the EU, and even at Member State level challenges can vary. Five out of seven Good Practices promote internet-based solutions, and they are likely to be the future. We agree that good internet-based solutions can be more cost-efficient than sending out hard-copies to participants. However, internet-based solutions often require a large up-front investment and are of high maintenance when up and running. Also for some beneficiary</p>	<p>Partially agreed. EIOPA's tasks are clearly set out in Article 8 of Regulation 1094/2010/EU. These tasks do not hinder on the competences and initiatives of Member States or the European Commission.</p> <p>Noted.</p> <p>Partially agreed. The Good Practices do not aim to promote a specific communication tool or channel. Moreover, EIOPA does not have</p>

		<p>groups electronic communication is not the norm yet. Any Good Practice should recognise this.</p> <p>Furthermore, it is important to note that an overkill in information provided by a pension provider should be avoided, as this could lead to adverse instead of positive effects for the provision of information to participants. Information is not only to be delivered at certain key moments, but should be provided throughout the working life of the member. Frequent engagement with members is important, depending on the pension promise given. There are many different pension schemes in the EU and the use of particular tools or channels is prescribed by national law in some cases. We find it therefore important to underline, as suggested by EIOPA, that the Good Practices identified should neither be legally binding nor subject to the “comply or explain” principle.</p> <p>Furthermore, EIOPA must limit its Good Practices to IORPs and insurance undertakings. According to Art. 1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives, which is the IORP Directive and the Solvency II Directive for insurance undertakings. Sponsoring employers are not covered by these Directives. The information requirements an employer has towards its employees are addressed in national labour law and are outside the scope of EIOPA’s work.</p> <p>We welcome the long fact finding section in this consultation paper. However, it is not clear to us how the proposed Good Practices relate to the factual findings. If a sound and clear methodology was used, the Good Practices should be derived from the factual findings. To us it is not clear whether and if so, how, this is the case for this consultation paper. But even if the Good Practices were derived from the factual findings, it should be taken into account that a mechanism which has been shown to work in one Member State cannot just be elevated to a Good Practice example across the EU. Occupational pensions vary significantly in different Member States, and lessons learnt in one Member State might not necessarily be valid for another. To enhance the quality of the Good Practices, they should be clearly related to the factual findings and the question whether it is</p>	<p>evidence to establish comparisons of setting-up and running costs for different communication tools and channels.</p> <p>Noted.</p> <p>Disagreed. Please refer to answer to comment 2.</p> <p>Disagreed. Please refer to answer to comment 2.</p>
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			<p>possible to export proven success to other countries should be addressed.</p> <p>Lastly, we would like to draw attention to a major problem with regard to communicating to members: in fact many people fail to read the information provided to them and consequently do not take any action -if needed- based on this information. Good Practices should address this problem.</p>	Partially agreed. Please refer to answer to comment 8.
20.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	General Comment	<p>The Pensionskasse der Mitarbeiter der Hoechst-Gruppe VVaG is one of the largest institutions for occupational retirement provision (IORP) in Germany and was founded in 1886. At the moment, the IORP has a balance sheet of more than 7 bn. € and is providing occupational retirement provision for more than 100.000 members and beneficiaries.</p> <p>We welcome the opportunity to comment on the EIOPA consultation paper on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members.</p> <p>The consultation paper gives a good overview about the different information and communicating channels and tools used in the different member states. The development of good practices and the provision of practical examples provides an opportunity for IORPs as well as for life insurance undertakings providing occupational retirement provision to check and identify potential room for improvement.</p> <p>Nevertheless and with respect to the consultation paper, EIOPAs competences are limited to the implementation of Good Practices for IORPs and insurance undertakings. According to Art. 1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives, that is the IORP Directive (relevant for German Pensionskassen und Pensionsfonds) and the Solvency II Directive for insurance undertakings. Sponsoring employers are thus not covered by these Directives. The information requirements an employer has towards its employees are addressed in national labour law and are clearly outside the scope of EIOPA's work.</p> <p>German occupational pensions are characterised by the relationship between the employer, potentially an IORP and the beneficiary. To avoid unnecessary duplication, it should be possible that the prudential information requirements of the IORPs are met by third parties, e.g. the employer. To sum this point up, EIOPA has no legal basis to develop any Good Practices for employers; IORPs and insurance undertakings should</p>	<p>Noted.</p> <p>Disagreed. Please refer to answer to comment 2.</p> <p>Disagreed. Please refer to answer to comment 2.</p> <p>Disagreed. Please refer to answer to comment 2.</p>



			<p>however be granted the option to comply with their prudential information requirements by passing information via the employer to the beneficiaries.</p> <p>Additionally, pension information and communication has to create a real added value for members and beneficiaries. The related costs have to be proportional to this added value. A system in which members cannot make any choices needs to inform its members, but it does not need an interactive approach which engages members and actively triggers responses. In collective systems members and/or beneficiaries or their representatives sit in the decision making bodies; in contrast to individual insurance or savings products, the individual has no or only limited choice in collective systems. For members of such schemes a point of contact where they can ask question if they have any is much more important than an interactive online tool. Finally, it should be considered that additional costs are in the end often borne by the individual and therefore could lead to a lower replacement rate. Based on these considerations, we welcome that cost efficiency is one of the three criteria when assessing potential good practices.</p> <p>Furthermore, it is very important and thus to welcome that the developed good practices should neither be legally binding for IORPs nor be part of any kind of comply or explain principle.</p>	Noted.																																																															
21.	Previnet	General Comment	<p>Previnet’s responses are, on purpose, as short as possible.</p> <p>As a general comment, the Consultation paper addresses very well the Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members.</p> <p>We largely agree with the content-ideas-proposals</p> <p>For comments please refer to:</p> <table border="0"> <tr> <td>Martino</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Braico</td> </tr> <tr> <td>Senior</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Manager</td> </tr> <tr> <td>Pension</td> <td>Fund</td> <td>Services</td> <td>&amp;</td> <td>International</td> <td></td> <td></td> <td></td> <td>Client</td> </tr> <tr> <td>PREVINET</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>S.p.A.</td> </tr> <tr> <td>Via E. Forlanini,</td> <td>24</td> <td>-</td> <td>31022</td> <td>Preganziol</td> <td>(TV)</td> <td>-</td> <td>ITALY</td> <td></td> </tr> <tr> <td>tel</td> <td>+39</td> <td></td> <td></td> <td>0422</td> <td></td> <td></td> <td>1745044</td> <td></td> </tr> <tr> <td>fax</td> <td>+39</td> <td></td> <td></td> <td>0422</td> <td></td> <td></td> <td>1745070</td> <td></td> </tr> </table>	Martino								Braico	Senior								Manager	Pension	Fund	Services	&	International				Client	PREVINET								S.p.A.	Via E. Forlanini,	24	-	31022	Preganziol	(TV)	-	ITALY		tel	+39			0422			1745044		fax	+39			0422			1745070		Noted.
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			<p>mobile +39 - 3358272856  martino.braico@previnet.it  www.crossborderplans.com</p> <p>These are some insights about Previnet.  <input type="checkbox"/> As independent service provider for pension funds across Europe, we offer full member record-keeping and web functionalities for members, HR offices, MNCs and plan sponsors.  <input type="checkbox"/> We already manage 220 pension schemes and 1,5 million members, including 2 NATO DC plans, which are multi-country and multi-currency.</p>	
22.	RPMI Limited	General Comment	<p>As background information to our response, RPMI Limited (RPMI) is a wholly owned subsidiary of the Railway Pension Trustee Company Limited and is responsible for all aspects of member and pensioner administration for railway scheme arrangements, including member communications and scheme accounting. 1993 brought the privatisation of the UK railways and with it the introduction of the Railways Pension Scheme (RPS) as a private sector, multi-employer industry-wide replacement for the BR Pension Scheme. The RPS has over 100 sections representing the various railway employers, including the Industry-Wide Defined Contribution (IWDC) Section. In total, these schemes have around 350,000 members, including around 90,000 active members who are accruing defined benefits.</p> <p>RPMI, through its wholly owned subsidiary Railway Pension Investments Limited ("Railpen Investments"), also carries out investment management for the Trustee of the RPS.</p>	Noted.
23.	SAUL	General Comment	<p>This document does not support spellcheck which makes it difficult to complete. The formatting of some punctuation is incorrect e.g. apostrophes. In the instructions it states that the last column should be left empty but also that this should be used to indicate whether comments are public or confidential.</p>	Noted.
24.	ABA	Page 4	<p>The first paragraph rightly puts the focus of this consultation on IORPs and insurance undertakings. However, paragraph three also includes employers and other relevant entities.</p> <p>As stated in the General Comments, EIOPA must limit its Good Practices to the information and communication by IORPs and insurance undertakings. According to Art.</p>	<p>Noted.</p> <p>Disagreed. Please refer to answer to</p>

			<p>1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives, that is the IORP Directive (relevant for German Pensionskassen und Pensionsfonds) and the Solvency II Directive for insurance undertaking. Sponsoring employers are not covered by these Directives.</p> <p>The information requirements an employer has towards its employees are addressed in national labour law and are clearly outside the scope of EIOPA's work. German occupational pensions are characterised by the relationship between the employer, potentially an IORP and the beneficiary. To avoid unnecessary duplication, it should be possible that the prudential information requirements of the IORPs are met by third parties, e.g. the employer.</p>	<p>comment 2.</p> <p>Partially agreed. Please refer to answer to comment 2.</p>
25.	ABI	Page 4	<p>The ABI would agree with the scope set out by EIOPA. In particular, we would agree with the assertion that there has recently been a shift from paper based communication to electronic communications. Indeed, the ABI is very supportive of this.</p> <p>Nevertheless, it is important for EIOPA to consider that any guidelines or recommendations that they may issue should take into account the differences in the level of 'digital communication' amongst the EU markets.</p>	Noted.
26.	GDV	Page 4	The German insurers agree with EIOPA that the Good Practices should be neither exhaustive nor universal. Individual Good Practices may not be applicable in certain Member States or may not be applicable to certain schemes.	Noted.
27.	German Institute of Pension Actuaries	Page 4	As mentioned in the general comment, we consider it appropriate for EIOPA to make it clear that its paper of Good Practices is directed to IORPs and not towards other out-of-scope arrangements (e.g. paragraph three also mentions employers and other relevant entities). The requirements an employer has are typically mandated by national labour law.	Disagreed. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.
28.	PensionsEurope	Page 4	The first paragraph rightly puts the focus of this consultation on IORPs and insurance undertakings. However, paragraph three also includes employers and other relevant entities.	Noted.

			As stated in the General Comments, EIOPA must limit its Good Practices to the information and communication by IORPs and insurance undertakings.	Disagreed. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.
29.	AAE	Page 5	<p>Although we very much support the Good Practices mentioned, we believe that any communication should start with the member of the scheme and the needs the member has. First reading of the Good Practices on this page is very much from an industry perspective (IORP, Insurer) and although we would generally support these Good Practices we believe the starting point should be the members, the households. The Good Practices on this page are very much about technicalities and very pension focused. Members and households are generally not interested in the specific details of their pensions, but much more in whether they can live the life that they would like to live and if not what to do in order to get as close as possible. The concept of 'interim' targets during a member's working life would be very helpful to members in this context.</p> <p>We suggest that a reference to Good Practice 7 be included on this page under "Firstly".</p>	<p>Noted.</p> <p>Disagreed. Good Practice 7 is mentioned in the preceding paragraphs and the bullets under "Firstly" and "Secondly" refer, as indicated in the text, to the remaining (other) Good Practices.</p>
30.	ABI	Page 5	The ABI would agree that EIOPA should not promote a single communication channel or tool, but consider what is appropriate to the given EU market which needs to match consumer expectations.	Noted.

31.	NN Group	Page 5	We agree with EIOPA's suggestion of a multichannel communication strategy. Personal pension information should be available in the way as preferred by the pension scheme member. However, in order to contain costs of communication, default communication should be digital and pension scheme members always have the possibility to (in an easy way) ask for information on paper.	Noted. Requirements to use particular communication tools and channels are a competence of national regulators.
32.	AAE	Page 6	It should also be borne in mind that generally members only engage on pensions at certain times of their working life e.g. on joining, leaving and as they approach retirement.	Noted.
33.	ABA	Page 6	The third paragraph references the EIOPA paper „Report on issues leading to detriment of occupational pension scheme members and beneficiaries and potential scope of action for EIOPA” from June 2014. We would like to point out that we are overall critical of the cited paper, because it ignored national social and labour law and cited a lot of evidence from the UK and from a large Dutch insurance provider. It is obvious that this approach will lead to a supervisory regime which is adequate for personal pension and savings products, but not for (collectively organised) occupational pensions.	Noted.
34.	ABI	Page 6	<p>We would request EIOPA to present further evidence to support their claim that 'some major surveys' demonstrate consumer dissatisfaction with the information they receive, as we consider this not to be qualified by the single survey that has been referenced.</p> <p>Nevertheless, we would agree that communication with occupational pension scheme members can still improve, in particular with respect to the use of simple, jargon-free language. This is something which is being looked at in the UK, by industry, consumer organisations and the Government, who all recognise the value in 'simplifying' the language used for consumers.</p>	<p>Agreed. No further evidence has been presented in the Report. The text has been re-worded by referring exclusively to the mentioned survey.</p> <p>Noted. EIOPA recognises the importance of the type of language used; however,</p>

			<p>We would therefore urge EIOPA to consider national developments that are underway to address the way in which communication can be improved before making any recommendations or conclusions from this paper.</p>	<p>this Report focuses on communication tools and channels, not addressing content and presentation of information.</p> <p>Noted. National practices and developments are the source of inspiration for the developed Good Practices.</p>
35.	German Institute of Pension Actuaries	Page 6	<p>We agree with EIOPA that useful and complete information is a necessary basis for prudential decisions. As mentioned in the general comment, however, we consider it appropriate for EIOPA to make it clear that its paper of Good Practices is directed to IORPs and not towards other out-of-scope arrangements.</p>	<p>Disagreed. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.</p>
36.	Previnet	Page 6	<p>We agree with the content. The concept of members not being "Homo Economicus" is very true.</p>	<p>Noted.</p>
37.	AAE	Page 7	<p>We do support the four main components of communication campaigns. We would like to add that such campaigns would preferably include all pension entitlements of first, second and third pillar. For members/households it is less meaningful to be informed separately by the government (State pension) and the IORPs and insurers (second and third pillar). Tracking services are key in order to enable an integrated communication approach. For further information on our work and view on tracking services we refer to the two reports we have published earlier :</p>	<p>Noted. EIOPA appreciates sharing of such information. Also note that a reference to tracking services</p>

			<p>1) Report on key issues from the review of national tracking services (October 2013) <a href="http://www.actuary.eu/documents/Report%20national%20Tracking%20Services%20Sw-Fi-DK-NL%20Final.pdf">http://www.actuary.eu/documents/Report%20national%20Tracking%20Services%20Sw-Fi-DK-NL%20Final.pdf</a>,</p> <p>2) Key Issues for setting up national pension tracking services in six EU countries (February 2015) <a href="http://actuary.eu/documents/AAE_Tracking_Services_Feb2015.pdf">http://actuary.eu/documents/AAE_Tracking_Services_Feb2015.pdf</a></p> <p>Information should be technically correct and complete. Complete information includes information on good and bad weather scenarios in addition to the expected outcome as a way of managing expectations.</p>	<p>has been added in the text immediately following Good Practice 2.</p> <p>Agreed. A reference to different scenarios has been added to the text immediately following Good Practice 4.</p>
38.	ABI	Page 7	<p>The ABI would agree that disengaged pension scheme members is a key concern, in particular as these members have an increased risk of making unsuitable investment choices or underestimate the level of pensions savings they may have.</p> <p>We do not consider a great difference between point 3 and 4 of the communication campaign, as they would most likely be considered in tandem in the UK.</p>	<p>Noted.</p> <p>Noted. Communication tools and channels are two different components of communication campaigns, although these are often considered in conjunction.</p>
39.	ABA	Page 9	<p>„Furthermore, where relevant, the Report covers also communication by employers and any other parties.“</p> <p>As stated in the General Comments and in response to page 4, EIOPA must limit its Good Practices to the information and communication by IORPs and insurance undertakings.</p>	<p>Disagreed. Please refer to answer to comment 2 for detail on relevant parties to which</p>

			<p>According to Art. 1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives, that is the IORP Directive (relevant for German Pensionskassen und Pensionsfonds), and the Solvency II Directive for insurance undertaking. Sponsoring employers are not covered by these Directives.</p> <p>The information requirements an employer has towards its employees are addressed in national labour law and are clearly outside the scope of EIOPA's work. German occupational pensions are characterised by the relationship between the employer, potentially an IORP and the beneficiary. To avoid unnecessary duplication, it should be possible that the prudential information requirements of the IORP are met by third parties, e.g. the employer.</p>	<p>the Good Practices are aimed at.</p> <p>Noted.</p>
40.	ABI	Page 9	<p>We would agree with the benefits of using the appropriate communication tool for the target group or particular pension scheme member. While we would strive to ensure the majority of pension scheme members have access to the appropriate communication channel, vulnerable customers would be a factor in determining the communication channel.</p>	<p>Partially agreed. EIOPA recognises the importance of adequately addressing vulnerable customers/scheme members but does not agree that this group should be a factor in determining the communication channel. Selecting a single communication channel that would be regarded as the appropriate communication channel for vulnerable customers may be detrimental to other groups or</p>



				<p>the majority of scheme members. EIOPA considers that using a multi-channel strategy would better tackle this issue. A reference to vulnerable members has been added to section the text immediately following Good Practices 1 and 7.</p>
41.	German Institute of Pension Actuaries	Page 9	<p>As mentioned in the general comment, we consider it appropriate for EIOPA to make it clear that its paper of Good Practices is directed to IORPs and not towards other out-of-scope arrangements.</p> <p>We commend the principles-based approach taken by EIOPA</p>	<p>Disagreed. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.</p> <p>Noted.</p>
42.	NN Group	Page 9	<p>We underline the importance of principle based instead of rule based. This gives the possibility for pension providers to align with the wishes of individual pension scheme members.</p>	<p>Noted.</p>
43.	OPSG	Page 9	<p>OPSG finds that an extra criteria should be added : Size of class of non-reacting members.</p> <p>The good practices, the communication strategy might be working well for the majority of members, but how big is the group of non-reacting members and has the group any special characteristics in addition to being non-reacting.</p>	<p>Disagreed. EIOPA does not consider the size of class of non-reacting members as valid criteria to</p>

				<p>assess the relevance of potential Good Practices. This is rather an individual circumstance to be considered by market participants when assessing the extent to which they should apply the Good Practices.</p>
44.	PensionsEurope	Page 9	<p>We are pleased to see that EIOPA is stressing the need for the Good Practices to be regarded as principle-based.</p> <p>Furthermore, as stated in the General Comments, EIOPA must limit its Good Practices to the information and communication by IORPs and insurance undertakings.</p>	<p>Noted.</p> <p>Disagreed. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.</p>
45.	Previnet	Page 9	<p>We agree with the content. Personalized communication are really important to raise member's attention.</p>	<p>Noted.</p>
46.	AEIP	Page 10	<p>We would like to suggest the following definitions to be added to the list :</p> <ul style="list-style-type: none"> <li>- (ad hoc) personalized information (page 18)</li> <li>- Pension calculator (page 27)</li> <li>- Online space/platform (page 27)</li> <li>- Tracking tool/service (page 27)</li> </ul>	<p>Agreed. Definitions have been included accordingly.</p>

47.	APG	Page 10	We appreciate the definitions provided by EIOPA, but would suggest the following additions: (i) (ad hoc) personalised information (page 18), (ii) pension calculator (page 27), (iii) online space/platform (page 26), and (iv) tracking tool/service (page 27).	Agreed. Please refer to answer to comment 46.
48.	Federation of the Dutch Pension Funds	Page 10	We appreciate the definitions provided by EIOPA, but would suggest the following additions : (i) (ad hoc) personalised information (page 18); (ii) (pension calculator (page 27); (iii) online space/platform (page 26); (iv) tracking tool/service (page 27).	Agreed. Please refer to answer to comment 46.
49.	GDV	Page 10	We agree with EIOPA that these good practices should be neither binding on any party nor subject to the "comply or explain" mechanism.	Noted.
50.	OPSG	Page 10	The term « hard-to-reach members » can be found in the definitions, but it is not used in the CP.  Hard-to-reach members are part of the class of non-reacting members, but defined by being hard to reach. Other members of the class of non-reacting receive the communications, but they are not reacting.	Disagreed. The term appears in footnote 68.  Agreed. Note that a reference to the class of non-reacting members has been included in the text immediately following Good Practice 1 and 7.
51.	PensionsEurope	Page 10	We appreciate the definitions provided by EIOPA, but we would like to suggest adding the following additions : - (ad hoc) Personalised information (p. 18) - Pension calculator (p. 27) - Online space/platform (p. 26) - Tracking tool/service (p. 27)	Agreed. Please refer to answer to comment 46.
52.	ABI	Page 11	While we recognise the importance of EIOPA looking at communication with occupational	Noted.

			<p>pension scheme members, it is imperative that any recommendation or conclusion drawn from this exercise does not unduly influence the current political debate on the review of the IORP (Institutions for Occupational and Retirement Provision) Directive (IORP II). As it currently stands, it is unclear whether EIOPA will be asked to produce any guidelines and so it is important that this good practices paper is considered in isolation.</p> <p>Importantly, with respect to pension communications, often the Member State is better placed to determine the best way in which to communicate with scheme members. We believe that this to be the case, particularly given the maturity and experience of the UK pension system, however we do recognise that this may not be possible in less developed markets.</p>	Noted.
53.	ABA	Page 13	In Germany, the prudential framework for information requirements follows a rules-based approach.	Noted.
54.	Min Pension / Insurance Sweden	Page 13	In general we find the descriptions of the national approaches (2.3) a bit incomplete. The specific country examples only provide a limited understanding of the situation at hand. For example, there is no mentioning of the fact that Swedish collective agreements take precedence over legislation (see our description of the Swedish system for occupational pensions above). Some further details of the Swedish situation are given below.	Disagreed. The description of national supervisory approaches is intentionally succinct and provides an adequate level of detail considering its purpose.
55.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Page 13	In Germany, the legal framework for information requirements follows a rules-based approach.	Noted.
56.	Min Pension / Insurance Sweden	Page 14	SE is referred to as promoting Internet communication « but with little success among older people and some immigrants ». In the case of the tracking system Min Pension this is not correct. On the contrary, the observed user structure for Min Pension indicates that older people are actually the most active users of this tool. To observe the user structure	Agreed. Considerations on the success of internet

			of immigrants is however not possible in the system.	communications have been deleted.
57.	ABI	Page 15	<p>We would like to elaborate on UK developments in improving communication with consumers on pensions. Firstly, the ABI has undertaken a project called Common Protocol, along with the UK Government and industry stakeholders, on standardising some of the most common terms used in pensions communication to make pensions more accessible for consumers. The objective is to have one simple term to describe each pension option, as well as a 'plain English' definition of what it means. This will be then adopted by industry, media, the Government and so on, making pension scheme communication easier for consumers.</p> <p>We have been working to identify the range of terms that are currently used across the industry, and which terms consumers find particularly inaccessible. Consumer testing has also been undertaken by the project group.</p> <p>This is a recognised effort since our national competent authority, the Financial Conduct Authority (FCA), has recently made reference to this work in their report, guidance. In addition to this, HM Treasury has also referenced our work in the government response to the Work and Pensions Committee's first report of session 2015-16.</p> <p>Secondly, the FCA has recently consulted on 'smarter consumer communication'. A key point which we raised in our response to the consultation, which may also aid EIOPA's thinking on this subject, is that insurers have the desire to increase the use of digital communications, as we recognise the value of this tool in engaging consumers. However, we feel that, in some instances, national legislation can prevent firms from doing so.</p> <p>Importantly, we also raised the point that it is important to bear in mind the consumer journey and take a layered approach to communication. This will prevent consumers being overwhelmed with information. Online communication channels or tools are not the only way to engage with pension scheme members. As supported by our Common Protocol project, the language used in any pensions communication needs to be understandable and clear, if not, we believe this could be a real barrier to engagement with consumers.</p>	<p>Noted. EIOPA recognises the importance of the type of language used; however, this Report focuses on communication tools and channels, not addressing content and presentation of information.</p> <p>Noted. EIOPA acknowledges the importance of information layering as highlighted in the Report.</p>
58.	ABA	Page 17	In Germany (not only in UK), benefit statements may be passed to members via their	Agreed. The

			employer.	paragraph immediately preceding the specific country examples, now indicates five Member States and DE has been added to footnote 38.
59.	Min Pension / Insurance Sweden	Page 17	As regards the Swedish situation we think that "selection centres" should be highlighted as important communicators of information rather than "intermediaries" or "employers" (see also our introductory description of the Swedish system for occupational pensions above).	Agreed. The text immediate preceding section 3.2 has been reworded accordingly.
60.	ABI	Page 18	We would like to make a point of correction - EIOPA have not cited the UK as being one of the markets using paper communication as the most common way of engaging with members – although we acknowledge that this is evolving.	Agreed. UK has been added to footnote 40.
61.	Min Pension / Insurance Sweden	Page 18	<p>Communication channels should not be judged on a stand-alone basis only. Communication channels can « co-operate » in the sense that output from one channel might provide input to another channel. A visit on a website might for example result in a paper document. A paper document can later result in an email or a call centre contact. An attempt to rank (« most common channel ») different channels in terms of frequency is therefore questionable and difficult.</p> <p>Having said this we find it strange to say «The most common communication channel for retirement planning information is paper » in SE. Intensive use of the web might result in paper distribution but this is not evidence of paper being the most common channel in SE. Regarding occupational pensions there is also a trend towards common strategies to phase out paper. However, this trend might be more significant for younger age groups.</p>	Partially agreed. A reference to the interaction between communication channels has been added to the text immediately following Good Practice 7 but the text in section 3.2.1.2 has not been amended in light of the

			<p>Regarding the use of email a distinction between « information » and « communication » could be useful. In SE email is not a very frequent channel for information (one way channel) but rather used for communication (two way dialogue). This is likely to be the case in many countries.</p> <p>We are not entirely sure why it has been stated that the employer and other entities such as intermediaries play a 95specific role in providing retirement planning information. If « employer » could also be understood as including « selection centres « the statement would make more sense.</p>	<p>evidence.</p> <p>Noted. EIOPA recognises that communication channels provide for different interaction levels (information vs. communication purposes; push vs. pull strategies). This should be considered by market participants considering the purpose of the communication campaign and individual circumstances.</p> <p>Agreed. Selection centres are considered under other entities. The reference to intermediaries has been deleted for clarity purposes.</p>
62.	NN Group	Page 18	<p>The example of BE, where as from 2016 members will receive pension information from a national database, is a good example of the principle that members should receive information regularly, but the organisation providing this information is not necessarily the pension provider. In this case the individual MS should have the possibility to allow</p>	<p>Noted. Legal provisions regarding the entities</p>

			this (no rule saying it should always be the pension provider providing the annual pension statement).	responsible for providing information are a competence of national regulators.
63.	Previnet	Page 20	We agree with the content. We feel that the topic of informing member when they are approaching NRA is vital, but often forgotten (apart from UK).	Noted.
64.	Min Pension / Insurance Sweden	Page 21	In 3.3.1.1 the text about specific country examples should read: In SE, in addition to communication by selection centres or IORPs and insurance undertakings themselves, a special tracking system also exists (Min Pension). Two main services are provided on the Min Pension website: A. a tracking service which includes information about all pillars and B. a retirement planner which enables projections of future pensions from all three pillars. Min Pension is owned by Insurance Sweden, but half of the financing is provided by the Swedish state via a public- private partnership.	Agreed. The text has been reworded accordingly.
65.	Min Pension / Insurance Sweden	Page 22	Footnote 62, 63 and 65 should also include SE.	Agreed. The text has been reworded accordingly.
66.	ABA	Page 25	<p>The three chosen criteria make sense for some IORPs, but not for others. From our perspective, it depends i.a. on the following points whether they are sensible for an IORP :</p> <ul style="list-style-type: none"> <li>- The type of pension promise – who bears the risk: for example for collective DB systems, the following criterion does not add value: « Scheme member engagement: Is a practice of using a certain communication tool/channel effective at engaging scheme members? Is it interactive? »</li> <li>- Collective or individual decisions : in particular individual decisions in the pay-out phase and regarding the asset allocation are almost never possible in Germany, therefore engagement and interactive tools add much less value than they probably do in other systems.</li> <li>- Who bears the cost of running the IORP?</li> </ul>	Disagreed. The criteria indicated in the Report are used to assess the relevance of potential Good Practices. The elements indicated in the comment refer to individual circumstance to be considered by



			<p>Based on the points above, we suggest adding « Usefulness of the information » as an additional criterion.</p> <p>It is also important to bear in mind that IORPs have to comply with legal information requirements – in the future we expect them to be defined especially in the IORP II Directive and substantiated by the Member States. The first duty of IORPs is to comply with the existing legal requirements, rather than finding new and innovative ways of engaging with their members.</p> <p>EIOPA Good Practices should be limited to IORPs and insurance undertakings (see General Comments). If national policy-makers take them into account when designing new information and / or communication requirements, unnecessary duplication should be avoided. Therefore it should be possible that the prudential information requirements of the IORP are met by third parties, e.g. the employer. Information requirements should be sensible and it should be possible to fulfil them at a reasonable cost.</p>	<p>market participants when assessing the extent to which they should apply the Good Practices. Accordingly, EIOPA does not see the added value of including usefulness of information as an additional criterion.</p> <p>Noted.</p> <p>Partially agreed. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.</p>
67.	ABI	Page 25	<p>With reference to the criteria that EIOPA has used to assess the Good Practices, we have the following comments:</p> <ul style="list-style-type: none"> <li>- Scheme member engagement – it should be noted that interactive methods of communication does not automatically mean that it will be engaging for the consumer. It should also include the timeliness of information received within the definition, both</li> </ul>	<p>Disagreed. EIOPA is of the opinion that interaction</p>

			<p>during the course of a lifetime, and during the year. For example, it is not very helpful if scheme members are only engaged at age 64, at which point they have less chance of improving their retirement outcomes.</p> <p>- Accessibility – as previously mentioned, it is not realistic for all IORPs to ensure communications reaches all members through a preferred communications tool, but we would agree that our members strive to communicate with all scheme members, and bear vulnerable consumers in mind, which can often dictate the communication channel. What should also be considered is whether the scheme is providing the right amount of information i.e. too much, too little for the member.</p> <p>- An additional criteria of ‘complements information available from other sources’ should be added - this definition should recognise that information provided by schemes to members is not in a vacuum and needs to align with information that they receive from their state pension (pillar 1) and other occupational pensions (pillar 2). This is increasingly important as people in the UK are becoming responsible for funding a greater proportion of their retirement income, and a higher job turnover means that people are more likely to be saving through a number of occupational pension schemes. This is why the ABI is working on the Common Protocol project, and also involved in the UK’s Pension Dashboard project initiative</p>	<p>does not guarantee member engagement but may positively contribute to it.</p> <p>Agreed. A reference to considering the special case of vulnerable consumers has been added to the text immediately following Good Practices 1 and 7.</p> <p>Partially agreed. EIOPA does not consider that complementing information available from other sources as valid criteria to assess the relevance of potential Good Practices. The alignment of information provided to scheme members with information received from other sources</p>
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				(state pension and other occupational pensions) is considered as a desirable element of a coherent communication strategy. However, given its importance, a reference to information available from other sources has been added to the text immediately following Good Practice 1.
68.	APG	Page 25	<p>We subscribe to the criteria proposed by EIOPA in order to assess the potential GP's. But we suggest adding an additional criterion that the information provided should correspond to the need of a participant and should thus be tailor-made. In this respect however we note that realizing this criterion in practice should not be the sole responsibility of the pension providers. Governments and supervisory authorities should in our opinion avoid imposing too strict and detailed regulations which could lead to a further complexity of the pension contracts and as a result hamper (instead of facilitate!) pension providers in their provision of adequate tailor-made information to participants. In other words, the « source » of the information should not be too complex.</p> <p>More fundamentally the GP's proposed by EIOPA do in our view not tackle the real</p>	<p>Disagreed. EIOPA does not consider that "information provided should correspond to the need of a participant and should thus be tailor-made" as valid criteria to assess the relevance of potential Good Practices. This is rather an attribute of communication.</p> <p>Noted. EIOPA</p>

			<p>problem: how can participants be stimulated to thoroughly think about their income perspectives after retirement and to take the actions needed to optimize these perspectives such as entering into contact with the pension provider (in particular, in the Netherlands, the « Mijnomgeving » of the provider) or a financial planner?</p>	<p>recognises the importance of the issue raised but would like to point out that this is a complementary issue to the scope of this Report.</p>
69.	Federation of the Dutch Pension Funds	Page 25	<p>We subscribe to the criteria proposed by EIOPA in order to assess the potential GPs. In addition, we suggest adding an additional criterion: that the information provided should correspond to the need of a participant and thus be tailor-made. In this respect, governments and supervisory authorities should avoid imposing too strict and detailed regulations which could lead to a further complexity of the pension contracts and as a result hamper (instead of facilitate) pension providers in their provision of adequate tailor-made information to participants. In other words, the «source» of the information should not be too complex.</p> <p>More fundamentally the GPs proposed by EIOPA do not tackle the real problem: how can participants be stimulated to think about their income perspectives after retirement, and to undertake the actions needed to optimise these perspectives? Such actions could be, for example, entering into contact with the pension provider (in particular, in the Netherlands, a participant's personal space on the provider's website) or getting advice from a financial planner. Our recommendation would be to investigate why participants are only prepared to read pension information (e.g. too complex?) to a limited extent, and thus trying to find solutions for this problem?</p>	<p>Disagreed. Please refer to answer to comment 68.</p>
70.	German Institute of Pension Actuaries	Page 25	<p>While we agree with the criteria listed, we would suggest adding an important additional one.</p> <p>Usefulness: information should be appropriately tailored to the information needs of the members. In some arrangements members have options (i.e. asset allocation, pay-out-options), in this schemes interactive communications tools are helpful. But this need for engagement of members does not necessarily apply to all retirement arrangements. Spurious or irrelevant information should be avoided.</p>	<p>Disagreed. EIOPA does not consider usefulness as valid criteria to assess the relevance of potential Good Practices. This is rather a desirable attribute of communication.</p>

71.	PensionsEurope	Page 25	<p>We agree with the criteria that have been considered, but would like to add the following criteria :</p> <ul style="list-style-type: none"> <li>- Usefulness of information: information should be tailor-made and corresponding to the needs of the members as well as to the respective pension plan design.</li> </ul>	Disagreed. Please refer to answer to comment 68.
72.	ABI	Good Practice 1	<p>Coherent communication strategy</p> <p>The detail set out in this good practice is normal practice for UK IORPs as this is already embedded in the employers' business plan. It is important to point out that pensions communication is highly regulated in the UK via the FCA and the Pensions Regulator. Indeed, one of the FCA's objectives is to 'treat customers fairly' as this is reflected in their work and how they monitor market practices.</p> <p>Critical to this good practice is using 'plain' language and also understanding the financial capability of the pension scheme member. A recent FCA paper, Applying behavioural economics at the Financial Conduct Authority, identifies 10 key biases and consumer behaviour. In particular, it supports that consumers feel that many products are inherently complex and as a result consumers end up simplifying decisions, which can lead to errors. It also supports a layering approach to communication with scheme members so not to overload consumers with information, which does not engage them.</p> <p>It is equally important to point out that the use of the internet by consumers will vary from one Member State to another, due to cultural norms or a lack of infrastructure. It is therefore crucial that a single channel of communication is not recommended to as to avoid potential consumers from being excluded.</p> <p>As mentioned previously, ABI members takes the risk of not engaging with vulnerable consumers very seriously and this has become a focal piece of work being done with the FCA.</p> <p>In the UK, pensions communication is highly regulated, as mentioned previously. This, combined with recent Financial Ombudsman Service (FOS) rulings, has meant there is a tendency for our members to include more, rather than less, information for consumers. This has led to overly long documentation, rather than clear, concise information for consumers to make informed decisions.</p>	Noted.
73.	AEIP	Good	We agree with EIOPA that having in place a coherent communication strategy does	Noted. As pointed

		Practice 1	<p>represent a GP. We welcome that EIOPA recognizes the principle of proportionality and that the GPs outlined in the report are neither exhaustive nor universal. Indeed, the choice of the most appropriate channel used for the transmission of information can vary depending on the size of the pension fund. Small pension funds would probably find it very costly to shift to digital information.</p> <p>We think that pension providers should have the flexibility to choose and implement the information tools and channels in a way tailored to the characteristics of their own schemes and on the preferences of their participants (i.e. elderly people usually prefer communication by physical mails, but this can vary between Member States).</p> <p>EIOPA's view on the "hard-to-reach" members is not clear. We would like to underline that in the cases mentioned on page 26 (scheme members moving without leaving a new address or informing the scheme or changing their email address) members or beneficiaries should be responsible for providing the pension fund with their new (residence or email) address. It is indeed not realistic to charge pension funds with this responsibility. This being said, we recognize that a multi-channel communication strategy reduces the risk of having "lost" members.</p>	<p>out in the Report, Good Practices should be regarded as principles-based and market participants encouraged to apply them to the extent that they benefit their individual circumstances (e.g. size of scheme).</p> <p>Noted. However, please note that in some Member States the use of particular communication tools and channels is prescribed by national legislation.</p> <p>Noted.</p>
74.	ANASF	Good Practice 1	Good Practice 1 is appropriate.	Noted.

75.	Aon Hewitt Limited	Good Practice 1	<p>Good Practice 1: Coherent communication strategy</p> <p>Without prejudice to national legal requirements, EIOPA considers it a Good Practice if the IORPs, insurance undertakings, employers and/or other relevant entities implement a coherent communication strategy, of which communication tools and channels are elements.</p> <p>Aon is of the opinion that managing an employee's/scheme member's financial well-being is becoming increasingly important. An effective communication strategy should also include a financial well-being strategy, and take account of all tools and resources (among all vendors) that are made available to employees/scheme members. A financial well-being strategy should help employees to improve their financial literacy and equip individuals with skills to understand investment risk and to make financial and saving decisions.</p> <ul style="list-style-type: none"> <li>• Our US Studies show optimism prevails among employees, but the reality is not as positive. Many employees see themselves as financially savvy; more than two-thirds say they are in control of their financial futures. Yet nearly three-fifths of employees describe themselves as just getting by or experiencing financial difficulties. We see other contrasts too: Employees say they are focused on the long term, but debt is a problem and the majority have not done adequate long-term planning or used retirement modelling tools. Employees say they are savers, but retirement plan participation is still a challenge.</li> <li>• Develop a Financial Well-being Strategy – An entity's financial well-being strategy should articulate their objectives for the financial wellbeing of their employees/members (and their families), the entity's role in helping employees/members achieve financial well-being, and the employee's role. It should complement any broader wellbeing strategy the entity may have.</li> <li>• Promote What You Have - - Employees overwhelmingly indicate they want help from their employers, but often they do not even know what is available. Completing an audit of current tools and resources (among all vendors) can help entities to promote the right tools to the right people at the right time.</li> </ul>	Noted.
76.	APG	Good Practice 1	We agree with this GP. In our opinion pension providers should have the flexibility to adapt their communication tools and channels depending on the (group of) participants involved and the content of the information provided. In this respect we advocate	Noted. However, please note that solely providing

		<p>facilitating the further use of digital information. Although solely digital information might in practice not be possible solution on the short term, the pension provider should have the flexibility to implement the information tools and channels in a way tailored to the characteristics and preferences of its participants. This can be done more easily and cheaper online. Summarizing, in our view it might be recommendable, after an adequate evaluation of the interest of all parties and persons involved, to make it possible for providers to make a move to solely providing information in a digital way. In this respect we refer to current practice in The Netherlands in the field of taxation: the Dutch tax authorities have recently decided upon a shift to an obligatory digital filing process of the income tax returns.</p> <p>In fact some Dutch service providers have already introduced a typology of different participants (or different « pension personae »), based on the type of exchange with them. This contributes to providing participants more precisely with the kind of information that is most useful for them. This also includes the tone of voice, level of detail, and channels and frequency of the information preferred.</p> <p>Furthermore these personae help to look at the information provision from a consumer's (plan members') perspective.</p> <p>APG is very prepared to provide EIOPA with more detailed information on the use and possibilities of pension personae.</p> <p>Furthermore the responsibilities and actions required by pension funds and their service providers in order to reach participants should in our view not be unlimited. To this effect, the costs related to such activities should be taken into account. In addition this responsibility should not be made too broad. In particular the obligation to communicate to participants (i) moving without informing the scheme and not leaving a new address or email or (ii) changing their email address should not be imposed to an unlimited extent. In these cases participants themselves should be responsible for providing the pension provider with their new (residence or email) address.</p> <p>In respect of this aspect we furthermore estimate that the problem of people moving or having different e-mail addresses will have less impact when participants would be able to access their personal websites via some kind of personal identification code (DigiD in the Netherlands). In that case participants will always be able to find their own personal (important) information.</p> <p>Also the explanation about this GP seems to suggest that elderly people do not use</p>	<p>information in a digital way may not be suitable to all members and that in some Member States the use of particular communication tools and channels is prescribed by national legislation.</p> <p>Noted. Good Practices do not imply unlimited obligations on pension funds and their service providers.</p> <p>Noted.</p> <p>Noted. The Report</p>
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			internet and prefer communication by physical mail (paper). In our opinion this is not by definition the case, as at least in the Netherlands also elder people frequently use the internet.	does not infer on the preferences of elderly people but rather indicates them as an example, among others, of a type of members that may prefer physical mail.
77.	FECIF	Good Practice 1	Good Practice 1 is appropriate.	Noted.
78.	Federation of the Dutch Pension Funds	Good Practice 1	<p>We agree with this GP.</p> <p>In our opinion, pension providers should have the flexibility to adapt their communication tools and channels depending on the (group of) participants involved and the content of the information provided. In this respect we advocate facilitating the further use of digital information. Providing solely digital information should not be the solution, but the pension provider should have the flexibility to implement the information tools and channels in a way tailored to the characteristics and preferences of its participants.</p> <p>In fact some Dutch service providers are already looking into possibilities for introducing a typology of different participants (or different «pension personae»), based on the type of exchange with them, in order to provide them with the kind of information that is most useful to them.</p> <p>Furthermore, the responsibilities and actions required by pension funds and their service providers in order to reach participants should not be unlimited. The costs incurred in relation to such activities should be taken into account. In addition, the responsibilities should be realistic. Especially the obligation to communicate to participants who (i) moved without informing the scheme and not having left a new address or email or (ii) changed their email address, should not be imposed to an unlimited extent. In these cases participants themselves should bear the responsibility for providing the pension provider with their new (residential or email) address.</p>	Noted. Please refer to answer to comments 76.

			Furthermore the explanation about this GP seems to suggest that elderly people do not use internet and prefer communication by physical mail (paper). In our opinion this is not necessarily the case, as at least in The Netherlands also older people frequently make use of the internet.	
79.	German Institute of Pension Actuaries	Good Practice 1	<p>We agree with the statement that appropriate communication cannot be pressed into a 'one size fits all' boiler plate approach.</p> <p>Apart from responsible IORPs and in some cases employers, there are other stakeholders involved in the communication of occupational pension rights. These include the legislature and supervisory authorities. As such, it would be welcome if in some countries, the communication processes can be streamlined in particular by a cross-border IORP, even if for example this contravenes the local law or supervisory guidance in the approach taken to communication – e.g. waiving a requirement to provide communication material in paper form if it can be ensured that electronic delivery also meets "receipt" requirements.</p>	Noted. This Report does not address the specific case of cross-border IORPs. EIOPA does not wish to comment on the matter nor on the possibility of less stringent regimes for cross-border IORPs.
80.	Min Pension / Insurance Sweden	Good Practice 1	<p>Critical success factors for a coherent communication strategy could be summarized in the following way:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The distribution of a multichannel web service with seamless integration with other platforms. As regards a tracking system, the web service should integrate data from public authorities, banks, insurance companies etc.</li> <li><input type="checkbox"/> Surveys of consumer satisfaction by independent third parties.</li> <li><input type="checkbox"/> Protection of personal data (see also Good Practice 2).</li> </ul>	Noted.
81.	OPSG	Good Practice 1	<p>Much of the research referred to in the Consultation Paper shows how difficult it is for scheme members to read, understand and react on communication related to pension savings. When different bodies communicate to members with parts of the full information it can be difficult for members to mobilise their attention to all parts of the communication or to find the (most) important information.</p> <p>A coherent communication strategy for all relevant entities could give members a better</p>	Noted.

			comprehension of where to look and when to be alert.	
82.	PensionsEurope	Good Practice 1	<p>We agree with EIOPA that 'one size does not fit all' when it comes to communicating appropriately. Good Practices could involve trying to find a common language used by all occupational pension providers in one Member State. One word may have different meanings within one country. However we deem it important to emphasize that this should be very much seen as Good Practice and not as a standard.</p> <p>Communication is not be the sole responsibility of IORPs, but also of governments and supervisory authorities in the different Member States. In some Member States the use of particular communication tools and channels is prescribed by national legislation. In some Member States the prevailing standard communication tool is sending information via physical mail. However, informing members via electronic means is becoming more and more a standard. This is to be welcomed in many cases, but indeed brings other concerns, particularly in some cases for elderly people, those not internet-savvy or employees who are not office-based. The parties communicating to scheme members are the ones to decide upon the most appropriate communication tools and channels. They should have the flexibility to implement the information tools and channels in a way tailored to the characteristics and preferences of their participants. In fact some Dutch service providers have already introduced a typology of different participants (or different « pension personae »), based on the type of exchange with them. This contributes to providing participants more precisely with the kind of information that is most useful for</p>	<p>Noted. EIOPA recognises the importance of using common language; however, this Report focuses on communication tools and channels, not addressing content and presentation of information. Accordingly, EIOPA did not consider Good Practices addressing this issue.</p> <p>Noted. Please refer to answer to comments 76.</p>

			<p>them. It also includes the tone of voice, level of detail, channels and frequency of information. Furthermore these personae help to look at the information provision from a consumer's (plan members') perspective.</p> <p>Moreover, in our view the responsibilities and actions required by pension funds to reach out for their members should be limited. The costs related to such activities should always be taken into account.</p>	
83.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Good Practice 1	<p>We are monitoring every information document undeliverable via physical mail. In such cases, we are furthermore actively looking for the new contact data of our members via requests to the national competent registration offices. From our perspective, sending information via physical mail is currently the prevailing standard communication tool. However, to inform the members and beneficiaries via electronic means is more and more becoming a standard. Therefore, in future, the use of physical mail could become some kind of default information channel if a member or beneficiary does not like to be informed via electronic means or does not like to use the online account provided.</p>	Noted.
84.	Previnet	Good Practice 1	<p>FULLY AGREED.</p> <p>Priority from 1 (very high) to 5 (very low) : 1</p>	Noted.
85.	RPMI Limited	Good Practice 1	<p>We support EIOPA's belief that as a matter of Good Practice there should be a coherent communication strategy which should include communication tools and channels. We believe that a good member experience starts with the member at the centre of all content. For example, developing aspects such as member personas can help have a deeper understanding of the make-up of the membership being supported and this understanding can then translate to all member communications activities within the strategies.</p> <p>Without member-centred communication content design, language, tone of voice and emphasis will all be out of synchronisation with member needs and communications activity is likely to be unsuccessful. While use of plain language and a reduction in jargon are admirable, we believe this doesn't lead to member engagement alone, and for members to achieve the best outcomes for their unique needs, they need to be engaged.</p> <p>We agree that 'one size does not fit all' and that the communication approach adopted</p>	Noted.

			needs to take into account the diversity of needs and expectations of the membership. In general, we believe a multi-channel, choice-driven, member-centric approach to strategy is the most effective approach to adopt.	
86.	SAUL	Good Practice 1	<p>Taking a strategic approach to our communications activities with members and employers helps us to make sure the right message is sent at the right time to the right person.</p> <p>To implement our communications strategy, we create a planner in January which gives a high level view of the communication activities we are planning for the year. Each month we meet to review the planner, make any changes necessary and check that we are on track to complete the planned communications in the month we have assigned them to. This 'birds-eye view' helps us to quickly recognise any gaps in our communications.</p> <p>From the year planner, we then create detailed plans for each communication project, specifying the tools and channels we'll use and the target dates for completion. These plans are reviewed and adapted on a weekly basis.</p> <p>We are always looking for ways to improve our communications to members and, as a multi-employer pension scheme, our employers.</p> <p>Our direct communications to members are mainly in printed format, but we have approximately 500 members registered to receive regular email updates from the Scheme. Also, if a member contacts us through our website, we reply to them by email, acknowledging their query within one working day. The email exchange that results can result in a printed letter being sent if the member requests, for example, a retirement estimate.</p> <p>Most of our employers distribute Scheme communications to members electronically. The employers who request printed communications often have members who are not desk or office based, such as cleaners, so a printed communication in their personal post tray is the best way to get a message to them.</p> <p>Our aim is to make sure our communications are in an accessible format and, as you suggest on page 5, use a multi-channel approach so that the message reaches our audience. We also aim for communications to be two-way, offering members every opportunity to let us know what they think about what they've seen or been told by the</p>	Noted.

			pension scheme.	
87.	ABI	Good Practice 2	<p>Storing of all communication in one space</p> <p>We are not entirely convinced that pension scheme members will use online platforms as regularly as a bank account. Normally, scheme members would only need to check it annually, if not less. This could open it up to higher levels of fraud (given the storage of personal data) as any activity would not be caught by the consumer immediately.</p>	Noted.
88.	AEIP	Good Practice 2	<p>In principle we support the GP of storing all relevant communication in one online space, but we would like to underline that cost-efficiency is the first criteria that should be taken into consideration. The creation and the update of an online portal is indeed very costly, especially for small and medium IORPs.</p> <p>Moreover, we would like to warn EIOPA about the risk that such an online space will develop into a large and complicated amount of information that could lead to a decrease instead of an increase of transparency. For instance, sometimes members get more than one pension entitlement from the same pension provider. In case of an industry-wide scheme, for example, the mandatory contributions from the employers due to collective bargaining agreements could be separated by the contributions of the employees on a voluntary basis (this is the case, for example of industry-wide schemes of the construction sector in Germany). These two pension entitlements are managed in separate systems because their actuarial basis, processes and benefit conditions are completely different. Store all communication in one online space in such a case could lead to misunderstandings and does not really bring any added value for the member/beneficiary.</p> <p>We have some concerns related to the data protection: we wonder whether the information would be accessible also for employers. Probably it would be easier, if only the member/beneficiary is authorized to access to his/her own pension information.</p>	<p>Noted. As pointed out in the Report, market participants are encouraged to apply the Good Practices to the extent that they benefit their individual circumstances (e.g. scheme size and complexity of scheme arrangements) and, if considered relevant, to take into account the cost of applying specific Good Practices.</p> <p>Partially agreed. EIOPA is aware of the importance of data protection as highlighted in the Report. For</p>

			<p>Another aspect on which a reflection should be done is how members and beneficiaries can be stimulated to access this online space. What would be a real trigger for them to do so? Pension information is usually not of a most urgent type. Therefore access to such information and the timing should be reflected upon.</p>	<p>completeness, a reference to data protection has been added to the text of Good Practice 2. EIOPA does not advocate any specific rules in terms of access to information as these should be set depending on individual circumstances.</p> <p>Noted. EIOPA recognises the importance of the issues raised but would like to point out that these are complementary issues to the scope of this Report.</p>
89.	ANASF	Good Practice 2	Good Practice 2 is appropriate.	Noted.
90.	Aon Hewitt Limited	Good Practice 2	<p>Good Practice 2: Storing of all communication in one online space EIOPA considers it a Good Practice if IORPs and/or insurance undertakings store all communication with scheme members in one online platform, if appropriate. The online platform should be accessible to all scheme members at any point in time.</p> <p>We support this Good Practice statement. There is a growing consumer preference for individuals to be able to access pension information online. However there are two</p>	<p>Agreed. EIOPA supports the use of multiple communication channels to address a larger array of members</p>

			<p>important considerations</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Undertakings should ensure the online platform is easy to use and that relevant information can be accessed; and that there is adequate information to help deal with questions. There is a danger that online platforms become document depositaries and can become unwieldy if lots of documents are posted without thought to the structure or member experience</li> <li><input type="checkbox"/> Consideration should be given to make information accessible to scheme members that do not have suitable online access, eg especially older retired pensioners. It is important they do not feel disadvantaged, especially if they do not have access to the internet or smartphones</li> </ul> <p>Assuming both Good Practice 2 and Good Practice 3 require authentication to access, our experience shows that single-sign-on (SSO) technology will make it easier for members to move between sites and information.</p>	<p>and beneficiaries and to avoid situations where a specific communication tool or channel is detrimental to a type of scheme members. A reference to this has been added to the text immediately following Good Practice 7, rather than Good Practice 2.</p> <p>Noted.</p>
91.	APG	Good Practice 2	<p>In principle we support the GP of storing of all relevant communication in one online space, but we want to warn of the risk that such an online space will develop into a large and complicated mass of information which would lead to a decrease instead of an increase of transparency. In our view only relevant, personalised and recent information should be stored in such an online space. And the maximum period in which information should be maintained in such an online space should be limited.</p> <p>In addition, only the participant should be authorised to have access to his/her own pension information in this space. We question whether all information would be accessible also for employers.</p> <p>In this respect another very important question is how participants can be stimulated to access to this online space. What would be a real trigger for them to do so? According to us this GP (or another GP) should provide for an answer to this essential question.</p>	<p>Noted. Please refer to answer to comment 88. In addition, note that the Good Practices do not imply any obligations as they are not legally binding on any party.</p>



			Furthermore we foresee that giving access to such an online space to deferred participants might turn out to be not realisable in practice because pension providers do not have digital contact details of these participants. Against this background, introducing an obligation for providers to track and trace such participants would in our view be « a bridge too far ». In the Netherlands the « DigiD » is an adequate tool in such a situation (although not yet accessible for non-residents).	
92.	FECIF	Good Practice 2	Good Practice 2 is appropriate.	Noted.
93.	Federation of the Dutch Pension Funds	Good Practice 2	<p>In principle we support the GP of storing of all relevant communication in one online space, but we want to warn of the risk that such an online space will develop into a large and complicated mass of information which would lead to a decrease instead of an increase of transparency. In our view only relevant, personalised and recent information should be stored in such an online space. And the maximum period in which information should be maintained in such an online space should be limited.</p> <p>In addition, only the participant should be authorised to have access to his/her own pension information in this space. We question whether all information should be made accessible also for employers.</p> <p>In this respect another very important question is how participants can be incentivised to access this online space. What would be a real trigger for them to do so? According to us this GP (or another GP) should provide for an answer to this essential question.</p> <p>Furthermore, we foresee that giving access to such an online space to deferred participants might turn out to be not feasible in practice because pension providers do not have digital contact details of these participants. Against this background, introducing an obligation for providers to track and trace such participants would be a bridge too far. In The Netherlands the DigID (Digital ID) is an adequate tool in such situations.</p>	Noted. Please refer to answer to comment 88.
94.	German Institute of Pension Actuaries	Good Practice 2	We mostly support storing all relevant communication for a given retirement arrangement in a central depository dedicated to that arrangements. This should not be mandatory or a goal to be followed blindly, since there may be legitimate reasons for not doing so, such as cost-benefit considerations. Also, data protection rules should be adhered to, not everything that can be stored should be.	Noted. Indeed, Good Practices are not binding on any party. Market participants, in

				<p>assessing the extent to which they apply the Good Practices, should consider their individual circumstances and related costs.</p> <p>EIOPA is aware of the importance of data protection as highlighted in the Report. For completeness, a reference to data protection has been added to the text of Good Practice2.</p>
95.	Min Pension / Insurance Sweden	Good Practice 2	<p>This is a typical situation where a tracking system such as the Swedish Min Pension provides a good solution. However, the text below the Good Practice is formulated in a way that could cause misunderstandings. This problem is resolved if the importance of data protection is also stated in this practice (see Good Practice 4).</p>	<p>Agreed. EIOPA is aware of the importance of data protection as highlighted in the Report. For completeness, a reference to data protection has been added to the text of Good Practice2.</p>
96.	NN Group	Good Practice 2	<p>First we would like to underline that the pension scheme member has a responsibility to keep the documents he or she needs in order to secure their pensions. Storing all communications online could become disproportionate if the number of former scheme members outruns the number of active scheme members. In member states where</p>	<p>Noted. Good Practices should be regarded as principles-based,</p>

			<p>mailboxes for every citizen are being made available (for instance in the Netherlands, the government has made available a personal mailbox for every citizen to receive tax forms or correspondence, governmental information or pension information). In this case, the storing of information could be more effective and secure. Consider for instance the possibility that one pension fund merges with another, or pension entitlements are transferred from one provider to another. In these cases, digitally stored information of the scheme members would have to be transferred as well. A central storage space would be more effective. Furthermore, information from the past will not always be available. As of a certain date, this information can be stored online.</p>	<p>with Member States and market participants encouraged to apply them to the extent that they benefit their individual circumstances (e.g. proportion of former scheme members, merged schemes) and that they fit with the pension system. We note the possible use of a "central storage space" but would like to point out that personal mailboxes provided by governments are not equivalent to an online storage space.</p>
97.	OPSG	Good Practice 2	<p>Many people have difficulties organising their own files with messages concerning pension schemes. The increased use of electronic communication makes many people uncertain. Was that information on paper or electronic, is it possible get old paper information in an electronic format and how to store information.</p> <p>Storing of all communication with scheme members in one (online) platform with online access for members can help members able to search for information online to selfservice and it will facilitate support to members who cannot serve themselves in the electronic world.</p>	Noted.

			<p>Members will need information about all occupational schemes of which they are members and of other pension schemes (<b>pillar one and three, domestic and foreign</b>). The different systems should be able to work together or be accessed via one platform.</p>	<p>Noted. Although Good Practice 2 addresses exclusively the storage of communication, not the information needs of scheme members, a reference to the availability of information on all pension entitlements has been added to the text immediately following Good Practice 2.</p>
98.	PensionsEurope	Good Practice 2	<p>In principle we are supportive of storing all relevant communication in one online space, but it may create the risk that such an online space will develop into a large and complicated mass of information which would not be conducive to getting more transparency. Only relevant and what is legally allowed information should be stored, taking into account the cost-benefit ratio. In this respect, another important question is how participants can be stimulated to access this online space.</p> <p>Occupational pensions are characterized by their diversity across the EU, and even at Member State level, challenges vary significantly: large sponsoring employers may already have an online platform for their employees, but for a small company this is much more difficult.</p>	<p>Noted. Please refer to answer to comment 88.</p> <p>Noted. Good Practices should be regarded as principles-based, with Member States and market participants encouraged to apply them to the</p>

				extent that they benefit their individual circumstances (e.g. size of scheme or sponsor) and that they fit with the pension system.
99.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Good Practice 2	The storing of information in one online space could be useful but should only include the documents the IORP is providing for the respective member or beneficiary. There is no need to also store the documents the member/beneficiary has sent to the IORP, regardless of its content.	Noted. Specificities about such systems should be assessed on a case by case basis.
100.	Previnet	Good Practice 2	FULLY AGREED.  Priority from 1 (very high) to 5 (very low) : 1	Noted.
101.	RPMI Limited	Good Practice 2	Whilst we agree in principle to the idea that all communications with scheme members are securely held online and are accessible to all scheme members who choose this channel we have serious concerns regarding the practicality of doing so. The resources and costs that would be required to make this a reality would be substantial, in particular for smaller IORPs, and which inevitably would fall on the members to fund. It is unclear if there is evidence of need or demand for such a function and it is unclear if the benefits to the members would outweigh the costs involved.	Noted. In assessing which Good Practices should be applied, market participants should take into account their individual circumstances (e.g. scheme size) as well as the cost-benefit of applying specific Good Practices.

102.	SAUL	Good Practice 2	<p>The SAUL website is a key resource for our members. We publish all bulk communications, details of the scheme benefits, pension calculators, news and contact details. Members do not have login details – they, and any other person visiting the site, can access the information freely.</p> <p>Our members would benefit from an online platform, which they would access securely using individual login details. Our aim is to develop our website to include this functionality, giving members access to all communications they have been sent and the ability to update their personal details and model their benefits using calculators. However, for many schemes this may not be cost-effective and our research indicates that uptake has been low.</p> <p>It is unclear whether the ‘online platform’ referred to in this practice is an ‘open’ scheme website providing publicly available information or a secure platform providing individual account details.</p>	<p>Noted.</p> <p>As indicated in the Report, the focus is put on personalised communication. EIOPA underlines that the level of member-specific versus general information is to be assessed on a case by case basis.</p>
103.	ABI	Good Practice 3	<p>Employer online platform to combine information about related HR matters and pensions</p> <p>In principle, this would be acceptable however it may not work in practice. In the UK, we have Group Personal Pensions (GPPs) and multiemployers schemes, where the HR interface is not within the control of the pension scheme provider but rather the employer. It is important that the HR and pensions information are not integrated to avoid the pension being viewed as an HR benefit.</p> <p>Pension scheme providers support employers to engage with scheme members and to understand their entitlements, rather than specify the communication channel. There is no reason that supports that online communication is the only or best way of</p>	<p>Noted. EIOPA acknowledges the specificity of multi-employer arrangements. However, Good Practices should be regarded as principles-based,</p>

			<p>communicating this information for all consumers.</p> <p>This good practice should only be applicable for active pension scheme members, as deferred members would then receive their annual statements, as is current practice in the UK.</p>	<p>with market participants encouraged to apply them to the extent that they benefit their individual circumstances.</p>
104.	AEIP	Good Practice 3	<p>We have several concerns about GP3, mostly related with its practical feasibility and with the assessment of its cost-effectiveness.</p> <p>First of all an employer online platform combining Human Resources (HR) matters and pensions is not easy to be established in practice because:</p> <ul style="list-style-type: none"> <li>- Pension information in many countries is based on national regulations and sent by the IORPs (which are a separate entity from the employer) to their members or beneficiaries;</li> <li>- Pensions rules could differ in relation with different professional position (employees, managers, etc.);</li> <li>- Pension information has a personal and confidential character, and the employees/beneficiaries might have objections against sharing this information with the employer in a combined online platform.</li> </ul>	<p>Noted. Good Practices should be regarded as principles-based, with market participants encouraged to apply them to the extent that they benefit their individual circumstances and that they fit with specific national regulation and market practices.</p> <p>Agreed. A reference to the importance of taking into account the personal and confidential character of pension information and consent to use</p>

			<p>As usual, the cost aspect plays a pivotal role in our assessment. The employers might in general not be willing to spend time and money to set up such a platform or they could simply consider it meaningless. A practical example: one of our members (SOKA-BAU) manages pension entitlements for the (former) employees of around 70.000 German construction companies. 84 % of these companies have less than 10 employees, only 0,5 promille more than 100 employees. Most of them probably do not even have a website and it is unrealist to think about a platform that combine HR information and pension information for each of them.</p> <p>Taking this into consideration, a possible solution might be found in a stronger cooperation between the employer and the IORP in involving the employee in pension matters.</p>	<p>personal data has been added to the text immediately following Good Practice 3.</p> <p>Market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances (e.g. scheme size, multi-employer arrangements and IT systems) and the cost-benefit ratio of applying specific Good Practices.</p>
105.	ANASF	Good Practice 3	<p>We do not agree with Good Practice 3:</p> <p>i) this practice would be too cumbersome for employers in terms of time and costs, especially for small and medium enterprises (e.g. consider the case of a single employer with 35 employees, whereby every employee is a member of a different occupational pension scheme)</p> <p>ii) this practice could lead to unequal treatment, because the members of the same scheme working for different employers might receive different information;</p> <p>ii) the protection of personal data may be put at risk if the IT systems of the employer are not robust enough.</p>	<p>Noted. However, Good Practices should be regarded as principles-based, with market participants encouraged to apply them to the extent that they benefit their individual circumstances.</p>



			<p>Conversely, we consider it a good practice for single scheme members to learn how to monitor their personal situation. In this sense, it is necessary to consider the role of financial advisors in informing scheme members and explaining them all relevant information, thereby enhancing members' financial education.</p>	<p>Market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances (e.g. scheme size, multi-employer arrangements and security of IT systems) and related costs and the cost-benefit ratio of applying specific Good Practices.</p> <p>Noted. This Report focuses on communication tools and channels, not addressing individual advice provided to scheme members.</p>
106.	Aon Hewitt Limited	Good Practice 3	<p>Good Practice 3: Employer online platform to combine information about related Human Resource matters and pensions. EIOPA considers it a Good Practice if the employer combines information about related Human Resources matters (e.g. information about benefits and entitlements) and pensions in one online platform accessible to all scheme members at any point in time. In this regard, personal data of the scheme member is to be protected.</p>	

		<p>Good Practice 3 covers consolidation of information from employers. We think it could be extended, and also comment on the importance of making the information clear and relevant.</p> <p>Benefits communication evidently continues to be a challenge for employers. While there is obvious employee interest in their benefits programmes, and satisfaction with the benefits delivered and the means of delivery, this is not matched by an understanding of the benefits on offer, particularly pension, and is not believed to have created wider financial awareness. This is supported by the recognition that employee communications is a pressing challenge for many employers, and the fact that employee communications, savings and financial education are the stand-out issues of concern for the future.</p> <p>A key message from our recent UK survey relates to product providers' search for the holy grail of a one-size-fits-all' DC pension solution. Our survey reveals that although pension savings will play a key role in funding retirement spending, DC members are planning to use a variety of other sources, including Individual Savings Accounts (ISAs) and property, to fund their retirement spending. As a consequence, as much as the industry might like to have a 'one-size fits all' solution, the diversity of funding sources, the likely equally diverse, personal decumulation strategies, and the likely increase in part-time working means that the search for one solution for all is likely to be a fruitless one.</p>	<p>Disagreed. EIOPA recognises the importance of clear and relevant information; however, this Report focuses on communication tools and channels, not addressing content and presentation of information. Accordingly, the Good Practice should not be extended.</p> <p>Noted. EIOPA appreciates sharing of such information.</p>
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			<p>materials can be very thorough, but organisations need to take a proactive interest in the scheme to ensure that communications resonate with their employees. This is particularly important given the new freedoms announced in the UK 2014 Budget, which will require members to make more - - and more complex - - decisions. A full understanding of their pension and the implications of their choices will be essential.</p> <p>For robo-advice, the blue sky solution would be expected to contain some of the following communication features and characteristics:</p> <ul style="list-style-type: none"> <li>• Include lifetime advice to assist at accumulation stage and drawdown stage (which, for plans that provide a lump sum at retirement, should include information on what this will provide as an income stream)</li> <li>• Integrated IT platform with advice and online planning/choice capability</li> <li>• Multi-channel communication using up to date methods i.e. currently web and app enabled but also built to adapt for future</li> <li>• Simple to understand</li> <li>• Integrated with other savings and access to government pension</li> <li>• Goal to extend to funding/integrating long-term health care, disability benefits, aged care and estate planning and services</li> </ul>	
107.	APG	Good Practice 3	<p>In general we wellcome initiatives aiming at combining information in order to improve the accessibility of this information. However, we have doubts about the GP of an employer online platform combining HR-information with pension information. This is due to various reasons.</p> <p>First of all such a combination might in practice not be easy to establish, because pension information, based on national regulations (at least in the Netherlands) is distributed between between the IORP (which is an entity separate from the employer) and its participants.</p>	<p>Noted. However, Good Practices should be regarded as principles-based, with market participants encouraged to apply them to the extent that they benefit their individual circumstances and that they fit with specific national regulation and market practices.</p>

			<p>Secondly the pension information can have a personal and confidential character, and the employees/participants might have objections against sharing this information with the employer in a combined online platform.</p> <p>Thirdly, the employer might in general not be willing to spend much time and costs to combining the pension information with his own HR-information. The cost aspect is especially relevant for employers in this case. In relation to this aspect the attention of EIOPA should furthermore be drawn to the circumstance that employers in practice are not always familiar with the pension contract of their employees. As a consequence combining HR-information and pension information could lead to partially incorrect information for the participants. This consequence should be avoided. There should be a good governance on the advice/content given by employers on their portals.</p> <p>Taking this into consideration a possible solution might be found in a stronger cooperation between the employer and the IORP in involving the employee in pension matters instead of imposing an obligation to do so exclusively on the employer or on the IORP, or solely combining HR- and pension information. Within the context of such stronger cooperation a clear division of responsibilities between IORP's and employers should in particular be agreed.</p>	<p>Agreed. Please refer to answer to comment 104.</p> <p>Noted. EIOPA agrees that ensuring that the information provided is correct is critical and that better cooperation among different parties is beneficial. Also, market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.</p>
108.	FECIF	Good Practice 3	<p>We do not agree with Good Practice 3:</p> <p>i) this practice would be too cumbersome for employers in terms of time and costs, especially for small and medium enterprises (e.g. consider the case of a single employer with 35 employees, whereby every employee is a member of a different occupational pension scheme)</p> <p>ii) this practice could lead to unequal treatment, because the members of the same</p>	<p>Noted. Please refer to answer to comment 105.</p>

			<p>scheme working for different employers might receive different information;  ii) the protection of personal data may be put at risk if the IT systems of the employer are not robust enough.</p> <p>Conversely, we consider it a good practice for single scheme members to learn how to monitor their personal situation. In this sense, it is necessary to consider the role of financial advisors in informing scheme members and explaining them all relevant information, thereby enhancing members' financial education.</p>	
109.	Federation of the Dutch Pension Funds	Good Practice 3	<p>In general we welcome initiatives aimed at combining information in order to improve its accessibility. However, we have doubts about the GP of an employer online platform combining HR-information with pension information. This is due to various reasons.</p> <p>First of all, such a combination might not be easy to establish in practice, because pension information, based on national regulations (at least in The Netherlands) is distributed between the IORP (which is an entity separate from the employer) and its participants.</p> <p>Secondly, the pension information can have a personal and confidential character, and the employees/participants might have objections against sharing this information with the employer in a combined online platform.</p> <p>Thirdly, the employer might in general not be willing to spend much time and costs on combining the pension information with his own HR-information. The cost aspect is especially relevant for employers in this case.</p> <p>Taking this into consideration a possible solution might be found in a stronger cooperation between the employer and the IORP in involving the employee in pension matters instead of imposing an obligation to do so exclusively on the employer or the IORP, or solely combining HR- and pension information.</p>	Noted. Please refer to answer to comment 107.
110.	GDV	Good Practice 3	<p>Regarding the data protection perspective, it is important that unauthorised third parties do not have access to information on human resources matters unless it is relevant for and has influence on the employee's pension entitlements and which would be communicated to members anyway (such as bonuses or additional entitlements). For example, information on other employment related issues such as warnings of the employer or examination results by the company doctor should not be shared with IORPs</p>	Noted. EIOPA is aware of the importance of data protection as highlighted in the Report.

			or other third parties.	
111.	German Institute of Pension Actuaries	Good Practice 3	<p>At first sight, the aim at combining information in order to improve its accessibility appears to be a good goal to have. However, there may be aspects suggesting otherwise:</p> <ul style="list-style-type: none"> <li>- Possibly intractable issues in special cases e.g. for multi-employer arrangements.</li> <li>- Cost-benefit considerations and usefulness</li> <li>- Data protection and security issues.</li> <li>- As mentioned in the general comment the Good Practices should only apply for IORPs and not for employers, since the requirements an employer has are typically mandated by national labour law.</li> </ul>	<p>Noted. Good Practices should be regarded as principles-based, with Member States and market participants encouraged to apply them to the extent that they benefit their individual circumstances (e.g. multi-employer arrangements). EIOPA agrees that market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices. EIOPA disagrees that the Good Practices should only apply to IORPs and not to</p>

				employers. Please refer to answer to comment 2 for detail on relevant parties to which the Good Practices are aimed at.
112.	Min Pension / Insurance Sweden	Good Practice 3	This Good Practice is evidently aimed at the employer. It is however questionable if EIOPA has any jurisdiction vis-à-vis employers. Moreover, we note that in these cases the service would only be available for employees and not for beneficiaries.	Disagreed. Good Practices are not legally binding on any party but they are aimed as an inspiration to relevant parties interested in maintaining and continuously improving effective communication practices including, but not limited to employers. This Good Practice does not prescribe to whom the online platform should be accessible. Market participants should assess this considering their individual circumstances.



113.	NN Group	Good Practice 3	<p>We consider good practice 3 not fitting nor cost-effective. Employers should play a role in explaining a pension scheme to scheme members. After all, the employer is the paying party. Explicit information on scheme members pension entitlements is however the role of the pension provider (IORP or insurance undertaking who provide an online platform). A tracking service can also make the same information available. A third party (the employer's intranet) isn't necessary and could become very costly.</p>	<p>Noted. EIOPA agrees that market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.</p>
114.	OPSG	Good Practice 3	<p>An employer platform combining information on pensions and related Human Resources matters can be helpful for members. It would be good if such a platform gives information about the total information picture and how to find the information that is not on this platform.</p> <p>It is important, that members who are not actual employees of the company (deferred workers holding vested entitlements as well as beneficiaries) can have access to the information.</p>	<p>Noted.</p> <p>This Good Practice does not prescribe to whom the online platform should be accessible. Market participants should assess this considering their individual circumstances.</p>
115.	PensionsEurope	Good Practice 3	<p>In general we welcome initiatives that aim at combining information in order to improve the accessibility of the information. However, there are several problems that could occur:</p>	<p>Noted.</p>

			<ul style="list-style-type: none"> <li>- EIOPA must limit its Good Practices to information and communication by IORPs and insurance undertakings. According to Art. 1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives. Sponsoring employers are not covered by these Directives. Information requirements an employer has towards its employees are addressed in national labour law and are outside the scope of EIOPA's work.</li> <li>- In some Member States, such as The Netherlands, based on national legislation, the information is distributed between the IORP and the participant. The IORP is a separate legal entity and this Good Practice should not compromise the independent status of the IORP.</li> <li>- Assuming this Good Practice was within EIOPA's scope, for multi-employer pension schemes with several sponsoring undertakings this would still be difficult to achieve. This could however be dealt with by providing a link to the website of the pension scheme (if available).</li> <li>- The employer might not be willing to spend much time and costs to combine the pension information with the HR information. Small employers are unlikely to have an HR online portal in the first place. Costs are a relevant aspect in this.</li> <li>- Employers are in practice not always familiar with the content and details of the pension contract of their employees. As a consequence combining HR-information and pension information could lead to partially incorrect information for the participants. This consequence should be avoided. There should be a governance-model in place for the advice/content given by employers on their portals.</li> <li>- Pension information has a personal and confidential character. Employees might not be in favour of sharing this information with their employer in a combined platform.</li> </ul>	<p>Disagreed. Please refer to answer to comment 19.</p> <p>Noted.</p> <p>Agreed. A reference to the possibility of using links has been added to the text immediately following Good Practice 3.</p> <p>Noted. Please refer to answer to comment 107.</p>
116.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Good Practice 3	Good practice 3 seems not feasible for multi employer IORPs with numerous sponsoring undertakings. The connecting or updating of information on the online platforms of the employers could be very time-consuming and work-intensive especially for multi employer institutions. The embedding of a link to the IORPs online platform on the online platform of the respective employer could be suitable and provides for a fast and easy connection to the information storage of the IORP. Furthermore and as already said,	Partially agreed. EIOPA recognises the specificity of multi-employer arrangements. EIOPA disagrees

			EIOPA should operate within its scope and legal tasks and thus not implement Goog practices for employers that are offering occupational retirement provision to their employees.	that the Good Practices are not intended for employers. Please refer to answer to comment 2. A reference to the possibility of using links has been added to the text immediately following Good Practice 3.
117.	Previnet	Good Practice 3	NOT AGREED.  Priority from 1 (very high) to 5 (very low) : 5  From our real experience, is really difficult, if not impossible, to involve properly employer in pension matters. Even more difficult to have HR system interacting/interfacing with pension system.	Noted.
118.	RPMI Limited	Good Practice 3	Again, in theory, we are supportive of the principle that it would be Good Practice if the employer combines information about Human Resources matters and pensions in one online platform. However, whilst this may be achievable in single employer schemes, in our opinion the challenges this would create for multi-employer schemes, such as the RPS which has around 105 sections, with over 250 participating employers would be insurmountable. We agree that closer collaboration between pension administrators and employers will in general lead to better outcomes for members in terms of service and support.	Noted. EIOPA recognises the specificity of multi-employer arrangements and the importance of closer collaboration among different parties. Market participants are encouraged to apply the Good Practices to the extent that they

				benefit their individual circumstances.
119.	SAUL	Good Practice 3	<p>Combining HR-related information and pensions information in one online platform is a logical approach to take.</p> <p>However, such an approach may not be practicable for schemes with multiple employers. Our Scheme has 52 employers, all with separate HR portals, and so this would be a huge undertaking for us.</p> <p>For small employers a consolidated online HR platform may not be cost-effective.</p>	<p>Noted. EIOPA recognises the specificity of multi-employer arrangements. Market participants are encouraged to apply the Good Practices to the extent that they benefit their individual circumstances. Market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.</p>
120.	ABI	Good Practice 4	<p>Pension calculators</p> <p>The ABI believes that pension calculators are useful tool for understanding possible retirement outcomes. However, individual calculators need to use consistent assumptions to be meaningful, such as regarding fund growth or inflation. Domestic regulations on Statutory Money Purchase Illustration (SMPI) is an example of how this has been</p>	<p>Partially agreed. EIOPA recognises the importance of using consistent</p>

			<p>coordinated in the UK.</p> <p>Ideally, the pension calculated should be incorporated within a tracking service.</p> <p>Finally, this needs to be a national government led initiative which IORPs could signpost to for consistency and to match with domestic regulation.</p>	<p>assumptions. However, determining what are “consistent assumptions” is highly complex and outside the scope of this Report. Nonetheless, a reference to the use of consistent and meaningful assumptions and appropriate disclosures and warnings when estimates are provided has been added to the text immediately following Good Practice 4.</p> <p>Noted. This is however, dependent on the existence of such tracking services.</p>
121.	AEIP	Good Practice 4	<p>We support the GP4 and the idea of having pension calculators that adequately protect the personal data of the pensioners. Anyway, we would like to underline that the use of pension calculators depend on an amount of factors that have to be considered. Once again the main concern is related to costs: pension calculators might imply huge investments that are difficult to bear, especially for small and medium IORPs. Secondly, we think that the confidentiality treatment of the data uploaded to such calculators is of pivotal importance: they should not require access to any personal data from an internal</p>	<p>Noted. EIOPA is aware of the importance of data protection as highlighted in the Report. EIOPA agrees that</p>

			<p>database of the pension institution but should be restricted to information entered manually via the website.</p>	<p>market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances (e.g. size of IORP) and the cost-benefit ratio of applying specific Good Practices. EIOPA is neutral on specific rules or functionalities in terms of information sources (internal databases vs. manual entry). Market participants should assess this considering their individual circumstances.</p>
122.	ANASF	Good Practice 4	<p>Good Practice 4 is appropriate but needs some specifications in order to avoid uncertain and unintended consequences. We deem it necessary to complement this Practice in this way:</p> <p>i) relevant data and calculation methods across different pension calculators should be standardised, so as to foster the comparability of different schemes. For instance, calculators should make use of widespread macroeconomic data and market indexes;</p>	<p>Partially agreed. EIOPA recognises the importance of comparability across different pension calculators. However, ensuring</p>

			<p>ii) underlying information must be up-to-date (this reasoning applies to both pension calculators and regular individual pension information).</p>	<p>standardised data, assumptions and calculation methods is highly complex and outside the scope of this Report. Nonetheless, a reference to the use of relevant data, widely accepted methodologies and updated information has been added to the text immediately following Good Practice 4.</p>
123.	Aon Hewitt Limited	Good Practice 4	<p>Good Practice 4: Pension calculators EIOPA considers it a Good Practice to offer scheme members the use of pension calculators in addition to regular communication. In this regard, personal data of the scheme member is to be protected.</p> <p>Our experience shows that the most effective pension accumulation calculators rely on pre-filled personalised data and the ability for the member to change this data to model different scenarios and the impact to their retirement readiness, such as contributing more or less, investing with more or less risk and changing their anticipated retirement age.</p> <p>However, Pension Calculators are only one form of communication tool; and, in some countries, may not be the most effective tool. We encourage EIOPA to consider Good Practice statements for other tools &amp; channels (e.g. retirement planning information,</p>	<p>Noted. EIOPA is aware of the importance of protecting personal data as highlighted in the Good Practice.</p> <p>Noted.</p> <p>Disagreed. Financial planning, financial education</p>

			<p>financial courses, and access to investment advisers). Good Practice could cover a wider array of retirement tools and education including a full suite of independent financial planning tactics.</p> <p>For example, one of our recent surveys found that:</p> <ul style="list-style-type: none"> <li>• 73% of employees say their employer should provide retirement planning information or courses</li> <li>• 54% want access to a personal investment advisor</li> <li>• 47% would like investment information or courses</li> <li>• 41% would like debt management/budgeting courses</li> <li>• 40% would like financial education/advice websites</li> </ul> <p>EIOPA has also stated that pension calculators have little or no value added for members close to retirement. We disagree with this statement. Many countries allow retirement income to be taken in different forms (eg life annuity ; fixed period ; variable annuities ; lump sum ; income drawdown). Pension calculators can be used in the pre-retirement and, if income drawdown is used, in the retirement phase in order to model the effect of different options.</p> <p>Furthermore, if an employees who are close to retirement have already obtained an adequate level of funding ; pension calculators could be used to prompt employees to de-risk investments (in order to avoid potential large drops in retirement income if there was a sudden market fall eg a repeat of the 2007 financial crisis)</p> <p>We would like to see Good practice 4 : Pension calculators expanded to include items that should be included in pension calculators. For example, Good Practice 4 could be extended by saying : Pension calculators should allow scheme members to see how their income at retirement could be affected by changes to investment returns, retirement age, life expectancy. Pension calculators should also take into account the scheme members' attitude to risk and expected income from other retirement sources (e.g. state pension, private pensions, pension from previous employers, other saving vehicles).</p>	<p>and advice are important issues but complementary issues to the scope of this Report.</p> <p>Agreed. The text has been reworded to clarify how pension calculators may be useful for members close to retirement.</p> <p>Agreed. A reference to possible features of pension calculators has been added to the text immediately following Good Practice 4.</p>
124.	APG	Good Practice 4	<p>We support both the idea of pension calculators and the protection of personal data as intended by EIOPA. However, the main problem in this respect is how to stimulate participants to make use of the calculators. In this respect we refer to Dutch practice:</p>	<p>Noted. EIOPA acknowledges the importance of</p>



		<p>pension calculators are already available, but in practice it turns out to be difficult to get participants actively using them.</p> <p>Against this background it might be advisable to not only provide participants with a calculator, but to also sketch already some scenario's, for example the most chosen scenario's or the average scenario. And in case participants would be willing to use calculators, we recommend that the attention of these participants should be drawn to the circumstance that the outcomes in terms of benefits will be less reliable if the date of retirement of a member is still far away in the future. This might be due to future (material) changes in the pension contract and/or the pension- or tax regulations applicable to this contract. As a consequence we furthermore estimate that calculators will make relatively more sense close to the retirement date, because participants will then be able to obtain a more clear insight in the effects of e.g. working a few months longer, taking a part-time pension or a high-low construction.</p> <p>Furthermore we think that pension calculators should be harmonized, because huge differences between pension calculators will be a serious impediment of their use. In addition, we recommend that an overkill in information in respect of such calculators should be avoided.</p> <p>Finally, we foresee that pension calculators might imply huge investments that are difficult to bear for small pension funds.</p>	<p>these issues but would like to point out that these are complementary issues to the scope of this Report.</p> <p>Agreed. A reference to scenarios and appropriate disclosures and warnings when estimates are provided has been added to the text immediately following Good Practice 4.</p> <p>Agreed. Please refer to answer to comment 122 regarding harmonization of pension calculators.</p> <p>Noted. Good Practices should be regarded as principles-based and market participants encouraged to apply them to the</p>
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				extent that they benefit their individual circumstances (e.g. size). Market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.
125.	BIPAR	Good Practice 4	See answer to question 3	Noted.
126.	FECIF	Good Practice 4	<p>Good Practice 4 is appropriate but needs some specifications in order to avoid uncertain and unintended consequences. We deem it necessary to complement this Practice in this way:</p> <p>i) relevant data and calculation methods across different pension calculators should be standardised, so as to foster the comparability of different schemes. For instance, calculators should make use of widespread macroeconomic data and market indexes;</p> <p>ii) underlying information must be up-to-date (this reasoning applies to both pension calculators and regular individual pension information).</p>	Noted. Please refer to answer to comment 122.
127.	Federation of the Dutch Pension Funds	Good Practice 4	We support both the idea of pension calculators and the protection of personal data as intended by EIOPA. However, the main problem in this respect is how to stimulate participants to make use of the calculators. In this respect we refer to Dutch practice: pension calculators are already available, but in practice it turns out to be difficult to get	Noted. Please refer to answer to comment 124.

			<p>participants to actively use them.</p> <p>And in case participants would be willing to use calculators, we recommend that participants are made aware that benefit outcomes are less reliable if the retirement date is still far away in the future. This might be due to (material) changes in the pension contract and/or the pension or tax regulations applicable to this contract.</p> <p>Furthermore, we think that pension calculators should be harmonised, as huge differences between pension calculators will be a serious impediment to their use. In addition, we recommend that an information overload regarding such calculators should be avoided.</p> <p>Finally, we foresee that pension calculators might require significant investments that are difficult to bear for small pension funds.</p>	
128.	GDV	Good Practice 4	<p>It is important that members can assess whether they save enough for their retirement. However, a proportionate approach is needed to ensure that such calculators can be implemented in a non-burdensome and cost-efficient way in addition to on-going information members and beneficiaries receive on a yearly basis. This is in particular important for small and medium size providers. Professional and business associations like the GDV also provide such calculators online. Pension schemes could simply link to such external calculators provided they are of good quality.</p>	Noted. Please refer to answer to above comments regarding cost of pension calculators.
129.	German Institute of Pension Actuaries	Good Practice 4	<p>Conceptually, a pension calculator can indeed be a useful tool to assist members assessing their future retirement income. Here too, there may be aspects suggesting otherwise:</p> <ul style="list-style-type: none"> <li>- Legal liability consideration e.g. in the case of a member drawing conclusions from such tools that, in retrospect turn out to be poor or even wrong</li> <li>- Cost-benefit considerations in particular regarding the cost of maintenance of such tools.</li> <li>- Usefulness, depending on promised benefits. In some arrangements, for example, the employer may bear all risks from asset allocation and the member has no options regarding asset allocation or pay-out-options.</li> </ul>	Agreed. A reference to appropriate disclosures and warnings when estimates are provided has been added to the text immediately following Good Practice 4. Good Practices should be regarded as

				principles-based and market participants encouraged to apply them to the extent that they benefit their individual circumstances (e.g. type of benefits, available options). Market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.
130.	Min Pension / Insurance Sweden	Good Practice 4	The possibility to make pension projections is already provided by Min Pension. As is the case for Min Pension, this kind of service should offer alternative projections based on different retirement ages as well as different salary levels and rates of return on the pension capital. The website could also be complemented by a smartphone/tablet application and be reached through seamless login from external Internet sites such as relevant authorities, banks and IORPs/insurers.	Noted.
131.	OPSG	Good Practice 4	Pension calculators is a fine tool for members. They shall also cover pensions for other persons than an actual employee and be accessible for these groups of members.	Agreed. A reference to the possibility of wider access and

				inclusion of other retirement entitlements has been added to the text immediately following Good Practice 4.
132.	PensionsEurope	Good Practice 4	<p>A pension calculator can be a useful tool to help scheme members with assessing and predicting their future retirement income. But an important question is how to find ways to stimulate members to make use of the calculators available.</p> <p>It should be clear that the outcome is less reliable when the retirement date is still far away, due to unpredictability of investment returns, possible changes in the pension contract or tax regulation. Due to different assumptions, there are huge differences between pension calculators; different calculators may give different outcomes. It should be clear which risks are borne by the member i.e. that outcomes may differ. This makes it difficult for members to understand and to take action.</p> <p>In Italy, the national supervisory Authority for pension funds, Covip, has overcome this problem by annually defining some of the relevant input to be used in the simulations (e.g. the expected contribution/salary growing rate; the expected inflation rate; the expected retirement age). Therefore, the calculators combine pension scheme and member's characteristics with the external factors periodically defined by Covip, thus obtaining simulations that are comparable among different pension funds.</p> <p>The Good Practice should take into account that a pension calculator will only be cost-efficient for schemes with a certain number of members.</p>	<p>Noted. Please refer to answer to comment 122.</p> <p>Agreed. A reference to scenarios and appropriate disclosures and warnings when estimates are provided has been added to the text immediately following Good Practice 4.</p> <p>Noted.</p> <p>Noted. Market participants are encouraged to apply the Good Practices to the</p>

				extent that they benefit their individual circumstances (e.g. number of members). EIOPA agrees that market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.
133.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Good Practice 4	We offer a pension calculator on our website, where every member can fill in the desired contributions to the scheme and execute the desired pension projections. Furthermore, every member can ask for detailed pension projections via e-mail etc.	Noted.
134.	Previnet	Good Practice 4	FULLY AGREED.  Priority from 1 (very high) to 5 (very low) : 1  Pension calculators are necessary no matter the country, especially when dealing with DC arrangements	Noted.
135.	RPMI Limited	Good Practice 4	We agree that it is Good Practice to offer scheme members the use of pension calculators, where practical, in addition to regular communication and, indeed, RPMI do so. We would challenge that the need for such tools diminish as a member approaches	Agreed. The text has been reworded to clarify

			<p>retirement. This is the time in a member's pension lifecycle when the member has traditionally had the most interest in their retirement provision and is more likely than ever to use a calculator to explore scenarios relating to outcomes he or she may wish to achieve or discuss with a third party such as an Independent Financial Adviser.</p> <p>However, we also feel it adds value at other times, such as when a member does not know the age they plan to take their benefits. A comprehensive planner will help a member understand their options and opportunities for increased contributions or the impact a different retirement date will have on their income in retirement.</p>	<p>how pension calculators may be useful for members close to retirement.</p>
136.	SAUL	Good Practice 4	<p>We have several calculators on our website to help members see what they might get a retirement and what effect retiring early, retiring late or making AVC can have on their benefits.</p> <p>As they are freely available, members must enter their details using their latest benefit statement.</p> <p>They are among the most visited pages on our website and serve as a useful tool when members have face-to-face meetings with the person dealing with pensions at their employer. It also permits scheme members to access the information they need, when they want it, in the media of their choice.</p>	Noted.
137.	ABI	Good Practice 5	<p>Advanced tracking services</p> <p>We would agree that tracking services are a good idea as it is common in the UK for consumers to lose track of their pension entitlements across the three pillars (state [1], occupational [2], and personal [3]). Ideally it needs to include state pensions and private pensions to improve engagement. However it will require national framework and compatibility with government systems, which national governments can support. A key barrier to this within the UK is the systems that are currently used and the willingness from small trust-based occupational pension schemes to participate.</p> <p>In the UK, industry and government are working on Pensions Dashboard, which hopes to include information on all three pillars, and aims at increasing consumer engagement in pensions. The ABI is also part of the expert group of the Track and Trace Your Pensions in Europe (TTYPE) project. We would therefore suggest that EIOPA support current industry developments such as these.</p>	<p>Noted.</p> <p>Agreed. EIOPA is aware and follows with interest the TTYPE project. A reference has</p>

				been added in the text immediately following Good Practice 2.
138.	AEIP	Good Practice 5	<p>In principle we agree with EIOPA that tracking services could also serve as communication platform with scheme members, and send alerts/notifications via email when new information becomes available.</p> <p>We would like to underline that there are still large differences among Member States in the adoption of tracking services at national level and that, as usual, a "one size does not fit all" approach should be adopted.</p> <p>The added value would be to have an harmonized tracking service at EU level, as it is suggested in the Track and Trace Your Pension in Europe (TTYPE) Project. Some of our Members, namely Agirc Arcco (FR), SOKA-BAU (DE), and the Belgian Association of Pension Institution (BAPI- now renamed Pensio Plus) (BE) were part of the project consortium and AEIP itself has contributed to it through its expertise. We are currently participating in the expert meetings and we would like to invite EIOPA to establish an adequate and clear link with the TTYPE project.</p>	<p>Noted.</p> <p>Agreed. EIOPA is aware and follows with interest the TTYPE project. A reference has been added in the text immediately following Good Practice 2.</p>
139.	ANASF	Good Practice 5	<p>Good Practice 5 is appropriate, especially in the case of major changes in national legislation that have repercussions on scheme members' situation, e.g. the Italian pension reform approved in December 2011 (so-called Fornero reform): in this case, alerts and notifications with clear and simple messages may be useful.</p>	<p>Agreed. Although it is not the purpose of this Good Practice to prescribe the occasions when alerts/notifications should be sent, a reference to alerts/notifications regarding relevant legislative changes has been added to the text</p>



				immediately following Good Practice 5.
140.	Aon Hewitt Limited	Good Practice 5	<p>Good Practice 5: Advanced tracking services EIOPA considers it a Good Practice when tracking services can in addition serve also as communication channels e.g. include alerts/notifications when new information becomes available.</p> <p>We think this statement can be broadened. Advanced tracking services can also be used to boost member engagement with their pensions. For example, providers could consider sending text messages to members when benefit statements are available or if their pension plan funds/investment returns hit certain benchmarks. It is also important to tell people good news about pensions (eg your pension provider has now introduced this option ; or your account balance has grown by X% this year) and not just alerting members about things that have gone wrong (eg fund prices falling) or when they need to do something.</p> <p>It would be helpful to clarify what is meant by « new information ». We think this could include changes to legislation and tax rules ; changes to plan designs; changes in market conditions (especially periods of negative investment returns) ; changes in DC providers and fund managers. The alerts/notifications should also set out the actions or options that employees/members may want to consider in response to events or circumstances.</p>	<p>Agreed. Although it is not the purpose of this Good Practice to prescribe the occasions when alerts/notifications should be sent, examples, have been added to the text immediately following Good Practice 5.</p>
141.	APG	Good Practice 5	<p>In principle we consider it an adequate GP that tracking services can also serve as information tool including alerts/notifications. But at the same time, we recommend that the relation between and consistency of such services and (the provision of information by) pension providers should be considered. Overkill should be avoided, because this could de-incentivise participants to make use of these tracking services. Specific situations in which the participant receives the same information double or (even worse) not at all should be avoided.</p> <p>We furthermore advise EIOPA to establish an adequate and clear link with the TTYPE-project.</p>	<p>Agreed. A reference to the risk of duplication of information has been added to the text immediately following Good Practice 7, rather than Good Practice 5.</p> <p>Agreed. EIOPA is aware and follows</p>

				with interest the TTYPE project. A reference has been added in the text immediately following Good Practice 2, rather than Good Practice 5.
142.	FECIF	Good Practice 5	Good Practice 5 is appropriate, especially in the case of major changes in national legislation that have repercussions on scheme members' situation, e.g. the Italian pension reform approved in December 2011 (so-called Fornero reform): in this case, alerts and notifications with clear and simple messages may be useful.	Noted.
143.	Federation of the Dutch Pension Funds	Good Practice 5	In principle, we consider it an adequate GP that tracking services can also serve as information tools, including alerts/notifications. But at the same time, we recommend that the relation between and consistency of such services and (the provision of information by) pension providers should be considered. Overload should be avoided, because this could de-incentivise participants to make use of these tracking services. Specific situations in which the participant receives the same information twice or (even worse) not at all should be avoided. We furthermore advise EIOPA to establish an adequate and clear link with the TTYPE-project.	Noted. Please refer to answer to comment 141.
144.	GDV	Good Practice 5	In our opinion, it is particularly important to make sure that all citizens of working age are provided with appropriate information on what their future pension entitlements and survivor's benefits are likely to be. Enhanced and timely information can play an important role in encouraging people to save more for their old age and make the arrangements that best meet their particular circumstances. This applies not only to occupational pensions but also to public pension systems and personal pension products. In countries with multi-pillar pension systems people would greatly benefit from an integrated cross-pillar approach which can be achieved through online tracking tools. The German insurers believe that such projects require a political will of all stakeholders and pragmatic solutions for implementation which are not burdensome for small and medium size employers, IORPs and insurers. Finally, a solid legal basis is required with respect to	Noted.

			the data protection issues to ensure a successful implementation of online portals and legal certainty for providers.	
145.	German Institute of Pension Actuaries	Good Practice 5	We note that the TTYPE Consortium is working on an EU-wide tracking service. Tracking services can be a good information tool, but can be potentially costly and complex. A tracking system is easier to achieve in some Member States than in others. We therefore trust that any such initiative is not mandatory and should be voluntary for each Member State to subscribe to (in Germany, such a tracking system does not yet exist and we doubt, given the heterogeneity and fragmentation of pension arrangements in Germany alone, that such a global system can be implemented in the near future).	Noted.
146.	Min Pension / Insurance Sweden	Good Practice 5	We support this practice. To include alerts/notifications is however a delicate matter. The notification must be correct and regarded as comprehensible and/or manageable by the user.	Noted.
147.	OPSG	Good Practice 5	We know that scheme members allocate very limited attention to information on pensions. A tracking service that can be used as communication channel for alerts or notification when new information becomes available can activate members.	Noted.
148.	PensionsEurope	Good Practice 5	We note that the TTYPE Consortium is working on a EU-wide tracking service. Tracking services can be a good information tool, but can be potentially costly and complex. A tracking system is in some Member States easier to achieve than in other Member States. Therefore, we would like to emphasize that any initiative in this field should be voluntary and it should be up to the respective Member State whether they deem it possible.	Noted.
149.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Good Practice 5	In Germany, there is currently no national tracking service in place that could be used. Additionally and with respect to the outlined good practice, we are not convinced that the implementation of a tracking service could create additional value for the members and beneficiaries. Additionally, in Germany, occupational retirement provision is also offered directly by almost 90.000 employers via book reserves (direct pension pledges) on a voluntary basis. Employers are thus looking for slim administration expenditure. The cost and administrative burdens of the introduction of a pension tracking service will therefore also depend heavily on the respective national structure and number of the pension providers that vary significantly in the Member States.	Noted.
150.	Previnet	Good	AGREED.	Noted.

		Practice 5	<p>Priority from 1 (very high) to 5 (very low) : 3</p> <p>Not easy but possible. Previnet is part of the TTYPE project.</p>	
151.	RPMI Limited	Good Practice 5	<p>Tracking services are not widely available within the UK but, if they were, there may well be merit in these services also serving as a communication channel involving generic changes in pension provision. The concern with adopting tracking services centres around how these would be funded and who would be responsible for the maintenance of such a service. However, it should be noted that holding a members email address is a vital tool in tracing members. Over time, evidence suggests that individuals are less likely to change an email address than a physical one or telephone contact number.</p>	<p>Agreed. Although it is not the purpose of this Good Practice to prescribe the occasions when alerts/notifications should be sent, a reference to alerts/notifications regarding generic changes in pension provision has been added to the text immediately following Good Practice 5.</p>
152.	SAUL	Good Practice 5	<p>As a defined benefit pension scheme, tracking services are not an appropriate option for us, as a means of modelling retirement income.</p>	<p>Noted.</p>
153.	ABI	Good Practice 6	<p>Evaluation of communication strategy effectiveness</p> <p>The detail set out in this good practice is normal practice in the UK with IORPs and so we would agree that this should be best practice across the EU. Our members also carry out consumer testing before finalising key piece of communication to be sent out to scheme members.</p> <p>Pensions communication in the UK has, more recently, developed as a result of the freedom and choice/ pension reforms. There is a current restriction now placed on IORPs</p>	<p>Noted.</p>

			<p>between the mandatory information that needs to be provided and trying to engage members. More flexibility is needed to allow providers to communicate with their customers in appropriate ways and by using appropriate language.</p> <p>Finally, we would reiterate the ABI's involvement in the Common Protocol project, which aims at simplifying language used in pension communications.</p>	
154.	AEIP	Good Practice 6	<p>We support the GP6: it is indeed a good practice to assess the effectiveness of the communication strategy and the degree to which members have understood the relevant information.</p> <p>We would like to stress that the overall communication strategy has to balance the added value of information/tool/channel against the individual costs in delivering this information. A cost-effectiveness evaluation is therefore due, and with this regard, the value of the pension promise plays an important role. A practical example: an employee enrolled in a mandatory DB sector-wide plan which provides him a small pension promise (i.e. less than 100 EUR a month) with contributions paid by the employer does neither need yearly information nor advanced tracking services, pension calculation or online platforms. This may look different in the case of a pension promise that will represent the 40-50% of the old age income.</p> <p>There shouldn't be a "one size-fits-all" strategy in place and IORPs duties should be limited to the provision of adequate and balanced information. The assessment of the effectiveness and the evaluation of the communication strategies should not be compulsory for pension providers.</p> <p>All the practices mentioned at page 28 of the consultation paper (highly interactive communication channels such as telephone calls or face to face meetings, etc.) imply a cost that is not bearable by most pensions providers.</p>	<p>Noted.</p> <p>Noted. Good Practices are not legally binding on any party. Market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.</p>

155.	ANASF	Good Practice 6	<p>Good Practice 6 is appropriate inasmuch as it requires entities (i.e. institutions and companies) to assess their communication strategy effectiveness. We would like to emphasise the role of personal advisors, in that they help scheme members understanding the information provided and having their specific questions answered.</p>	Noted. However, how advice is provided is a complementary issue to the scope of this Report.
156.	Aon Hewitt Limited	Good Practice 6	<p>Good Practice 6: Evaluation of communication strategy effectiveness EIOPA considers it a Good Practice if the IORPs, insurance undertakings, and, where applicable employers and/or other relevant entities assess the effectiveness of their communications and the degree to which members have understood them.</p> <p>We strongly support this Good Practice. Measuring results is essential to not only understanding the effectiveness of the campaign but to determining whether members are making appropriate decisions and taking appropriate steps to ensure their financial wellbeing and retirement readiness.</p> <p>For example, Aon Hewitt often uses the following when developing communications with clients:</p> <ul style="list-style-type: none"> <li>• Learn More About Your Employees—What They Think, What They Want: The more you know, the more you can do. Look beyond the behavioural data of your retirement plan and consider employee research options like attitudinal segmentation and employee listening to dig deeper into what your employees think and want or to test new ideas to understand the value employees place on these</li> <li>• Provide Relevant and Ongoing Education: To drive the actions most critical to your organization and your people, personalize your communication and education to employees’ behaviours, preferences, and financial well-being situations. And use an array of media channels, including high tech and high touch, to reach your diverse population.</li> <li>• Employees want help with their finances—not just with saving for retirement, but with broader financial well-being considerations such as preparing for an emergency, saving for education, and saving for short- and long-term wants and needs. The strongest desire is for unbiased financial advice provided through the employer—employees want someone to tell them how they’re doing and what they should do to get on track for retirement, as well as to help them manage their day-to-day financial situations. Employees are looking for guidance and reassurance, and they are motivated by wanting</li> </ul>	Noted.

			to do the right thing. There is a strong willingness to accept help from their employers. They are looking for their employers to make it as easy as possible to make the right decisions.	
157.	APG	Good Practice 6	<p>We support the GP of evaluating the effectiveness of communication strategies and of assessing the degree to which participants have understood them.</p> <p>In respect of this GP we first of all assume that the use of calls/face to face contacts is to help people in understanding the pension information which they have received. This however does not mean that a pension provider by definition gets a correct picture about whether a participant has fully understood this information. Different actions and research will be necessary in order to realize this.</p> <p>We would also like to underline that during such evaluation processes attention should also be paid to the degree to which the communication strategies (for example making use of « pension personae’, as also recommended in our previous comments) have incentivised participants to undertake actions with regard to their pension situation.</p> <p>Furthermore we observe that this GP 6 seems to contain a broader sense than only evaluation. As a reaction on this we advocate for a limited duty of care for pension providers. The obligations for pension providers should in particular not include the provision of consulting participants, but should rather be limited to the provision of adequate and balanced information. In addition neither (i) multiple telephone calls or email messages in order to make contact with participants in case of retirement nor (ii) the verification whether participants have fully and correctly understood the information provided to them should be compulsory for pension providers.</p>	<p>Noted.</p> <p>Noted. The text has been amended to clarify this.</p> <p>Partially agreed. This is not applicable to information provision that requires no action from members.</p> <p>Noted. The broader sense is that the results of the evaluation could trigger changes to the communication strategy. This has been clarified in the text immediately following Good Practice 6. Also, as pointed out in the Report, Good Practices are not</p>

				legally binding on any party nor subject to the "comply or explain" mechanism provided for under Article 16 of Regulation 1094/2010/EU.
158.	FECIF	Good Practice 6	<p>Good Practice 6 is appropriate inasmuch as it requires entities (i.e. institutions and companies) to assess their communication strategy effectiveness.</p> <p>We would like to emphasise the role of personal advisors, in that they help scheme members understanding the information provided and having their specific questions answered.</p>	Noted. Please refer to answer to comment 155.
159.	Federation of the Dutch Pension Funds	Good Practice 6	<p>We support the GP of evaluating the effectiveness of communication strategies and of assessing the degree to which participants have understood them. During such evaluation processes attention should also be paid to the degree to which the communication strategies have incentivised participants to undertake actions with regard to their pension situation. In such a process the use of pension personae, as also recommended in our previous comments, could be a valuable tool.</p> <p>Furthermore, we observe that this GP seems to contain a broader sense than only evaluation. As a reaction to this we advocate for a limited duty of care for pension providers. The obligations for pension providers should not include the consulting of participants, but should rather be limited to the provision of adequate and balanced information. In addition neither (i) multiple telephone calls or email messages in order to make contact with participants in case of retirement nor (ii) the verification whether participants have fully and correctly understood the information provided to them should be compulsory for pension providers.</p>	Noted. Please refer to answer to comment 157.
160.	GDV	Good Practice 6	It is not clear how IORPs and insurers that provide occupational pensions can ensure whether the information every single member receives is understood in a right way.	Partially agreed. Assessing the



			<p>Therefore, it is more appropriate and less burdensome to already assess the comprehensibility of information in the drafting phase of pension statements. Often, linguists and marketing experts are involved in the drafting of information provided to ensure its comprehensibility and user-friendliness. In any case, a proportionate generalised approach is necessary: It is not feasible to assess whether every single member has fully understood the information provided to him.</p>	<p>comprehensibility of information before it is made available and evaluating if it has been understood serve complementary purposes. Nonetheless, a reference to assessing the comprehensibility of information before it is made available has been added to the text immediately following Good Practice 6. The Good Practice does not advocate the need to assess if every single member has understood the information provided. The text has been reworded to clarify this.</p>
161.	German Institute of Pension Actuaries	Good Practice 6	<p>An evaluation of the effectiveness of any communication strategy is normally worthwhile. The key in this regard is the level of participation of members to read the information and to take action appropriate for them. As mentioned in our response to good practice 4, legal liability issues upon providing advice and cost-benefit considerations are important here too.</p>	<p>Agreed. A reference to scheme member reaction as a metric has been</p>

				added in the text immediately following Good Practice 6. Please also refer to answer to comment 129.
162.	Min Pension / Insurance Sweden	Good Practice 6	Min Pension makes use of third party surveys and consumer testing to assess the effectiveness of the service. Different aspects are assessed, such as comprehensiveness, usefulness and manageability of the information and data provided.	Agreed. A reference to the elements that can be assessed has been added to the text immediately following Good Practice 6.
163.	OPSG	Good Practice 6	<p>We must evaluate all our activities. The effectiveness of a communication strategy should also be evaluated.</p> <p>Special attention should be given to what is not working : members not reacting when they have to make decisions.</p> <p>The development in communication tools and channels and the use of the different tools and channels should be monitored.</p>	<p>Noted.</p> <p>Agreed. A reference to the extent of non-reaction as an element that should be assessed has been added to the text immediately following Good Practice 6.</p>
164.	PensionsEurope	Good Practice 6	We support the idea of evaluating the effectiveness of the communication strategy. Important in this regard is to have a closer look at how members can be incentivised to read the information and to take action, if needed. Furthermore, this Good Practice is broader than only evaluation of the communication strategy. Information should be	Noted. EIOPA acknowledges the importance of these issues but

			adequate and clear, but it should not be mandatory for pension providers to call or email participants in case of retirement or to verify whether they have understood correctly the information.	would like to point out that these are complementary issues to the scope of this Report. Good Practices are not binding on any party but verifying whether members have understood correctly the information is critical to assessing the effectiveness of a communication strategy.
165.	Previnet	Good Practice 6	<p>AGREED.</p> <p>Priority from 1 (very high) to 5 (very low) : 3</p> <p>Nice to have</p>	Noted.
166.	RPMI Limited	Good Practice 6	We strongly believe that every effort should be made to ensure all member communications are clear, understandable and engaging. As part of this process we consider it is essential to assess the effectiveness of communications and the degree to which members have understood them.	Noted.
167.	SAUL	Good Practice 6	We find that face-to-face meetings with our members, through pension surgeries or presentations are a good way for us to find out whether recent communications have been understood and acted upon. We also receive feedback from our employers, who speak to members daily and are the first point of contact for any queries. This helps us determine how effective our communications are and whether any additional information or resources should be issued.	Noted. EIOPA acknowledges the links to Good Practice 1 but is of the opinion that these should not

			<p>We include a printed feedback form with printed letters we send to members at their key life events in the Scheme : transfers in, leaving their employer and retiring. In other communications, we encourage members to tell us what they think using an online feedback form.</p> <p>A coherent communications strategy (see Good Practice 1) should always include evaluation and monitoring of the effectiveness of the strategy (using measurement against clear objectives). Our recommendation would therefore be to combine Good Practice 6 with Good Practice 1 and refer to monitoring as being an integral part of the overall strategy.</p>	be combined.
168.	ABI	Good Practice 7	<p>Multi-channel strategy</p> <p>We would agree with a multi-channel strategy as it is imperative that any strategy employed by the IORP is flexible. This is particularly important for the UK in order to reflect the recent regulatory changes, and to ensure that any communication strategy and pension communications in general can be as 'future proof' as possible in terms of regulation and technology.</p>	Noted.
169.	AEIP	Good Practice 7	<p>We support GP7, which suggests to pension providers to make use of a multi-channel strategy to communicate to their members.</p> <p>We would like to underline two main points:</p> <ul style="list-style-type: none"> <li>- Pension providers should not be forced to have multi-channel communication strategies in place;</li> <li>- Such a strategy should not lead to a massive delivering of information, as this decrease of the probability to have the attention of the recipients. It is well known that if people receive too much information the effect will be that he/she will simply stop to read it.</li> </ul>	<p>Noted.</p> <p>Noted. Good Practices are not legally binding on any party.</p> <p>Agreed. A reference to the detrimental impact of excessive and duplication of information has been added in the</p>

			In addition we recommend the layering of information (see general comments).	<p>text immediately following Good Practice 7.</p> <p>Noted. EIOPA acknowledges the importance of information layering as highlighted under this Good Practice.</p>
170.	Aon Hewitt Limited	Good Practice 7	<p>Good Practice 7: Multi-channel strategy</p> <p>EIOPA considers it a Good Practice if IORPs, insurance undertakings, where relevant, employers and/or any other relevant entities make use of a multi-channel strategy to communicate to their members.</p> <p>In future, we can expect to see members adopting very different approaches to retirement, depending on their circumstances and aspirations. For sponsoring employers and trustees of DC pension schemes, developing a 'one-size-fits-all' retirement strategy will not work. So, how can they respond appropriately and deliver solutions that meet their own scheme members' changing and diverse needs? How can they deliver targeted communications, investment strategies and ways to encourage pension savings? Importantly, how can they do this in the most efficient and manageable way?</p> <p>The answer may lie in the ability to segment DC scheme memberships. In our view, there are five clear behavioural themes emerging among our surveyed members, based on our analysis of their responses. By observing these themes, sponsoring employers and trustees may position themselves positively to meet the challenges presented by the increasing complexity of their member wants and needs. By building a deeper understanding of their DC scheme membership, employers and trustees can understand their members' behaviour and attitudes and work on delivering targeted communications and investment strategies</p> <ul style="list-style-type: none"> <li>• Certainty seekers (35%) - - want an annuity so that they can have a secure, stable, guaranteed income for life.</li> <li>• Steady spenders (35%) - - they want the same outcomes as certainty seekers.</li> </ul>	<p>Noted. EIOPA appreciates sharing of such information.</p>

			<p>But, they plan to continue investing their money in retirement to generate this stable income.</p> <ul style="list-style-type: none"> <li>• Early spenders (10%) – they want to take their retirement savings in one (partially taxable) lump sum, or in a series of payments soon after retirement (perhaps to reduce the tax impact).</li> <li>• Flexibility foremost (15%) - - These members anticipate continuing to invest, and will dip into these savings as and when needed. They are likely to be planning to rely on state pension and other sources of income to support their retirement.</li> <li>• Residual required (5%) - - they want to ensure a significant element of pension savings towards the end of their lifetimes. They are either care conscious or bequest-driven.</li> </ul> <p>In summary, different messages are needed for those who are saving for different reasons and who have different attitudes to risk. Providers need to consider having a broad suite of communication channels from online tools and calculators to face to face advice and the ability to trade up between them depending on the complexity of members’ needs.</p>	
171.	APG	Good Practice 7	<p>We agree, in combination with GP 1 (part of a coherent communication strategy) that making use of a multi-channel strategy for communicating to participants can be considered as a GP. However, in our view such a strategy should not lead to an overkill in information to members. IORP’s should not be forced to simultaneously use more than one channel.</p>	<p>Agreed. A reference to the detrimental impact of excessive and duplication of information has been added in the text immediately following Good Practice 7. Good Practices are not legally binding on any party and, accordingly, multi-channel strategies should be implemented to the extent that they benefit</p>

			<p>We recommend that this GP and multi-channel strategies considered by IORP's pension providers should provide for the possibility to integrate future developments, and should if possible adapt their strategies as a result of these developments. Impediments from supervisory regulations should be avoided as much as possible. For example IORPs intending to make a shift to fully digital communication should inform their participants about these intentions, but should not be forced to maintain paper equivalents for as long as anybody may ask for them. In this case, it may serve as an example that the Dutch tax administration is doing away with all non-digital tax declarations.</p> <p>In addition we recommend the layering of information. Recent research in the Netherlands has shown that information by means of layering has led to clearer and more understandable information.</p>	<p>individual circumstances.</p> <p>Noted. However, please note that solely providing information in a digital way may not be suitable to all members and that in some Member States the use of particular communication tools and channels is prescribed by national legislation.</p> <p>Noted. EIOPA acknowledges the importance of information layering as highlighted under this Good Practice.</p>
172.	Federation of the Dutch Pension Funds	Good Practice 7	<p>We agree that making use of a multi-channel strategy for communicating to participants can be considered as a GP. However, in our view such a strategy should not lead to an information overload to members. IORPs should not be forced to simultaneously use more than one channel.</p> <p>We recommend that this GP and multi-channel strategies considered by IORPs pension providers should include the possibility to integrate future developments, and should – if possible – adapt their strategies as a result of these developments. Impediments from</p>	<p>Noted. Please also refer to answer to comment 171.</p>

			<p>supervisory regulations should be avoided as much as possible. For example, IORPs intending to make a shift to fully digital communication should inform their participants about these intentions, but should not be forced to maintain paper equivalents for as long as anybody may ask for them. In this case, it may serve as an example that the Dutch tax administration is doing away with all non-digital tax declarations.</p> <p>In addition we recommend the layering of information. Recent research in The Netherlands has shown that information by means of layering has led to clearer and more understandable information.</p>	
173.	GDV	Good Practice 7	<p>The German insurers support the multi-channel communication approach. We believe that there should be flexibilities in communication methods with members and beneficiaries. For example, it should be clarified by law that providers are allowed to communicate with consumers through electronic means only (email, website) if agreed to by the beneficiary. Under the current legal framework, a paper-free communication is either not possible or there are legal uncertainties due to unclear provisions.</p>	Noted. Please also refer to answer to comment 13.
174.	German Institute of Pension Actuaries	Good Practice 7	<p>In principle, a multi-channel strategy seems to be a good approach. However, there may be issues suggesting limitation of this approach:</p> <ul style="list-style-type: none"> <li>- Cost-benefit considerations</li>   <li>- Care to avoid excessive communication that can confuse recipients</li> </ul>	<p>Noted. EIOPA agrees that market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances and the cost-benefit ratio of applying specific Good Practices.</p> <p>Agreed. A reference to the</p>



			<p>- As mentioned in the general comment the Good Practices should only apply for IORPs and not for employers, since the requirements an employer has are typically mandated by national labour law.</p>	<p>detrimental impact of excessive and duplication of information has been added in the text immediately following Good Practice 7.</p> <p>Disagreed. Please refer to answer to comment 14.</p>
175.	Min Pension / Insurance Sweden	Good Practice 7	<p>Creating solutions that serve the mutual interest of all relevant stakeholders (consumers, IORPs, insurers and government) is key in order to achieve a common multi channel strategy. Swedish insurers normally include a link to Min Pension in their Internet platforms. In addition, public-private partnerships between the state and the providers of occupational pensions can also lend credibility to and boost multi-channel strategies.</p>	Noted.
176.	OPSG	Good Practice 7	<p>OPSG finds it important to use a multi-channel strategy adapted to the content of the communication. It is important that different tools and channels cross-refer to each other in order not to leave members in a situation where they think that the information they get through one channel is the full information.</p>	<p>Agreed. A reference to the importance of cross-refer information has been added in the text immediately following Good Practice 7.</p>
177.	PensionsEurope	Good Practice 7	<p>The implementation of a multi-channel strategy seems to be a good approach. This could be helpful for different types of members and mitigates the risk of losing contact with scheme members. It should however not lead to confusion when a member receives the same information more than once or lead to a situation in which pension providers are forced to simultaneously use more than one channel. For example, if IORPs choose to make a shift to fully digital communication, they should inform their members about this.</p>	<p>Partly agreed. A reference to the importance of cross-refer and to duplication of information has</p>

			<p>However, they should not be forced to maintain paper equivalents. Duplicating information should be avoided.</p> <p>Importantly, the objective must be an adequate strategy which is cost-efficient. Building up a multi-channel strategy could be expensive, in particular for smaller IORPs.</p>	<p>been added in the text immediately following Good Practice 7. Also, note that a shift to fully digital communication may not be suitable to all members and that in some Member States the use of particular communication tools and channels is prescribed by national legislation.</p> <p>Noted. Market participants, in assessing the extent to which they apply the Good Practices, should consider their individual circumstances (e.g. size of scheme) and the cost-benefit ratio of applying specific Good Practices.</p>
178.	Pensionskasse der Mitarbeiter	Good Practice 7	The implementaion of a multi-channel strategy seems to be a good approach because it gives every member and beneficiary the opportunity to choose the adequate	Noted.

	der Hoechst-Gruppe		communication tool on an individual basis. Nevertheless, the cost benefit ratio always has to be adequately taken into account.	
179.	Previnet	Good Practice 7	FULLY AGREED. Priority from 1 (very high) to 5 (very low) : 1 Multiple channel are mandatory nowadays	Noted.
180.	RPMI Limited	Good Practice 7	We agree that a multi-channel strategy to communicate with members is under normal circumstances the best approach to adopt. This provides choice for members to elect the most convenient channel for their needs.	Noted.
181.	SAUL	Good Practice 7	As a multi-employer scheme with more than 40,000 members, it's important for us to layer our communications using multiple channels and tools to make sure our messages are received and understood.  For instance, as well as sending a printed copy of our annual newsletter to all members, we publish it on our website and send an e-newsletter to members registered to receive updates from the Scheme (approx 500 members).  At face-to-face member presentations we provide a reminder about the newsletter. The more layers, the less barriers members face, the more engaged members will feel with the Scheme and their benefits.  It is important that the channels made available are accessible to all stakeholders and that members are able to provide their preferred means of communication. This practice should focus more on taking account of member preferences.	Noted.  Noted.  Agreed. EIOPA considers accessibility as important and, therefore this is part of the criteria used when assessing potential Good Practices. A reference to taking into account member preferences in implementing a

				multi-channel strategy has been added to the text immediately following Good Practice 7.
182.	ABI	Question 1 to stakeholders	<p>Do you consider the above criteria i) level of scheme member engagement, ii) cost-efficiency of the communication and iii) accessibility to a wide variety of member that were considered when choosing among possible Good Practices appropriate ?</p> <p>We would stress that interactive does not mean the consumer will be engaged. However we do agree that a cost-benefit analysis should be considered.</p> <p>As a matter of course, our members would consider vulnerable customers in setting their communication strategy.</p>	<p>Noted. Please refer to answer to comment 67.</p> <p>Agreed. Please refer to answer to comment 67.</p>
183.	AEIP	Question 1 to stakeholders	<p>We support the criteria listed by EIOPA in order to assess the potential GPs.</p> <p>We consider «cost efficiency of the communication» the most important criterium. Communication costs form an important part of the totals costs of a pension fund. They consist of direct costs for mailing (stamps, paper, envelopes), IT costs for hardware (professional printing machines), software (mail processing programmes, interfaces to external service providers) and IT staff, call centre staff answering to members' and beneficiaries' questions etc.</p> <p>Communication costs therefore directly affect the benefit levels. Especially in a low return scenario like the one in which we are currently living, any cost component has to be effective. The smaller a pension fund is, the bigger the problem, because of the bigger proportional amount of fixed costs that has to be distributed among each member and beneficiary.</p> <p>In order to boost the engagement of the scheme members, we would like to underline the importance of financial literacy. Many people are not really interested in receiving information about their pension or do not understand the information received. We would like to suggest to EIOPA to investigate why members or beneficiaries are prepared to</p>	<p>Noted.</p> <p>Noted. EIOPA recognises the importance of the issues raised.</p>

			<p>read pension information only to a limited extent (too complex?) and to try to tackle this issue. As mentioned before, tailor-made information and a layered approach could contribute in solving such issues, always taking into account the specific characteristics of the case (i.e. nature, scope and complexity of the activities of institutions) and the results of the cost efficiency assessment.</p>	<p>Reviewing and coordinating financial literacy and education initiatives by the competent authorities is one of EIOPA's tasks as stated in Article 9(1) of Regulation 1094/2010/EU. However, EIOPA would like to point out that this is a complementary issue to the scope of this Report.</p>
184.	ANASF	Question 1 to stakeholders	<p>Yes, the criteria are appropriate.</p>	<p>Noted.</p>
185.	Aon Hewitt Limited	Question 1 to stakeholders	<p>1. Do you consider the above criteria i) level of scheme member engagement, ii) cost-efficiency of the communication and iii) accessibility to a wide variety of members) that were considered when choosing among possible Good Practices appropriate?</p> <p>Yes – of these three items we consider (i) to be most important. In order to be effective, communications need to have clear message and be easy to understand. It should also be clear as to what scheme members should do in response to a communication, and that they have somewhere to go if they need more information.</p> <p>In relation to (ii), cost-benefit ratios should have greater priority than cost-effectiveness. For example, cost-effective communications that do not engage scheme members ought to be viewed as partially or totally ineffective</p> <p>The challenge for (ii) is to work out how to assess cost-benefit ratios. Any communication ought to have some expected outcomes (for example, members making</p>	<p>Noted.</p>

			changes to contributions; members calling helplines for more information ; members reporting higher levels of engagement ; members clicking through to additional information for on-line communication ; members running calculations on on-line modellers). Effectiveness of communications can also be assessed overtime (for example, what proportion of employees access modellers during periods when there is no ongoing or one-off communications ; what proportion of employees contact help-desks during the same periods instead of referring to information in booklets or on-line material)	
186.	APG	Question 1 to stakeholders	We consider the criteria mentioned by EIOPA to be appropriate.	Noted.
187.	BIPAR	Question 1 to stakeholders	The cost-efficiency of a communication tool and the level of scheme member engagement are not always easy to evaluate and it is important to take this it into account in the drafting of good practices. We agree furthermore with the comment under Good Practice 1 stating that regarding communication, "one size does not fit all".	Noted.
188.	FECIF	Question 1 to stakeholders	Yes, the criteria are appropriate.	Noted.
189.	Federation of the Dutch Pension Funds	Question 1 to stakeholders	We consider the criteria mentioned by EIOPA to be appropriate.	Noted.
190.	GDV	Question 1 to stakeholders	<p>The German insurers agree with EIOPA that the Good Practices should be neither exhaustive nor universal. Individual Good Practices may not be applicable in certain Member States or may not be applicable to certain schemes. We agree with EIOPA that these good practices should be neither binding on any party nor subject to the "comply or explain" mechanism.</p> <p>We agree that communication tools/channels used by IORPs and insurers providing occupational pensions should be effective at engaging scheme members. The German insurers welcome that EIOPA does not wish to promote one specific communication tool or channel at the expense of other possibilities. We agree that a multi-channel</p>	<p>Noted.</p> <p>Noted. However, please bear in mind that solely providing</p>

			<p>communication strategy which combines several different communication tools and channels is an effective way to reach different types of scheme members with different habits and preferences.</p> <p>Good communication would encourage people to save more for their old age and make the arrangements that best meet their particular circumstances. However, it should be taken into account that sound legal provisions are necessary that</p> <ul style="list-style-type: none"> <li>- enable paper-free communication by electronic means (such as email and websites),</li> <li>- ensure respective data protection rules enable effective communication with members.</li> </ul> <p>Such measures would also enhance cost-effectiveness of communication with members and beneficiaries.</p>	<p>information in a digital way may not be suitable to all members and that in some Member States the use of particular communication tools and channels is prescribed by national legislation. Moreover, EIOPA is aware of the importance of data protection as highlighted in the Report but has no competence on the matter.</p>
191.	German Institute of Pension Actuaries	Question 1 to stakeholders	We consider the criteria to be appropriate.	Noted.
192.	Min Pension / Insurance Sweden	Question 1 to stakeholders	Basically yes.	Noted.
193.	NN Group	Question 1 to stakeholders	The criteria seem to encourage digital communication which is illustrated by most of the actual good practices. We consider the criteria appropriate. However, feasibility should be taken into account. For instance for old deferred pensions, pension communication on the past is available on paper only. Many of the good practices become less cost-efficient if one has to take the past into account.	Noted.

194.	OPSG	Question 1 to stakeholders	OPSG finds the three criteria appropriate but wants to add as an extra criteria : size of class of non-reacting members.	Disagreed. Please refer to answer to comment 43.
195.	PensionsEurope	Question 1 to stakeholders	We consider the criteria considered to be appropriate.	Noted.
196.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Question 1 to stakeholders	Every scheme member and beneficiary should be able to receive the information provided by the entity. For these reasons, accessibility seems to be the most important of the identified criteria followed by the cost efficiency aspects. Currently, a transfer of information via paper by physical mail seems to provide for the highest accessibility, because every scheme member is in general obliged to submit his address via the application form and to inform the IORPs about any kind of changes. Although we are operating a multi-channel information strategy, the communication via physical mail is considered as prevailing/default option to get in contact with our members at the moment.	Noted.
197.	Previnet	Question 1 to stakeholders	yes	Noted.
198.	RPMI Limited	Question 1 to stakeholders	We agree that level of scheme member engagement; cost efficiency of the communication; and accessibility to a wide variety of members were appropriate criteria when considering Good Practices. We would encourage measure of effectiveness to be added to these criteria.	Noted. EIOPA does not consider effectiveness as valid criteria to assess the relevance of potential Good Practices. This is rather a desirable attribute of communication (please refer to Good Practice 6).



199.	SAUL	Question 1 to stakeholders	<p>Do you consider the above criteria i) level of scheme member engagement, ii) cost-efficiency of the communication and iii) accessibility to a wide variety of members) that were considered when choosing among possible Good Practices appropriate?</p> <p>Yes, we agree that this criteria is appropriate for good practices in pension communications.</p>	Noted.
200.	The Pensions Advisory Service	Question 1 to stakeholders	<p>Yes, we consider these to be reasonable criteria, although we would also emphasise the need to use simple, consistent language in communications as well as to ensure that material sent out is not too lengthy.</p>	Noted.
201.	ABI	Question 2 to stakeholders	<p>What additional criteria should EIOPA consider and why?</p> <p>We believe that the language used in pension scheme communication should be considered by EIOPA.</p> <p>In addition, we support taking a layering approach to pension communications, to make it meaningful and useful to consumers. This would also help to increase consumer engagement.</p>	<p>Disagreed. EIOPA does not consider the language used as valid criteria to assess the relevance of potential Good Practices. This is rather an element to be taken into account when communicating to pension scheme members.</p> <p>Noted.</p>
202.	AEIP	Question 2 to stakeholders	<p>We support the criteria listed by EIOPA and we do not consider that there is any other criteria that should be taken into consideration.</p>	Noted.
203.	ANASF	Question 2 to	<p>We would suggest an additional criteria, i.e. ensuring the ongoing availability of information. From this point of view, it is important to integrate these tools and channels:</p>	Disagreed. EIOPA does not consider

		stakeholders	<p>i) tools that make it possible for each scheme member to assess her/his personal situation on an on-going basis; ii) the assistance of financial advisors, who can provide scheme members with feedbacks on their personal situation.</p>	<p>ensuring the ongoing availability of information as valid criteria to assess the relevance of potential Good Practices. This is rather an objective <i>per se</i> and is encompassed in Good Practice 2.</p>
204.	Aon Hewitt Limited	Question 2 to stakeholders	<p>2. What additional criteria should EIOPA consider and why?</p> <p>Scheme member engagement – this should be extended to cover the following. Is It relevant, and timely, and do scheme members have mechanisms to seek further information, help or clarity ?</p> <p>We suggest the following additional criteria</p> <p>Take-up – Communications should encourage employees to save adequately for retirement.</p> <p>Segmentation/Relevance – Communications should be provided in a targeted manner to address needs of different groups of employees (eg Baby Boomers, Generation X, Generation Y, Millennials) and different attitudes to risk and approach to saving/spending.</p> <p>Our experience shows that successful communication strategies combine broad-based education with targeted, behaviour-driven communication. Segmenting communications based on life stage and financial wellbeing stage is an effective way to help people find</p>	<p>Disagreed. EIOPA does not consider the elements indicated in the response as valid criteria to assess potential Good Practices. These are rather desire characteristics of communication or elements to consider when setting up a communication strategy.</p> <p>Noted.</p>

			the information most relevant to them and their personal situation. And the overall strategy should factor a holistic participant experience, promoting all available access channels for additional support.	
205.	APG	Question 2 to stakeholders	An additional criterion should be that the information should correspond to the need of a participant and should be relevant for him, and should as a consequence be made tailor-made and easy in use in order to realise this. When a participant needs to put heavy efforts in order to find relevant information and to fully understand this, this information can not be considered as effective and this will in the end detract from engagement.	Disagreed. Please refer to answer to comment 68.
206.	FECIF	Question 2 to stakeholders	We would suggest an additional criteria, i.e. ensuring the ongoing availability of information. From this point of view, it is important to integrate these tools and channels: i) tools that make it possible for each scheme member to assess her/his personal situation on an on-going basis; ii) the assistance of financial advisors, who can provide scheme members with feedbacks on their personal situation.	Disagreed. Please refer to answer to comment 203.
207.	Federation of the Dutch Pension Funds	Question 2 to stakeholders	Effects on privacy itself and on privacy legislation will have to be considered, as online tools/tracking services etc. deal with personal (financial) information. In particular, an assessment of the consequences of the upcoming General Data Protection Regulation for pension providers and communication with members and beneficiaries is necessary. This regulation will probably will come into force in 2016.  An additional criterion should be that the information should correspond to the need of a participant and should be made tailor-made.	Noted.  Disagreed. Please refer to answer to comment 68.
208.	GDV	Question 2 to stakeholders	The approach should be proportionate and not too burdensome for small and medium size employers, IORPs and insurers.	Noted.
209.	German Institute of Pension Actuaries	Question 2 to stakeholders	- Usefulness: information should be appropriately tailored to the information needs of the beneficiaries; spurious or irrelevant information should be avoided  - Data protection considerations	Disagreed. Please refer to answer to comment 68.  Noted. EIOPA is aware of the

			<p>- Cost-benefit aspects; we consider that these should be more prominently and more specifically mentioned.</p>	<p>importance of data protection as highlighted in the Report but does not consider it valid criteria to assess the relevance of potential Good Practices</p> <p>Noted.</p>
210.	Min Pension / Insurance Sweden	Question 2 to stakeholders	<p>The quality of the information, including pension projections is important. This in turn depends on different factors such as :</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Simplicity – in the case of Min Pension a lot of on-going effort and development is invested in eliminating redundant information.</li> <li><input type="checkbox"/> Understandability – the consumer has to be able to digest the information.</li> <li><input type="checkbox"/> Identification of relevant target groups.</li> </ul>	<p>Disagreed. EIOPA does not consider the quality of information as valid criteria to assess the relevance of potential Good Practices. This is rather a desirable attribute of communication.</p>
211.	NN Group	Question 2 to stakeholders	<p>Perhaps the criterion of scheme member engagement should be changed into the 'possibility' of scheme members to engage. Digital (of any other means of communication) should give the possibility to scheme members to act if they feel it is necessary.</p>	<p>Disagreed. In the Report "member engagement" refers to members taking an active interest in their pension, it does not refer to interacting with tools and</p>

				channels.
212.	OPSG	Question 2 to stakeholders	Size of class of non-reacting members should be added as an additional criteria. The level of engagement of the reacting members can be high and that is good, but how large is the group of non-reacting members, is it characterized in any way ?	Disagreed. Please refer to answer to comment 43.
213.	PensionsEurope	Question 2 to stakeholders	<p>The following additional criteria that could be considered are, as mentioned with regard to page 25, the usefulness of the information.</p> <p>Furthermore, the effects on privacy and data protection legislation are important for the online tools/tracking services and can vary across the EU. In particular an assessment of the consequences of the upcoming General Data Protection Regulation which will enter into force in 2016 for pension providers and the communication towards its members. Furthermore, the size of the pension scheme is important. Some Good Practices are easier to achieve for bigger pension schemes.</p> <p>Additionally, the question whether a Good Practice is adequate in practice for a specific IORP also depends on the characteristics of the population of participants (for example older or younger people). This may be illustrated in regard to GP 2: in case of a population of participants who are in practice not very eager to have online access to their pension information (for example because this group does not make use of computers on a large scale), there should not be an obligation for this IORP to establish an online pension communication space.</p>	<p>Disagreed. Please refer to answer to comment 68.</p> <p>Noted.</p> <p>Noted. Market participants are encouraged to apply Good Practices to the extent that they benefit their individual circumstances (e.g. characteristics of members, such as age). Also, Good Practices are not legally binding and there is no obligation on IORPs to establish online communication</p>

				tools.
214.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Question 2 to stakeholders	An additional criteria could be the size of the IORP ; in particular according to the number of members and beneficiaries. The storing of all communication in one online space or the implementation of a multi layer communication strategy seems for example not suitable if the respective IORP only has 100 or less members. Nevertheless, such aspects could also be dealt with by adequately taking into account the principle of proportionality.	Disagreed. EIOPA does not consider the size of an IORP as valid criteria to assess the relevance of potential Good Practices. This is rather an individual circumstance to be considered by market participants when assessing the extent to which they should apply the Good Practices.
215.	Previnet	Question 2 to stakeholders	These are quite sufficient	Noted.
216.	RPMI Limited	Question 2 to stakeholders	We have no further suggestions as to additional criteria EIOPA should consider.	Noted.
217.	The Pensions Advisory Service	Question 2 to stakeholders	EIOPA could also consider clear language standards. In the UK, TPAS is involved with an Association of British Insurers led steering group on language standards when communicating to pension members. The work from the language steering group aims to set standards for language usage in pension communication to members in the UK in the near future. In our experience of hearing feedback from confused customers, it is also important to	Disagreed. EIOPA does not consider clarity of language as valid criteria to assess the relevance of

			consider prioritising key information so that important messages are not lost in too much paperwork for instance. We have instances where important information to members (for instance the option to shop around for an annuity or to seek impartial guidance) is not made sufficiently prominent in the detailed information issued by providers.	potential Good Practices. This is rather a desirable attribute of communication.
218.	AEIP	Question 3 to stakeholders	<p>We think that most of the GPs outlined are appropriate to address the occasions and/or specific scheme members indicated.</p> <p>However, we would like to raise some concerns on the cost-effectiveness of GP2 and GP3. The storage of all written, oral and electronic contacts in an online platform that is accessible to all scheme members at any point in time is particularly costly for small and medium IORPs. The setting up of such platforms can be challenging also for industry-wide pension schemes where members have more than one pension entitlement from the same pension provider. The added value of having in place such a platform should be assessed on a case-by-case basis, as pension information in most cases is not very urgent and thus access to such information has to be reflected upon.</p> <p>The cost-assessment is even worse for GP3 (see our answer to GP3).</p>	Noted. Please refer to answer to comments 88 and 104.
219.	Aon Hewitt Limited	Question 3 to stakeholders	<p>3. Do you consider the Good Practices outlined above appropriate to address the occasions and/or specific scheme members indicated? If not, please explain the reasons and provide further details (e.g. with regard to concrete experience made).</p> <p>We believe that managing an employee's/scheme member's financial well-being is becoming increasingly important. We believe an effective communication strategy should also include a financial well-being strategy, and take account of all tools and resources that are made available to employees/scheme members. A financial well-being strategy will help employees to improve their financial literacy and equip individuals with skills to understand investment risk and to make financial and saving decisions. In the US, employers are offering employees access to financial education to help them deal with day-to-day budgeting and cash flow management. Financial coaching and education can be just as valuable outside pensions as it is inside pensions.</p> <p>We are also concerned that not enough focus is being given on the decumulation and pre-retirement phase. Our experience, in many countries, is that significant focus is being placed on the accumulation phase ; but pension funds and employers are still doing</p>	Noted.

			<p>relatively little on the decumulation and pre-retirement phase. Individuals need to understand what options are available at retirement; understand the impact of taking a lump sum versus an annuity or drawdown or any other choices available ; and be clear on what they can do if their expected income at retirement is lower than anticipated (e.g. can they delay retirement ; can they draw a partial pension etc.)</p> <p>As more individuals begin to retire from Defined Contribution plans this will become increasingly important. Australia and USA are two good examples of countries where large numbers of workers are now in the decumulation phase</p> <p>We would like to see Good practice 4 : Pension calculators expanded to include items that should be included in pension calculators. For example, Good Practice 4 could be extended by saying : Pension calculators should allow scheme members to see how their income at retirement could be affected by changes to investment returns, retirement age, life expectancy. Pension calculators should also take into account the scheme members' attitude to risk and expected income from other retirement sources (eg state pension, private pensions, pension from previous employers, other saving vehicles).</p> <p>EIOPA has stated that pension calculators have little or no value added for members close to retirement. We disagree with this statement. Many countries allow retirement income to be taken in different forms (eg life annuity ; fixed period ; variable annuities ; lump sum ; income drawdown). Pension calculators can be used in the pre-retirement and, if income drawdown is used, in the retirement phase in order to model the effect of different options.</p> <p>However, Pension Calculators are only one form of communication tools ; and, in some countries, may not be the most effective tool. We encourage EIOPA to consider Good Practice statements for other tools &amp; channels (eg retirement planning information, financial courses, access to investment advisers). Good Practice could cover a wider array of retirement tools and education including a full suite of independent financial planning tactics.</p>	<p>Agreed. Please refer to answer to comments 123.</p>
220.	APG	Question 3 to stakeholders	<p>We consider the GP proposed by EIOPA appropriate. However, we are not fully convinced that these GP's will in practice "make the difference" in increasing consumer's engagement with pensions (stimulating participants to undertake actions). In this respect these GP's could be considered as preconditions.</p>	<p>Noted.</p>



221.	BIPAR	Question 3 to stakeholders	<p>Good Practice 4 states that "EIOPA considers it a Good Practice to offer scheme members the use of pension calculators in addition to regular communication. In this regard, personal data of the scheme member is to be protected". We would like to highlight in this respect that such tools already exist in some Member States; sometimes at the initiative of national authorities (in Sweden and in Belgium, for instance). Furthermore, the protection of personal data is not specifically linked to this issue in particular and should be highlighted in general terms, maybe with a reference to existing and upcoming legislations such as the General Data Protection Regulation.</p>	<p>Agreed. Further references to the protection of personal data have been added to the text. EIOPA has opted for this approach rather than to highlight it in general terms since it is not directly relevant to all the Good Practices.</p>
222.	Federation of the Dutch Pension Funds	Question 3 to stakeholders	<p>As confirmed by neurological studies, for most of the pension scheme participants, the topic of pensions is and will remain subject of low interest. It is sometimes even linked to negative emotions. Unfortunately, the majority of people will prefer to do nothing about it. Therefore, we should consider tailoring our communication more towards this 'silent' majority: make sure that the default communication is of high quality and give people clear options what to do, should they wish to deviate from the default.</p> <p>Good quality pension communication is important, but it will not necessarily lead to more pension awareness. As mentioned above, people are just not interested in pension itself. We might therefore be less ambitious and consider a more reactive way of communication instead of a pro-active one, the latter having a more positive connotation. In addition, the lack of response to communication generates a lot of wasted effort and money.</p> <p>On occasions where people actually DO show interest in their pension situation, e.g. when they approach pensionable age or in case of an important life event, communication should be 'spot on'. It should be clear and easy for people how and where to obtain relevant information or assistance. Often this will be on a personal or face-to-face level. At that very moment, the communication should be pro-active and tailor-made and correspond to the needs of the participants.</p>	<p>Noted. EIOPA would like to point out that tailoring communication <i>more</i> towards a "silent majority", should not be done at the detriment of other members. A multi-channel strategy (Good Practice 7) would be appropriate to address members with different characteristics.</p>
223.	GDV	Question 3	<p>In general, the GDV welcomes EIOPA's work in identifying good practices in</p>	<p>Noted.</p>

		to stakeholders	communication tools and channels for communicating to occupational pension scheme members. As regards the seven good practices, we would like to refer to the respective response fields.	
224.	German Institute of Pension Actuaries	Question 3 to stakeholders	Please see our comments made on good practices above.	Noted.
225.	Min Pension / Insurance Sweden	Question 3 to stakeholders	Please go to comments on the different Good Practices.	Noted.
226.	NN Group	Question 3 to stakeholders	We consider good practice 3 not fitting nor cost-effective. Employers should play a role in explaining a pension scheme to scheme members. After all, the employer is the paying party. Explicit information on scheme members pension entitlements is however the role of the pension provider (IORP or insurance undertaking who provide an online platform). A tracking service can also make the same information available. A third party (the employer's intranet) isn't necessary and could become very costly.	Disagreed. The provision of explicit information may be not the responsibility of pension providers alone. The party/ies providing information may depend on market structures and legal frameworks, which vary by Member State. EIOPA is of the view that information provided by different parties, including tracking services when available,

				may improve member engagement.
227.	OPSG	Question 3 to stakeholders	<p>The Good Practices outlined in the CP are good and they will be a good support when making the communication strategy. Especially good practice 7 (multi layer strategy) can be a good approach providing for the possibility to stay in contact with the members via different communication tools.</p> <p>The challenge is still the non-reacting members, members that are not at ease with written information on paper or electronically, members who are no longer employed by the company, who have moved or are in bad health, family to a deceased member etc.</p>	Noted.
228.	PensionsEurope	Question 3 to stakeholders	<p>Pensions are for many people- unfortunately- a topic which is of low interest. More emphasis should be put on people that are less interested. The default communication should be of high quality. In case the member does show interest the communication should be able to provide for the questions the member has. It should be clear and easy for members to see where they can find the relevant information and information should be provided throughout the working life of the members as well as, in case of significant changes, during their retirement.</p> <p>Furthermore, as already mentioned, Good Practice 3 seems not feasible for multi-employer pension schemes.</p> <p>Overall, we welcome that the Good Practices are neither legally binding nor part of any kind of comply or explain principle.</p>	Noted. EIOPA would like to point out that putting more emphasis on "people that are less interested", should not be done at the detriment of other scheme members. A multi-channel strategy would be appropriate to address members with different characteristics.
229.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Question 3 to stakeholders	<p>Good practice 3 seems not feasible for multi employer IORPs with numerous sponsoring undertakings. Connecting or updating of information could be very time-consuming. The embedding of a link to the IORPs online platform could be suitable. The implementation of a multi layer communication strategy by operating via electronical channels as well as via physical mail seems a good opportunity to get in contact with the members and beneficiaries by the communication channel they prefer. Nevertheless, the provided good</p>	Noted. As pointed out in the Report, Good Practices are not legally binding on any party nor subject to the

			practices should neither be legally binding nor be part of any kind of comply or explain principle. There should be no need for any changing of approved operation plans by the entities.	"comply or explain" mechanism provided for under Article 16 of Regulation 1094/2010/EU.
230.	Previnet	Question 3 to stakeholders	appropriate	Noted.
231.	RPMI Limited	Question 3 to stakeholders	The Good Practices outlined are appropriate to address the occasions and members indicated. The majority of the Good Practices are achievable. However, in line with the responses provided above, we feel some are more aspirational rather than achievable in particular, in relation to Good Practice 3.	Noted.
232.	SAUL	Question 3 to stakeholders	Do you consider the Good Practices outlined above appropriate to address the occasions and/or specific scheme members indicated? If not, please explain the reasons and provide further details (e.g. with regard to concrete experience made).  Yes, we consider the Good Practices appropriate to address the occasions and specific scheme members indicated.	Noted.
233.	The Pensions Advisory Service	Question 3 to stakeholders	Good Practice 1: Coherent communication strategy We strongly agree with this. Often people's annual benefit statements are read and not acted upon and this is often down to the lack of clarity, in the traditional letter format, as to possible next steps. It is important to develop a multi-channel approach as part of good practice.  Good Practice 2: Storing of all communications in one online space This certainly represents good practice and is currently part of the direction of travel for many UK based occupational pension schemes. This would feed in to other good practice as well for industry as a whole. It is also broadly consistent with the proposed development of the "pension dashboard" in the UK whereby an individual is able to access all their pension details in one space.	Noted.  Noted. EIOPA recognises the specificity of multi-employer arrangements. However, Good

		<p>Good Practice 3: Employer online platform to combine information about related Human Resource matters and pensions This would be a good practice that would be beneficial to the scheme members that TPAS would welcome. It may, however, be cumbersome to implement for some multi-employer schemes.</p> <p>Good Practice 4: Pension calculators The UK now has a variety of ways in which a pension pot can be converted into an income. Where a calculator is set up purely to illustrate a regular income it is a useful support to retirement planning but it does ignore other decumulation options that may be available to the member. In the UK, for example, it is possible with DC schemes to purchase an annuity, draw money flexibly, cash in the whole pension, defer retirement to a later date or a mixture of any of those options. For this reason, there is a move away from forms of communication, including online tools, which assume a default position such as taking the scheme provider's annuity, as it is important not to presume what a customer's course of action will be.</p> <p>Good Practice 5: Advance tracking services The UK pensions industry has been tasked by the UK government to deliver a "Pensions Dashboard" by 2019 whereby information about whole of a user's pensions, including occupational, personal and State could be held in one place. Feeding in to this project will also be the "Pension Finder" tool that will allow users to find lost pensions. We understand that these types of advanced tracking tools are already working effectively in other member states. From TPAS's experience, these will be valuable tools in helping the customer. With these services, the whole package needs to be accessible and relevant when the customer chooses to engage, rather than expecting the customer to follow a long journey.</p> <p>Good Practices 6 and 7 We agree that is both important to re-evaluate communication strategy on a regular basis</p>	<p>Practices should be regarded as principles-based and market participants encouraged to apply them to the extent that they benefit their individual circumstances.</p> <p>Agreed. A reference to decumulation options has been added to the text immediately following Good Practice 4.</p> <p>Noted.</p> <p>Noted.</p>
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			and that IORPS, insurance undertakings and employers should use a multi-channel approach.	
234.	AEIP	Question 4 to stakeholders	<p>As mentioned before, the smaller the pension fund, the more relevant the cost-assessment should be. An heterogeneous membership (i.e. industry-wide schemes or schemes open to the general public) leads to a more difficult accessibility and to higher information costs.</p> <p>So yes, in respect to proportionality, we see several limitations to the applicability of the GP suggested. This is particularly true for GP2, GP3, GP4, GP5 and GP6 (see our answers to GPs for further explanations).</p>	Noted.
235.	Aon Hewitt Limited	Question 4 to stakeholders	<p>4. In respect to proportionality, do you see any limitations to the applicability of the Good Practices suggestions that should be taken into consideration (e.g. size of scheme in terms of number of members; single-employer or multi-employer schemes etc.)? If so, please name the Good Practice in question and provide further details.</p> <p>In the case of multi-employer and industry-wide schemes , Good Practice 3 could be implemented via an Employer’s online platform having a link to a scheme’s site.</p> <p>We don’t see the need to limit the applications to large schemes, small schemes may not have the budget to develop their own specific communications and pension communications. As a result, they may be more reliant on communication tools that are developed by external vendors (eg investment managers, administrators, insurers, advisers etc). Employers and boards of smaller schemes should be able to use the Good Practices when assessing the communication capabilities of vendors</p> <p>In relation to pension calculators, member states could be encouraged to develop pension calculators/dashboards for public sector and state schemes and these could then be set as a best practice guide for private sector schemes. Furthermore, member states may wish to develop national pension calculators for use by smaller schemes (ie those with limited resources to develop their own calculators).</p>	<p>Agreed. A reference to the possibility of using links has been added to the text of Good Practice 3.</p> <p>Noted.</p>

236.	APG	Question 4 to stakeholders	<p>In respect of proportionality the size of the pension scheme is of importance, as some GP's are easier to achieve for bigger pension schemes.</p> <p>And in addition: the question whether a GP is adequate in practice for a specific pension fund also depends of the characteristics of the population of participants (for example elder or younger people). This may be illustrated with regard to GP 2: in case of a population of participants who are in practice not very eager to have online access to their pension documents (for example because this population does not make use of computers on a large scale), there should not be an obligation for this pension fund to establish an online pension communication space.</p> <p>Furthermore GP3 might be relatively difficult and costly when a high number of employers is connected to a pension plan. In such case pension funds will first of all have to convince employers to incorporate pension information on their portals (if they have one), and as a next step they will have to make sure that the information on all these portals is correct and up-to-date.</p>	<p>Noted.</p> <p>Disagreed. Please refer to answer to comment 213.</p> <p>Noted.</p>
237.	BIPAR	Question 4 to stakeholders	<p>As indicated in the executive summary of this consultation paper, the Good Practices listed are "neither exhaustive, nor universal". They are furthermore not legally binding nor subject to the comply or explain principle and "should be regarded as principles-based, with Member States and market participants encouraged to apply them to the extent that they benefit their individual circumstances and that they fit with the pension system". This approach is proportionate and takes into account the various situations.</p>	Noted.
238.	Federation of the Dutch Pension Funds	Question 4 to stakeholders	<p>Good practices 2, 3, 5 and specifically for members of pension schemes that are working abroad: not all online tools are available in all countries (e.g. countries with online restrictions.)</p> <p>Good practice 5: a general tracking service provided by the government will always have to be generic in nature and cannot be tailored for specific to the characteristics of the various pension schemes. This requires the cooperation of (commercial) pension providers. That will make a national tracking service less independent and, in the eyes of many participants, less trustworthy.</p>	<p>Noted.</p> <p>Disagreed. EIOPA considers that the features of a general tracking system do not depend on whether it is public or private.</p>

239.	GDV	Question 4 to stakeholders	<p>Good practice 4: It is important that members can assess whether they save enough for their retirement. However, a proportionate approach is needed to ensure that such calculators can be implemented in a non-burdensome and cost-efficient way in addition to on-going information members and beneficiaries receive on a yearly basis. This is in particular important for small and medium size providers. Professional and business associations like the GDV also provide such calculators online. Pension schemes could simply link to such external calculators provided they are of good quality.</p> <p>Good practice 5: Tracking services are most valuable for citizens if the services work at a large scale and include as many providers as possible. However, a balance between user friendliness and pragmatic technical requirements for the participating providers is needed. If the implementation becomes too burdensome, small providers could be discouraged to participate.</p>	Noted.
240.	German Institute of Pension Actuaries	Question 4 to stakeholders	The principle of proportionality is a central one. It should always apply with respect to the nature, scale and complexity of the pension fund.	Noted.
241.	NN Group	Question 4 to stakeholders	<p>Good practice 3 (for the same reasons as the mentioned in the previous question).</p> <p>Good practice 6 should be proportionate. Testing communication in advance is a better method than evaluating afterwards. Individual calls to assess if a scheme member had understood the information that was sent, could be disproportionate depending on the purpose of the information.</p>	<p>Disagreed. Please refer to answer to comment 226.</p> <p>Partially agreed. EIOPA would like to point out that testing communications in advance and evaluating if it has been understood serve complementary purposes and should not be viewed as mutually</p>



				<p>exclusive. Nonetheless, a reference to testing communication in advance has been added to the text immediately following Good Practice 6. Individual calls are indicated as an example and the Good Practice does not advocate the need to assess if every single member has understood the information provided. The text has been reworded to clarify this.</p>
242.	OPSG	Question 4 to stakeholders	<p>For legally binding information, basic information about the scheme and the rights and obligations of members is proportionality not applicable. That information must be given regardless of the number of members of the scheme, if it is a single-employer or multi-employer scheme.</p> <p>As far as tools and channels are concerned can proportionality be employed unless legislation has provided special tools or channels.</p>	Noted.
243.	PensionsEurope	Question 4 to stakeholders	<p>The principle of proportionality is a very important one. This should apply to the nature, scale and complexity of the pension fund. Some Good Practices are difficult for small pension schemes to abide by. It may also depend on the pension landscape in a specific country. For example Good Practice 5 on tracking service is more difficult to achieve in a</p>	Noted. As highlighted in the Report, Good Practices should

			Member State with many small IORPs than in a Member State where the IORPs are generally bigger ie there are less connections to make.	be regarded as principles-based, with Member States and market participants encouraged to apply them to the extent that they benefit their individual circumstances (e.g. size of IORPs) and that they fit with the pension system.
244.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Question 4 to stakeholders	As already mentioned, the principle of proportionality should be adequately taken into account and comprise the elements of nature, scale and complexity.	Noted.
245.	Previnet	Question 4 to stakeholders	Suggestions are correct, but applicability is not that really easy for « smaller » organisations. Still, pan-European guidelines should be always applicable, no matter « the size ».	Noted. However, EIOPA would like to clarify that this Report considers Good Practices, not Guidelines addressed to competent authorities or financial institutions as laid down in Regulation 1094/2010/EU.

246.	RPMI Limited	Question 4 to stakeholders	<p>In respect to proportionality, we do not feel we are in a position to comment from the point of view of small schemes or single employer schemes. However, based on our own experiences as the administrators for a large non-association multi-employer scheme, we feel there are some limitations to the applicability of the Good Practices suggestions. In relation to suggested Good Practice 3, it is our opinion that a combined online platform to provide related Human Resource and pension matters would not be practical as the IORP is managed at arm's length to the employers. The technical development requirements as well as the issues surrounding obtaining up to date and relevant information from numerous different sources would be unnecessarily expensive and, therefore, not offer good value for members. In relation to suggested Good Practice 6, we feel some proportionality needs to be applied in the case of large schemes. Whilst we feel it is important to evaluate the effectiveness of our communication strategy, it would not be practical from a cost or time point of view to attempt to measure the degree to which the information communicated has been understood or acted upon for the majority of members. Instead we suggest a more proportionate approach is clearly suggested, whereby a measurement of the effectiveness of the communication strategy is taken from a representative cross section of the membership.</p>	Noted.
247.	SAUL	Question 4 to stakeholders	<p>In respect to proportionality, do you see any limitations to the applicability of the Good Practices suggestions that should be taken into consideration (e.g. size of scheme in terms of number of members; single-employer or multi-employer schemes etc.)? If so, please name the Good Practice in question and provide further details.</p> <p>While we agree with all of the good practices, as a multi-employer scheme with over 40,000 members, we do feel that there some we cannot practically apply. For instance, we support Good Practice 3 but in reality this would be extremely difficult for us to apply as we would have to liaise with all 52 employers, each with different IT systems and HR and Benefits resources.</p>	<p>Noted. EIOPA recognises the specificity of multi-employer arrangements. The text immediately following Good Practice 3 has been reworded to take this into account.</p>
248.	The Pensions	Question 4	We welcome all the good practices but to reiterate the earlier point (see good practice 3)	Noted. Please

	Advisory Service	to stakeholders	this may present some problems for multi-employer schemes particularly in the public sector space in respect of defined benefit schemes.	refer to answer to above comment.
249.	AEIP	Question 5 to stakeholders	<p>We would like to suggest the following activities in the assessment of the effectiveness of communication:</p> <ul style="list-style-type: none"> <li>- Online feedbacks such as questionnaires and quantitative or qualitative research on participants;</li> <li>- face-to-face meetings with participants in order to gather feedbacks on communication materials, tools and channels;</li> <li>- qualitative feedbacks by telephone;</li> <li>- direct contacts with participants whenever many questions arise on a specific subject;</li> <li>- quantitative and qualitative data collected by the call center (call volume, contents + feedbacks on customer satisfaction through opinion polls).</li> </ul>	Agreed. The examples provided have been included in the text immediately following Good Practice 6.
250.	ANASF	Question 5 to stakeholders	With regard to both communication to new members and regular information to scheme members, a best practice is given by EU Regulation no. 1286/2014 on key information documents (KID) for packaged retail and insurance-based investment products (PRIIPs): a similar document providing key information should also be envisaged for occupational pension schemes.	Noted. As stated in Article 33 of EU Regulation no. 1286/2014, the review of this Regulation shall consider the extension of the scope of this Regulation to other financial products. In addition, the proposed Directive on the activities and supervision of occupational retirement institutions ("IORP II") also includes new requirements for a detailed

				Pensions Benefit Statement (PBS) to be given to members.
251.	Aon Hewitt Limited	Question 5 to stakeholders	<p>5. With regard to ensuring that information has been understood, what measures/practices to apply in practice? Please describe your experience.</p> <p>Many large organisations carry out employee listening, such as focus groups, surveys, and Call Centre/Administration Help Line tracking (not just monitoring call volumes but looking at call themes and subjects for each Call/Administration team and/or talk to team members to get their impression based on questions they receive). This helps organisations to understand what issues are on their minds of employees and helps them to plan what information should go into communications. Employee focus groups can also be used to assess the quality and impact of communications before they are issued to wider groups of employees – such feedback is often vital, particularly in advance of communications that are sent to all employees/scheme members, or cover particular complex or difficult issues.</p> <p>In the case where there is a specific call to action (e.g. increase contribution rates), one measure of understanding is observing the proportion of people taking action (this would provide a lower bound as of course people could understand and choose not to act).</p> <p>Another measure is the number and nature of enquiries received after delivery of the communications. The Catch 22 is that lots of enquiries could mean either high levels of interest or lack of understanding. Either way, at least it shows engagement. Understanding the reason for enquiries needs to be understood (e.g. is it due to the fact it is a good communication and has prompted further interest; or is it due to it being a poor communication that has been difficult to understand)</p> <p>For written communications, pre-testing can be used to check for readability and comprehension. Peer review is one technique and additionally measures such as Scores for Flesch Kincaid Reading Ease and Grade Level, Gunning Fog Score can be used.</p> <p>Some academic studies can be useful guides e.g. Australian research on effectiveness of different representations of investment risk in terms of comprehension and internally consistent ranking of preferences by the individual.</p>	<p>Agreed. References to the examples provided, as well as to testing communication in advance, have been added to the text immediately following Good Practice 6.</p>

252.	APG	Question 5 to stakeholders	We measure ease of use and relevancy via questionnaires, sent after when someone has received communication or has had contact with us. Furthermore we have a contact center to which people can email/call when they have questions. Furthermore people can ask questions on facebook or twitter, and in the future we will also have a chat-functionality. Next to that we provide layering of information and in some situations (new plan members, or retiring members) we are piloting outbound calls in which we contact people ourselves to explain the most important information. We see that this leads to higher conversion rates on our call to actions. However outbound call is quite a costly tool, so we are still in the proces of finding out if we should continue these outbound calls.	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
253.	FECIF	Question 5 to stakeholders	With regard to both communication to new members and regular information to scheme members, a best practice is given by EU Regulation no. 1286/2014 on key information documents (KID) for packaged retail and insurance-based investment products (PRIIPs): a similar document providing key information should also be envisaged for occupational pension schemes.	Noted. Please refer to answer to comment 250
254.	Federation of the Dutch Pension Funds	Question 5 to stakeholders	Online feedback such as questionnaires, quantitative research on participants done by objective institutions.  Qualitative feedback via participants' fora/panels. For example, participants meet in a face-to-face session to provide feedback on communication materials/tools/channels. Qualitative feedback by telephone done by an objective research institute to ask previous defined set of questions on a certain topic.  Via direct customer/participant contact: when certain subjects generate a lot of contact or questions, these could be topics that need extra or other communication efforts.	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
255.	GDV	Question 5 to stakeholders	Good practice 6: It is not clear how IORPs and insurers that provide occupational pensions can ensure whether the information every single member receives is understood in a right way. Therefore, it is more appropriate and less burdensome to already assess the comprehensibility of information in the drafting phase of pension statements. Often, linguists and marketing experts are involved in the drafting of information provided to ensure its comprehensibility and user-friendliness. In any case, a proportionate	Partly agreed. Please refer to answer to comment 160.

			generalised approach is necessary: It is not feasible to assess whether every single member has fully understood the information provided to him.	
256.	German Institute of Pension Actuaries	Question 5 to stakeholders	This is a very subjective matter. Some will contend that only a very small minority of members will ever really understand pension information in its entirety. Understanding is also almost always clouded over the space of long periods. Documentation of information provided is thus central.	Noted.
257.	Min Pension / Insurance Sweden	Question 5 to stakeholders	Please go to comments on Good Practice 6 above.	Noted.
258.	NN Group	Question 5 to stakeholders	Testing communication in panels will help improve communication. The information given should be at a level and in a quantity that most people will understand. Scheme members are given the possibility to contact the pension provider or a financial advisor should they have any further questions.	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
259.	OPSG	Question 5 to stakeholders	Ensuring that information has been understood requires direct contact to a sample of members. An easy check is to count the percentage of reactions to questions posed /choices to be made.	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
260.	PensionsEurope	Question 5 to stakeholders	Our members use different ways of ensuring that information has been understood: online feedback via questionnaires, quantitative research via objective institutions or qualitative via members' forums/panels or phone interviews or via direct member contact.	Agreed. A reference to the examples provided has been added to the text immediately

				following Good Practice 6.
261.	Previnet	Question 5 to stakeholders	Interviews are a possible channel.	Noted. Interviews are already considered as face-to-face meetings.
262.	RPMI Limited	Question 5 to stakeholders	In addition to the suggested face to face meetings and telephone calls we would suggest surveys, customer insights questionnaires, webinars and web-chats are alternative approaches which could be adopted either issued directly to members or available online.	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
263.	SAUL	Question 5 to stakeholders	<p>With regard to ensuring that information has been understood, what measures/practices to apply in practice? Please describe your experience.</p> <p>We find that face-to-face meetings with our members, through pension surgeries or presentations, are a good way for us to find out whether recent communications have been understood and if required, acted upon.</p> <p>We also receive feedback from our employers, who speak to members daily and are the first point of contact for any queries.</p> <p>We have a contact form on our website which members can use to submit queries. We monitor this closely and if we receive a large number of queries about a particular topic in a recent communication, we know that the information we provided has not been understood by members and more resources are needed.</p> <p>We send surveys with some of our letters asking whether the information was supplied was understandable.</p>	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.



264.	The Pensions Advisory Service	Question 5 to stakeholders	<p>TPAS is an independent, public financial guidance service and schemes signpost to us for their members to receive free, impartial guidance. Members are able to check the understanding of their options with us and we are able to give them a sense check of their chosen next steps.</p> <p>Dovetailing guidance services with other communication strategies is an effective way of making sure members understand the information they are receiving. Often members do not readily accept what their provider or pension scheme is telling them, concerned that their message may have a commercial angle and they are looking to sell them something. For this reason, having the option of an impartial guidance service is extremely valuable for many consumers.</p> <p>TPAS has a number of relationships with employers and IORPs in our delivery of dedicated guidance.</p> <p>For instance, TPAS is currently helping one of the UK's largest retailers, with a dedicated phone line for their members who are seeking guidance. We have been feeding back to them at a high level the effectiveness of their communication strategy based on the level of understanding of their members and end of call survey responses.</p>	Noted.
265.	ABI	Question 6 to stakeholders	<p>How do you check the effectiveness of communication strategies in combination with the use of particular tools and channels? Please describe your experience.</p> <p>In the UK, it is currently normal practice for IORPs to review their communication strategies periodically. Pensions communication has been recently reviewed in response to changes in domestic pensions legislation.</p>	Noted.
266.	AEIP	Question 6 to stakeholders	See our answer to Question 5	Noted.
267.	Aon Hewitt Limited	Question 6 to stakeholders	<p>6. How do you check the effectiveness of communication strategies in combination with the use of particular tools and channels? Please describe your experience.</p> <p>To test effectiveness, it is important to have some base measurements that allow the post-effectiveness of the communication to be compared to what members were doing</p>	Agreed. A reference to the

			<p>prior to the communication. Common control cell modelling should be employed as a matter of course.</p> <p>With regard to online tools, website hit rates can be measured. Tools that encourage a call to action can also be measured by take-up rate.</p> <p>For call to action campaigns, we measure against the channel in which the member receives a communication and the responsive behaviours they exhibit after receiving the communication. We find that some members have a higher propensity to respond to certain channels, while other members will respond to other channels. We therefore find that members individually will respond in different ways.</p> <p>The feedback forms completed after member education sessions would give information on percentage of members expressing interest in specific topics, or requesting financial advice. Also, when campaign communications are delivered (which could be a one-off mailout or a series of nudges/nags over a period of time), responses can be tagged and measured. We provide Member Experience services for some clients, which allow us to continually monitor the impact of communications, and helps employers/pension funds know the ROI (Return on Income) based on amount spent.</p>	<p>examples provided has been added to the text immediately following Good Practice 6.</p>
268.	APG	Question 6 to stakeholders	<p>We measure the % of people that have read the information, the % of people that have taken action (conversion, for example clicked on information in a newsletter). But we also measure more soft metrics like how they evaluate the information (ease of use, relevancy, feeling).</p>	Noted.
269.	Federation of the Dutch Pension Funds	Question 6 to stakeholders	<p>See Question 5 to stakeholders.</p>	Noted.
270.	GDV	Question 6 to stakeholders	<p>The number and nature of inquiries is usually evaluated systematically through the service divisions of IORPs and insurers providing occupational pensions, in particular after mailing and information campaigns. The evaluation is conducted through the so-called customer relation tools, which can be used to record the previous contact history.</p>	Noted.
271.	German Institute of	Question 6 to	<p>This is normally achieved by open and regular two-way communication between the IORP/employer and the member. Registering the level of activity in a tool or separate</p>	<p>Agreed. A reference to the</p>

	Pension Actuaries	stakeholders	surveys can also help.	examples provided has been added to the text immediately following Good Practice 6.
272.	Min Pension / Insurance Sweden	Question 6 to stakeholders	Please go to comment on Good Practice 6 above.	Noted.
273.	NN Group	Question 6 to stakeholders	See previous answer. A multi-channel strategy is preferable as this allows people to access information the way they prefer. Communication and channels are evaluated on a regular basis by questioning scheme members.	Noted.
274.	OPSG	Question 6 to stakeholders	<p>With digital tools one can track the clicks on the internet. For example the time spent on certain parts of the tool says a lot about the use.</p> <p>One can also use different templates for the same message and test the relative difference between the different templates. This is applying what many commercial websites are doing and what some of them are really very good at.</p> <p>One can also review actions from members as a result of communication e.g. if a communication is issued about new fund choices and no member uses the new fund choices, then the communication probably has not been suitable.</p>	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
275.	PensionsEurope	Question 6 to stakeholders	Please see answer under Question 5. Furthermore, some members are monitoring every information document that could not be delivered by physical mail and are actively looking for the new contact details of their members.	Noted.
276.	Pensionskasse der Mitarbeiter der Hoechst-Gruppe	Question 6 to stakeholders	We are monitoring every information document undeliverable via physical mail. In such cases, we are furthermore actively looking for the new contact data of our members via requests to the competent registration office.	Noted.
277.	Previnet	Question 6 to	Interviews are a possible channel. Online questionnaires as well.	Agreed. A reference to the

		stakeholders		examples provided has been added to the text immediately following Good Practice 6.
278.	RPMI Limited	Question 6 to stakeholders	Good communications can be measured in a number of ways: website analyses; voice of the customer metrics; reductions in contact centre calls; accuracy of forms received and member satisfaction. The true test of any communications exercise is the member's actions or changes in behavioural patterns it derives and the satisfaction of members when their retirement outcomes match, where appropriate, their expectations, which have been well managed by communications.	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
279.	SAUL	Question 6 to stakeholders	<p>How do you check the effectiveness of communication strategies in combination with the use of particular tools and channels? Please describe your experience.</p> <p>We have several ways of checking how effective our communication strategy has been.</p> <p>We use data from Google Analytics to monitor the number of visitors to the SAUL website and the pages visitors are viewing. As well a weekly and monthly overview, we can view real-time information, which we often do when a communication has been issued.</p> <p>At face-to-face member presentations and employer meetings, we receive member feedback about recent communications.</p> <p>We also monitor the number of website contact forms we receive from members each month and analyse the types of queries raised.</p> <p>Our feedback survey (printed and electronic) gives us measurable results about how effective our communication strategy has been.</p> <p>We are planning to hold focus groups, led by an independant professional, with members and employers to find out what they think about our communications and how they could be improved.</p>	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.

280.	The Pensions Advisory Service	Question 6 to stakeholders	<p>Users approach TPAS for guidance through 5 channels; telephone-based help line, online webchat, online written enquiry, our social media platforms and writing in using postal services. We gather customer feedback via surveys on whether our services have left them better informed and confident to make a decision and we regularly get satisfaction rates of 90% and above.</p> <p>We monitor and collate management information on the triggers, subject matters and outcomes of each of these queries. We also capture data cuts of written queries and responses from our end of call surveys.</p> <p>With this information we are able to assess the effectiveness of our existing communication strategy and that of government and industry. We are able to analyse this data and ascertain trends and issues that have become acute and feed back to stakeholders and government at a high level.</p>	Agreed. A reference to the examples provided has been added to the text immediately following Good Practice 6.
281.	AEIP	Question 7 to stakeholders	Our Dutch members, Pensioenfederatie, reported us their experience concerning Pensioen 1-2-3 (see also annex II of the consultation paper).	Noted.
282.	ANASF	Question 7 to stakeholders	We consider that the use of layering exclusively applies to web-based information.	Disagreed. Layering can also be used in other communication tools, e.g., the use of annexures with more detailed information in letters and break-out sessions in meetings and presentations.
283.	Aon Hewitt Limited	Question 7 to stakeholders	<p>7. With regard to layering of information, do you have any experience with regard to the use of particular communication tools/channels?</p> <p>Yes – Aon has helped clients develop communications that include layering, and our team has been doing this for many years, and this has led to clients winning awards</p>	Noted.

			<p>For both online and paper-based communications, we agree with the principle of layering</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Key information included in summary sheet (or, for online tools, a dashboard on the home page)</li> <li><input type="checkbox"/> Supplementary information included in later pages/appendices (or, for online tools, accessible via links and/or pop-up windows)</li> <li><input type="checkbox"/> Contact details for further information (eg helplines, employer HR contacts, employer/pension fund/3rd party e.g. government websites)</li> </ul> <p>For example, one of our Defined Benefit clients provides an annual benefit statement including information on state pension forecasts and expected pensions from the employers' Defined Contribution scheme. The benefit statement has won national awards and includes :</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A summary page which contains information of the expected pension from each source</li> <li><input type="checkbox"/> Supplementary pages containing further information on each pension (including details of the assumptions and key data used)</li> <li><input type="checkbox"/> Integration of information from state pension forecast services</li> <li><input type="checkbox"/> Contact details for further information</li> </ul>	
284.	APG	Question 7 to stakeholders	<p>Yes, with regard to the layering of information we would like to draw the attention of EIOPA and other stakeholders to the so-called « Pensioen 1,2,3 » which has recently be established in the Netherlands. In this respect we refer to the link <a href="http://www.pensioen123.nl">www.pensioen123.nl</a>. The pensioen123 like you explained in the paper is one example. Another example: in the pension planner, before people go to the calculator to make specific calculations with their pension they see three scenario's which they can choose. If they want more detail they can go to the pension calculator.</p> <p>Also when we practice outbound calls for new members we provide them with a checklist of things they need to know and things they can do (one page i.s.o. a brochure).</p> <p>Our websites are designed based on the mobile-first principle : meaning that the information that is provided first is concise. If people want more information they can click on links in the information to get such information. The rule is that someone needs a maximum of four clicks to get to the information that he/she needs.</p>	Noted.
285.	FECIF	Question 7	We consider that the use of layering exclusively applies to web-based information.	Disagreed. Please

		to stakeholders		refer to answer to comment 282.
286.	Federation of the Dutch Pension Funds	Question 7 to stakeholders	In The Netherlands: 'Pensions 1-2-3' provides layering of information (see also annex II of the CP).  This is far easier to implement through digital channels such as websites. One mouse click takes a member to the next layer or subject.	Noted.
287.	German Institute of Pension Actuaries	Question 7 to stakeholders	There is no universal practice in Germany regarding the layering of information in the area of occupation pensions due to the diversity of arrangements.	Noted.
288.	NN Group	Question 7 to stakeholders	In the Netherlands, layering of information has been laid down in law. Scheme members can access information through their "Pension 1-2-3". In most existing digital employee channels, scheme member have been able to access their personal pension information for a long time.	Noted.
289.	OPSG	Question 7 to stakeholders	We have to accept that (improving and stimulating) communication is an ever ongoing process, but that we will never reach a state of ultimate pension interest or awareness. Pensions were and are a low-interest product concerning risks (of growing old, dying and being invalid to work) that we rather not think about as human beings. Communication should be a multi-layered discipline to attract more attention from participants. The messages have to be constantly brought to the participants by different means. An important realisation and in the Netherlands introduced in 2015 best practice is to vary in the depth and detail of the information that is given. The Pension 1-2-3 is the perfect example of that. When starting in a pension scheme the participant gets his/her information in 3 layers. The first layer is simple short information accompanied by icons (images) that visualise the information. The second layer gives more detailed information about the text/icons in the first layer but has to be sought by the participant. The third layer (on the website or through questions of the participant) contains very detailed information. An important factor this is the use of icons (pictures) to visualise. The second best practice is that information (also) visualised instead of only using words and numbers. Many people think and see in images (moving or still).	Noted.

290.	PensionsEurope	Question 7 to stakeholders	In The Netherlands layered information in the form of 'Pension 1-2-3' has been implemented. This is most easy to achieve via digital channels. It should be noted that any kind of layering should be in line with national requirements and it should not lead to any kind of legal uncertainty.	Noted.
291.	Previnet	Question 7 to stakeholders	Website does allow to present to member different layers of information. You cannot do that in paper	Disagreed. Please refer to answer to comment 282.
292.	RPMI Limited	Question 7 to stakeholders	We use a variety of communication channels. The feedback we have received and the online metrics we evaluate reinforces our belief that a layering approach to communication is the most effective way of effectively communicating information to the widest possible number of members. This reflects different members' preferred way of accessing pension information, whether that is through the more traditional paper communication or information available on websites etc. We have also found that print and digital channels can and do reinforce each other in member engagement, pushing member behaviours from one channel to another. However, we believe the member experience must be consistent across all channels and member touchpoints.	Noted.
293.	SAUL	Question 7 to stakeholders	<p>With regard to layering of information, do you have any experience with regard to the use of particular communication tools/channels?</p> <p>We recently produced communications to give active members information about changes taking place to SAUL from 1 April 2016.</p> <p>Employers, knowing members' preferences, chose to either send a personally addressed printed letter or an email with the same wording.</p> <p>We summarised the key changes to SAUL in this communication (top layer information) and then told members they could find out more at the Changes section of the SAUL website. On the website, we gave members more details (next layer information) and included PDFs of Scheme literature for them to download (bottom layer of information). We supported the key information further with an interactive section to give responses to questions we expected members would have. The question/responses could be expanded to reveal all the information, or collapsed if it wasn't relevant.</p>	Noted.



			<p>We use the expanding/collapsing sections throughout the website so that members are not overwhelmed with details, but can choose to find out more about things that may be relevant to their personal circumstances.</p> <p>We have conducted focus groups and a targeted survey specifically covering member communications preferences and likely uptake of online services.</p>	
294.	The Pensions Advisory Service	Question 7 to stakeholders	<p>TPAS has extensive experience of providing information to the consumer in a variety of ways and often through a multi-channel approach.</p> <p>We know from experience from many years that if there is a pension news item arising then the first level for a pension scheme member will be the headline itself published on the our website, or via social media (e.g. Twitter, Facebook or LinkedIn). The second layer would be the webpage with the story with a link to a further layer either in the form of a video on our You Tube channel explaining more or a detail page going into depth on issues brought up by the news story.</p> <p>Another layer of information is available for those customers who need further detailed information either through our more detailed pages or factsheets on the TPAS website.</p> <p>For many consumers this is enough information but others still need to clarify their understanding or have specific questions that are not answered and they can then seek guidance through our dedicated channels as outlined above.</p>	Noted.
295.	AEIP	Question 8 to stakeholders	<p>Each information delivered should be weighted against the cost: members and beneficiaries very often react annoyed if they consider the information costs higher than the information value. For example if a stamp of 50 cents is needed to inform members about a rise of the pension entitlement of 1 EUR they regard this information as wasted money.</p> <p>Adding a digital tool able to visualize the effects of pension choices or events on a personal level could be seen as an additional good practice. As usual, the implementation of such GP should be based on a case-by-case assessment of its cost-efficiency.</p>	<p>Noted.</p> <p>However, EIOPA believes that these features may easily be incorporated in</p>

				pension calculators (Good Practice 4).
296.	ANASF	Question 8 to stakeholders	With regard to communication tools and channels, we would like to suggest considering the widespread use of smartphones and tablets: i.e. scheme members may be provided with mobile apps with information on their personal situation. To ensure members' protection, these mobile apps shall be carefully designed, simple to understand and up-to-date.	Noted. The usage of apps was duly considered in the mapping exercise (section 3. Factual findings).
297.	Aon Hewitt Limited	Question 8 to stakeholders	<p>8. Would you like to suggest any other/additional Good Practice(s) on communication tools and channels? If so, please explain the reasons and provide further details (e.g. with regard to concrete experience made).</p> <p>Based on our experience, effective communication strategies typically include broad-based education combined with personalized and/or targeted messages, when action is required by the member.</p> <p>The challenge for employers and pension schemes is to understand what types of information need to be provided to different groups of members (depending on their background and attitude to savings). Those members who should be de-risking close to retirement is one example, but members who are on high incomes and have low contributions are another.</p> <p>Communications also need to be based on good quality analytics to be relevant. In our experience, a number of pension funds providers/administrators are investing in data warehousing and business intelligence tools to guide their communication efforts.</p> <p>In addition, the most successful communication plans often involve multiple:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Member segmentation, to ensure scheme members are aligned to a particular channel or medium (because scheme members are individuals, with differing backgrounds and needs, and respond differently).</li> <li><input type="checkbox"/> Outreaches, to ensure people receive the message;</li> <li><input type="checkbox"/> Channels, because people have different learning preferences; some prefer electronic communication (email, web, video) while others prefer print;</li> <li><input type="checkbox"/> Touchpoints (call centre, online tools, advisors), to allow members to ask</li> </ul>	Noted.

			questions and take action	
298.	APG	Question 8 to stakeholders	<p>We think that focusing on life events (moments when pensions/retirement become relevant in someone's life) is a good practice.</p> <p>Furthermore we think that neuromarketing techniques, like applied in other industries, can also be helpful in communicating more effectively about retirement/pensions. Being aware of behavioral biases of consumers can help to optimize communication, by communicating in a way that stimulates/triggers consumers (sub)consciously to become more active/ more open to pension information.</p> <p>Another good technique could be channel owners receiving frequent (real)time feedback on their communication (for example call center agents receiving direct feedback on their performance from plan members with whom they have had contact). They also get the contact details of the members (if these are willing to share this information), so that they can do follow up calls.</p> <p>We also think that might be a good idea to do different kinds of A/B tests (put two versions of content online and test which kind of content works best (conversion). This can be helpful in optimizing the content provided by a pension provider.</p> <p>Finally segmenting information based on relevant consumer characteristics can help to make information more relevant, and as such increase conversion on the content.</p>	Noted.
299.	FECIF	Question 8 to stakeholders	<p>With regard to communication tools and channels, we would like to suggest considering the widespread use of smartphones and tablets: i.e. scheme members may be provided with mobile apps with information on their personal situation. To ensure members' protection, these mobile apps shall be carefully designed, simple to understand and up-to-date.</p>	Noted. Please refer to answer to comment 296.
300.	Federation of the Dutch Pension Funds	Question 8 to stakeholders	<p>Adding a 'gauche-meter' (digital tool) to visualise the effects of pension choices or events on a personal level. In particular, if combined with a tool to compare pension results with a person's spending pattern that can be adjusted to fit the personal situation.</p> <p>Communicating net pension results per month, rather than gross per annum helps to make pension more concrete and helps to relate to the current (working) situation.</p>	Noted. However, EIOPA believes that these features may easily be incorporated in

				Good Practice 4 (pension calculators) rather as a stand-alone Good Practice.
301.	German Institute of Pension Actuaries	Question 8 to stakeholders	Internet solutions may become the main communication medium in future, However, traditional information and communication channels still work and should not be abandoned completely.	Noted.
302.	Min Pension / Insurance Sweden	Question 8 to stakeholders	One could also consider the issue of accessibility. Information should be available via flexible and secure solutions. In the case of Min Pension, the service is available via Internet banking, websites of insurers, relevant authorities and via smartphone applications. Min Pension is also looking into the possibility of providing the service via employer intranets.	Noted. Accessibility is encompassed in Good Practice 2.
303.	NN Group	Question 8 to stakeholders	<p>Nationale-Nederlanden has developed an app that informs people (not necessarily clients) on the possibilities of a pension transfer. Our experience is that people use the app the get informed on the possibilities of pension transfer (things they have to take into account if they consider this).</p> <p>A second app, also available to everyone can give people insight into their future financial situation. Importing personal information has been made easy by using a QR code delivered by the Dutch Tracking Service (<a href="http://www.mijnpensioenoverzicht.nl">www.mijnpensioenoverzicht.nl</a>) and all pensions (also of the partner) can be considered.</p> <p>The good practice is that pension providers should offer their tools not only to their scheme members, but open them to everyone. People can choose the tools that they consider easiest to use or most helpful. And care should be taken that it is easy to import personal data into the tool. Data storage is local, so the pension provider doesn't have access to the information people put into the app.</p>	<p>Noted.</p> <p>Partially agreed. EIOPA views as important that people can choose the tools they prefer and that data can be easily imported/inputted. Although a</p>

				reference to the possibility of wider access to pension calculators has been added to the text immediately following Good Practice 4, EIOPA disagrees with the consideration that all tools should be made available to everyone outside the scheme due to potential issues linked to costs, data protection, liability or feasibility for some tools (e.g. paper, face-to-face meetings). Decisions regarding to whom tools are made available and data storage attributes are ultimately to be taken by market participants considering their individual circumstances.
304.	OPSG	Question 8 to	The Good Practices are all seen from the IORP, the insurance undertaking or the employer. An additional Good Practice could be to to look at the information tools and	Noted. As outlined in the Report,

		stakeholders	channels from the position of the member. Asking about hard to reach information, not hard to reach members.	Good Practices are specifically aimed as an inspiration to any relevant party interested in maintaining and continuously improving effective communication practices towards occupational pension scheme members with a clear focus on communication tools and channels. Looking at the information tools and channels from the position of the member is paramount and adequately considered in all Good Practices.
305.	PensionsEurope	Question 8 to stakeholders	A Good Practice could be added on trying to find a common language with regard to pension information in one country. For example, the word 'annuity' can have different meanings within one country. Therefore it is important for members to understand with what they are dealing.	Noted. EIOPA recognises the importance of clear and common language; however, this Report focuses on communication tools and channels, not

				addressing content and presentation of information.
306.	Previet	Question 8 to stakeholders	In our experience, apps represent the future (but also today our experience is very positive). Storytelling is a possible way of engaging members.	Noted.
307.	RPMI Limited	Question 8 to stakeholders	We have no further suggestions	Noted.
308.	The Pensions Advisory Service	Question 8 to stakeholders	<p>From TPAS's experience, we believe that pension saving and guidance is not yet a "social norm" but effective communication would help to achieve this and would be a good practice. The UK government and regulators have run successful advertising campaigns around automatic enrolment and the Pension Wise service to promote awareness of both but also as part of a process of social norming of saving into a pension and seeking relevant information. Through our channels of communication and through outreach events TPAS attends with members of the public we support this process.</p> <p>TPAS is also an advocate of the concept of the "Mid-Life Wealth check" which would encourage members to look at their pensions at a juncture where they in a position to make effective retirement planning decisions, and not just at the point of retirement.</p>	Noted.
309.	AEIP	Question 9 to stakeholders	As mentioned in the general comment, we think that some differentiation should be introduced between DB and DC schemes.	Disagreed. Please refer to answer to comment 5.
310.	ANASF	Question 9 to stakeholders	As for accessibility and contact issues, we would like to suggest considering the use of communication tools that make it possible to verify whether the communication has reached the scheme member (for instance, mailing services with delivery status notifications).	Noted. EIOPA considers this concern to be adequately addressed under Good Practice 7.

311.	Aon Hewitt Limited	Question 9 to stakeholders	<p>9. Would you like to make any other comments and/or suggestions? If so, please indicate the topic/section of the Report that the comment refers to.</p> <p>Our experience finds that Good Practice 1 (Strategy) and Good Practice 6 (Effectiveness) are often tightly aligned and evolve together over time, adapting to legislative changes, plan changes and member retirement readiness and overall financial wellbeing.</p> <p>It is important to understand the member experience at all touch points to ensure that the quality of communications is maintained. For example, where a contact centre or helpline is used, frequent and relevant training will be required to ensure that staff have current and correct product knowledge. Using a consistent theme for a particular campaign strengthens the message and makes it more memorable.</p> <p>Keeping messages to a minimum will maintain focus and encourage the desired action.</p> <p>The success of email campaigns relies on obtaining email addresses from members and encouraging them to keep their email address up to date. The challenge for providers is in delivering an appealing and compelling reason for the individual to provide their address (especially former employees and retired members in company pension schemes). Also not all older pensioners or workers have regular access to email or the internet, and may well prefer paper communications and telephone help-lines; so it is important that a technology based communication campaign takes account of the extent to which individuals can access the technology.</p>	Noted.
312.	APG	Question 9 to stakeholders	<p>Good communication is very important, but some members may not respond even if the best possible communication strategies are used. Therefore one should also consider making use of smart default options etcetera, in order to nudge unresponsive members towards sensible outcomes. For the rest, see our previous comments.</p>	Noted.
313.	FECIF	Question 9 to stakeholders	<p>As for accessibility and contact issues, we would like to suggest considering the use of communication tools that make it possible to verify whether the communication has reached the scheme member (for instance, mailing services with delivery status notifications).</p>	Noted.
314.	Federation of	Question 9	<p>1) For DC members, communication is essential during their entire career and specifically</p>	Noted. The Good



	the Dutch Pension Funds	to stakeholders	<p>at certain times or events in their lives. However for DB members, the options for choices are far less and often concentrated around the pensionable age. People in these schemes tend to be even less interested in their pension. Is it necessary to communicate at the same level as to members in DC schemes, or is this a waste of effort/money?</p> <p>2) How should we deal with the fact that by definition young people often are less experienced in investing money and therefore their risk profile in DC-schemes will often tend to be defensive, whereas this may in reality and according the investment theory not be the optimal profile? How many questions and what type of questions should a pension provider have to ask to members who just joined a pension scheme through auto-enrolment?</p>	<p>Practices are aimed at any type of pension scheme. Market participants are encouraged to apply them to the extent that they benefit their individual circumstances (e.g. type of pension scheme).</p> <p>Noted. EIOPA recognises the importance of the issues raised but would like to point out that these are complementary issues to the scope of this Report.</p>
315.	German Institute of Pension Actuaries	Question 9 to stakeholders	<p>As mentioned in the general comments, there are many different pension schemes in the EU and, in some cases, the use of particular tools or communication channels are prescribed by national law. EIOPA's laudable actions on this topic should not impose additional burdens on IORPs or employers since findings that work in one Member State might not necessarily work in another.</p>	Noted.
316.	NN Group	Question 9 to stakeholders	<p>Good Practice 2: First we would like to underline that the pension scheme member has a responsibility to keep the documents he or she needs in order to secure their pensions. Storing all communications online could become disproportionate if the number of former scheme members outruns the number of active scheme members. In member states where mailboxes for every citizen are being made available (for instance in the Netherlands, the government has made available a personal mailbox for every citizen to</p>	Noted. Please refer to answer to comment 96.

			receive tax forms or correspondence, governmental information or pension information). In this case, the storing of information could be more effective and secure. Consider for instance the possibility that one pension fund merges with another, or pension entitlements are transferred from one provider to another. In these cases, digitally stored information of the scheme members would have to be transferred as well. A central storage space would be more effective.	
317.	OPSG	Question 9 to stakeholders	Good Practices 2, 3, 4 and 5 are elements of the information system for the future. Added should be information on the individual's other pension schemes, pillar one and three, domestic or foreign.	Noted. EIOPA opted to add a general reference to the availability of information on all pension entitlements to the text immediately following Good Practice 2.
318.	Previnet	Question 9 to stakeholders	No additional comments.	Noted.
319.	RPMI Limited	Question 9 to stakeholders	As well as communicating complex items using understandable language, an additional communication challenge for IORPs can be to provide sufficient information to enable members to make decisions without contravening the requirements relating to provision of individual advice within a Member State. We think it would be beneficial if this point is referenced within the Good Practices and expect that Good Practice 1 or Good Practice 4 may be appropriate places for this issue to be addressed.	Disagreed. EIOPA is aware of the importance of using understandable language and providing adequate levels of information; however, this Report focuses on communication tools and

				channels, not addressing content and presentation of information.
320.	SAUL	Question 9 to stakeholders	<p>Would you like to make any other comments and/or suggestions? If so, please indicate the topic/section of the Report that the comment refers to. Whatever the tool or channel, we use plain language to help our members understand the information we are communicating to them and carry out any actions required. Simplifying the language means our communications are clearer and shorter, so quicker for members to read and take in the key information. For bulk communications and publications we obtain plain language accreditation which we believe reassures the recipients that the information we are providing is clear.</p>	Noted.
321.	The Pensions Advisory Service	Question 9 to stakeholders	<p>It is important to put the customer first when developing tools and these should be customer-led and made relevant for the audience. When considering online tools it is worth stressing that if poor data is entered then the output will also be poor. The effectiveness of such tools would be enhanced if people could be guided through the process. It is also important for any tools to be caveated to highlight their indicative nature and with signposting to guidance.</p> <p>About The Pensions Advisory Service (TPAS) The Pensions Advisory Service (TPAS) is an independent non-departmental public body, operating at arm's length from the Department for Work and Pensions (DWP). Our purposes are to give general information and guidance on pension matters; to resolve problems an individual may have with their pension; to share our knowledge and insight to contribute to Government and industry thinking on pensions</p> <p>We deliver our service through a variety of channels and also partner with organisations such as the Pensions Ombudsman, Citizens Advice Service, the Money Advice Service and Financial Ombudsman Service who refer customers to us. In addition, we provide the telephone channel for Pension Wise, the governments free at retirement guaranteed-guidance service.</p> <p>Our service is free to the public. It is delivered by technical specialist staff and a nationwide network of volunteer advisers who have typically worked in the pensions</p>	Noted.

			<p>industry in roles that have required a high level of technical knowledge. We also act as impartial mediators in pension disputes involving occupational, personal and stakeholder pensions. Our website and leaflets cover all aspects of pensions in the UK.</p> <p>We are a trusted and independent source of information and guidance on pensions with a high reputation in the industry and excellent customer satisfaction. The service is delivered cost effectively and plays an important role in empowering the customer to make informed decisions, especially important in the current pensions landscape. We expect to handle around 180,000 customer contacts in the 2015/16 financial year. This compares with under 80,000 in the 2013/14 year.</p>	
322.	ABI	Page 30	<p>We would request EIOPA to provide evidence to back their statement that combining pension and HR information would increase engagement of active scheme members.</p>	<p>Disagreed. The text specifically states that combining the information could increase convenience, i.e. the ease to access information. EIOPA is of the view that making information available through simple to access and multiple channels may encourage members to take greater interest in pensions although this line of thought was not supported by empirical evidence.</p>
323.	Previnet	Page 30	<p>We fully agree with the content</p>	<p>Noted.</p>

324.	ABI	Annex I	We would agree with point raise in RPMI article that the first step in ensuring good member communications is understanding the target audience and what they want to know. This will inevitably vary from one IORP to another, and one Member State to another.	Noted.
325.	Previnet	Annex I	Interesting inputs. We agree with the content	Noted.
326.	Previnet	Annex II	Interesting inputs. We agree with the content	Noted.
327.	Previnet	Annex III	Interesting inputs. We agree with the content	Noted.
328.	ABA	Good Practice 1	<p>Occupational pensions are diverse across the EU, we therefore welcome that EIOPA recognises that "one size does not fit all". In addition, however, it should be taken into account that the cost-benefit-ratio as well as the need for and benefit of interactive ways of communication depend on the promises given (DB/DC) and whether members and beneficiaries can / have to make decisions.</p> <p><b>Good reasons for physical mail</b> As the Consultation Paper states, paper based communication is still prevalent. Most IORPs in Germany are monitoring every information document undeliverable via physical mail. In such cases, they will actively look for the new contact data of the member via requests to the national competent registration offices (Meldebehörde nach dem Bundesmeldegesetz und den korrespondierenden Ländergesetzen). We can confirm that sending information via physical mail is currently the prevailing standard communication tool. However, to inform the members and beneficiaries via electronic means is more and more becoming a standard. Therefore, in future, to use physical mail could become a fall-back option for more IORPs if a member or beneficiary does not like to be informed via electronic means or does not like to use the online account provided.</p>	Noted.
329.	ABA	Good Practice 2	<ul style="list-style-type: none"> <li>• Cost-benefit-ratio has to be reasonable</li> <li>• Occupational pensions are characterized by their diversity across the EU</li> <li>• Even at the Member State level, challenges vary significantly: Most of the large sponsoring employers are likely to already have an online platform for their employees, but a small construction company is very unlikely to consider this.</li> <li>• « any point in time » : While of course an online platform can be accessed at any point in time, cost containment is likely to mean that the portal is updated in</li> </ul>	Noted. The exact content of the information to be included should be assessed on a case by case

			<p>regular intervals rather than instantly when further communication has taken place.</p> <ul style="list-style-type: none"> <li>• Storing of « all » information in one online space: Does this also apply to individual information, including legal disputes? It is unlikely that the representatives of the employees in the sponsoring undertaking or the unions will agree to the online data storage.</li> <li>• Based on the legal backdrop at Member State level (co-decision procedures, data protection law, personal rights), it should be possible to exclude certain information from storage.</li> <li>• In the past, the introduction of online tools for members and beneficiaries was met with a large number of objections. We therefore doubt that EIOPA's assumption that it is in the interest of all beneficiaries to store all communication in one online space is correct. The electronic provision of information should therefore be an offer to members and beneficiaries; under no circumstance should it be mandatory or the only way to provide information.</li> </ul>	<p>basis.</p> <p>Good Practices should be regarded as principles-based and market participants encouraged to apply them to the extent that they benefit their individual circumstances. They are not legally binding on any party nor subject to the "comply or explain" mechanism provided for under Article 16 of Regulation 1094/2010/EU.</p>
330.	ABA	Good Practice 3	<p>We have a number of concerns regarding Good Practice 3.</p> <ul style="list-style-type: none"> <li>• Most importantly, EIOPA steps beyond its scope with this Good Practice: as pointed out in the General Comments, EIOPA must limit its Good Practices to the information and communication by IORPs and insurance undertakings. According to Art. 1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives, that is in Germany the IORP Directive for German Pensionskassen und Pensionsfonds, and the Solvency II Directive for insurance undertakings. Sponsoring employers are not covered by these Directives. The information requirements an employer has towards its employees are addressed in national labour law and are clearly outside the scope of EIOPA's work.</li> </ul>	<p>Disagreed. Please refer to answer to comment 2.</p>

			<ul style="list-style-type: none"> <li>Assuming this Good Practice was within EIOPA's scope, it would in any case be impossible to implement for multi-employer IORPs like for example for the independent multi-employer pension fund that serves Germany's construction industry. This industry-wide scheme has a huge, heterogeneous membership with restricted internet affection. Since 2016 more than 70.000 German construction enterprises participate in the ZVK-Bau which serves around 1.02 million members and beneficiaries. The vast majority of participating employers are small and medium sized enterprises. In Germany 84 % of all construction companies have less than 10, 90 % less than 20 employees. Only 0.05 % have more than 100 employees. That means that the vast majority is unlikely to have an HR Department, let alone an internet platform through which they communicate with their employees. In many Member States small and medium-sized enterprises play an important role, but Good practice 3 does not take into account their reality and day-to-day challenges.</li> <li>But even if all involved employers would have an online platform to communicate with their employees, Good Practice 3 would still be difficult (if not impossible) to implement for multi-employer IORPs with numerous sponsoring undertakings. The connecting or updating of information on the online platforms of the employers could be very time-consuming and work-intensive especially for multi-employer institutions. Where employers provide an online platform, the embedding of a link to the IORPs online platform on the online platform of the respective employer could be suitable and provides for a fast and easy connection to the information storage of the IORP.</li> </ul>	<p>Noted. EIOPA recognises the specificity of multi-employer arrangements. However, Good Practices should be regarded as principles-based and market participants encouraged to apply them to the extent that they benefit their individual circumstances.</p>
331.	ABA	Good Practice 4	<p>Good Practice 4 should be limited to plans where a pensions calculator is sensible (i.e. plans where members can change certain parameters, e.g. when they retire or the level of contributions). The Good Practice should take into account that a pension calculator will only be cost-efficient for schemes with a certain number of members. Most of the larger IORPs offer a pension calculator on their website, where every member can fill in the desired contributions to the scheme and execute the desired pension projections. Often members can also ask for detailed pension projections via e-mail etc.</p>	<p>Agreed. Good Practices should be regarded as principles-based and market participants encouraged to apply them to the extent that they</p>

				benefit their individual circumstances.
332.	ABA	Good Practice 5	<p>A tracking system does not exist in Germany (there is no legal framework for it), IORPs can therefore not act upon this Good Practice.</p> <p>In addition, we are not convinced that the implementation of a tracking service could create additional value for the members and beneficiaries in Germany/in all Member States. A tracking system is relatively easy to set up if the occupational pension system is highly standardised and the number of pension funds is relatively small. In Germany, however, occupational retirement provision in the private sector is voluntary. This has led to a diverse occupational pensions landscape – there are five different ways to deliver occupational pensions (Direktzusage, Unterstützungskasse, Pensionsfonds, Pensionskasse and Direktversicherung), which operate different forms of DB pension promises.</p>	Noted.
333.	ABA	Good Practice 6	<p>In relations to Good Practice 6, we would like to point out that 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 legally allowed to provide advice.</p> <p>The information can only be free of charge if it concerns material the IORP or the employer already holds. External advice has to be paid for by the employee.</p> <p>From our perspective Good Practice 6 would require an assessment e.g. by using feedback forms for members and beneficiaries. Considering the overall challenges IORPs are facing (addressing the current low interest rate environment; providing cost-efficient pensions; legal uncertainty because of the IORP Review), EIOPA seems far from reality when suggesting to hand out feedback forms to potentially thousands of members and beneficiaries. It should be sufficient if the IORP provides the required information in an overall comprehensible form (consistent with the requirements in the future IORP II Directive and its national implementation), evaluation should remain voluntary.</p>	<p>Noted. However, how advice is provided is a complementary issue to the scope of this Report.</p> <p>Agreed. The text immediately following Good Practice 6 has been amended to clarify that not every single member and beneficiary needs to be consulted.</p>
334.	ABA	Good Practice 7	<p>The implementation of a multi-channel strategy could give every member and beneficiary the opportunity to choose the adequate communication tool on an individual basis. However, the objective must be an adequate strategy which is cost-efficient. Building up</p>	Agreed. Good Practices should be regarded as



			<p>a multi-channel strategy could be expensive, in particular for small IORPs.</p> <p>Good Practice 7 again refers to “employers”. As pointed out in the General Comments, EIOPA must limit its Good Practices to the information and communication by IORPs and insurance undertakings. According to Art. 1.2 (EIOPA Regulation), EIOPA has to act within the scope of the relevant Directives, that is the IORP Directive (relevant in Germany for Pensionskassen und Pensionsfonds) and the Solvency II Directive for insurance undertakings. Sponsoring employers are not covered by these Directives. The information requirements an employer has towards its employees are addressed in national labour law and are clearly outside the scope of EIOPA’s work.</p>	<p>principles-based and market participants encouraged to apply them to the extent that they benefit their individual circumstances.</p> <p>Disagree. Please refer to answer to comment 2.</p>
335.	ABA	Question 1 to stakeholders	<p>The proposed criteria already cover quite important points, however, we would like to propose one additional criterion, to drop an existing one and rank the new criteria by their importance:</p> <ol style="list-style-type: none"> <li>1. As already stated above, from our perspective an important angle is missing in the proposed criteria: <b>the usefulness of the information</b>. The channels and tools which are used for information and communication depend on the kind of information transmitted and the interaction needed. For example the need for interactive ways of communications depends on the promises given (DB/DC) and the option for the members and beneficiaries to choose.</li> <li>2. The «<b>level of scheme member engagement</b>» seems to be of no special importance if the information was received and understood. The members may decide then if they want to engage directly or via their representative, usually unions or work councils. In Germany, engagement mostly takes place at the point</li> </ol>	<p>Disagreed. EIOPA does not consider usefulness as valid criteria to assess the relevance of potential Good Practices. This is rather a desirable attribute of communication.</p> <p>Disagreed. In the Report “member engagement” refers to members</p>

			<p>of retirement and when changing employers.</p> <p>3. From our perspective the importance of the criteria is not equal, we therefore propose to <b>rank the criteria: The usefulness of the information should be the top priority, with cost efficiency and accessibility following.</b></p> <p>The usefulness of the information should top the list because if the information is not useful, it will never be cost-efficient and questions around accessibility are of no importance if the information provided is not useful. The first and most important question is whether the information provided is useful.</p> <p>We consider «cost efficiency of the communication» the second most important criterion. Communication costs form an important part of the total costs of a pension fund. They consist of direct costs for mailing (stamps, paper, and envelopes), IT costs for hardware (professional printing machines), software (mail processing programmes, interfaces to external service providers) and IT staff, call center staff answering to members' and beneficiaries' questions etc.</p> <p>Communication costs therefore directly affect the benefit level. Especially in a low return situation like today where safe investments sometimes deliver even negative returns any cost component has to be effective. The smaller a pension fund the bigger the issue due to the bigger proportional amount of fixed costs that has to be evenly distributed to each member and beneficiary.</p> <p>Every scheme member and beneficiary should be able to receive the information provided by the entity. For these reasons, accessibility is an important third criterion for assessing potential Good Practices. Currently, providing information by (paper) mail seems to ensure the highest level of accessibility possible, because every scheme member is in general obliged to submit his or her address via the application form and to inform the IORP if anything changes. Although some IORPs are operating a multi-channel information strategy, the communication via</p>	<p>taking an active interest in their pension, it does not refer to how they interact.</p> <p>Noted.</p>
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			physical mail is considered as the prevailing/default option to get in contact with members at the moment (as was also confirmed by EIOPA in Section 3: Factual Findings).	
336.	ABA	Question 2 to stakeholders	<p>Usefulness of the information (see Question 1; important issues are risk, individual / collective decisions; and who bears the costs) should be an additional criterion.</p> <p>In addition, the general complexity and the size of the IORP should be considered. The general complexity for example depends on the number of plans administered, the different promises given by the employer over time etc. This is particularly important if information is to be provided free of charge. While this does not necessarily need to be a criterion as the ones discussed above, it should be clear that the Good Practices take these two points into account:</p> <ul style="list-style-type: none"> <li>• Small IORPs face almost the same fixed costs as larger ones, but have fewer members to carry them, which makes it more likely that high communication costs will lower benefits.</li> <li>• IORPs with a very heterogeneous membership might face higher implementation costs, because they have to introduce more complex strategies to reach all their members.</li> </ul>	Disagreed. The elements indicated in the comment refer to individual circumstance to be considered by market participants when assessing the extent to which they should apply the Good Practices. Accordingly, EIOPA does not see the added value of including usefulness of information as an additional criterion.
337.	ABA	Question 3 to stakeholders	<p>As outlined above, the most important criterion when establishing Good Practices is usefulness, followed by cost-efficiency. From our perspective this has not sufficiently been taken into account when the Seven Good Practices were set up:</p> <p>Good Practice 2 (Storing of all communication in one online space) does not seem cost-efficient. In particular when seen in conjunction with Good Practice 7, which calls for a multi-channel strategy – storing all written, oral and electronic communication will be time-consuming and expensive. The online storage of information is further complicated</p>	Noted.  Noted. In assessing which Good Practices should be applied,

			<p>because often one individual holds several entitlements with one IORP.<sup>83</sup></p> <p>For schemes with a large number of small employers who often do not have an online HR platform, Good Practice 3 (Employer online platform to combine information about related Human Resource matters and pensions) is even less cost-efficient: preparing information for an online platform which only a fraction of employers will use is very unlikely to be cost-efficient.</p> <p>Turning to Good Practice 4 (Pension calculators), the usefulness of pension calculators very much depends on the amount of factors that have to be considered. For DB schemes with limited future paths a pension calculator may be a benefit. However they should not require access to any personal data from an internal database of the pension institution but should be restricted to information entered manually via a website.</p> <p>Tracking services (Good Practice 5) in general lack any added value / are not very useful compared to a personal file with yearly written information. In addition, they produce significant costs for development and maintenance of personal accounts.</p> <p>Overall, we welcome that the Good Practices are neither legally binding nor part of any kind of comply or explain principle. There should be no need for any changing of approved operation plans by the entities (If it ain't broke, don't fix it).</p>	<p>market participants should take into account their individual circumstances (e.g. scheme size) as well as the cost-benefit of applying specific Good Practices.</p>
338.	ABA	Question 4 to stakeholders	<p>Yes, the principle of proportionality (nature, scale and complexity) should be adequately taken into account. As we outlined in our response to Question 2, we think that the complexity and size of the IORP should be considered. In addition, the heterogeneity of its members should be taken into account: a heterogeneous membership will increase the costs of automated online information, and smaller pension funds will find it more difficult</p>	Noted.

<sup>83</sup> As the example of the German construction industry fund shows: In case of this industry-wide scheme members have automatically one entitlement by being an employee of a construction company because of a legally binding social contract. For this entitlement only the employer pays contribution, and it is restricted in terms of the maximum pension (88 EUR a month). Construction workers may voluntarily become a member in a second scheme with completely different conditions. Employers and employees pay their individually negotiated parts of the contributions. These entitlements are managed in separate systems because their actuarial basis, processes and benefit conditions are completely different. These entitlements are managed in separate systems because their actuarial basis, processes and benefit conditions are completely different.

			<p>to bear extra costs. The Good Practices should recognise this by introducing a minimum level under which the Good Practices do not apply (similar to the IORP Directive).</p> <p>In addition, relative small pension promises which will only play a minor role in overall retirement income do not need the same systems of information around them as occupational pensions which will make up larger chunks of retirement income. The costs related to information and communication will also be relatively larger if the occupational income is lower. Smaller entitlements do neither require yearly information nor advanced tracking services, pension calculators or online platforms / storage.</p>	
339.	ABA	Question 5 to stakeholders	<p>Examples of measures used in German occupational pensions:</p> <ul style="list-style-type: none"> <li>• Positive experience if the information material was discussed beforehand with the employee representatives</li> <li>• Number of visits to the online platform as an indicator of engagement</li> <li>• Reports on call volume and content by the call centre</li> <li>• Asking members directly about their satisfaction with the given information</li> <li>• If it comes to complaint procedures, these are governed by prudential law.</li> </ul>	Noted.
340.	ABA	Question 6 to stakeholders	<p>See our answers to questions 5.</p> <p>In addition and as stated above, most IORPs in Germany are monitoring every information document undeliverable via physical mail. In such cases, they will actively look for the new contact data of the member via requests to the national registration offices.</p>	Noted.
341.	ABA	Question 7 to stakeholders	<p>No, we are not aware of any German IORP having experience with the layering of information: German national law (VAG) provides which information has to be given to members and beneficiaries. It does not include any reference to the layering of information. German IORPs will make sure to provide good information to their members and beneficiaries within the legal framework given. Layering information might lead to questions whether the legal requirements have been met, and all IORPs are likely to avoid this legal uncertainty by providing the required information without layering it.</p>	Noted.

342.	ABA	Question 8 to stakeholders	<p>We have a couple of remarks in response to Question 8:</p> <ul style="list-style-type: none"> <li>• Posters and flyers seem to work – in particular if members can take a flyer / piece of paper with them.</li> <li>• Town-hall-style meetings organised together with employer representatives have also been successful in the past.</li> <li>• Organising an information day for multipliers such as employee representatives</li> <li>• Provide a mailbox where all members can leave their communication with the IORP</li> </ul> <p>➤ While internet-based solutions might be the future, traditional information channels still hold value and should not be dismissed outright.</p> <ul style="list-style-type: none"> <li>• Members and beneficiaries very often react annoyed if they consider the information costs higher than the information value. For example if a stamp of 70 cents is needed to inform members about a rise of the pension entitlement of 1 EUR (or no rise at all) they regard this information as wasted money feeding back on their further entitlements. And – they are right! Therefore it should be best practice to weight every information against the costs of delivering them instead of working along a – legally – fixed set of regular pension information.</li> </ul>	Noted.
343.	ABA	Question 9 to stakeholders	<p>As pointed out in the General Comments, we welcome the long fact finding stage of this consultation. However, it is not clear to us how the proposed Good Practices relate to the factual findings. If a sound and clear methodology was used, the Good Practices should be derived from the factual findings. To us it is not clear whether and if so, how, this is the case for this consultation paper. But even if the Good Practices were derived from the factual findings, it should be taken into account that a mechanism which has been shown to work in one Member State cannot just be elevated to a Good Practice example across the EU. Occupational pensions vary significantly in different Member States, and lessons learnt in one Member State might not necessarily be valid for another. To enhance the quality of the Good Practices, they should be clearly related to the factual findings and the question whether it is possible to export proven success to other countries should be addressed.</p>	Disagreed. Please refer to answer to comment 2.

344.	ABA	Annex I	This Annex is very UK-focused.	Noted.
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