

OPSG

OCCUPATIONAL PENSIONS STAKEHOLDER GROUP

Advice for gender pension gap and occupational
pension sector

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INTRODUCTION

The gender pension gap is often seen as a challenge for the first, public pension system, but occupational pensions can also contribute to this problem or solution. According to the 2022 Consumer Trends Report by EIOPA¹, there is a gender gap in access to insurance and pension products. For example, 56% of women, compared to 46% of men, say they are not confident they would have enough money to live comfortably through retirement, according to the Eurobarometer survey. The report also notes that women display lower financial knowledge than men and tend to be less confident in their financial skills. However, there are methodological issues and questions about the definition of financial literacy.² Other significant factors contributing to the inequality are listed in the OPSG advice in 2020.

The objective of this advice is to examine the gender pension gap in the occupational pension sector, pinpoint effective strategies, and provide recommendations.

Most analyses focus on the overall gender pension gap, but we specifically aim to highlight the occupational pensions sector. That's why we rely on SHARE data (the Survey of Health, Ageing and Retirement in Europe). We will also use additional research and leverage the expertise and knowledge of other members within OPSG to examine the causes of the gap and good practices in the industry to help address the issue. We will also consider the tools of behavioural economics that can increase women's participation in the occupational pension sector. Ultimately, we hope to promote gender equality as a source and result of more sustainable finance.

¹ EIOPA (2023) Consumer trends report 2022, Luxembourg: Publications Office of the European Union, 2023

² Wagland S, Taylor S., (2009) When it comes to financial literacy, is gender really an issue? Australasian Accounting Business and Finance Journal, vol 3. (2009), Issue 1

Furrebøe E.F., Nyhus E.K. (2022), Financial self-efficacy, financial literacy, and gender: A review, The Journal of Consumer Affairs, Volume56, Issue2

THE SCOPE OF GENDER GAP IN OCCUPATIONAL PENSIONS

The gender pension gap is a well-documented and persistent issue, affecting both the public and private sectors. Moreover, study shows that the higher coverage of occupational pensions corresponds to a higher gender pension gap.³ This is, of course, due to the fact that occupational pensions are closely linked to work, with women being less active on the labour market, more likely to work part-time, disappearing from the labour market due to caring responsibilities and being paid less (as discussed in detail in the next section of this advice). Most of the analyses do not allow to study gender gap in the first and the second pillar of pension system separately. This is why we use SHARE data (Survey on Health, Ageing and Retirement in Europe). SHARE is a unique panel database of micro data on health, socio-economic status and social and family networks covering European Union countries. Currently, the 8th wave of this panel study has already been carried out issued with additional research on the impact of the pandemic on the socio-economic aspects of Europeans' lives.⁴

In wave 8 carried out in 2019/2020 in EU countries, Israel, and Switzerland, out of 46,733 respondents, 37,589 people were born up to and including 1955 (i.e. those who were 65 years old on the day of the survey). 13% of them (4888 people) received income from occupational pension in the year preceding the survey.

Respondents who were already beneficiaries were asked about amount received from all occupational pension last year. The chart below illustrates that women more often than men received lower pensions from the occupational pension system. Almost half of the women received benefits up to €1,000 in the previous year, while men had a relatively high percentage of 36.3% in

³ Veremchuk A., (2020), Gender gap in pension income: cross-country analysis and role of gender attitudes, The University of Tartu FEBA, <https://majandus.ut.ee/en/research/workingpaper>

⁴ Bergmann, M. and A. Börsch-Supan (Eds.) SHARE Wave 8 Methodology: Collecting Cross-National Survey Data in Times of COVID-19. Munich: MEA, Max Planck Institute for Social Law and Social Policy

the same category. However, 24.3% of men received benefits in excess of €16,000, compared to only 12% of women who received such a high benefit.

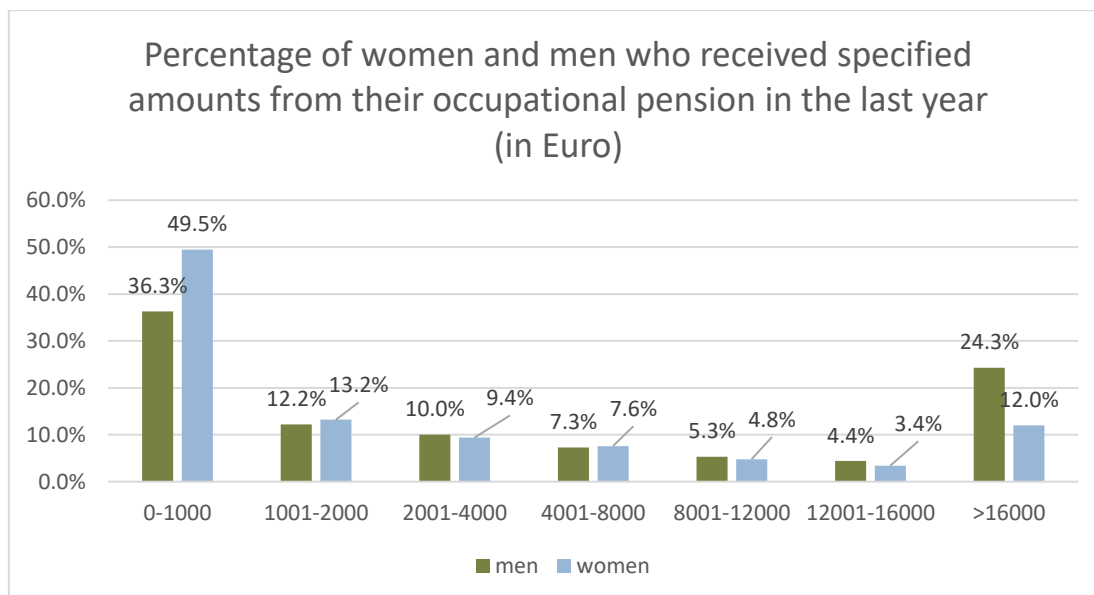


Chart 1. Percentage of women and men who received specified amounts from their occupational pension in the last year (in Euro) Source: Own estimation from SHARE (Survey on Health, Ageing and Retirement in Europe), wave 8 (2021)

Another important question is the level of coverage by occupational pension schemes of the people before retirement age. In overall, among people in productive age, men's occupational pension coverage in the EU is higher (15.7%) than women's (10.9%).

	Male	Female
Austria	10,9%	6,3%
Netherlands	77,9%	78,4%
Germany	35,8%	29,9%
Sweden	88,2%	89,2%

Spain	4,4%	3,4%
Italy	3,2%	1,9%
France	59,3%	51,5%
Denmark	72,6%	76,6%
Greece	3,4%	2,2%
Belgium	42,3%	25,5%
Luxembourg	20%	7,1%
Estonia	32,1%	38,8%
Lithuania	8,5%	9,4%
Finland	5,6%	2,5%
Slovakia	7,8%	10,8%
Romania	1,2%	2,2%

Table 1. Occupational pension schemes coverage, Source: Own estimation from SHARE (Survey on Health, Ageing and Retirement in Europe), wave 8 (2021)

Previous research, analyses, and data from the SHARE panel surveys confirm that in most countries, fewer women than men of working age are members of occupational pension plans. Furthermore, data on benefit amounts strongly indicate that even women who are enrolled in such schemes

receive lower benefits from these systems. This has causes both within the structure of pension systems themselves and outside of them, which we will demonstrate in the next section.

CAUSES OF GENDER PENSION GAP

The gender pension gap is a well-documented and persistent issue, affecting both the public and private sectors. The reasons of gender pension gap are mostly result of the labour market and gender attitudes. There are, however, some reasons that can be improved via occupational pension solutions.

GENDER PENSION GAP REASONS WHICH CANNOT BE ANSWERED DIRECTLY BY PENSION SCHEMES.

LOWER INCOMES

The first reason of gender income inequalities is a pay gap. According to Eurostat the gender pay gap in the EU was at the level of 12.7 % in 2021.⁵

⁵ Eurostat (2023) Gender pay gap statistics, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics



Chart 2. The unadjusted gender pay gap in 2021 in EU countries. Source: Eurostat 2023

The unadjusted gender pay gap represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. Nonetheless, a reduced gender pay disparity in particular nations doesn't imply that their labour market is more equitable towards gender. It's possible for countries with a lower female employment rate to have a lower gender pay gap, as the workforce may primarily consist of women with greater earning potential, such as those with advanced education.⁶

The second reason of gender income inequalities is therefore a sector of economy in which individuals work. Gender segregation in some industries may account for part of the wage gap, as women tend to be concentrated in lower-wage sectors. To illustrate, women are more likely to be employed in fields such as education and healthcare, while men are more prevalent in finance and information technology.⁷ This is why for example in the Netherlands, PFZW, the health care and

⁶ https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_en

⁷ Leuze, K., & Strauss, S. (2016). Why do occupations dominated by women pay less? How 'female-typical' work tasks and working-time arrangements affect the gender wage gap among higher education graduates. *Work, Employment & Society*, <https://doi.org/10.1177/0950017015624402>

welfare sector IORP in the NL (with a 88% female population) applies a lower threshold so that participants start from pension accrual at a lower income level. One of the main reasons to apply this lower threshold is the fact that the large majority of the participants is female and more frequently work part time. This leads to a higher pension accrual.

A third factor contributing to the gender pay gap is that women are more likely to work part-time. This can be for a variety of reasons, such as looking after children or elderly family members, or having difficulty finding a full-time job. Part-time work tends to offer fewer career advancement opportunities, which may result in lower earnings for women. In addition, women who take career breaks to care for family members often experience setbacks in skills and work experience development, which can lead to a reduction in their earning potential when they return to the labour market.

It can be seen also in SHARE data (see graph below):

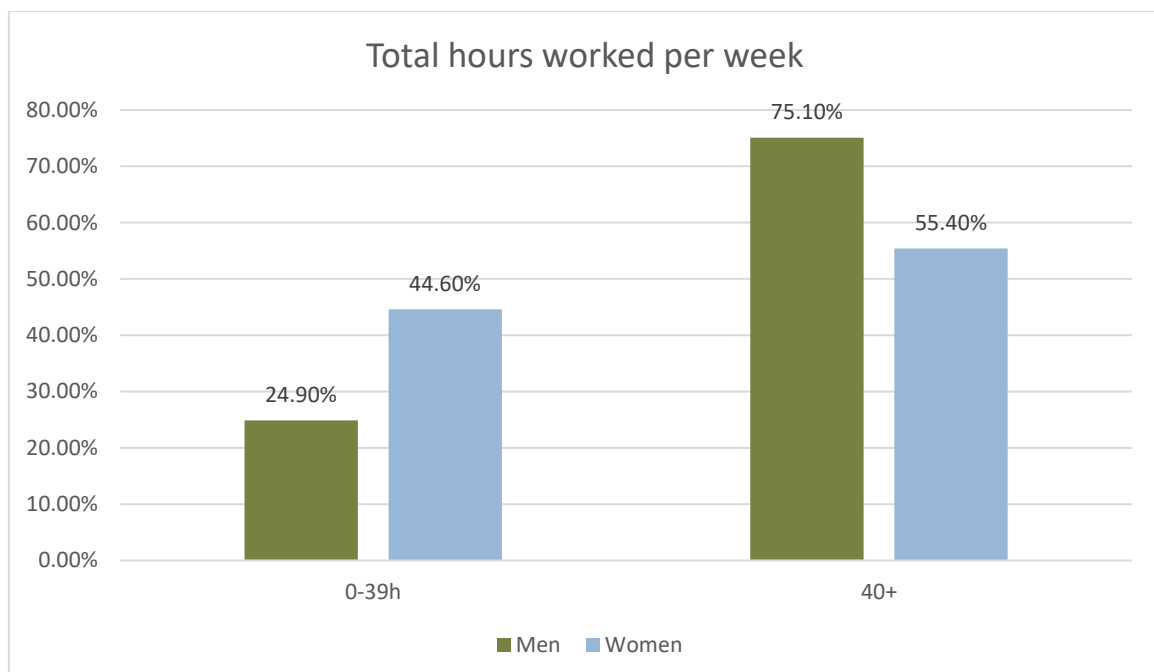


Chart 3. Total hours worked per week, Source: own estimation from SHARE (Survey on Health, Ageing and Retirement in Europe), wave 8 (2021)

Another cause of the gender pay gap is that women are less likely to hold leadership positions in the workplace. This can be due to various factors, including systemic barriers, gender stereotypes, and biased hiring and promotion practices.⁸

Due to all those reasons, gender overall earnings gap which influence future pension benefit, especially in DC⁹ systems, is much higher. Another statistic, the gender overall earnings gap is a composite measure that reflects the combined effects of three factors: 1. the average hourly wage, 2. the monthly average of paid working hours (without adjustment for part-time work), and 3. the employment rate. It assesses the average earnings of all women of working age, regardless of employment status, and compares them to those of men. By considering these three factors, the gender pay gap provides a more comprehensive picture of the earnings disparity between genders in the workforce.

⁸ Alqahtani, T. (2020). The Status of Women in Leadership. American Book Review. DOI:10.14738/abr.83.8004

⁹ Defined Contribution (DC) pension systems involve individuals contributing to their own retirement accounts, with the eventual payout based on the accumulated contributions and investment returns. In Defined Benefit (DB) pension systems, the employer guarantees a specific payout to employees upon retirement, usually based on factors like salary and years of service. The key distinction lies in the risk and responsibility: DC puts it on the individual to manage their investments, while DB places the responsibility on the employer to fulfill the promised benefits.

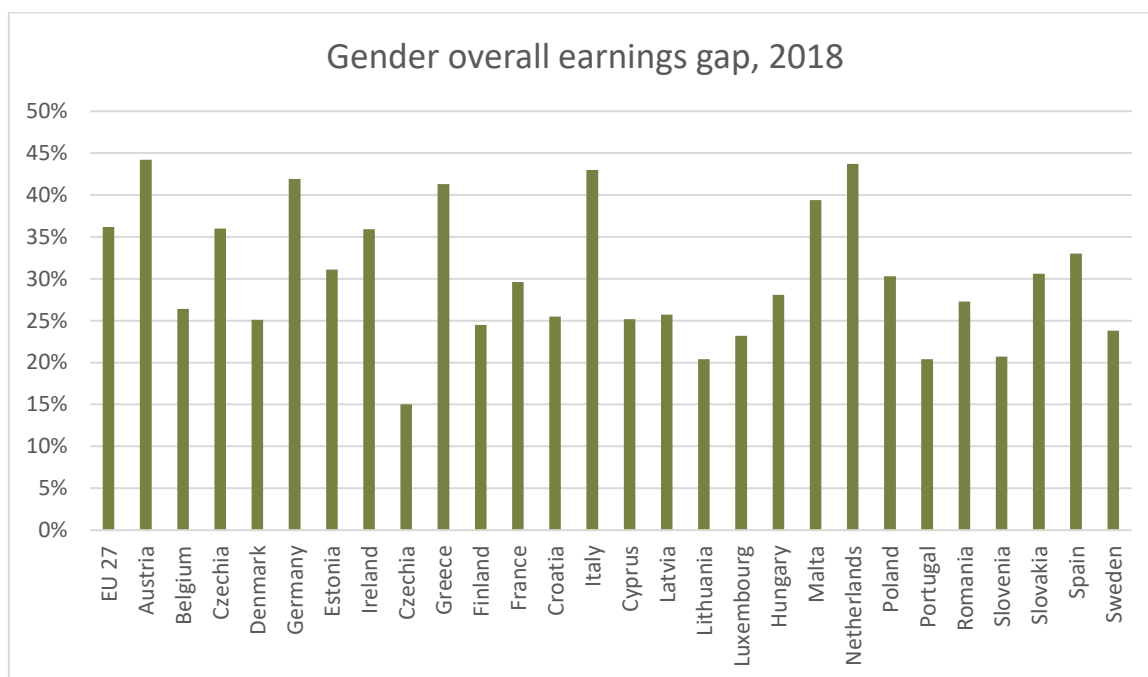


Chart 4. Gender overall earnings gap, source: Eurostat 2018, Gender overall earnings gap, <https://ec.europa.eu/eurostat/databrowser/view/teqges01/default/table?lang=en>

SHORTER CAREERS (INCLUDING INTERRUPTED CAREERS) AND LOWER ACTIVITY RATE OF WOMEN.

There are several reasons for women's shorter careers. Firstly, in several countries of the European Union the retirement age for women is still lower than the retirement age for men. These are Austria, Croatia, and Lithuania (which, however, ultimately plan to equalize the retirement age) and Poland, where the difference is as much as 5 years and no significant discussions are currently being undertaken to change this status quo.

Secondly, employment activity rate is in general lower for women, and the difference increases significantly with age. The average activity rate for men in EU 27 for people aged 20-64 for men is 80% for men and 69,3% for women. The average activity rate for people between 55-64 is equal to 68,7% for men and 56,2% for women. However, in two countries: Finland and Estonia, the activity

rate of older workers is higher for women than for men.¹⁰ The lower labour market activity rate of women can be attributed to a multitude of factors. Firstly, women continue to bear a disproportionate amount of unpaid care work, such as caring for children, elderly parents, or family members with disabilities. This responsibility can limit their ability to participate in the workforce and work longer hours, especially in countries with inadequate family support and public services policies. Moreover, women take parental leave more often compared to men, and research indicates that upon returning to work, they seldom catch up in earnings with those who did not take such a break.¹¹ However, despite efforts and policies implemented in many countries, as well as at the European Union level, paternal leave is often shorter than maternity leave. Furthermore, due to cultural and societal norms and expectations, men are less likely to take time off from work¹². Another limiting factor may be that parental leave benefits may be lower than 100% of the salary. Consequently, for economic reasons, it may be easier for a couple to reduce the income that is already lower, typically that of the woman.

Secondly, women often experience limited access to training and skill development opportunities while working.¹³ Lastly, the COVID-19 pandemic has exacerbated existing gender inequalities in the labour market, with women more likely to experience job losses and reduced working hours.

¹⁰ Eurostat (2022) Employment and activity by sex and age - annual data, https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_A_custom_6078266/default/table?lang=en

¹¹ [How to reduce the motherhood penalty and the gender pay gap | World Economic Forum \(weforum.org\)](https://www.weforum.org/articles/how-to-reduce-the-motherhood-penalty-and-the-gender-pay-gap/)

¹² Fox, B. (2019). When Couples Become Parents: The Creation of Gender in the Transition to Parenthood. University of Toronto Press

Kurowska A., Javornik J., Work and Care Opportunities under Different Parental Leave Systems: Gender and Class Inequalities in Northern Europe, Volume 51, Issue 4 Special Issue: Regional Issue: Nordic and Baltic welfare states

¹³ Magda, I. (2020). Jak zwiększyć aktywność zawodową kobiet w Polsce? Evidence from Poland, IBS Policy Paper 01/2020, <https://ibs.org.pl/publications/jak-zwiekszyz-aktywnosc-zawodowa-kobiet-w-polsce/>

Veremchuk A., (2020), Gender gap in pension income: cross-country analysis and role of gender attitudes, The University of Tartu FEBA, <https://majandus.ut.ee/en/research/workingpaper>

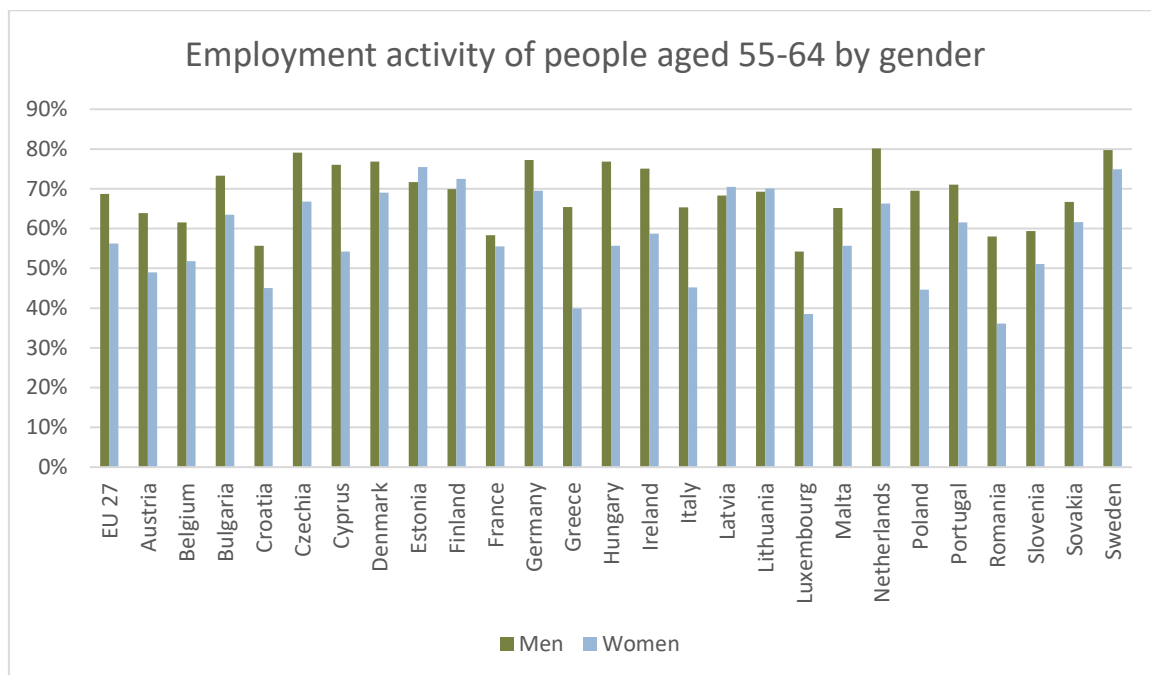


Chart 5. Employment activity of people aged 55-64 by gender, source: Eurostat 2022

There is also a significant disparity between men and women in current employment status. In a SHARE study considerably higher number of women than men were not working because they were occupied with household responsibilities (and all the so-called unpaid work)¹⁴. This factor also has a substantial impact on the lower participation of women in public as well as supplementary occupational pension schemes.

¹⁴ International Labour Organization (2018b). Domestic Workers Across the World: Global and Regional Statistics and the Extent of Legal Protection. Geneva: International Labour Organization.

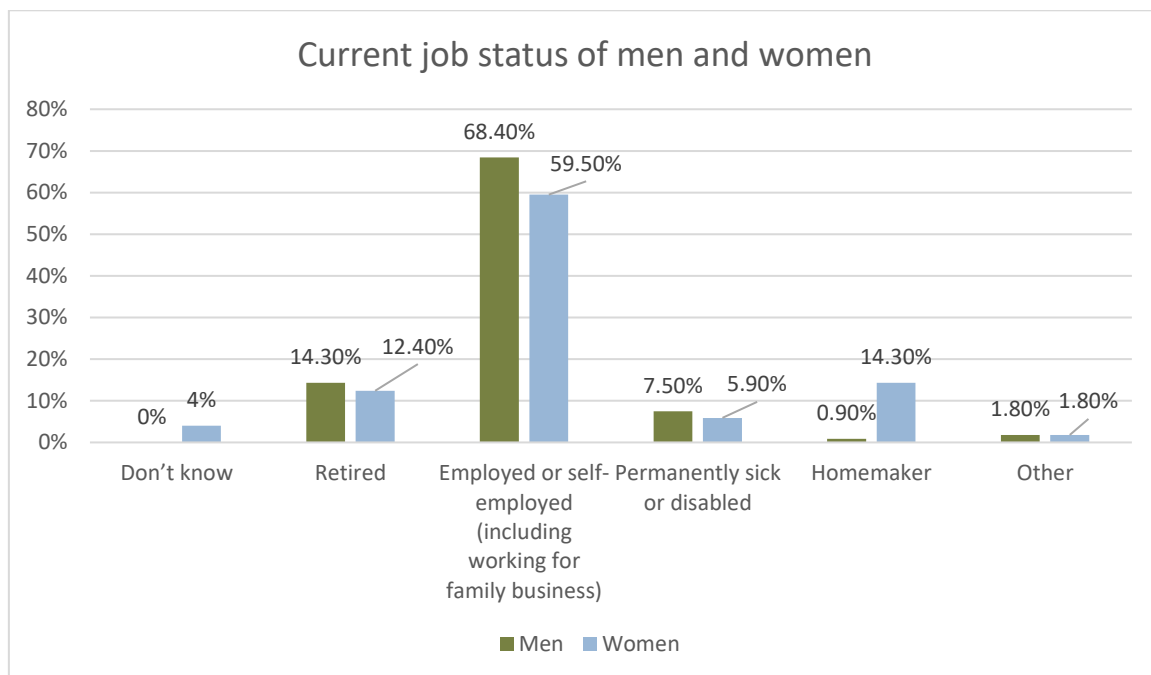


Chart 6. Current job status of men and women, source: Own estimation from SHARE (Survey on Health, Ageing and Retirement in Europe), wave 8 (2021)

The gender pension gap largely stems from the structure of the labour market, undervaluation of unpaid caregiving work, and cultural factors. The European Union (EU) has been actively working to address the gender pay gap and has taken several measures to tackle this issue. The solutions include both important legal acts i.e.:

- Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast)
- Directive 2019/1158/EU of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU
- Directive 2023/970/EU of the European Parliament and the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.

However, the equal pay - which explains to a large extent the pension gap - for men and women dates back to EU case law in the '70 of the last century (Defrenne II, C-43/75). The principle is also

laid down in article 21 the EU Charter of Fundamental Rights and is a key issue in EU law. The EU must do everything in its power to achieve this.

There are also different strategies i.e. Gender Equality Strategy 2020-2025, which sets out a comprehensive framework to address various gender-related challenges, including the gender pay gap. The strategy focuses on actions such as promoting equal economic independence, ensuring equal pay, and combating gender-based violence.

Also EIOPA has already undertaken initiatives to reduce the pension gap in supplementary pension schemes, i.e.:

- EIOPA advice to the Commission with good practices for developing national pension tracking systems (PTS), to enhance citizens' awareness of their future retirement income from all three pension pillars
- EIOPA advice to the Commission on the development of pension dashboards and the collection of additional data from private pension providers to support policy makers in monitoring national pension systems and to close pension gaps
- EIOPA advice for the IORP II review, aiming to ensure that IORPs will be able to continue to contribute to adequate and sustainable pensions in view of observed trends. E.g. for DC, advice on better governance, risk assessment and transparency of costs and charges.

GENDER PENSION GAP REASONS THAT COULD BE ANSWERED VIA INTRODUCTION OF SOME EQUALITY SOLUTIONS IN OCCUPATIONAL/PRIVATE PENSION SCHEMES OR AROUND - RECOMMENDATIONS.

LONGER LIFE EXPECTANCIES OF WOMEN

In 2022 in the EU life expectancy at birth was 5,6 years higher for women than for men. The lowest difference in life expectancy was 3,2 years in the Netherlands, 3,6 in Malta and 3,7 in Sweden, and the highest was 8 years in Poland, 8,9 in Estonia, 9,3 in Lithuania and 9,8 years in Latvia.¹⁵In many cases, reducing the difference in life expectancy requires the support policies and health prevention of men. However, from the point of view of pension systems in DC, this means that women's pension is calculated on the basis of the division of capital over a longer period, so not only is the accumulated capital lower, but also the denominator of the pension equation may reduce the amount of the benefit in the countries where the age of retirement for women is lower. One of the solutions already in place in the EU since 2012 is the calculation of pension benefits based on unisex mortality tables, which is incorporated into new programs. Other possible solutions are as follows:

Possible solutions:

- Equalization of the retirement age for women and men, which further exacerbates the issue in several countries.
- Introducing and promoting the survivor benefit solution for widows and widowers in occupational pension schemes.

¹⁵ [Statistics | Eurostat \(europa.eu\) https://ec.europa.eu/eurostat/databrowser/view/demo_mlexpec/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/demo_mlexpec/default/table?lang=en)

THE CHANGING FAMILY MODELS

The evolving family dynamics, with an increase in divorces, separations, and fewer children in an aging society, also impact future retirement. If one partner has been saving for retirement (or both, but with one contributing significantly more due to differences in income or opting for part-time work, for instance, to manage household responsibilities), divorce or another form of separation can significantly affect the financial situation of the other person, especially women, in their retirement years.

Possible solutions:

- Appropriate legislation regarding the **division of assets for divorced or cohabiting partners** - entitlements to occupational pensions must be shared by both parties in the event of divorce, legal separation, or the termination of a long-term cohabitation. In most cases, the income earner would have been saving for their occupational pension, while the other partner (usually the female partner) was responsible for homemaking and caring for the family. The pension must be valued on the 'date of separation', and only the value that has built up since date of marriage or civil partnership formed should be considered. E.g. Germany has implemented a system of 'divorce splitting.' The research results indicate that this solution contributes to increasing the public pension benefits of divorced women.¹⁶ Therefore, it is worth considering implementing a similar approach in the occupational pension systems.
- Transparent documentation - clearly outline the rules and procedures related to the division of pension benefits in the event of divorce or separation within the documentation of occupational pension schemes.
- Financial counselling services - offering financial counselling services to individuals going through a divorce or separation, guiding them on the potential impact on occupational pensions and helping them make informed decisions.

¹⁶ Kreyenfeld M, Schmauk S, Mika T. The gender pension gap in Germany: is divorce a gender-equaliser? Ageing and Society. 2023;43(11): 2700-2720. doi:10.1017/S0144686X21001513

LOWER OR DIFFERENT SCOPE OF FINANCIAL EDUCATION

As stated at the beginning of this advice the EIOPA report notes that women display lower financial knowledge than men and tend to be less confident in their financial skills. This is confirmed by many studies, especially in case of married/in couple women.¹⁷ or with the most traditional gender role attitudes.¹⁸ However, research shows that the problem is not only the lower level and access to financial knowledge, but also the lack of self-confidence among women with high financial skills. The suggested solution may therefore be not only financial education programs that specifically target women but also encouraging programs and addressing societal and cultural norms.¹⁹ As far occupational pension programs it seems that communication is crucial.

Possible solutions:

- Providing easily understandable and accessible online pension plan information about future benefits, including details on contributions, expected level of pension at different retirement age and investment opportunities. This information should be presented in a user-friendly format, avoiding complicated jargon, and using visual aids. It should be issued regularly to individuals in order to help them track their pension history and long-term impact of their pension situation.
- Creation of centralised pension tracking system that would allow individuals to have a consolidated overview of their pension benefits from both public and private sources. This would provide a clearer picture of their overall retirement income and help individuals make more informed decisions about their financial future.
- Widespread implementation of dedicated pension advisory offices, incorporating all, also occupational pillars. The popularization of this advisory model could not only facilitate access

¹⁷ Aguiar-Díaz, I., & Zagalaz-Jiménez, J. (2021). Women and financial literacy in Spain. Does marital status matter? *Journal of Women & Aging*, Vol. 34, Issue 6, <https://doi.org/10.1080/08952841.2021.1991194>

¹⁸ Smith, B., & Finke, M. (2021). Women and Finance-Specific Human Capital: Impact of Gender Role Attitudes. Available at SSRN: <https://ssrn.com/abstract=3937669> or <http://dx.doi.org/10.2139/ssrn.3937669>

¹⁹ Bannier, Christina E.; Schwarz, Milena (2017) : Skilled but unaware of it: Occurrence and potential long-term effects of females' financial underconfidence, Beiträge zur Jahrestagung des Vereins für Socialpolitik 2017: Alternative Geld- und Finanzarchitekturen - Session: Behavioral Finance, No. G16-V2, ZBW - Deutsche Zentralbibliothek für Wirtschaftswissenschaften, Leibniz-Informationzentrum Wirtschaft, Kiel, Hamburg DOI:10.2139/SSRN.2925196

to retirement security information but could also contribute to raising financial awareness, fostering a more equitable shaping of future pensions within European society.

- Collaboration with employers to promote pension awareness. Employers can play a role in providing information, facilitating enrolment, and encouraging employees, including women, to actively engage with their pension plans. However, although many of the reasons (gender patterns, part-time work, career breaks for caregiving) lie beyond the scope of strictly pension-related solutions, certain incentives can be introduced through the systems to address them.
- Creating comparison websites that would encourage men and women to understand more about which plans to choose and they would be more confident to save for retirement.
- Promoting the incorporation of financial education as a compulsory subject in school curricula, complemented by continuous reinforcement through training and retraining programs for workers. Strengthen financial inclusion strategies and enhance efforts to reach specific demographic groups, including young individuals, women, immigrants, and those with low incomes. This comprehensive approach aims to establish a more fluid and accessible pathway to financial literacy and inclusion.
- The financial industry should actively engage in initiatives that address both microfinance and financial education, while also facilitating access to essential financial services. This entails the financial sector making a dedicated commitment to ensuring honesty and transparency in customer service, and unequivocally prioritizing the interests of its clients.
- Use of modern technologies including artificial intelligence, have the potential to strengthen efforts to reduce the gender pension gap by more precisely understanding and responding to the individual financial situations of individuals of different genders. Support of AI in order to provide automatic optimizations for retirement portfolios, minimizing the impact of gender inequalities on investments.

Examples of initiatives from the Netherlands:

- Reality Check of ABP pension fund - The 'What-if...' tool. It has an option 'what if you start working part-time', but the advice is quite general.

- The [WerkUrenBerekenaar van het Nibud of de Werkzorgberekenaar van Nibud en WomenInc](#) Provides insight into how much larger one's disposable income becomes if one works more after answering a few questions. However, there's no insight into how much extra will be received for the pension. Users are referred to the complicated “Pensioen Geldplan.”
- [Money challenge van Nuvoorlater of the Dutch Pension Federation](#) Easily calculates how much money one saves in total if they set aside a certain amount every month for a certain number of years
- [ABP working less or more & your pension:](#) when logging into the site, users can easily calculate the reduction in accrued pension when working fewer hours. Utilizing a slider panel allows users to specify the percentage of work, revealing the corresponding decrease in pension accumulation.
- [Wijzer in geldzaken:](#) addresses considerations related to working more or less, having children, and experiencing divorce.

LOWER ACCESS TO INSURANCE AND OTHER PRIVATE PENSION SCHEMES, INCLUDING OCCUPATIONAL.

This gap has already been identified in the 2022 Consumer Trends Report by EIOPA. We have also shown it below basing on SHARE data. However, although many of the reasons (gender patterns, part-time work, career breaks for caregiving) lie beyond the scope of strictly pension-related solutions and require comprehensive national and EU social policies, certain incentives can be introduced through the systems to address them.

Possible solutions

- Address career breaks by developing mechanisms allowing voluntary contributions during caregiving responsibility or flexible contribution levels.
- Introduce a policy where the contribution of the second parent (typically the non-birth parent) can be divided and paid equally to both parents during maternity leave. It could ensure that both parents continue to contribute during that period. By sharing the contribution, it

acknowledges the shared responsibility of parenthood and helps maintain pension savings for both parents, promoting gender equality and financial security in retirement.

- Ensure that employers continue making contributions on behalf of employees while they are on maternity (or paternity) leave.
- Introducing the possibility to enrol the fiscally dependent family members in the scheme and pay contributions in their favour. That works in Italy and contributions are deductible from the taxable income.
- Advocate for gender diversity on pension scheme boards and decision-making bodies to ensure that the unique needs and concerns of women are adequately addressed in policy decisions.
- Introduction of auto-enrolment in the occupational pension scheme within the private sector, with the option to opt out. In certain countries, especially those with already higher occupational pension participation rates, auto-enrolment should be considered if favourable general pre-conditions for occupational pensions are provided (such as tax incentives, exemption from social security contributions, additional contributions by the employer, etc.) Mandatory occupational pension scheme in the public sector (where there are more women and lower salaries)
- More incentives for second and third pillar pensions, including the introduction of attractive tax incentives, are crucial for promoting long-term financial security among citizens. However, it is essential to implement measures that consider factors such as income levels to effectively prevent any inadvertent exacerbation of income inequality—thus avoiding the 'Matthew Effect' which refers to the phenomenon where initial advantages or disadvantages can lead to cumulative advantages or disadvantages over time. Those who can afford it save additionally and, on top of that, take advantage of tax incentives. The less affluent, unable to save, consequently lose the opportunity for tax reliefs as well. Therefore it is important to construct tax incentives in order to ensure that the advantages of the enhanced pension incentives are distributed equitably.
- Promoting the Pan-European Personal Pension (PEPP) and other forms of individual pension schemes - especially crucial for individuals with career breaks, shorter tenures, self-employed

individuals, and those with limited opportunities for consistent savings within occupational pension schemes.

Women still earn less and are less active on the labour market, although significant improvements have been observed in many countries. However, as we have shown, they still have lower participation rates in supplementary occupational pension systems, and even when participation levels are similar, women tend to have smaller accumulated capital. The defined contribution system reflects the less favourable position of women in the labour market. Not everything can be fixed through changes in pension schemes alone. The European Union and member states policies have been actively involved in addressing these issues through legal regulations as well as soft measures. However, some problems can be addressed within pension schemes themselves by implementing solutions that support the fight against the occupational pension gender gap. We have outlined proposed solutions above.

This advice uses data from SHARE Wave 8, doi:10.6103/SHARE.w8.800

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