



Press Release

TWO NEW REPORTS LAUNCHED AT PENSIONSEUROPE CONFERENCE

Thursday 8 June 2017 - PensionsEurope has launched two new reports at its annual conference in Brussels today. The reports entitled “Towards a New Design for Workplace Pensions” and “Principles of Securing Good Outcomes for Members of Defined Contribution Pension Plans throughout Europe” focus on developing the thinking around workplace pensions in Europe.

“Towards a New Design for Workplace Pensions” aims to provide a framework for modern pension solutions in order to achieve good pension outcomes for participants and beneficiaries linking the best of the Defined Benefit (DB) and Defined Contribution (DC) world. Using experiences from countries across Europe with DB systems, the paper identifies the necessary features of a good pension system – adequacy, sustainability, reliability and efficiency. Looking to the future, PensionsEurope intends to launch a follow-up report which looks at how these principles might be applied including the impact on the employer and the employee as well as the political impact and impact on the regulator.

“Principles for Securing Good Outcomes for members of Defined Contribution Pension Plans throughout Europe” discusses the evolution of DC pension plans. Specifically, it considers what a good outcome for the pension system might be and sets out the principles that will support this (for a full list of the principles please see notes to editors).

Janwillem Bouma, Chair of PensionsEurope, commented:

“We are delighted to be hosting our annual conference in Brussels this week – entitled “Security in an uncertain world: the role of pension schemes in 2017 and beyond”. Attracting representation from over 20 countries, this event brings together leading thinkers and speakers covering the wide range of issues impacting on pension funds.

“PensionsEurope is a thought leader in Europe and we have designed these two reports to stimulate discussion and debate around defined benefit and defined contribution pensions. Good outcomes need to be at the heart the industry and we are confident that the thinking outlined in these publications will help the industry to develop going forward.”

Report:

“Principles for Securing Good Outcomes for members of Defined Contribution Pension Plans throughout Europe” include:

- **Plan Design** - Plans should be designed with good member outcomes in mind and focus on the needs of participants in retirement;
- **Communications** - Communications should be clear so that participants can understand the benefits of the plan and, where they have to make choices, they can do so on an informed basis and appreciate the impact of the choices they are making;
- **Administration** - Administration of DC plans is complex and administration systems need to be robust to ensure benefits are accurate;
- **Investments** - Investments should be appropriate and suitable to the members’ needs. Where the members have to make choices they should be provided with assistance that enables them to make informed choices;
- **Costs and Charges** - Costs and charges should be appropriate and should represent value for money;
- **Decumulation** - Retirement options should be appropriate and, where members have choices to make, the impact of those choices should be clear.

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 24 member associations in 19 EU Member States and 3 other European countries with significant – in size and relevance – workplace pension systemsⁱ. 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 25 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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ⁱ 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