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# OCCUPATIONAL PENSIONS STAKEHOLDER GROUP MEETING

**DATE: 20 FEBRUARY 2020** 09:45 – 15:45 CET

LOCATION: EIOPA

## MEETING CONCLUSIONS

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### AGENDA ITEM 01: Approval of the draft agenda

#### CONCLUSIONS AND ACTION POINTS

1. The draft agenda (EIOPA-OPSG-20-01) was adopted.

### AGENDA ITEM 02: Update by the OPSG Chairperson

2. The OPSG Chairperson updated Members about current and upcoming deliverables in the OPSG Work Plan.

#### CONCLUSIONS AND ACTION POINTS

3. Members recommended EIOPA organise a panel discussion/event on the topic of gender gap in long-term savings.
4. Topic of “Mutual recognition by the NCAs of the methodologies of cross-border IORPs in the context of the Own-Risk Assessment (ORA)” to be discussed at the next OPSG meeting on 27 May 2020.

### AGENDA ITEM 03: Update by EIOPA

#### UPDATE ON EIOPA’S 2020 ANNUAL WORK PROGRAMME

5. The BoS approved EIOPA’s Revised Annual Work Programme (AWP) for 2020, that is part of the 2020-2022 Single Programming Document. EIOPA will continue to drive forward e.g. conduct of business regulation and supervision, as well as supervisory convergence with respect to high-quality prudential supervision.

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6. Digitalisation and cyber are identified as cross-cutting themes. In light of the EC's Green Deal initiative and continuous ESG debate, EIOPA will furthermore focus on how to integrate sustainability into our supervisory and regulatory work.
7. Furthermore, EIOPA will in 2020 initiate work to develop a supervisory opinion on the reporting of costs and charges of IORPs, and on a risk assessment of Defined Contribution pension schemes.
8. In addition, EIOPA also stands ready to develop a blueprint for sustainable occupational pensions in Europe (discussed later under agenda item 10).

## FEEDBACK ON OPSG ADVICE ON EIOPA'S FINANCIAL STABILITY REPORT

9. EIOPA read the [OPSG advice](#) with interest and discussed it already with the OPSG on 20 October 2019, just before the group formally adopted it.
10. EIOPA agreed that both, assets and liabilities should to be assessed in the report. It is also confirmed that more granular data is needed to carry out such an analysis.
11. EIOPA is starting to collect IORP data as of 2020 and hopes to implement the OPSG advice – to analyse both assets and liabilities – in the December 2020 FSR report. However, to reach this goal, the data EIOPA receives from the Member States must be of sufficient quality.

## PENSION DATA COLLECTION

12. EIOPA is currently collecting regular information on IORPs through the National Competent Authorities. The aim of this data collection is to monitor and assess market developments in the area of occupational pensions and to undertake economic analyses of markets, with a view to:
  - detect emerging risks and threats of adverse developments, and
  - to assess relevant micro-prudential trends, potential risks and vulnerabilities

## UPCOMING CALL FOR CANDIDATES TO JOIN THE IRSG/OPSG

13. The articles in the ESA Regulation on the Stakeholder Groups were amended among many other provisions as a result of the ESAs review. EIOPA, in close coordination with the EBA and ESMA, agreed to launch a new call for candidates to comply with the new requirements. The call is intended to be launched by EIOPA in the last week of February. For the 2020 selection procedure, the current and any previous mandate in a stakeholder group will be disregarded. Third-country nationals i.e. applicants will be eligible under certain conditions.
14. EIOPA expects the selection of candidates to be finalised by the end of June 2020. Until then, the members of the current OPSG and IRSG remain active and their work does continue to work as scheduled.

## CONCLUSIONS AND ACTION POINTS

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15. EIOPA took note of members' concerns about existing barriers to cross-border activities of IORPs in a Member State, while noting the competences of the European Institutions (COM, ECJ) in the enforcement of the requirements of the IORP II Directive. EIOPA acknowledged receipt of supporting documents provided by a Member, on which it is to react in written.

**AGENDA ITEM 04: Update by the European Commission (COM)**

16. The European Commission representative promised to respond in writing to questions from members in a separate communication.

CONCLUSIONS AND ACTION POINTS

17. Not applicable.

**AGENDA ITEM 05: RESULTS OF THE 2019 IORP STRESS TEST**

18. EIOPA staff presented the key results and main take-aways from the occupational pension stress test carried out in 2019 ([EIOPA-OPSG-20-08](#)).
19. Topic owner Stefan Nellshen summarised the OPSG advice ([OPSG-20-05](#)).
20. EIOPA gave feedback on how it took the advice from the group into account.

CONCLUSIONS AND ACTION POINTS

21. Members appreciated the significant improvement regarding the efficiency and relevance of the 2019 exercise compared to previous stress tests, stressing that the IORP sector and supervisory authorities have a common interest to investigate the effects of an adverse market scenario on the financial situation of IORPs and the future retirement income of members and beneficiaries. Further, members supported the integration of ESG-criteria. Other points were raised, including the view that a parallel run of two different methodologies (balance sheet and cash flow analysis) should not be done permanently in the future and a cash-based-approach has definite advantages compared with the common methodology.
22. A number of members brought forward that the stress test results had resulted in dramatic reactions in the national press, and, therefore, efforts should be increased to reach concise communication by EIOPA, avoiding unintended consequences in the markets.
23. EIOPA staff welcomed the OPSG comments, albeit noting that the common methodology was unanimously approved by EIOPA's BoS. It also concurred on the importance of clear communication of stress test results and to consider involving the OPSG even more closely in that.

#### **AGENDA ITEM 06: PEPP: IMPLEMENTING TECHNICAL STANDARDS ON SUPERVISORY REPORTING AND COOPERATION BETWEEN NCAS AND EIOPA**

24. EIOPA staff presented the objectives and an overview of the content of the Consultation Paper regarding PEPP's Implementing Technical Standards on supervisory reporting and cooperation between National Competent Authorities and EIOPA ([EIOPA-OPSG-20-09](#)), as well as mock-ups of PEPP KID and PBS.
25. The OPSG Chairperson highlighted some key elements of the [joint response of the OPSG and IRSG](#) to the first public consultation launched by EIOPA in December 2019, noting that the goal was to finalise it within days. In the forthcoming discussion, members shared their views on some critical aspects of EIOPA's proposal, in particular regarding the fee cap and the risk-mitigation techniques.

#### **CONCLUSIONS AND ACTION POINTS**

26. Members to comment on the mock-up designs [by 12 March 2020](#)
27. OPSG agreed to cooperate with the IRSG to prepare a joint response to the EIOPA's publication consultation [by 20 May 2020](#). Jerry Moriarty will be the OPSG leader in this project.

#### **AGENDA ITEM 07: UPDATE ON JOINT ESAS WORK ON SUSTAINABLE FINANCE DISCLOSURES**

28. EIOPA staff presented ([EIOPA-OPSG-20-07](#)) one of the Authority's deliverables in 2020 in the area of sustainability, more precisely the Joint work of the European Supervisory Authorities on the draft RTS on Sustainable Finance Disclosures, both at entity (adverse impact reporting) and product level (pre-contractual disclosures, public disclosures, periodic reporting requirements).
29. Members reacted on the above and stressed, that consumers should be the focus of all disclosure efforts.

#### **CONCLUSIONS AND ACTION POINTS**

30. EIOPA to share presentation ([EIOPA-OPSG-20-07](#)) after the meeting.
31. EIOPA to launch public consultation in April 2020.
32. OPSG to identify topic owner and deliver advice (response to consultation) on sustainability-related disclosures by July 2020.

#### **AGENDA ITEM 08: EIOPA'S CONSUMER TRENDS REPORTS**

33. EIOPA staff presented ([EIOPA-OPSG-20-06](#)) the 2019 Consumer Trends Report, which was published on 12 December alongside a key fact sheet summarising the findings. To further investigate areas where concern have been identified, EIOPA will launch a comprehensive

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thematic review on mortgage life and other credit protection insurance sold through banks in order to gather evidence on areas of potential consumer detriment.

#### CONCLUSIONS AND ACTION POINTS

34. EIOPA encouraged members to notify any specific evidence at national level of a lack of convergence in conduct-of-business supervision.
35. Members to submit advice i.e. responses to a questionnaire on Consumer Trends by Q2 2020.
36. EIOPA to engage with the OPSG on the matter again post-consultation i.e. in Q3 2020.

#### AGENDA ITEM 09: PENSION BENEFIT STATEMENT DESIGNS

37. Peter Braumueller, EIOPA's Alternate Chair, described the pension benefit statement (PBS) as a tool to help members of a pension fund get a better idea of their pension pot, the income they could receive when they retire. A PBS should be based on a behavioural approach to help members make informed decisions about their retirement savings. It should also entail attractive and easy-to-read statements, and different layers to help guide members through the information.
38. EIOPA has developed two specific model statements for NCAs and IORPs inspiration, following valuable input from consumer testing, national authorities and other stakeholders including the OPSG.

#### CONCLUSIONS AND ACTION POINTS

39. EIOPA encouraged members to promote and spread the information on EIOPA's website about Pension Benefit Statements models as a practical tool for companies.

#### AGENDA ITEM 10: EUROPEAN COMMISSION'S HIGH-LEVEL GROUP (HLG) ON PENSIONS AND HIGH-LEVEL FORUM (HLF) ON CAPITAL MARKETS UNION

40. EIOPA staff presented ([EIOPA-OPSG-20-10](#)) ideas to assist Member States reduce their pensions gap with the help of supplementary pensions. An EU pensions gap dashboard would provide comprehensive and visible information at European level about the overall size of the pensions gap, in individual Member States (MS) and across the three pillars (1<sup>st</sup> statutory, 2<sup>nd</sup> occupational, 3<sup>rd</sup> personal).
41. Building on existing pension scheme designs, a European blueprint for sustainable Defined Contribution (DC) pensions would improve pensions coverage, while still adapting to national priorities and situations.
42. Both projects would complement well the European Semester (EU/MS) discussions on pensions adequacy in country-specific recommendations. Deeper and more integrated capital markets in the EU through the Capital Markets Union (CMU) should also deliver better returns and pensions to EU citizens in the long term.

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43. Members agreed with EIOPA's Chairperson on the need to strengthen the demand side of CMU, the urgency for MS to reduce their pensions gap and the importance for the EU to raise awareness on the pension adequacy challenge and the need to put supplementary pensions as a high priority. Members agreed we need a Greta Thunberg's moment on pensions. Most members were supportive of the ideas of a dashboard and blueprint, stressing the necessity for multi-stakeholder cooperation with all relevant EU institutions focused on closing the pensions gap and worrying less about the divide of roles, responsibilities and competences. The design of sustainable pensions will require innovative thinking to adapt to changing labour market conditions as well as engage EU citizens in particular younger generations.

## CONCLUSIONS AND ACTION POINTS

44. Members to take note of the interim report of the high-level forum on the Capital Market Union ([link](#)).
45. Members to stress the message that pension adequacy is a major societal challenge for most European countries.
46. OPSG to react to the recommendations in the final reports of the HLG and HLF. Francesco Briganti confirmed his willingness to lead a subgroup. Timeline of the OPSG advice is to be confirmed, likely in Q2 2020 and ideally once final HLF report is available.
47. Topic of pension tracking system (e.g. European pension Tracking Service) to be discussed at the OPSG meeting on 27 May 2020.

## AGENDA ITEM 11: ANY OTHER BUSINESS

## CONCLUSIONS AND ACTION POINTS

48. Members to answer EIOPA's short questionnaire on EIOPA's outreach activities at this [link](#) by 16 March 2020.
49. Members were invited to the **next OPSG meeting on 27 May 2020**.

**Participants****Chairperson:** Bernard Delbecque

Member representing	Name	Country
SMEs	<b>Alviniussen, Alf</b>	Norway
Beneficiaries	<b>Azzopardi, Moses</b>	Malta
IORPs	<b>Briganti, Francesco</b>	Italy
Professional associations	<b>Delbecque, Bernard</b>	Belgium
IORPs	<b>Duarte, Valdemar</b>	Portugal
IORPs	<b>Fekeža Klemen, Senka</b>	Croatia
Employees	<b>Gabellieri, Bruno</b>	France
Beneficiaries	<b>Gómez, José Carlos</b>	Spain
Beneficiaries	<b>Gulich, Christian</b>	Germany
IORPs	<b>Jones, Olav</b>	Norway/UK
Beneficiaries	<b>Kupsys, Kęstutis</b>	Lithuania
IORPs	<b>Lemaire, Christian</b>	France
Beneficiaries	<b>Lewis, Sue</b>	United Kingdom
Academics	<b>Luciano, Elisa</b>	Italy
Beneficiaries	<b>Maczynska, Aleksandra</b>	Poland
Academics	<b>Maher, John</b>	Ireland
IORPs	<b>Moriarty, Jerry</b>	Ireland
IORPs	<b>Nellshen, Stefan</b>	Germany
IORPs	<b>Neyt, Philip</b>	Belgium
Employees	<b>O'Quigley, John</b>	Ireland
Academics	<b>Reiner, Michael</b>	Austria
Professional associations	<b>Reinhammar, Torun</b>	Sweden
Beneficiaries	<b>Seidel, Philippe</b>	France/Germany
IORPs	<b>Steenbeek, Onno</b>	Netherlands
Professional associations	<b>Valkenburg, Falco</b>	Netherlands
Academics	<b>van Meerten, Hans</b>	Netherlands

**Other participants:**

EIOPA's Alternate Chair: Peter Braumueller (FMA, Austria), EIOPA Senior Management and EIOPA staff ([Stakeholder.Groups@eiopa.europa.eu](mailto:Stakeholder.Groups@eiopa.europa.eu))

**Members excused:**

Micilotta, Flavia ; Oroviceanu, Catalin; van der Lecq, Fieke ; Wancke Widemar, Ann-Marie