



Statement Federation of the Dutch Pension Funds on the European Commission's White Paper on Pensions

Introductory remarks

The Federation of the Dutch Pension Funds welcomes the White Paper on Pensions presented by the European Commission on February 16th, 2012.

The Federation of Dutch Pension Funds subscribes to the need for pension reforms in order to achieve the goal of adequate, sustainable and safe pensions across Europe. It is particularly important to note that efforts will be necessary in order to reduce the pressure of future pension expenditures on the public budget.

Positive aspects of the White Paper

The Federation of the Dutch Pension Funds welcomes the comprehensive approach that the European Commission is taking with regard to pension provision. It is important that pensions are looked at from a social, a macro-economic and micro-economic point of view. It is essential that labour market policy will be adjusted to demographic ageing as well.

The Federation of the Dutch Pension Funds is pleased with the call of the European Commission to strengthen the role of complementary retirement provision. The Federation of Dutch Pension Funds is of the opinion that workplace pensions can play an important role in this respect and sees a clear role for Social Partners in setting up, organizing and managing workplace pensions. Workplace pensions achieve high coverage and consistent saving for retirement. Collectivity and sharing risks amongst generations are other substantial advantages of workplace pensions. This needs to be facilitated by the European regulation and the Federation of the Dutch Pension Funds welcomes therefore the different initiatives in the White Paper to promote cost-efficient pension schemes.

In a Europe of increasing mobility of workers, there is certainly a need to abolish obstacles. Therefore it is important to preserve pension rights and set minimum standards for the acquisition of supplementary pension rights.

Doubts about the Internal Market for Pensions

The Federation of the Dutch Pension Funds certainly does have reservations with regard to the review of the IORP Directive and to its pure market driven vision concerning pension funds.



The Federation of Dutch Pension Funds fears that Solvency II type quantitative rules will bring even higher cost and thus a loss of purchasing power for employees and pensioners. Any quantitative rules need to be assessed thoroughly in order to check the costs and profit of such measures. Otherwise, the revision of the IORP could contain the risk that it might hamper the supply of cost-efficient workplace pension systems. Furthermore it needs to be made sure that pension funds can continue to contribute to the success of the Europe2020 strategy in engaging in long term investment. Pension Funds are an important supplier of risk-bearing capital to the European economy and too strict Solvency requirements will jeopardize this.

The Federation of the Dutch Pension Funds has laid out its analysis in the answer to the 2nd consultation of the EIOPA concerning the review of the IORP Directive.

Initiatives

The Federation of Dutch Pension Funds welcomes the initiatives of the European Commission on tackling the European pension challenge. We will properly analyse all proposals and initiatives and look carefully where we can provide our expertise, where possible in partnership. This concerns for instance the proposals for a EU Pension Tracking Service and the setting up and managing of workplace pensions.

Conclusion

The Federation of the Dutch Pension Funds thinks that *Social Partners need to have a major role* in setting up and organizing workplace pensions.

The Federation of the Dutch Pension Funds underlines the necessity to retain a *comprehensive approach to pensions* and support Member States in keeping adequate, sustainable and safe workplace pension provision. However, the current revision of the IORP Directive could jeopardize this goal.

The Federation of the Dutch Pension Funds is *ready to cooperate* with all involved actors, to share best practice and to learn from others.

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