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on an Agenda for Adequate, Safe and Sustainable Pensions
(2012/2234(INI))

Committee on Employment and Social Affairs

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Procedure

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(*) Associated committee – Rule 50 of the Rules of Procedure

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on an Agenda for Adequate, Safe and Sustainable Pensions

(2012/2234(INI))

The European Parliament,

- having regard to the Commission Communication of 7 July 2010 entitled ‘Green Paper – towards adequate, sustainable and safe European pension systems’ (COM)(2010)0365) and its resolution of 3 February 2011 thereon¹,
- having regard to the Commission Communication of 16 February 2012 entitled ‘White Paper – an Agenda for Adequate, Safe and Sustainable Pensions’ (COM)2012)0055),
- having regard to the report of the European Economic and Social Committee on the Commission Communication of 16 February 2012 entitled ‘White Paper – an Agenda for Adequate, Safe and Sustainable Pensions’²,
- having regard to the report prepared jointly by the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission and the Social Protection Committee entitled ‘Pension Adequacy in the European Union 2010-2050’ (2012 Adequacy Report),
- having regard to the joint report prepared by the Directorate-General for Economic and Financial Affairs of the European Commission and the Economic Policy Committee entitled ‘The 2012 Ageing Report: Economic and budgetary projections for the 27 EU Member States (2010-2060)’³,
- having regard to the Commission Communication of 23 November 2011 entitled ‘Annual Growth Survey 2012’ (COM(2011)0815) and its resolution of 31 January 2012 thereon⁴,
- having regard to Council Decision 2010/707/UE of 21 October 2010 on guidelines for the employment policies of the Member States⁵,
- having regard to its resolution of 9 October 2008 on promoting social inclusion and combating poverty, including child poverty, in the EU⁶,
- having regard to the Council Declaration on the European Year for Active Ageing and Solidarity between Generations (2012): The Way Forward (SOC 992/SAN 322) of 7

¹ Texts adopted, P7_TA(2011)0058.

² EESC/SOC/457, 12 July 2012

³ ISBN 978-92-79-22850-6

⁴ Texts adopted, P7_TA(2012)0047

⁵ OJ L 308, 24.11.2010, p. 46

⁶ OJ C 9E, 15.1.2010, p. 11.

December 2012,

- having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Economic and Monetary Affairs, the Committee on Internal Market and Consumer Protection and the Committee on Women’s Rights and Gender Equality (A7-0137/2013),
- A. whereas Parliament’s views on the Commission’s 2010 Green Paper “Towards adequate, sustainable and safe pensions” were expressed in its resolution of 3 February 2011;
- B. whereas the worst financial and economic crisis in decades has turned into an acute sovereign debt and social crisis that has severely affected the pension incomes of millions of EU citizens; whereas this crisis has shown that European economies are interdependent and that it is no longer possible for any country to guarantee, on its own, the adequacy, safety and sustainability of its social protection systems;
- C. whereas pensions are the main source of revenue of older Europeans and are supposed to ensure that older people have a decent standard of living and enable them to be financially independent; whereas, however, around 22 % of women over the age of 75 fall below the European Union’s poverty threshold, thus running the risk of social exclusion, and whereas women represent the majority of the population over 75;
- D. whereas the first cohort of the so-called ‘baby boom generation’ has reached pensionable age, causing the demographic challenge to be no longer a future scenario but today’s reality, and whereas the number of people aged 60+ will increase by more than 2 million per year;
- E. whereas even set apart from the economic crisis, long-term demographic and productivity trends point to a low-growth economic scenario in most EU Member States, with economic growth rates significantly lower than those attained during previous decades;
- F. whereas the European Council in March 2001 already endorsed the three-pronged Stockholm Strategy aimed at: reducing public debt at a fast pace, raising employment rates and productivity levels, and reforming pension, health care and long-term care systems;
- G. whereas the negative influence of the economic and financial crisis in Europe on wages and employment will increase the future risk of poverty in old age;
- H. whereas rising unemployment and disappointing financial markets returns have hurt both pay-as-you-go and funded pension schemes;
- I. whereas the European Economic and Social Committee recommends that minimum pension levels should rise with a view to providing pension incomes above the poverty threshold,
- J. whereas retirement systems are a key element of European social models, their

fundamental and non-negotiable objective being to ensure an adequate standard of living for people in old age; whereas pension provision remains a Member State competence;

- K. whereas the sustainability of pension policy goes beyond fiscal considerations; whereas private saving ratios, employment rates and projected demographic developments also play a significant role in ensuring sustainability;
- L. whereas, in the current European debate, pension schemes are too often considered a mere burden on public finance instead of an essential instrument to combat old-age poverty and allow a redistribution over an individual's lifetime and across society;
- M. whereas pensioners are a major consumer category and any fluctuation in their spending habits has serious repercussions for the real economy;
- N. whereas in many EU countries fertility rates remain low, leading to a drop in the number of people of working age in the future;
- O. whereas, according to the OECD, there is a lack of mobility between the Member States and only 3 % of working-age EU citizens live in another Member State¹;
- P. whereas the study 'Women living alone – an update'², requested by Parliament's Committee on Women's Rights and Gender Equality, shows the implicit risks of some of the existing pension arrangements in aggravating gender imbalances, especially for women living alone;
- Q. whereas OECD Social, Employment and Migration Working Paper No 116, entitled 'Cooking, Caring and Volunteering: Unpaid Work Around the World'³ sheds light on the importance of unpaid work, which is not yet recognised in national pension schemes;
- R. whereas, in the EU, the employment rate among people aged between of 55 and 64 stands at a mere 47.4 % and among women at only 40.2%; whereas in some EU countries only 2 % of all job vacancies are filled by people aged 55 or above; whereas such low employment rates cause an intra-generational pension gap between men and women, as well as an inter-generational gap resulting in substantial disparities in financial resources between the generations;
- S. whereas pension schemes within and across Member States differ significantly, e.g. regarding extent of funding, level of government involvement, governance structure, claim type, cost-efficiency, degree of collectiveness and solidarity, and a common EU typology is therefore not available;

Introduction

¹ OECD (2012), "Mobility and migration in Europe", p. 63. In: OECD Economic Surveys: European Union 2012, OECD Publishing.

² <http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=79590>

³ Miranda, V., *Cooking, Caring and Volunteering: Unpaid Work Around the World*, OECD Social, Employment and Migration Working Papers, No. 116, OECD Publishing (2011).

1. Notes that national budgets are under severe pressure and that the lowering of pension benefits in many Member States is a consequence of the severe escalation of the financial and economic crisis; deplors the severe cuts in the Member States hardest hit by the crisis that have pushed many pensioners into, or at-the-risk of poverty;
2. Stresses the necessity for the EU and the Member States to assess the current and future sustainability and adequacy of pension systems and to identify best practices and policy strategies that can lead to the most secure and cost-effective delivery of pensions within the Member States;
3. Emphasises the likelihood of a long-term, low-growth economic scenario, which would require most Member States to consolidate their budgets and reform their economies under austere conditions, requiring sound management of public finances; agrees with the view expressed in the Commission's White Paper that it is necessary to build up funded, complementary occupational pensions, apart from the priority of safeguarding universal, public pensions that at least guarantee a decent standard of living for all in old age;
4. Stresses that first-pillar, public pension schemes remain the most important source of income for pensioners; regrets that in the White Paper the Commission does not properly address the importance of universal, at least poverty-proof, first-pillar public schemes; calls on the Member States – in line with the Europe 2020 strategy's targets on raising employment and combating poverty – to continue to work on more active and inclusive labour market strategies to decrease the economic dependency ratio between inactive persons and people in employment; calls on the social partners and the Member States to combine these reforms with constant improvements in working conditions and the implementation of lifelong training schemes which enable people to have healthier and longer careers until the statutory retirement age, thereby increasing the number of people paying pension premiums, this also to avoid increasing public pension costs jeopardising sustainable public finances; calls on Member States to implement reforms to their first-pillar systems in such a way that the number of contributory years is also taken into account;
5. Calls on Member States to thoroughly evaluate the need to implement reforms to their first-pillar systems, taking into account changing life expectancies – and the changing ratio between pensioners, unemployed people, and economically active people – so as to guarantee a decent living standard and economic independence for people in old age, in particular those belonging to vulnerable groups;
6. Observes that the financial and economic crisis and challenges posed by ageing populations have revealed the vulnerability of both funded and pay-as-you-go pension schemes; recommends a multi-pillar pension approach, consisting of combinations of:
 - i. a universal, pay-as-you-go, public pension;
 - ii. a funded, occupational, supplementary pension, resulting from collective agreements at the national, sector or company level or resulting from national legislation, accessible to all workers concerned;

Stresses that the first pillar alone, or in combination with the second-pillar pension

(depending on national institutional arrangements or legislation) should establish a decent replacement income based on a worker's prior wages, to be complemented, if possible, with:

- iii. an individual third-pillar pension based on private savings with equitable incentives geared to low income workers, self-employed people and to people with incomplete contributory years as regards their employment-related pension scheme;

Calls on the Member States to consider introducing or maintaining such or comparable financially and socially sustainable schemes where they do not yet exist; calls on the Commission to ensure that any existing or future regulation in the field of pensions be conducive to and in full respect of this approach.

7. Recognises the potential of occupational and individual pension providers as substantial and reliable long-term investors in the EU economy; emphasises their expected contribution to achieving the Europe 2020 strategy's headline targets when it comes to attaining sustainable economic growth, more and better jobs and socially more inclusive societies; welcomes, in this respect, the forthcoming initiative by the Commission to launch a Green Paper on long-term investment; urges the Commission not to jeopardise the investment potential and to respect the different characteristics of pension funds and other pension providers when introducing or changing EU regulation, especially when reviewing the directive on the activities and supervision of institutions for occupational retirement provision;
8. Invites the Commission to take stock of the cumulative effects of financial market legislation – e.g. the European Market Infrastructure Regulation (EMIR), the Markets in Financial Instruments Directive (MiFID) and the revised Capital Requirements Directive (CRD IV) – on second-pillar pension funds and their ability to invest in the real economy, and to report on this in its forthcoming Green Paper on long-term investments;
9. Recalls the Lisbon Strategy 2000-2010, in the context of which the Commission and the Member States exhaustively discussed, in the course of a decade, structural reforms with regard to macro-economic, micro-economic and employment policy, resulting in Treaty-based, country-specific recommendations to Member States, many of which directly or indirectly related to safeguarding adequate and sustainable pensions; deplores the lack of implementation of these recommendations which could, to an important extent, have alleviated the impact of the crisis;
10. Welcomes the comprehensive and high-quality publications 'The 2012 Ageing Report'¹ and the 2012 'Adequacy Report'² which explore the long-term adequacy and sustainability of pension systems in all Member States; deplores the fact that the adequacy and sustainability dimensions of pensions are covered in separate reports of a highly technical nature; urgently requests the Commission and the Council to publish an

¹ European Commission, *The 2012 Ageing Report: Economic and budgetary projections for the 27 EU Member States (2010-2060)*, Brussels, May 2011.

http://ec.europa.eu/economy_finance/publications/european_economy/2012/pdf/ee-2012-2_en.pdf

² 'Pension Adequacy in the European Union 2010-2050', a report prepared jointly by the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission and the Social Protection Committee, 23 May 2012, <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7105&type=2&furtherPubs=yes>

integrated, concise, non-technical citizen's summary that allows EU citizens to assess the challenges facing their national pension system in a EU comparison;

11. Stresses the importance of using a uniform methodology to calculate the long-term sustainability of public finances and the share therein of pension-related obligations;
12. Is of the opinion that in order to arrive at an effective solution to the pension challenge, taking into account the need in most Member States to increase the number of contributory years, and to improve working conditions and lifelong learning so as to enable people to work at least until the statutory retirement age, and beyond if they so wish, consensus between governments and employers and trade unions is paramount;
13. Proposes that representatives of all age groups, including the young and old, which especially feel the impact of reforms, should be duly consulted on any pension reform so as to ensure balanced and fair outcomes and in order to maintain maximum consensus between generations;
14. Welcomes the main thrust of the White Paper which suggests that focus be placed on balancing time spent in work and retirement, developing complementary occupational and private pension savings, and enhancing the EU's pension monitoring tools, while also stressing the importance to improve pension literacy;

Raising employment rates and balancing time spent in work and retirement

15. Stresses that implementing structural reforms aimed at increasing the employment rate and enabling people to work until the statutory retirement age, thus reducing the economic dependency ratio, is paramount to generating the tax revenues and social and pension premiums needed to consolidate Member State budgets and to fund adequate, safe and sustainable pension schemes; stresses that these reforms must be carried out in a transparent way that allows people to anticipate in a timely way any effects that these reforms may entail; points to the risk that unemployment and low-wage, part-time and atypical employment may result in only partial pension entitlements, making poverty more prevalent in old age;
16. Calls on the Member States to: adopt comprehensive active labour-market policy measures; take the necessary measures to combat undeclared work and tax and premium evasion, also with a view to safeguarding fair competition; put funds aside to combat the rising public costs of the retiring populations; and promote good employment, inter alia by offering comprehensive advice and support for jobseekers and enabling particularly vulnerable groups to find work;
17. Notes the Commission's last mention in the 2013 Annual Growth Survey of the need to reform pension systems; observes, however, that in many Member States priority should be assigned to aligning the actual retirement age with the statutory retirement age;
18. Welcomes the commitments made by Member States to ensure adequate and sustainable retirement systems in the country-specific recommendations adopted by the Council in 2012 in the framework of the European Semester;

19. Observes that more than 17 % of people in the European Union are currently aged 65 or older, and that, according to Eurostat's forecasts, this figure will rise to 30 % by 2060;
20. Emphasises the acceleration of the pressure posed by demographic developments on national budgets and pension systems now that the first cohorts of the 'baby boom generation' retire; notes the uneven progress and levels of ambition across Member States in formulating and implementing structural reforms aimed at raising employment, phasing out early retirement schemes and evaluating, at Member State level and together with social partners, the need to put both the statutory and effective retirement age on a sustainable footing with increases in life expectancy; stresses that Member States that fail to implement gradual reforms now may at a later stage find themselves in a scenario where they have to implement reforms shock-wise and with significant social consequences;
21. Reiterates the call for closely linking pension benefits to years worked and premiums paid ('actuarial fairness'), to ensure that working more and longer pays off for workers by having a better pension while duly taking into account periods away from the labour market due to care for dependent persons; recommends that the Member States, in consultation with relevant partners, put a ban on mandatory retirement when reaching the statutory retirement age, so as to enable people who can and wish to do so to choose to continue to work beyond the statutory retirement age or to gradually phase in their retirement, as extending the period of premiums paid while at the same time shortening the period of benefit eligibility can help workers reduce any pension gaps at a fast pace;
22. Stresses that the assumption behind early retirement schemes, whereby older workers are allowed to retire early so as to make jobs available for the young, has been proven empirically wrong as the Member States displaying the highest youth employment rates, on average, are also the ones displaying the highest employment rates for older workers;
23. Calls on the social partners to adopt a life-cycle approach to human resources policies and to adapt workplaces in this regard; calls on employers to come up with programmes to support active and healthy ageing; calls on workers to engage actively in such training opportunities as are made available to them and to keep themselves fit for the labour market at all stages of their working life. Stresses the need to improve the integration of older workers into the labour market, and calls for social innovation approaches to facilitate longer working lives, in particular in the most strenuous occupations, by adapting workplaces, creating adequate working conditions and offering a flexible organisation of work by making adjustments to the hours worked and the type of work performed;
24. Stresses the need to take more preventive health measures, step-up vocational (re)training and combat discrimination in the labour market of younger and older workers; underlines the need for effective enforcement and implementation of legislation on health and safety at work in this regard; stresses that mentoring schemes can be a valuable tool for the purposes of keeping older employees in work for longer and exploiting their experience to help integrate young people into the employment market; calls on social partners to develop attractive models for a flexible transition from work to retirement;
25. Urges the Member States to act vigorously to realise the ambitions formulated in the EU

Pact for Gender Equality (2011-2020) that focus on closing gender gaps and combat gender segregation and on promoting a better work-life balance for women and men; stresses that these objectives are key to raising female employment and to fighting female poverty in working and old age;

26. Stresses that SMEs are one of the main sources of employment and growth in the EU and can make a significant contribution to the sustainability and adequacy of pension systems within Member States;

Developing complementary private retirement savings

27. Welcomes the call in the White Paper for developing both funded, complementary occupational pensions accessible for all workers concerned and, if possible, individual schemes; stresses, however, that the Commission should rather recommend **collective**, solidarity-based supplementary occupational pension savings, preferably resulting from collective agreements and established at the national, sectoral or company level, as they allow for solidarity within and between generations, whereas individual schemes do not; stresses the urgent need to promote efforts to build up, to the extent possible, complementary occupational pension systems;
28. Notes that many Member States have already embarked on major programmes of pension reform which aim for both sustainability and adequacy; stresses the importance of ensuring that any measures proposed at EU level must complement and not contradict national pension reform programmes; recalls that pensions remain a Member State competence, and is concerned that any further EU legislation in this area may have adverse impacts on certain Member States' schemes, especially as regards the characteristics of occupational pension systems;
29. Stresses the low operating costs of (sector-wide) collective (preferably non-profit) occupational pension schemes, as compared to individual pension savings schemes; emphasises the importance of low operating costs as even limited cost reductions can yield substantially higher pensions; stresses, however, that unfortunately – to date – these schemes only exist in a few Member States;
30. Urges the Member States and the agencies responsible for pension schemes to inform citizens properly about their accrued pension entitlements, and to raise their awareness and educate them so that they are able to make well-informed decisions as regards future additional pension savings; urges the Member States also to inform citizens in time about planned changes to pension systems, so that they can make informed and well-considered decisions about their pension savings; calls on the Member States to formulate and enforce strict disclosure rules regarding the operating costs and risk of, and the return on, investments of pension funds operating within their jurisdiction;
31. Acknowledges the wide dispersion in characteristics and outcomes across Member States' occupational pension schemes as regards access, solidarity, cost-effectiveness, risk and return; welcomes the Commission's intention, in close consultation with the Member States, social partners, the pension industry and other stakeholders, to develop a code of good practice for occupational pension schemes addressing issues such as better coverage of employees, the payout phase, risk-sharing and mitigation, cost-effectiveness, and shock

absorption in compliance with the subsidiarity principle; stresses the mutual benefit of improving the exchange of best practices between Member States;

32. Supports the Commission's intention to continue to target EU funding – notably through the European Social Fund (ESF) – to support projects aimed at active and healthy ageing in the workplace, and, through the Programme for Social Change and Innovation (PSCI), to provide financial and practical support to Member States and social partners considering to gradually implement cost-effective supplementary pension schemes, subject to the oversight of Parliament;

Pensions of mobile workers

33. Recognises the significant heterogeneity of pension schemes across the EU yet emphasises the importance for workers to be able to change jobs within or outside their Member State; stresses the need to guarantee that mobile workers are able to acquire and preserve occupational pension entitlements; endorses the approach advocated by the Commission to focus on safeguarding the acquisition and preservation of pensions entitlements, and calls on Member States to ensure that dormant pension rights of mobile workers are treated in line with those of active scheme members or those of retirees; notes the important role the Commission can play in removing obstacles to free movement, including those that hamper mobility; is of the opinion that, apart from language barriers and family considerations, mobility on the labour market is hampered by long vesting periods or unreasonable age restrictions, and calls on Member States to lower these; stresses that any action to promote mobility must be balanced by the cost-effective provision of supplementary pension schemes and must take into account the nature of national pension schemes;
34. Notes the Commission's proposal to assess possible linkages between Regulation 883/2004/EC on the coordination of social security systems and "certain" occupational pension schemes; highlights the practical difficulties experienced in applying the said regulation to the 27 Member States' markedly differing social security systems; points to the diversity of pension systems within the EU and therefore to the complexity of applying a coordination approach to the tens of thousands of very divergent pension schemes operating in the Member States; questions, therefore, the practicability of applying such an approach in the field of complementary occupational pension schemes;
35. Calls on the Commission and the Member States to work ambitiously to set up and maintain efficient tracking services, possibly web-based, that enable citizens to track their employment- and non-employment-related pension entitlements and thereby make timely and well-informed decisions on additional, individual (third-pillar) pension savings; calls for coordination at EU level to ensure adequate compatibility of the national tracking services; welcomes the Commission's pilot project in this field and calls on the Commission to ensure that the pilot project is complemented by an impact assessment of the benefits of providing EU citizens with consolidated pension information in an accessible way;
36. Notes that, when fully developed, pension tracking services should ideally cover not only occupational pensions, but also third-pillar schemes and individualised information on first-pillar entitlements;

37. Questions the need for an EU pension fund for researchers;
38. Considers the fact that people in general lead longer, healthier and wealthier lives as one of the greatest achievements of modern society; calls for a positive tone in the ageing debate, addressing, on the one hand, the challenge of actively coping with the significant but surmountable challenge that ageing poses, while, on the other hand, seizing the opportunities that ageing and the 'silver economy' bring; acknowledges the very active and valuable role that the elderly play in our societies;

Review of the IORP Directive

39. Stresses that the aim of the review of the Directive on the Activities and Supervision of Institutions for Occupational Retirement Provision (the IORP Directive) should be to keep occupational pensions across Europe adequate, sustainable and safe by creating an environment that stimulates further national and internal market progress in this field, by providing enhanced protection to current and future pensioners, and by adapting in a flexible way to the considerable cross-border and cross-sector diversity of existing schemes;
40. Believes that ensuring that EU second-pillar systems comply with robust prudential regulation is key to achieving a high level of protection for members and beneficiaries and to respecting the G20 mandate, according to which all financial institutions shall be subject to proper regulation and adequate supervision;
41. Demands that EU legislative initiatives in this regard respect the choices made by Member States with regard to the providers of second-pillar pensions;
42. Stresses that any further EU regulatory work concerning precautionary measures must be built on a solid impact analysis which should include the provision that similar products be subject to the same prudential standards and ensure adequate provisioning and worker mobility within the Union, and should have the overall aim of safeguarding the accumulated entitlements of employees; stresses that any further EU regulatory work on precautionary measures must also be built on an active dialogue with social partners and other stakeholders and on a genuine understanding of and respect for national specificities; emphasises that pension systems are deeply embedded in the cultural, social, political and economic circumstances of each Member State; stresses that all second-pillar pension providers, whatever their legal form, should be subject to proportionate and robust regulation that takes into account the characteristics of their business, particularly with a long-term focus;
43. Insists that second-pillar pensions, regardless of their providers, should not be jeopardised by EU regulation that does not take into account their long-term horizon;
44. Considers that Commission proposals regarding precautionary measures must not only identify and take into account the differences between national systems, but must also apply the principle of 'same risk, same rules' within each national system and respective pillar; stresses that the measures must comply strictly with the principle of proportionality in terms of weighing aims and benefits against the financial, administrative and technical burden involved and must consider the right balance between costs and benefits;

45. Considers, with regard to qualitative precautionary measures, that proposals concerning strengthened corporate governance and risk management – along with proposals regarding enhanced transparency, information disclosure obligations, the disclosure of costs, and transparency of investment strategies – are useful and should be put forward in the framework of any review, subject to the principles of subsidiarity and proportionality; notes that, given the considerable differences between Member States, convergence of qualitative precautionary measures at EU level is, in the short term, more feasible than the convergence of quantitative precautionary measures;
46. Is not convinced, given the information available at this point in time, that Europe-wide requirements concerning own capital or balance-sheet valuation would be appropriate; rejects, in line with that rationale, any review of the IORP Directive which aims to achieve this; believes, however, that the Quantitative Impact Study (QIS) currently being carried out by the European Insurance and Occupational Pensions Authority (EIOPA), as well as possible follow-up analyses to that study, should be fully taken into account in this policy context; emphasises that if such requirements were later to be introduced, direct application of Solvency II requirements to IORPs would not be the right instrument;
47. Points out that the IORP Directive applies only to voluntary pension schemes and does not cover any instruments that are part of the compulsory public pension scheme;
48. Emphasises that there are crucial differences between insurance products and IORPs; stresses that any direct application of quantitative Solvency II requirements to IORPs would be inappropriate and could potentially be harmful to the interests of both employees and employers; opposes therefore the copy-paste application of Solvency II requirements to IORPs, while remaining open to an approach seeking security and sustainability;
49. Stresses that the social partners (i.e. employers and employees) have a shared responsibility for the content of occupational pension arrangements; emphasises that contractual agreements between social partners need to be recognised at all times, in particular with regard to the balance between risks and rewards that an occupational pension scheme aims to achieve;
50. Considers the further development at the EU level of solvency models, such as the Holistic Balance Sheet (HBS), to be useful only if their application, on the basis of solid impact analysis, proves to be realistic in practical terms and effective in terms of costs and benefits, particularly given the diversity of IORPs within and across Member States; emphasises that any further development of variations of Solvency II or HBS must not aim to introduce Solvency II-style provisions;
51. Notes a large variety in the design of pension plans, varying from defined benefit (DB) to defined contribution (DC) or mixed schemes; notes also a shift from DB schemes to DC schemes or the establishment of mandatory funded pillars in some Member States; stresses that this increases the need for more transparency and better information provision to citizens regarding the promised benefits, cost levels and investment strategies;
52. Points out that the idea of establishing equal competition between life insurance and IORPs in the second pillar is relevant only to a certain extent, given the crucial differences

between insurance products and IORPs and depending on the risk profile, the degree of integration in the financial market and the for-profit or non-profit character of any particular provider; recognises that given the competition between life insurance and IORPs in the second pillar, it is essential that products with the same risks be subject to the same rules to avoid misleading beneficiaries and to provide them with the same level of prudential protection;

Protection of workers' occupational pensions in the event of insolvency

53. Believes that, in the event of insolvency, entitlements under Article 8 of Directive 2008/94/EC must consistently be safeguarded in the Member States;
54. Calls on the Commission to carry out a comprehensive overview of national guarantee schemes and measures and, if major inadequacies are identified in that assessment, to make enhanced EU proposals in order to ensure that fully reliable mechanisms for simple, cost-effective and proportionate protection of occupational pension rights are put in place throughout the EU;
55. notes that, in some Member States, employers already support their pension schemes through protection schemes, the segregation of assets, the independent governance of schemes, and the granting of priority creditor status to pension schemes ahead of shareholders in case of company insolvency;
56. Emphasises that issues regarding pension protection in case of insolvency are closely related to key aspects of the review of the IORP Directive; stresses that the Commission, in developing these two directives, should ensure that they are made congruent and fully compatible;

Complementary third-pillar pension savings

57. Finds that the meaning, scope and composition of the third pillar differs between the individual Member States;
58. Regrets that third-pillar systems are most often more cost-intensive, more risky and less transparent than first-pillar systems; calls for stability, reliability and sustainability for the third pillar;
59. Considers that, in certain cases, private pension savings could be necessary to build up an adequate pension; encourages the Commission to cooperate with Member States on the basis of a best practices approach and to assess and optimise incentives for private pension savings, in particular for individuals who otherwise would not build up an adequate pension;
60. Regards an evaluation of reliable procedures and proposals to optimise incentives as worthwhile;
61. Emphasises that the key priority of public policy should not be to subsidise third-pillar schemes, but to make certain that everyone is adequately protected within a well-functioning and sustainable first pillar;

62. Calls on the Commission to investigate the vulnerability of third-pillar systems to crises and to put forward proposals to reduce the risk;
63. Recommends that the legal cost limits at national level for contract conclusion and management, change of provider or change of contract type be investigated and that proposals be made in this regard;
64. Considers that codes of conduct with regard to quality, information provision to consumers and consumer protection in the third pillar could increase the attractiveness of third-pillar pension plans; encourages the Commission to facilitate the exchange of current best practices in Member States;
65. Supports the elaboration and establishment of EU-level voluntary codes of conduct – and possibly also product certification schemes – with regard to quality, information provision to consumers and consumer protection in the third pillar; recommends that Member States assume regulatory tasks in these areas should the voluntary codes of conduct not prove successful;
66. Calls on the Commission to look into ways to make better use of EU financial sector legislation when it comes to ensuring that consumers are given accurate and unbiased financial advice on pension and pensions-related products;

Removing tax and contract related cross-border obstacles to pension investments

67. Calls on the Commission and the Member States concerned to reach agreement in the field of cross-border pensions, especially as regards how to avoid double taxation and double non-taxation;
68. Regards discriminatory taxes as a major barrier to cross-border mobility and calls for their swift withdrawal, while noting limited EU competence in the area of Member State tax policy;
69. Is of the view that contract law obstacles should be investigated;
70. Calls on the Commission to involve social partners in an appropriate way by means of the structures available;

Gender

71. Recalls the gender challenge regarding pensions; considers the growing number of elderly people, especially women, who live below the poverty line alarming; stresses that first-pillar, public pension schemes should guarantee at least a decent standard of living for all; stresses that gender equality in the labour market is crucial to ensure the sustainability of pension systems, as higher employment rates enhance economic growth and lead to more pension premiums being paid; considers that the equalisation of the pension age for men and women must be accompanied by effective policies to ensure equal pay for equal work, reconciliation of work and care for dependents; stresses the need to consider the introduction of care-related pension credits as a recognition of care for dependent persons, which is usually unpaid;

72. Welcomes the call made in the White Paper for Member States to consider the development of care credits as a means of ensuring that periods spent taking care of dependent persons are taken into account when calculating individual women's or men's pension entitlements; points out that an unequal sharing of family responsibilities between women and men – often leading women to have less secure, less paid or even undeclared jobs with a negative impact on pension entitlements – and a lack of accessible and affordable services and care facilities and recent austerity measures in this area are having a direct impact on especially women's possibilities to work and build up pensions; therefore calls upon the Commission to commission a study on this issue;
73. Reiterates the need for Member States to take measures to eliminate the pay and income differential between women and men for the same work and the discrepancies in their achieving positions of responsibility, as well as gender inequalities in the labour market, which also affect pensions, resulting in a substantial difference between pensions paid to women and the much higher pensions paid to men; urges the Commission to come forward with the revision of the existing legislation; notes that, despite countless campaigns, targets and measures in recent years, the gender pay gap remains stubbornly wide;
74. Calls on the Commission and the Member States to ensure that the principle of equal treatment between women and men is applied;
75. Stresses that urgent measures need to be taken against the gender pay gap in the private sector, which is particularly serious in most of the Member States;
76. Stresses the need to reduce the pay differential for men and women with the same skills and the same jobs, as this causes women's income to lag ever more behind that of men and raises the high number of women living in poverty when they retire or are widowed;
77. Stresses that women's higher life expectancy ought not to be a cause of discrimination in pension calculations;
78. Urges Member States to comply with and enforce legislation on maternity rights so that women do not suffer disadvantages in terms of pensions because they have been mothers during their working lives;
79. Considers that the individualisation of pension rights is necessary from a gender equality perspective, and that the security of many older women currently relying on widows' pensions and other derived rights should be also ensured;
80. Points out that the Member States should support research into the impact of different pension indexation formulas on the poverty risk in old age, taking account of the gender dimension; calls on the Member States to take particular account of the evolution in people's needs when ageing, e.g. long-term care, in order to ensure that elderly people, mainly women, are able to receive an adequate pension and live with dignity;
81. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

General

Pensions are under pressure in every country in the EU. Governments in the euro zone are introducing austerity measures in order to comply with the Growth and Stability Pact (GSP) by balancing revenue and expenditure, or are being compelled to make swingeing cuts as a way of reducing excessive deficits. Moreover, the populations of all the Member States are ageing. Life expectancy varies around Europe, but is rising everywhere. The number of pensioners who are living longer and still enjoying good health is rising. The working population is shrinking. Birth-rates are declining, and young people are studying for longer and entering the labour market later. Far too few people in the over-60 age group are working in Europe. In addition, there is a risk that the crisis will provoke renewed calls for people to take early retirement before reaching the statutory retirement age. Solidarity between generations, which means that young employed people meet the cost of older people's pensions, cannot be taken to any greater lengths. Countries with pay-as-you-go systems, under which pensions are funded from the current budget, are particularly struggling to finance adequate pensions.

On account of the crisis there is also – albeit to a lesser extent – pressure on so-called second-pillar systems: collective provision which involves saving to meet people's needs in old age. Because interest rates are likely to remain low for the foreseeable future and because assets invested in industry are yielding less than anticipated because of the crisis, cuts can be expected here too. Whereas previously it was normal in the case of these second-pillar systems to guarantee a defined benefit, we are now increasingly seeing defined-contribution systems or a mix of the two.

The European Agenda for Adequate, Safe and Sustainable Pensions for both young and old which is presented in the White Paper is an excellent starting point for discussion, after which reforms can be implemented by means of 'soft law', and also by means of legislation where necessary. Overall, while recognising and preserving the responsibilities of Member States and social partners, we now need to build up systems which are adequate, secure and durable. Not only that, but they must also contribute to greater labour-market mobility and freedom of movement, systems which provide solutions for today and tomorrow.

Demographic trends

Demographic trends are a source of both concern and satisfaction: after all, we are living longer and longer. Here are a few figures to illustrate this:

- the population is going to be dominated by the over-55 age group (36.5%, 2010);
- life expectancy is continuing to rise: for men from 76.7 years (2010) to 78.6 years (2020), for women from 82.5 years (2010) to 84 years (2020);
- the birth-rate remains low in the EU (1.6);
- the number of people aged over 65 will increase from 16% of the population in 2010 to 19.1% in 2020;
- in 2010, the average age at which people ceased to work in the EU was 61.4 years;
- in 2008 there were 4 people in work for every pensioner: in 2060 there will be

- 1 pensioner for every 2 people in work;
- average labour market participation in the over-55 age group was 46.3% in 2010.

These trends are observable throughout the EU, although there are differences. Life expectancy in Romania, for example, is 70 for men and 77.5 for women, while in Benelux it is 77.9 for men and 82.7 for women. Labour market participation among the over-55 age group varies greatly. In Sweden it is 73.9%, in Denmark 61.1%, in the Netherlands 56%, in Spain 50.8% and in Belgium 39.1%. There is no two ways about it: more people will have to work for longer. This will have to be achieved by raising the retirement age at Member State level, linking it to life expectancy. Too little attention has been paid, in particular, to the low level of employment among the over-50 age group, people who are sidelined, people who ought to work and would also like to do so. There is a need to pursue intensively a policy to promote the re-employment of such people. We can follow the example of countries where employment has risen substantially thanks to a strong policy designed to facilitate this. The conclusion is that people should work more and longer.

Responsibilities

The rapporteur is well aware that pension systems vary widely across Europe. Moreover, in many Member States reforms have already been implemented in order to keep pensions affordable. But more needs to be done to tackle the consequences of the ageing of our populations.

Whatever system is opted for, more people need to work, but people also need to put money aside, saving so that they will have resources in later life.

In Europe, we have various pension systems. Although no uniform definitions exist, it is customary to define pension systems as comprising three pillars.

The first pillar is based on solidarity among tax-payers. This is often the public pillar, financed by government using a pay-as-you go system. Such pensions will remain the most important source of income for pensioners in future, too. The rapporteur believes that keeping more people at work for longer will have a beneficial impact both on pensions and on the level of contributions which people in employment are required to pay. Thus, in consultation with social partners, the aim should be to find solutions which increase employment rates, raise the retirement age and entail an active participation policy. By means of the Open Method of Coordination, countries can learn from best practices. But in the first pillar too, savings can be made by putting money aside now in order to cover the increased outgoings later.

The second pillar largely comprises supplementary occupational pensions, often based on sharing of responsibility between employers and employees, who, on the basis of joint contributions, establish funds. The rapporteur considers that supplementary collective pensions will have to become more important in order to reduce pressure on national budgets. Some countries have already taken measures to supplement their public pay-as-you-go schemes with private capitalised schemes, but much still remains to be done to develop collective supplementary pensions.

The rapporteur perceives a growing reluctance among younger people, in particular, to

contribute to collective schemes. Collective approaches and sharing of risks within and between generations are features of solidarity and are therefore of the utmost importance for future-proof and secure pensions.

In the rapporteur's view, the first and second pillars jointly form the basis for an adequate pension income.

The third pillar is based on individuals' own savings as a supplement to their future pensions or – where no supplementary pension exists – as a way of making such a supplement available through their own efforts. Although the third pillar is less important than the first two, consideration should be given to promoting it more than at present. At times when people are not on the employment market, or are working shorter hours, thus receiving less from a first pillar or accumulating less entitlements in a second pillar, saving in a third pillar could provide a solution.

Competences

Pension systems are primarily a responsibility of the Member States!

For certain aspects, EU coordination is important. The rapporteur refers to the demands of the SGP. An ever rising proportion of the government's budget is being spent on pensions. It already exceeds 10%.

For the EU 2020 Strategy too, which explicitly aims to make adequate pensions available, coordination and new policy at national level are required. For most older people in Europe, the first-pillar pension – generally provided by a government scheme – is their primary source of income. Even now, many pensioners are living below the poverty threshold. This is despite the fact that the EU 2020 Strategy defines 'combating poverty' as one of its priorities.

Second-pillar pension funds are important investors on the financial markets. The crisis has demonstrated that financial institutions are vulnerable to economic recessions. For that reason, it has been decided to adopt stricter rules for the financial markets by means of a governance package. It includes the EMIR Directive (concerned with clearing of OTC derivatives), the MiFID II Directive (to improve the competitiveness of financial markets, codes of conduct with which investment enterprises must comply), the CRD IV Directive (banking supervision: incorporation of the Basel III agreements into the EU's supervisory framework), the Solvency II Directive (supervisory regime for insurers, replacing and incorporating a number of insurance directives to create a single framework directive) and an FTT (financial transaction tax).

For pension funds too, the Commission wishes to step up supervision by revising the IORP Directive regulating supervision of occupational pension schemes. The rapporteur perceives opportunities in the revision of this directive, but is also very critical of quantitative requirements applicable to pension funds. According to the IORP Directive, pension funds are second-pillar financial institutions, yet pension schemes are social schemes and are based on national social legislation and labour law. Moreover, they are concerned with a type of risk which differs from those covered by insurance products, for example. Unlike commercial insurance schemes, they are not designed to make a profit but as a rule are, on the contrary, an expression of solidarity within and between generations. The rapporteur warns that increased

capital adequacy requirements raise costs, thus jeopardising the adequacy of the pensions of present and future pensioners. For businesses, the resultant high costs make it impossible to provide second-pillar pensions. Stringent quantitative requirements also encroach upon the important role of pension funds as long-term investors in the European economy, and in this way damage economic growth and prevent job creation. The rapporteur therefore considers it undesirable to revise the IORP Directive in relation to quantitative requirements. However, an amendment of the IORP Directive might possess added value with regard to qualitative requirements, for example transparency of investment strategies and levels of costs. This would also create better opportunities to compare what funds have to offer.

Equal opportunities

On average, women earn less than men and interrupt their careers more often to act as carers. As a result, they often have smaller pensions and run more risk of becoming impoverished. In 2009 there were 13 Member States which still had a lower retirement age for women than for men. The rapporteur believes that setting the same retirement age for both could help to increase pension incomes.

The rapporteur considers that too little provision is being made for pension schemes which allow for the vagaries of people's careers, permitting both men and women to devote part of their lives to caring rather than employment. There are good examples of such schemes which enable people to accumulate pension entitlements during periods when they are acting as carers and are therefore not in employment. In the case of both supplementary pensions and third-pillar schemes, new solutions should be sought.

Changes in the labour market

The labour market is demanding greater mobility of people. Jobs for life no longer exist. More use is also being made of the opportunities afforded by freedom of movement. That is normal: if students take courses or undergo traineeships in a foreign country, this often results in their going to work abroad at some time during their subsequent careers. Such mobility should be supported, not punished: this applies both within a given Member State and outside it. The rapporteur considers this to mean that pension systems must be so organised that pension entitlements accumulated with an employer, whether in the employee's home Member State or in another Member State, must not be forfeited. Pension systems must contribute to greater mobility. The rapporteur therefore believes it to be very important to adopt minimum standards for acquiring and preserving the value of accumulated pension entitlements.

Information

Information about the pension that people can expect to receive is very important. Knowing what one's future income will be results in better understanding, more careful anticipatory provision and greater responsibility. Access to the right information and knowledge of risks is necessary in order to take considered decisions, for example by saving for later. A pension tracking system is a good way of informing people about the pension entitlements they have accumulated, both in their own Member State and in other Member States. The rapporteur wishes to draw attention to the good examples which already exist. It is desirable to encourage all Member States to provide good overviews of pensions. By linking these tracking systems, the informed citizen can obtain all the material required in order, where necessary, to take the necessary action.

27.2.2013

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS (*)

for the Committee on Employment and Social Affairs

on an Agenda for Adequate, Safe and Sustainable Pensions
(2012/2234(INI))

Rapporteur (*): Thomas Mann

(*) Associated committee – Rule 50 of the Rules of Procedure

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1st pillar: Public pensions system

1. Refers with the following key statements to initiatives 1, 2 and 10, which concern first pillar pensions;
2. Emphasises the likelihood of a long-term, low-growth economic scenario, which, coupled with increasing demographic pressure, inevitably means that a given level of income post retirement will require higher contributions during an employee's working life; points out that this will require Member States to consolidate their budgets and reform their economies under austere conditions in order to provide a poverty-proof retirement income under the first pillar;
3. Considers it to be a fundamental principle that first pillar pensions must be poverty-proof, available to all, whether they have been active or not in the labour market, and adopt a lifecycle approach which takes into account a lifelong career, including career interruptions and changes, so as not to punish people with "non-standard" working lives and to recognise the contribution of voluntary work and other unpaid care work which is both socially and economically beneficial;
4. Considers that regulation of adequate, sustainable retirement income is the sole responsibility of the Member States in question, and should be seen in the context of the single market, which is essential for the stability of pension provisions and free movement

of labour in the Union, and that the Commission should focus on compiling and disseminating information on the pensions situation and pension reform efforts across the EU and, where appropriate, encourage the Member States to carefully analyse their systems and engage in exchanges of experience and best practice; stresses that the EU should enhance the comparability of pension schemes;

5. Emphasises that the EU should promote the exchange of good practices, such as increasing the accrual rate in the years immediately before the official retirement age or taking into account the life-expectancy coefficient with a view to the sustainability of pension systems;
6. Welcomes the Commission's call in the 2013 Annual Growth Survey to step up pension system reforms in the Member States through better alignment of the retirement age with life expectancy and provisions for longer working lives;
7. Recognises that pension funds are a major investor in the EU economy and are therefore a key element to achieving growth;
8. Calls on those Member States which are in the process of strengthening their pension systems to recognise the challenges posed by ageing populations;
9. Welcomes the recognition that Pillar 2 and Pillar 3 pension schemes are to be encouraged, given the need for individuals to take responsibility for their own finances and futures;
10. Observes that more than 17% of people in the European Union are currently aged 65 or older, and that according to Eurostat's forecasts this figure will rise to 30% by 2060;
11. Welcomes the commitments made by Member States to ensure adequate and sustainable retirement systems in the country specific recommendations adopted by Council last year in the framework of the European Semester;
12. Calls on the Commission to clarify the legal basis for any proposals relating to Member State pension systems at the earliest possible moment;

Initiative 1

13. Calls for the strengthening of the EU's social dimension; stresses the validity of the principle of subsidiarity in the areas affected by Initiative 1; encourages the Commission to take stock of the progress made in the Member States regarding pension reforms in its country specific recommendations that follow from the 2013 Annual Growth Survey; welcomes the recognition that pension systems must be strengthened in the face of long term demographic changes, market instability and low interest rates;
14. Stresses that a key pensions-related issue within the Europe 2020 strategy should be to make it feasible for many more employees, in particular in the most strenuous occupations, to work until the standard retirement age by strengthening public policy in the fields of occupational health, the workplace environment and vocational retraining;

Initiative 2

15. Welcomes the support; stresses in particular that the planned support could facilitate the exchange of best practices between Member States, for instance to increase labour market participation rates, most notably in the over 55-age group, which vary widely between Member States;

Initiative 10

16. Welcomes the exchange of experiences and identification of good practices concerning individual pension statements, which might be relevant to the 1st, 2nd or 3rd pillars;

17. Notes that, when systems for pension statements are fully developed, people should ideally have access to full information about all individual entitlements within all three pillars in one place, such as a coordinated web portal;

18. Recalls that public pension systems are the only ones that rely on inter- and intra-generational solidarity;

19. Believes that public pension systems are those most capable of ensuring the income of pensioners;

20. Deeply regrets that the White Paper does not address the fundamental concern of strengthening public pensions systems;

21. Welcomes the EESC recommendation to develop standards on minimum pensions or pension income protection mechanisms in the future legislation in order to provide income above the poverty threshold;

22. Is of the opinion that the financial transactions tax can provide an innovative answer to funding pensions in the long term;

2nd pillar: Occupational pensions

23. Refers with the following key statements to initiatives 10, 11, 12, 14 and 17, which concern second pillar pensions;

24. Emphasises that second-pillar pension funds are important long-term investors in the real economy; invites the Commission to take stock of the cumulative effects of financial market legislation (e.g. EMIR, MiFID, CRDIV) on second-pillar pension funds and their ability to invest in the real economy, and to report on this in its forthcoming Green Paper on Long Term Investments;

25. Stresses that 2nd pillar systems must be secure and transparent, ensure solidarity between generations and reflect modern work patterns; notes that in some Member States employers already support their pension schemes through protection schemes, segregation of assets, independent governance of schemes and priority creditor status of pension schemes ahead of shareholders in case of company insolvency;

26. Considers that ensuring that European 2nd pillar systems comply with robust prudential regulation is key to achieving a high level of protection for members and beneficiaries and to respecting the G20 mandate according to which all financial institutions shall be subject

to proper regulation and adequate supervision;

27. Stresses that there are considerable differences between the Member States in terms of the composition of the 2nd pillar and its providers; notes that in some Member States work-related pensions are mainly included in the first pillar; clarifies that EU regulatory work concerning precautionary measures should, if at all, be explored with regard to possible benefits in terms of improving safety and provision, facilitating cross-border activity and encouraging free movement of workers;
28. Stresses that the aim of the review of the IORP Directive should be to keep occupational pensions across Europe adequate, sustainable and safe by creating an environment that stimulates further national and internal market progress in this field, by providing enhanced protection to current and future pensioners, and by adapting in a flexible way to the considerable cross-border and cross-sector diversity of existing schemes;
29. Demands that EU legislative initiative should respect the choices made by Member States with regard to the providers of second pillar pensions;

Initiative 11

30. Stresses that any further EU regulatory work concerning precautionary measures must be built on a solid impact analysis which should include the provision that similar products be subject to the same prudential standards, adequate provisioning and worker mobility within the Union, and should have the overall aim of safeguarding the accumulated entitlements of employees; stresses that any further EU regulatory work on precautionary measures must be also built on an active dialogue with social partners and other stakeholders and on a genuine understanding of and respect for national specificities; emphasises that pension systems are deeply embedded in the cultural, social, political and economic circumstances of each Member State; stresses that all 2nd pillar pension providers, whatever their legal form, should be subject to proportionate and robust regulation that takes into account the characteristics of their business, particularly with a long-term focus;
31. Insists that 2nd pillar pensions, regardless of their providers, should not be jeopardised by EU regulation that does not take into account their long-term horizon;
32. Considers that Commission proposals regarding precautionary measures must not only identify and take into account the differences between national systems, but also apply the principle of 'same risk, same rules' within each national system and respective pillar; stresses that the measures must comply strictly with the principle of proportionality in terms of weighing aims and benefits against the financial, administrative and technical burden involved and consider the right balance between costs and benefits;
33. Considers with regard to qualitative precautionary measures that proposals concerning strengthened corporate governance and risk management and those regarding enhanced transparency and information disclosure obligations, as well as the disclosure of costs and transparency of investment strategies, are useful and should be put forward in the framework of any review, subject to the principles of subsidiarity and proportionality being respected; notes that, given the considerable differences between Member States,

convergence of qualitative precautionary measures at EU level is in the short term more feasible than the convergence of quantitative precautionary measures;

34. Is not convinced, given the information available at this point in time, that Europe-wide requirements concerning own capital or balance-sheet valuation would be appropriate; rejects, in line with that rationale, any review of the Pension Funds Directive (the IORP Directive) which aims to achieve this; believes, however, that the Quantitative Impact Study (QIS) currently being carried out by EIOPA, as well as possible follow-up analyses to that study, should be fully taken into account in this policy context; emphasises that if such requirements were later to be introduced, direct application of Solvency II requirements to IORPs would not be the right instrument;
35. Points out that the Pension Funds Directive applies only to voluntary pension schemes and does not cover any instruments that are part of the compulsory public pension scheme;
36. Emphasises that there are crucial differences between insurance products and IORPs; stresses that any direct application of quantitative Solvency II requirements to IORPs would be inappropriate and could potentially be harmful to the interests of both employees and employers; opposes therefore the copy-paste application of Solvency II requirements to IORPs, while remaining open to an approach seeking security and sustainability;
37. Stresses that the social partners (i.e. employers and employees) have a shared responsibility for the content of occupational pension arrangements; emphasises that contractual agreements between social partners need to be recognised at all times, in particular with regard to the balance between risks and rewards that an occupational pension scheme aims to achieve;
38. Considers the further development at the EU level of solvency models, such as the Holistic Balance Sheet (HBS), to be useful only if their application, on the basis of solid impact analysis, proves to be realistic in practical terms and effective in terms of costs and benefits, particularly given the diversity of IORPs within and across Member States; emphasises that any further development of variations of Solvency II or HBS must not aim to introduce Solvency II-style provisions;
39. Notes a large variety in the design of pension plans, varying from defined benefit (DB) to defined contribution (DC) or mixed schemes; notes also a shift from DB schemes to DC schemes or the establishment of mandatory funded pillars in some Member States; stresses that this increases the need for more transparency and better information provision to citizens regarding the promised benefits, cost levels and investment strategies;
40. Points out that the idea of establishing equal competition between life insurance and IORPs in the 2nd pillar is relevant only to a certain extent, given the crucial differences between insurance products and IORPs and depending on the risk profile, the degree of integration in the financial market and the for-profit or non-profit character of any particular provider; recognises that given the competition between life insurance and IORPs in the 2nd pillar, it is essential that products with the same risks be subject to the same rules to avoid misleading beneficiaries and to provide them with the same level of prudential protection;

Initiative 12

41. Believes that, in the event of insolvency, entitlements under Article 8 of Directive 2008/94/EC must be consistently safeguarded in the Member States;
42. Calls on the Commission to carry out a comprehensive overview of national guarantee schemes and measures and, if major inadequacies are identified in that assessment, to make enhanced EU proposals in order to ensure that fully reliable mechanisms for simple, cost-effective and proportionate protection of occupational pension rights are put in place throughout the EU;
43. Emphasises that issues regarding pension protection in case of insolvency are closely related to key aspects of the IORP review; stresses that the Commission, in developing these two directives, should ensure that they are made congruent and fully compatible;

Initiative 14

44. Welcomes the development of a code of good practice in the field of occupational pension schemes, which aims to give an overview of reliable procedures and proposals regarding guarantee schemes and measures; calls on the Commission to properly coordinate this work with relevant reviews and initiatives;
45. Emphasises that the gender aspect also needs to be specifically addressed in this context, given the problematic fact that women presently have more limited opportunities than men to accumulate adequate occupational retirement savings;
46. Welcomes the Commission's intention to promote the development of pension tracking services in all Member States; stresses – given the current trend of employees changing jobs more frequently than in the past – that such services will become more and more important for people to get a proper overview of total entitlements and to make rational decisions on pensions-related matters;
47. Notes that, when fully developed, pension tracking services should ideally cover not only occupational pensions, but also 3rd pillar schemes and individualised information on 1st pillar entitlements;

Initiative 17

48. Welcomes the establishment of pension tracking services for the 1st and 2nd pillars in Member States; welcomes also the discussion of – and the Commission's intention of starting a pilot project on – the establishment of cross-border pension tracking services for the 2nd pillar to make it easier for workers to move between Member States without losing track of their pension rights; emphasises that citizens need high quality information from all pension schemes (pillars 1, 2 and 3) so that they can plan their retirement savings and consider taking up supplementary pensions; encourages the Commission to facilitate the exchange of current best practices in Member States and to promote the development of cross-border pension tracking services;
49. Notes that, according to the OECD, there is a lack of mobility between the Member States

and that only 3% of working-age EU citizens live in another Member State;¹ believes however that the lack of legal certainty for the transfer of pension rights constitutes one obstacle to labour mobility in Europe;

50. Notes that cross-border mobility is not only a fundamental right for EU citizens, but also a crucial factor in making the internal market and the European economy work as efficiently as possible; stresses that a key aim of EU activities in the field of pensions should be to remove the remaining obstacles to such mobility;
51. Emphasises the need to broaden the base by opening schemes;
52. Welcomes the Commission's intention to promote efficient cross-border pension tracking services; stresses that the development of cross-border pension tracking services – which would make it much easier for citizens working in different Member States during their career to keep track of and to claim all their accumulated pension entitlements – should be promoted as a matter of priority; emphasises that cross-border pension tracking services should be extremely efficient, legally and administratively small-scale and highly cost-effective;

3rd pillar: Private pension savings

53. Refers with the following key statements to initiatives 9, 10, 13, 18, 19 and 20, which refer to the 3rd pillar;
54. Finds that the meaning, scope and composition of the 3rd pillar is different in the individual Member States;
55. Stresses that maintaining appropriate provision in the 1st pillar, with its principles of solidarity and adequate protection for all, should be the number one priority in the Member States; stresses that the 3rd pillar can play a supplementary role as the demographic pressure decreases; rejects all measures which detract from the 1st pillar in favour of the 2nd or 3rd pillar;
56. Regrets that 3rd pillar systems are most often more cost-intensive, more risky and less transparent than 1st pillar systems; calls for stability, reliability and sustainability for the 3rd pillar;
57. Notes that in some Member States, 3rd pillar pensions are available only to people whose income is sufficient for them to pay contributions; calls therefore for the acceptance of people with low or mid-range incomes in the 3rd pillar, and for their access to that pillar, to be reinforced;
58. Stresses that the Commission did not make clear in its Green Paper what the legal basis for the planned regulations in the 3rd pillar will be, which it considers to be a fundamental omission;

Initiative 9

¹ OECD (2012), "Mobility and migration in Europe", p. 63. In: OECD Economic Surveys: European Union 2012, OECD Publishing.

59. Recalls, with regard to Initiative 9, the need for unconditional adherence to the principle of subsidiarity;
60. Considers that in certain cases private pension savings could be necessary to build up an adequate pension; encourages the Commission to cooperate with Member States on the basis of a best practices approach and assess and optimise incentives for private pension savings, in particular for individuals who otherwise would not build up an adequate pension;
61. Regards an evaluation of reliable procedures and proposals to optimise incentives as worthwhile;
62. Emphasises that the key priority of public policy should not be to subsidise 3rd pillar schemes, but to make certain that everyone is adequately protected within a well-functioning and sustainable 1st pillar;
63. Calls on the Commission to investigate the vulnerability of 3rd pillar systems to crises and to put forward proposals to reduce the risk;
64. Recommends that the legal cost limits at national level for contract conclusion and management, change of provider or change of contract type be investigated and that proposals be made in this regard;
65. Considers that codes of conduct with regard to quality, information provision to consumers and consumer protection in the 3rd pillar could increase the attractiveness of 3rd pillar pension plans; encourages the Commission to facilitate the exchange of current best practices in Member States;

Initiative 13

66. Supports the elaboration and establishment of EU-level voluntary codes of conduct – and possibly also product certification schemes – with regard to quality, information provision to consumers and consumer protection in the 3rd pillar; should the voluntary codes of conduct not prove successful, recommends that Member States assume regulatory tasks in these areas;
67. Calls on the Commission to look into ways to make better use of EU financial sector legislation when it comes to ensuring that consumers are given accurate and unbiased financial advice on pension and pensions-related products;

Initiative 18

68. Calls on the Commission and the Member States concerned to reach agreement, especially on how to avoid double taxation and double non-taxation in the field of cross-border pensions;
69. Regards discriminatory taxes as a major barrier to cross-border mobility and calls for their swift withdrawal, while noting limited EU competence in the area of Member State tax policy;

Initiative 19

- 70. Is of the view that contract law obstacles should be investigated;
- 71. Calls on the Commission to involve social partners in an appropriate way by means of the structures available;

Initiative 20

- 72. Stresses that unsustainable 1st pillar systems pose a major threat to national budgets;
- 73. Stresses the importance of using a uniform methodology to calculate the long-term sustainability of public finances and the share therein of pension-related obligations;
- 74. Calls on the Member States, inter alia on the basis of the 2012 Pension Adequacy Report, to intensify their work on preventing old-age poverty; points out that if bold action is not taken on strengthening pensions systems in this regard, the Europe 2020 goal on poverty and social exclusion will probably not be reached;
- 75. Stresses that a key to building more sustainable and adequate pension systems is to focus on eradicating inequalities between women and men; emphasises that enhanced measures have to be taken in all Member States in this regard, for example when it comes to promoting equal pay, fighting gender-based discrimination, granting pension credits to caring for children and the elderly, reducing the incidence of involuntary part-time work, and improving work and pension conditions in precarious jobs.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.2.2013
Result of final vote	+: 44 -: 1 0: 0
Members present for the final vote	Burkhard Balz, Elena Băsescu, Jean-Paul Basset, Sharon Bowles, Udo Bullmann, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Diogo Feio, Markus Ferber, Elisa Ferreira, Ildikó Gáll-Pelcz, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Gunnar Hökmark, Syed Kamall, Othmar Karas, Wolf Klinz, Rodi Kratsa-Tsagaropoulou, Philippe Lamberts, Werner Langen, Astrid Lulling, Hans-Peter Martin, Arlene McCarthy, Sławomir Nitras, Ivari Padar, Alfredo Pallone, Antolín Sánchez Presedo, Olle Schmidt, Peter Simon, Theodor Dumitru Stolojan, Ivo Strejček, Sampo Terho, Marianne Thyssen, Corien Wortmann-Kool, Pablo Zalba Bidegain
Substitute(s) present for the final vote	Pervenche Berès, Sari Essayah, Sophia in 't Veld, Olle Ludvigsson, Thomas Mann, Nils Torvalds, Roberts Zile
Substitute(s) under Rule 187(2) present for the final vote	Alejandro Cercas

2.10.2012

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Employment and Social Affairs

on an agenda for adequate, safe and sustainable pensions

Rapporteur: Sergio Gaetano Cofferati

SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the financial and economic crisis has exacerbated the existing difficulties relating to the sustainability of many social security systems and the current changes in Europe, such as an ageing population, changing family structures and rising atypical employment, among other factors, and believes that the adequacy and safety of pension benefits are crucial for social cohesion and can be inter alia guaranteed by defining a minimum level for pensions; points out that the pension reforms cannot be disconnected from reforms of other social protection schemes;
2. Notes that the fundamental objective of pension schemes is to ensure adequate pension incomes and enable the elderly to live decent and financially independent lives;
3. Notes that the increase in life expectancy is a positive thing as it is a direct consequence of the improvement of European health care systems and quality of life; underlines that pensioners play an active part in and contribute to society;
4. Considers worrying the growing number of elderly people, especially women, who live below the poverty line and takes the view that pension systems should guarantee an adequate and decent standard of living for all;
5. Stresses that SMEs are one of the main sources of employment and growth in the EU and can make a significant contribution to the sustainability and adequacy of pension systems within Member States;
6. Considers that Member States should evaluate aligning the retirement age to life

expectancy by means of voluntary or flexible forms of work and incentives to work longer, such as options to receive partial retirement benefits while continuing to work; underlines that the shared responsibility of workers, employers and the public sector is needed in order to lengthen working lives in the European Union, and that these reforms should be socially just, carefully assessed against their impact on vulnerable groups and carried out in a way which strengthens solidarity mechanisms;

7. Encourages Member States to consider the strong socio-economic arguments in favour of removing policies which prevent older workers from remaining active in the labour market for longer;
8. Agrees with the Commission on the need to ensure, when eliminating early retirement options, that the individuals concerned are enabled to continue working or, where that is not possible, to receive a guaranteed minimum income in addition to provisions to ensure continuity of social security contributions;
9. Considers that any option of prolongation of working life or raising of the pensionable age must take account of the particular circumstances of people who have carried out arduous work or who entered employment at a very early age;
10. Considers that the equalisation of the pensionable age between men and women should be implemented in conjunction with effective policies relating to equal pay and the work-life balance and that the true value of the care-related work carried out by women as well as the status of informal carers should be recognised; asks the Commission to map pension schemes that best take into account the gender-sensitiveness of pensions and tackle gaps in women's pensions;
11. Considers that the proliferation of atypical contracts and the consequent increased prevalence of unstable and precarious employment histories can result in the workers concerned having gaps in their social security contribution records, which can have a significant impact on, and endanger, their entitlement to benefits;
12. Considers that more decisive action needs to be taken to prevent and punish contribution evasion, which threatens to undermine the adequacy and sustainability of pension systems and creates discrimination between workers and between undertakings while exacerbating unfair competition;
13. Underlines the need to protect pension savers against pension fund bankruptcy;
14. Takes the view that, due to demographic change and increased public budget constraints, the adequacy of pension systems should be ensured by strengthening a first public pillar, by improving and extending supplementary occupational pension schemes and, in addition, by encouraging the use of private pension schemes, in order to ensure accessibility, portability and security;
15. Considers that strong incentives are needed in order to encourage long-term investment by pension funds in sustainable, low-carbon and socially inclusive activities, and avoid short-term and excessively risky investments;

16. Stresses that it is important for the national pension systems of the Member States to display lasting resilience in the interests of the financial stability of the European Union, and that the Member States in the Eurozone are linked together in such a way that these Member States' pension obligations can have a cross-border effect;
17. Believes that labour mobility within the single market is crucial for growth; recalls the importance of portability of pensions across EU Member States, the lack of which remains a significant obstacle which discourages citizens from exercising their right to free movement; considers it necessary to provide better information on the portability of pension rights and to lay down conditions to protect and achieve the full portability of all pension entitlements, including those stemming from complementary and supplementary pensions; for this purpose, considers it necessary to explore any possible means, notably to resume work on a directive ensuring full portability of pension rights; stresses furthermore that portability should be guaranteed also for contributions paid to occupational funds summing up to a period not sufficient to give rise to any entitlements according to contract conditions related to such occupational funds;
18. Considers it desirable, therefore, that the Commission should investigate as soon as possible how the fiscal and actuarial problems involved in the transfer of pensions can be solved and how a system can be established which will make it possible to obtain information directly about pension entitlements accumulated in the EU Member States;
19. Considers that it would be appropriate to review the Directive on the activities and supervision of institutions for occupational retirement provision (IORP Directive) with a view to ensuring effective enforcement by Member States of the Directive's requirements; believes that such a review should aim to promote cross-border activity of occupational pension funds in the single market, ensure adequate financial supervision, increase levels of security, transparency and information for beneficiaries, and update capital and solvency requirements; believes furthermore that the review should take into account the large differences between pension and insurance funds and possible liability of companies and the existing safeguard mechanisms; considers that any proposal on occupational pension systems must be fully impact-assessed, in particular with a view to quantifying the additional costs that may arise and damage the adequacy of pension provision;
20. Considers that transparency of private pension schemes is still inadequate; believes it essential to ensure that workers have access to reliable and complete information in relation to their pensions rights – notably as regards the expected future benefits, the risks involved and all actual costs – especially those connected to cross-border activities and mobility (including second and third pillars); calls on the Commission to further investigate this issue and, if necessary, draw up more stringent rules in this area;
21. Considers that individual supplementary pensions, which help ensure that adequate benefits are received, must provide a guaranteed and secure return, about which beneficiaries must be sufficiently and clearly informed, and that, with that end in view, funds must meet robust solvency and capitalisation requirements and involve mainly long-term and low-risk investment;
22. Takes the view that prudential supervision should be harmonised in the European Union in order to combat the risk of a race to the bottom, with Member States competing to offer

the least stringent solvency requirements;

23. Calls on Member States to adopt a ‘best practices’ approach to pensions in the European Union.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	10.7.2012
Result of final vote	+: 28 -: 1 0: 4
Members present for the final vote	Pablo Arias Echeverría, Adam Bielan, Cristian Silviu Buşoi, Sergio Gaetano Cofferati, Birgit Collin-Langen, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia de Campos, Cornelis de Jong, Jürgen Creutzmann, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Louis Grech, Philippe Juvin, Sandra Kalniete, Edvard Kožušník, Toine Manders, Hans-Peter Mayer, Sirpa Pietikäinen, Phil Prendergast, Mitro Repo, Robert Rochefort, Heide Rühle, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Emilie Turunen, Barbara Weiler
Substitute(s) present for the final vote	Raffaele Baldassarre, María Irigoyen Pérez, Emma McClarkin, Sabine Verheyen, Anja Weisgerber

20.2.2013

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Employment and Social Affairs

on an agenda for adequate, safe and sustainable pensions
(2012/2234(INI))

Rapporteur: Regina Bastos

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the effects of an ageing population on the sustainability of public finances must be evaluated; whereas future generations should be able to benefit from adequate pension systems;
- B. whereas pension funds are important investors for EU economic growth and substantial contributors towards achieving the Europe 2020 strategic target of 75% employment among both men and women aged 20-64 and socially inclusive societies;
- C. whereas, in the current European debate, pension schemes are too often considered as a mere burden on public finance instead of an essential instrument to combat old-age poverty and allow a redistribution over an individual's lifetime and across society;
- D. whereas pensions are the main source of revenue of older Europeans and are supposed to ensure that older people have a decent standard of living and enable them to be financially independent; whereas, however, around 22% of women over the age of 75 fall below the European Union's poverty threshold, thus running the risk of social exclusion, and whereas women represent the majority of the population over 75;
- E. whereas women take more frequent career breaks and part-time jobs than men for the purpose of caring for children and elderly, dependent or sick people in the family, which may lead them to opt for part-time work or more poorly paid work more often than is the case for men, and whereas those periods are either not taken into account at all, or only partially taken into account, when their pension entitlement is calculated, and consequently women's pensions are often lower than men's and women are at greater risk of poverty;

- F. whereas women are disproportionately represented in the part-time and flexible job market;
 - G. whereas women represent a large proportion of workers in undeclared employment, mainly in domestic work and the care of dependent people;
 - H. whereas women are over-represented in the lowest-ranked jobs and positions in terms of qualifications, pay and prestige, and women therefore face greater job insecurity and are paid less than men;
 - I. whereas women encounter greater difficulties in reconciling work and family life, as family responsibilities are not always shared fairly and the care of children and other dependent family members falls mainly upon women;
 - J. whereas disparities between men and women in relation to employment, pay, contributions, career breaks, undeclared employment, job insecurity and part-time working in connection with family responsibilities can have a serious impact on the amount of pension to which women are entitled;
 - K. whereas the negative influence of the economic and financial crisis in Europe on wages and employment will increase the future risk of poverty in old age;
 - L. whereas the study ‘Women living alone – an update’, requested by Parliament’s Committee on Women’s Rights and Gender Equality, shows the implicit risks of some of the existing pension arrangements in aggravating gender imbalances, especially for women living alone;
 - M. whereas OECD Social, Employment and Migration Working Paper No 116, entitled ‘Cooking, Caring and Volunteering: Unpaid Work Around the World’ (Veerle Miranda) sheds light on the importance of unpaid work, which is not yet recognised in national pension schemes;
 - N. whereas, in the EU, the employment rate among people aged between of 55 and 64 stands at a mere 47.4% and among women at only 40.2%; whereas in some EU countries only 2% of all job vacancies are filled by people aged 55 or above; whereas such low employment rates cause an intra-generational pension gap between men and women, as well as an inter-generational gap resulting in substantial disparities in financial resources between the generations;
 - O. whereas the projected impact of pension reforms is usually based on a male, full-time, full-career, average earner profile; whereas actuarial gender-based life tables have a negative impact on women’s pension calculations and provide a lower replacement rate for women;
 - P. whereas women are often employed in more poorly paid jobs and have less flexibility on the labour market, particularly over the age of 50, making it much more difficult to put money aside for pension schemes;
1. Stresses that in several Member States there is a need to reform pension systems in order

to cope with population developments and changing labour markets; underlines the fact that reforms need to be socially just and to strengthen solidarity mechanisms and gender equality; stresses that reforms should involve social partners and relevant stakeholders and be properly communicated to the citizens;

2. Points out that the Member States should support research into the impact of different pension indexation formulas on the poverty risk in old age, taking account of the gender dimension; calls on the Member States to take particular account of the evolution in people's needs when ageing, e.g. long-term care, in order to ensure that elderly people, mainly women, are able to receive an adequate pension and live with dignity;
3. Stresses that pension policy is a key element of social policy and that pensions are a mechanism of direct financial solidarity between generations, as well as an investment in the future;
4. Points out that devising pension systems is the responsibility of Member States and stresses the benefits of a global and coordinated approach at EU level;
5. Calls on the Commission and the Member States to ensure that the principle of equal treatment between women and men is applied consistently in pension insurance schemes and especially occupational pension schemes are not discriminatory against women so that they do not reinforce existing patterns that already put women at a disadvantage in terms of benefits and contributions;
6. Calls on the Commission and the EU Member States to carry out comprehensive impact assessments on all social security reforms, especially pension systems which may have a negative impact on women's employment and pension rights, such as cuts in day-care and elderly-care facilities, pension policies, etc;
7. Reiterates the need for Member States to take measures to eliminate the pay and income differential between women and men for the same work and the discrepancies in their achieving positions of responsibility, as well as gender inequalities in the labour market, which also affect pensions, resulting in a substantial difference between pensions paid to women and the much higher pensions paid to men; urges the Commission to come forward with the revision of the existing legislation; notes that, despite countless campaigns, targets and measures in recent years, the gender pay gap remains stubbornly wide;
8. Stresses that urgent measures need to be taken against the gender pay gap in the private sector, which is particularly serious in most of the Member States;
9. Calls on the Member States to promote flexibility in the retirement age, taking into account the gender dimension, and guaranteeing a minimum pension;
10. Points out that, when Member States' pension arrangements do not take into account the particularities of women living alone or gender in general, women are in general indirectly discriminated against and exposed to higher poverty risks;
11. Points out that, while flexible working hours and part-time jobs make achieving a work-

life balance easier, especially for women, they also imply lower salaries and therefore lower pensions in the future; emphasises that the vast majority of low salaries and almost all very low salaries are paid for part-time work and about 80% of the working poor are women;

12. Stresses the need to reduce the pay differential for men and women with the same skills and the same jobs, as this causes women's income to lag ever more behind that of men and raises the high number of women living in poverty when they retire or are widowed;
13. Recognises the need to adjust the retirement age for women and men, to take account of increased life expectancy while improving access to lifelong learning, making it easier for people to reconcile the demands of professional, family and private life and promoting active ageing;
14. Calls on the Commission and the Member States to adopt a life-course approach to pensions, taking the whole span of a person's working life into account, including career interruptions and changes, to reflect the social and economic benefit of unpaid care work and modern work patterns;
15. Stresses the importance of equalising the pensionable age for women and men, and improving the employability of older women and men to enable them to stay in the labour market, which will make a significant contribution to boosting the labour force participation of older workers;
16. Stresses that women's long average periods of part-time unemployment, lower wages and fewer average hours of work have profound consequences for their earnings, their social security allowances and, not least, in the longer run, their pensions;
17. Stresses that women's higher life expectancy ought not to be a cause of discrimination in pension calculations;
18. Welcomes the Commission's intention of encouraging the development of complementary private retirement savings with a view to increasing the income of retired people;
19. Stresses that the first pillar should continue to be the main supplier of retirement pensions and that the Commission should take measures to make the second and third pillars more accessible and more transparent for women as they currently have fewer opportunities to build up supplementary retirement savings than men;
20. Urges Member States to comply with and enforce legislation on maternity rights so that women do not suffer disadvantages in terms of pensions because they have been mothers during their working lives;
21. Stresses the need to encourage Member States to keep citizens better informed so that they can take decisions on pension planning in full knowledge of the facts;
22. Encourages Member States to view periods in which women or men are obliged to take care of children or other dependent members of their families, as well as housework, as insured periods for the purpose of establishing, and calculating, entitlement to pension;

23. Considers that the individualisation of pension rights is necessary from a gender equality perspective, and that the security of many older women currently relying on widows' pensions and other derived rights should be also ensured;
24. Emphasises that social policies and social services providing childcare and care of the elderly and other dependent people are vital to ensuring that women have the same opportunities as men to obtain paid work, compatible with their family and personal lives, which allows them to earn pension rights sufficient for them to receive a decent pension in their old age;
25. Stresses the need to encourage Member States to recognise in their welfare systems, and when retirement is reached, time spent, by women more often than not, in caring for and supporting dependents;
26. Calls on the Member States and the Commission to propose new solutions to ensure that legally performed informal work is better paid and taken into account when determining pension rights;
27. Welcomes the White Paper's call for the development of care credits in respect of dependent persons, in other words measures to ensure periods spent taking care of dependent persons are taken into account when calculating individual women's or men's pension entitlement, as is already the case in some Member States;
28. Asks that the involvement of women in running associations for children, the disabled or people who are dependent, and their commitment to this, be taken into account in the accreditation of their prior experience, allowing them to avoid career breaks that would reduce the size of their future pension;
29. Asks that, where necessary, Member States re-examine social security systems in order to avoid a significant disparity between women's and men's pension levels, and that they consider introducing corrective factors that take account of gaps in contributions caused by short-term working;
30. Reiterates once again that it is important to combat gender stereotypes which traditionally relegate women's work to a secondary role, resulting in lower pay for work done by women;
31. Calls on Member States to provide for good-quality and affordable childcare and care of dependents.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	19.2.2013
Result of final vote	+: 30 -: 2 0: 0
Members present for the final vote	Regina Bastos, Edit Bauer, Andrea Češková, Marije Cornelissen, Tadeusz Cymański, Iratxe García Pérez, Zita Gurmai, Mikael Gustafsson, Mary Honeyball, Sophia in 't Veld, Teresa Jiménez-Becerril Barrio, Silvana Koch-Mehrin, Constance Le Grip, Astrid Lulling, Ulrike Lunacek, Elisabeth Morin-Chartier, Krisztina Morvai, Siiri Oviir, Joanna Senyszyn, Joanna Katarzyna Skrzydlewska, Marc Tarabella, Britta Thomsen, Anna Záborská, Inês Cristina Zuber
Substitute(s) present for the final vote	Izaskun Bilbao Barandica, Minodora Cliveti, Silvia Costa, Anne Delvaux, Mariya Gabriel, Nicole Kiil-Nielsen, Doris Pack, Licia Ronzulli, Angelika Werthmann

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.3.2013
Result of final vote	+: 32 -: 4 0: 6
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Jean-Luc Bennahmias, Phil Bennion, Pervenche Berès, Vilija Blinkevičiūtė, Philippe Boulland, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Marije Cornelissen, Emer Costello, Andrea Cozzolino, Frédéric Daerden, Karima Delli, Richard Falbr, Thomas Händel, Marian Harkin, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Verónica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Elisabeth Morin-Chartier, Csaba Öry, Siiri Oviir, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Jutta Steinruck
Substitute(s) present for the final vote	Georges Bach, Jürgen Creutzmann, Philippe De Backer, Sergio Gutiérrez Prieto, Anthea McIntyre, Ria Oomen-Ruijten, Csaba Sógor
Substitute(s) under Rule 187(2) present for the final vote	Wim van de Camp