

Speech Jasper Kemme – Summary

[Ladies and gentlemen, it is time to move on to the next part of our programme.]

Now that we have heard the speeches of both Commissioner Barnier and Minister Kamp and their answers to your questions, I would like to start this last part of our programme by telling you something about the Federation of Dutch Pensionfunds.

The Dutch pension fund associations that have set up the Federation have been present in Brussels since 2009, since we felt the need to have a foot on the ground in the city where the European pension landscape is formed. We want to share experiences and information with our European partners and promote our values such as collectivity and risk sharing. The most important European document for us at the moment certainly is the Green Paper on pensions.

We appreciate the fact that this Green Paper is a joint effort of three Directorate Generals and, as I said before, we urge the European

Commission respectfully to continue with this holistic approach. We are curious to see the outcome of the consultation on the Green Paper and are willing and ready to cooperate with the European Commission services to bring this project to the next level.

Our main messages with regard to the Greenbook are the following:

As the subsidiarity-principle is applicable to pensions, it is first and foremost up to the member states to ensure that the challenges of an ageing society are taken up and sound reforms are implemented to keep pensions adequate and sustainable. Keeping this in mind, there is of course also a lot the European Commission can do to facilitate and support the efforts of the member states in this respect.

Firstly, I would be advisable in our view to promote a **multi-pillar approach** with a strong role for occupational pensions and collective solutions managed by or under the supervision of social partners, that

allow for risksharing. In the Netherlands we have very good experiences with mandatory occupational pension schemes. Because of the mandatory enrollment, more than 90% of the Dutch employees are a member of a pension fund, be it a sectorwide fund, a company fund or a fund for the so called free professions.

The security and sustainability of pensions needs to be enhanced.

However, we want to underline that any European framework should not jeopardize well functioning national systems. Therefore, proper impact assessments are necessary to make sure that any proposed rules for pension security do not harm the provision of occupational pensions in those countries which are already up to speed with regard to security and sustainability of pensions. As you have heard in the speech of Minister Kamp, we are working hard on this issue in the Netherlands.

Mobility of workers in the EU should be enhanced, but we doubt whether pensions are the biggest barrier to cross-border mobility of workers. Having said that, we feel that all pension related barriers to the mobility of workers in the EU should be removed. We think it is very important that any rules designed to remove barriers to mobility apply to all work-related pensions, not just to the pension institutions that are currently covered by the IORP directive. Removing barriers does in our view not necessarily mean enhancing the possibilities for international value transfers. In a world in which average pay DB schemes and DC schemes are the rule, transferring pension capital from one IORP to the other is not necessarily the most efficient way of making sure that the mobile worker is no worse off than his or her colleague who is less mobile. Moreover, from a risk perspective, it could even be preferable to have entitlements with several pension institutions, not just one.

A European tracking service for pension rights could, as Minister Kamp also mentioned, be very helpful in this respect. Mobile workers should

be able to track back their occupational pension rights accross Europe. The recently established Dutch Pensionregister could perhaps serve as an example for other countries.

With regard to the **IORP Directive**, we think that first and foremost its scope should be broadened to all work related pensions. Before changing or reviewing the IORP Directive, a proper impact assessment on all aspects whether security, risk management, governance, communication policy and responsible investment is necessary. It is therefore very important, we cannot stress this enough, to carefully analyze the different pension systems before proposing any new rules. Furthermore we think that a security regime for pension institutions should be tailor made. Pensionfunds and insurence companies are very different animals and should thus be treated differently.

Finally, what we have learned out of the crisis is that we need to improve our communication. Proper information for members and

beneficiaries about what they can and cannot expect from their pension institutions and about the risks involved in trying to achieve the desired pension outcome is crucial.

Ladies and gentlemen, the time has come to conclude. I would like to thank Commissioner Barnier and Minister Kamp very much for their excellent and inspiring speeches. I would also like to thank Ambassador de Bruijn for allowing us to be here, and his team for supporting us in organizing this event. Thank you also to the employees of the Federation of Dutch Pension Funds for all the work they did to make his event possible.

Finally, I would like to invite everybody to join us for the cocktail or borrel as we say in Dutch. Thank you all for coming and enjoy the rest of the evening.

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