



PensionsEurope input to EIOPA on the Development of Pension Dashboards and the Collection of Pensions Data

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General remarks

PensionsEurope welcomes the EC initiative to assist the EU and Member States in monitoring the adequacy and sustainability of pension systems at macro-level through the development of a pension dashboard. The Development of Pension Dashboards was part of the Commission's new Capital Markets Union action plan (of September 2020), and we welcome the development particularly in the light of the CMU.

We also welcome that EIOPA consultation paper distinguishes between occupational and personal pensions and that it is built on existing reports (Ageing Report, Pension adequacy report and Fiscal sustainability report) and existing indicators of pension adequacy and fiscal sustainability.

We agree with EIOPA that it should be noted that the primary goal of collecting the data on dashboard is to facilitate economic and social policy, rather than conduct prudential supervision of pension providers and that, therefore, supervisory authorities would need to consider the usefulness of the (any additional) data collected against the costs of doing so. We do not believe that the sole aim of feeding the pension dashboard justifies additional data reporting. Therefore, the pension dashboard should rely on what is already available and clearly reports its limitations.

Additional reporting requirements for pension providers should be largely avoided. There is a lot of data already available (at least in most cases/countries), which can be used directly or indirectly by experts to make qualified estimates to fully comply with the expected outcome at macro-level. Potential gaps could also be filled by surveys.

The consultation paper shows that data on occupational pensions is largely already available for IORPs but not for other pension providers. We strongly reject extending the reporting requirements for IORPs even further but also the introduction of EIOPA reporting requirements along the lines of the BoS decision for IORPs for all non-IORP pension providers. Furthermore, for all pension providers (i.e. IORPs and non-IORPs), the provision of data with age and gender allocation would already be extremely time-consuming.

The analysis provided in chapter 2 and Annex I show that there is a large and steadily increasing quantity of data available at the European and national levels, although they have a variety of scope and content. We understand this analysis is still incomplete, as not all NCAs have answered the survey and we appreciate EIOPA will work on further analysis. In our opinion, a survey among NCAs is not the best way to assess the availability of data in Member States, as NCAs will mainly have an overview of the institutions they supervise. In our view, a more comprehensive analysis bringing together all pension data, with reasonable effort and methods, can only be done by the Member States.

As for IORPs, the technical advice should better explain why, considering EIOPA's regular information Decision, par. 28 concludes that "in order to further strengthen EIOPA's supervisory data needs and

ensure timely and complete reporting, EIOPA believes that a legal requirement on supervisory reporting for IORPs would be beneficial". The draft technical advice concludes that there is enough granular data from IORPs, but that EIOPA does not collect much quantitative pension data from other pension providers. In the area of occupational pensions, all schemes would have to be adequately covered, i.e. also those that are excluded from the IORP II Directive by Article 2 (2) for good reasons. However, this falls within the competence of the MS - not of the European supervisory authorities. Their role should be limited to the data of IORPs, insurers and PEPP providers.

Answers to specific questions

Question 1: *Do you have suggestions for other sources of pensions data covering EU Member States that EIOPA should consider? If yes, please provide these suggestions.*

No, we do not have further suggestions, but we recognise that some pension data is published, and pension systems are being benchmarked (with various indicators) by many others as well, including Mercer CFA Institute Global Pension Index, the World Economic Forum, Allianz, and Willis Towers Watson.

A pension dashboard should be built with the currently available data. Additional reporting requirements for pension providers should be largely avoided. There is a lot of data already available (at least in most cases/countries), which can be used directly or indirectly by experts to make qualified estimates to fully comply with the expected outcome at macro-level. Potential gaps could also be filled by surveys.

From our perspective, one key indicator regarding pension adequacy is the share of people receiving some form of social assistance / income support in old age. Whilst not being perfect, data for this indicator is readily available (see Pensions Adequacy Report 2021, Chapter 4.1.5.) and it does give a good indication about the adequacy of pensions.

Question 2: *Do you agree that data on long-term savings instruments is not available as there is no commonly agreed definition? Please explain. If such information were to be collected, which definition would you consider and which products should be included under its scope?*

X Yes, we agree.

The data on long-term savings instruments might appear not to be available at international organization, but it could be available at the national. We agree with EIOPA that the lack of common definitions at the EU level renders very difficult their inclusion in the pension dashboard. However, as correctly reported in par. 2.1.7, it is extremely difficult to provide a common definition at EU level or indicate which products should be included in its scope.

Long-term savings can be a source of retirement income and therefore be relevant. However, these are not “pensions” and many MSs also take this difference into account in the tax and social security frameworks for funded pensions. Therefore, there are good reasons to concentrate on pension data. We do not see the purpose and the need for a definition of “long-term savings instruments” and the data for it. Furthermore, it is difficult to determine the notion of ‘long-term’ as well as of ‘saving’ (e.g. is an own house a saving-product or does it produce the effect of a saving-product?). One issue is that depending on the specific use the saver makes of a product, this could be used as short or long-term saving instrument. What characterizes a pension is the very long-term investment horizon and the nil or limited early redemption features. Finally, we acknowledge that some indications on home

ownership, other savings, cost of living etc. are needed to put “pension adequacy” in the right perspective and to avoid wrong and misleading comparisons between Member States.

Whilst we acknowledge that the definitions of (i) an IORP and (ii) a pension fund in the European system of accounts (used by the ECB Regulation) could be useful, we think that the reporting requirements for the dashboard should be based on the national definition/ regulation on pensions to avoid contradictions with national pension policy and unnecessary costs for pension providers.

Question 3: *Could you give an indication of the costs (high, medium, low, none, don't know) of collecting the following data directly from private pension providers (IORPs, insurers, other), distinguishing DB, hybrid and DC as well as occupational and personal pensions?*

Institutions for Occupational Retirement Provision (IORPs)

Number of members	None
•breakdown by age	medium
•breakdown by gender	medium
Number of products / plans	None
Liabilities	None
•breakdown by age	high
•breakdown by gender	high
Assets	None
•breakdown by age	high
•breakdown by gender	high
Asset allocation	None
Investment return	medium
Costs and charges	high
Contributions	None
•breakdown by age	medium
•breakdown by gender	medium
Benefits	medium
Cash flows for DB/hybrid pension obligations	high
Sensitivity analysis for DB/hybrid pension obligations	high

Please explain your assessment of the costs, where possible by providing estimates.

Some of the required data are very difficult to determine for collective systems (e.g. breakdown of liabilities and assets by age and gender). Allocating assets and liabilities of collective systems (like DB

plans or insurance contracts) to several subgroups would require complicated and time-consuming calculations – and in some cases, given the way of funding, are not possible.

Finally, we point out that over the past years, reporting requirements for IORPs have been significantly extended by the ECB ([EZB/2018/2](#)) and EIOPA requirements ([EIOPA -BoS/18-114](#), amended on [2 June 2020](#)). Therefore, the Pension Dashboard should use data and existing reporting ways and formats which are already being used today, so that pension funds would not have to face any additional burden. IORPs already provide the most extensive reporting details to European institutions.

Other private pension providers

Number of members	low
•breakdown by age	medium
•breakdown by gender	medium
Number of products / plans	medium
Liabilities	low
•breakdown by age	high
•breakdown by gender	high
Assets	low
•breakdown by age	high
•breakdown by gender	high
Asset allocation	medium
Investment return	medium
Costs and charges	high
Contributions	low
•breakdown by age	high
•breakdown by gender	high
Benefits	medium
Cash flows for DB/hybrid pension obligations	high
Sensitivity analysis for DB/hybrid pension obligations	high

Please explain your assessment of the costs, where possible by providing estimates.

The group "other" is very heterogeneous and needs to be differentiated (in particular pension funds that are not IORPs; employers; various third pillar providers).

We note that some of the required data does not fit all pension providers or are not available (e.g. asset allocation, investment return and costs and charges of German book-reserved schemes). Sometimes the information is not available for the pension funds due to the triangular relationship in the second pillar: during the active period, there is no relationship between the employees and the pension funds. Hence, the pension funds only get limited data from their employers. A direct contact between the IORP and the individual persons is only once they get their pensions.

Question 4: *Do you agree that the identified minimum set of quantitative data and more qualitative information are necessary to enable the preparation of long-term pension projections? Please explain.*

X No, we do not agree.

Given that the purpose of the dashboard is “to assist the EU and Member States in monitoring the adequacy and sustainability of pension system at macro-level” we recommend pursuing this goal and not unnecessarily hindering or possibly completely damaging it by focusing on too many details. I.e. we do not support collecting data at a too “granular level” but recommend to focus on the key metrics. E.g. we do not believe that information on benefit formula, cost/charges or asset allocation or even a breakdown of asset allocation to certain sub-groups of beneficiaries are of any value for the exercise of the pension dashboard (see also answer to Q8 for further details).

Question 5: *Do stakeholders have experience with making long-term pension projections that may be beneficial to the discussion on - for example - minimal data needs, making assumptions, the level of granularity that is most rewarding and taking into account the effects of government policy? If yes, please share that experience.*

In general, long-term projections are made at portfolio level. Pension funds and most likely other providers of collective pensions as well don't need additional granularity.

In the Member States, the useful level of detail for long-term projections depends on the role of the first, second and third pillars and their heterogeneity. What a long-term projection focuses on also depends on the objective policy makers are pursuing: they might look different when the objective is to rebalance the weight of the three pillars, compared to when reforms regarding DB / DC are being discussed. So even within a single country, different projections will be needed over time.

Question 6: *Do you agree that a live dashboard should be developed to present the pensions data as proposed in the draft advice? Please explain.*

X No, we do not agree.

We do not believe EIOPA's advice should push for a live dashboard or a report dashboard. Whether there will be space and consideration for nuance will depend more on the objectivity and reliability of

the methodology used than on the kind of output. A live dashboard can certainly provide a more comprehensive tool for analysis but is also more complex and costly. In general, pension data should have little volatility and a long time horizon.

First, the goal of the Pension Dashboard should be clearly set out and all pillars of multi-tier pension systems and their interdependences should be considered. Pension Policy should be driven by the MS. Within the EU Commission, DG EMPL is best placed to work on pension issues from a social perspective. EIOPA's (and NCAs') role should be limited to pension data they cover (provided by IORPs, insurance undertakings and PEPP providers).

Second, costs and benefits of a Pension Dashboard should be carefully examined and weighted against each other.

The pensions systems in the Member States are very different. A pure presentation of the complex pension systems with quantitative indicators in a live dashboard may not be suitable. Political risks due to misleading or erroneous comparisons of dashboard data also do not seem unlikely. The advantage of a report dashboard is that qualitative information and explanation could be included. The costs and benefits of a pension dashboard must be in reasonable proportion. We therefore recommend the use of only highly aggregated data in a first step (expenditure for benefits and contributions as percentage of GDP, total assets allocated to pensions, etc.).

We note that there are no dashboards at national level (see Chapter 4.4, par. 168). Par 169 lists several reasons for this. Why should it be easier at EU level and why should these reasons not apply?

Question 7: *Do you agree that all relevant adequacy and sustainability indicators employed by the European Commission are reflected in the draft advice? If not, please explain what indicators should be added / removed.*

Yes, the indicators employed by the European Commission are relevant, although we note that the main issue, which is how to combine and weight the various indicators into requested single indicator per Member State is (still) not tackled.

In general, we find that this question should be answered by the EC and the two committees (Social Protection and Economic Policy Committee), and we are against EIOPA deciding on how to weigh the different indicators / how to sum them up in a single one.

Question 8: *Do you agree on the indicators proposed by EIOPA to complement the existing indicators of the European Commission: coverage, financial variables relating to private pension providers, diversification between pay-as-you-go and funded pensions? If not, please explain what indicators should be added / removed.*

X No. Coverage rates of public, occupational and personal pensions are an important underlying determinant of future adequacy of pensions systems. These indicators should be added to the existing indicators. The same applies for an indicator to measure the risk diversification between demographic and interest rate risk.

As for the financial parameters (benefits, assets and asset allocation, liabilities, contributions, gross investment returns and costs), we do not see any direct use for assessing the adequacy or sustainability of the pension system at a macro level. These are not indicators, but rather data points. Any indicators should be developed by the Member States in order to support them in reaching their social policy objectives.

Question 9: *Do you have methodological suggestions for aggregating the various indicators in order to obtain a single indicator per Member State? Please explain.*

X No. No, this is a very complex issue that requires in-depth research and study. Pension policy is very complex. We do not see the usefulness of having a single indicator. We see the danger that wrong policy conclusions will be drawn from it and that a single indicator will be misused.

The aim of the dashboard is to monitor the adequacy and the sustainability of the pensions systems in the Member States. These are two different targets. Therefore, we propose to use at least two indicators, one for the adequacy and one for the sustainability of the pension system.

The more sophisticated the calculations, the more complicated to compare them between different MS. What is the benchmark for adequacy and sustainability for different countries? The central question is therefore the aim of the dashboard: is it to be a helpful pension policy tool for Member States or an EU instrument for benchmarking the Member States? We doubt that both can succeed at the same time.

Question 10: *Do you agree with the draft advice not to include indicators for other long-term savings instruments in the dashboard at this point in time, but instead to consider variables like homeownership, wealth and individual savings? Please explain.*

X Yes

Yes, we do agree. Since there is no definition of long-term savings instrument, it would be difficult to include them in the dashboard now. We appreciate the draft technical advice lists some of the 'variables' that could be relevant in the overall assessment of pension adequacy. They could be useful to assess the pension figures and draw the right political conclusions.

Question 11: *Do you agree that the use of pension dashboards should not be postponed until comprehensive data is available for all indicators? Please explain.*

X Yes

Yes, we agree. To make sure that the dashboard does not misrepresent reality, it is important that it clearly explains which data have been included where and how comparable (or not comparable) the results are between countries.

A dashboard does not have to be perfect, particularly at the beginning. But if a dashboard is to be a helpful pension policy tool for MS, the information presented must not be wrong or skewed. Otherwise, there is a risk of politically incorrect discussions and conclusions.

A gradual expansion of the pension dashboard is appropriate. We think that a dashboard should start with highly aggregated already existing data. If - after setting a goal and a cost-benefit analysis - additional data from pension providers is needed, then the pension providers need sufficient time to deliver the data and appropriate reporting channels should be chosen for the different pension providers.

Depending on the goal of the pension dashboard, the Commission (DG EMPL and DG FISMA) should bring together the relevant actors to develop the pension Dashboard. Furthermore, it would be helpful to have EIOPA and the NCAs on board as a supplier of important part of pension data (for IORPs, insurers and PEPP providers).

Question 12: *Could you give an indication of the benefits (high, medium, low, none, don't know) of collecting the following data directly from private pension providers (IORPs, insurers, other), distinguishing DB, hybrid and DC as well as occupational and personal pensions?*

Institutions for Occupational Retirement Provision (IORPs)

Number of members	none
•breakdown by age	low
•breakdown by gender	low
Number of products / plans	none
Liabilities	none
•breakdown by age	low
•breakdown by gender	low
Assets	none
•breakdown by age	low
•breakdown by gender	low
Asset allocation	low
Investment return	low
Costs and charges	low

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Contributions	none
•breakdown by age	low
•breakdown by gender	low
Benefits	medium
Cash flows for DB/hybrid pension obligations	low
Sensitivity analysis for DB/hybrid pension obligations	low

Please explain your assessment of the benefits of collecting the data from IORPs.

We have indicated "low benefit / none" in the answers, as we do not believe additional data should be collected directly from providers.

Benefits and costs should be considered separately for the different pension providers. The category "other" is insufficient. In particular for this category, we see the Member States as responsible.

As we have stressed throughout this response, we urge EIOPA to include in its advice a recommendation to focus on existing data. This applies generally, but also specifically to IORPs, which have just implemented the new EIOPA / ECB reporting. The current reporting system distinguishes between DB and DC, the consultation paper discusses the categories DB, hybrid and DC. Changing this would require significant additional resources.

For other private pension providers:

Number of members	don't know
•breakdown by age	low
•breakdown by gender	low
Number of products / plans	don't know
Liabilities	don't know
•breakdown by age	low
•breakdown by gender	low
Assets	don't know
•breakdown by age	low
•breakdown by gender	low
Asset allocation	low
Investment return	low
Costs and charges	low
Contributions	don't know
•breakdown by age	low
•breakdown by gender	low
Benefits	medium
Cash flows for DB/hybrid pension obligations	low

Sensitivity analysis for DB/hybrid pension obligations low

Please explain your assessment of the benefits.

The category "other" is insufficient. In particular, this category falls within the competence of the Member States. Pension data may often be available here for tax, labor and social policy reasons. Using this data could be the best choice under cost-benefit considerations.

Question 13: *Do you have suggestions for more or less additional data to be collected for the purpose of the dashboard indicators and the preparation of long-term projections of supplementary pensions? Please explain.*

X Yes, we have.

In general, we support the intended macroeconomic view and advocate an approach where data which is already being collected is used for the Pension Dashboard.

We therefore welcome the overview EIOPA provides on existing data sources at the international level (Chapter 2). In addition to the data collected for supervisory purposes, the MS should check what kind of pension data at the national level are available for tax, labour or social law reasons. As a next step, it should be determined by the relevant stakeholders how this data could be used in a Pension Dashboard.

Question 14: *Do you agree that the additional data should be collected by NCAs (at national level) and subsequently be submitted to EIOPA (at EU level), even though not all the data may be necessary from a supervisory perspective? Please explain.*

No, we do not agree. NCAs collect information from pension providers for supervisory purposes. As for IORPs, we believe the data IORPs provide is enough and no additional data should be collected. We also strongly object additional data to be requested to only one type of pension provider, beyond the information provided by the other pension providers/institutions. We wonder what and how information regarding the third pillar (personal pensions) will be included in the dashboard. The understanding of personal pension is very different in the MS. Already at the national level, the question is difficult. Therefore, flexibility for MS is needed but it should be transparent what is included here.

Question 15: *Do you have any other comments on the draft technical advice? If yes, please provide these other comments.*

Many Member States already rely on multi-pillar systems with key roles for occupational and personal pensions to provide people with good pensions. Given the current economic and social circumstances, supplementary pensions could gain importance over the decades to come. We generally support evidence-based policy-making.

We would like to emphasise that a collective approach to occupational pensions supported by the social partners from our perspective has the most potential to rise to the challenges to come. We therefore support the distinctions between occupational and personal pensions. Any new data requirements for the dashboard will cause additional burdens on pension providers, which will be borne by the beneficiaries and savers in the form of lower pension benefits.

The EU Commission and the Member States should therefore start with an inventory of all existing pension data and explore whether and how these data can be used. After that, careful cost-benefit considerations are needed.

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes.

PensionsEurope has **24 member associations** in 17 EU Member States and 4 other European countries¹.

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people**. Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **22 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns.

Our members offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

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¹ EU Member States: Austria, Belgium, Bulgaria, Croatia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden. Non-EU Member States: Iceland, Norway, Switzerland, UK.