28 March 2018

**Press release**

## PensionsEurope calls for a final Brexit agreement that considers the impact on the pension sector

On 23 March 2018, the European Council adopted the Guidelines on the framework for a future relationship with the UK after Brexit, which now serve as a mandate for the EU to discuss the framework for the future relationship, with the aim of reaching a common overall understanding with the UK. PensionsEurope hopes that the final agreement will be reached in time, and that it considers the impact on the pension sector. Today on 28 March 2018, PensionsEurope published a position paper on Brexit, and you can find it here.

Jerry Moriarty, Vice-Chair of PensionsEurope and Chair of PensionsEurope Working Group on Brexit, said:

*"The outcome of the Brexit negotiations will have a significant impact on the pension sectors in the EU and in the UK. I hope that the EU and the UK will reach final agreement in time, because if there is no deal agreed it is likely to have a negative impact on economic outlook which will then impact on the companies that sponsor pension schemes and put the funding of those schemes under pressure. It would also generate uncertainty for EU citizens working in the UK regarding their own pension rights and social security rights and for UK citizens who work in other EU countries."*

*"We are pleased about the agreement reached by the EU and the UK on parts of the legal text of the Withdrawal Agreement and that EU citizens coming to the UK will enjoy the same rights as those having arrived before the start of the transition period. The removal of article 32, which limits the right of onward movement for UK citizens in the EU27, is also welcome. It is also good news that citizens will maintain their right to pensions, healthcare, and other social security benefits, and if they are entitled to a cash benefit from one state, they may generally receive it even if they decide to live in another state."*

Matti Leppälä, CEO/Secretary General of PensionsEurope, said:

*"The EU and the European Economic Area have made it easier to invest in Europe, and a growing, developing and stable economy attracts more investments. I hope that Brexit will not negatively affect the wider economy and put new barriers in the way of asset flows across Europe. A strong economy is needed so that sponsoring employers all over Europe can support high-quality workplace pension schemes and a robust financial sector is crucial for pension funds' investments."*

*"In this challenging and uncertain environment, it is of utmost importance that policymakers and supervisors do not cause any unnecessary burdens, costs or uncertainty for pension funds. Their consequences would be harmful also for the wider European public, as they would lead to decreasing investments by pension funds in the European real economy that creates jobs and growth. Instead, policymakers should focus on removing the barriers to cross-border investment in Europe."*

# About PensionsEurope

**PensionsEurope** represents national associations of pension funds and similar institutions for workplace pensions. Some members operate purely individual pension schemes. PensionsEurope Members are large institutional investors representing the **buy-side** on the financial markets.

PensionsEurope has **23 member associations** in 19 EU Member States and 3 other European countries with significant – in size and relevance – workplace pension systems[1].

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 **26 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;

**Workplace pensions 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, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden, UK. Non-EU Member States: Iceland, Norway, Switzerland.