

## OPSG meeting

**DATE:** 23 March 2023  
**TIME:** 10:00 – 14:00 h CEST

**LOCATION:** ONLINE

## MEETING CONCLUSIONS

### AGENDA ITEM 1: APPROVAL OF THE AGENDA

1. The OPSG Chairperson welcomed OPSG members to the 13<sup>th</sup> OPSG meeting.

### CONCLUSIONS AND ACTION POINTS

2. The draft agenda (EIOPA-OPSG-23-06) was adopted.

### AGENDA ITEM 2: UPDATE BY OPSG CHAIRPERSON

3. OPSG Chairperson and topic owners informed the group about recent work.

### CONCLUSIONS AND ACTION POINTS

4. OPSG Chairperson reminded OPSG members to aim at submitting their presentation slides in time before each OPG meeting to allow sufficient time to get well prepare for the discussion during the meeting.

### AGENDA ITEM 3: UPDATE BY EIOPA

5. EIOPA Chair informed about the following items:
  - Financial market developments with particular focus on the recent SVB and UBS/CS banking issues and potential IORP exposures. EIOPA amongst others develops a risk dashboard for IORPs with specific risk category on liquidity and once further developed will report back to OPSG.
  - EIOPA Eastern Cooperation Conference held on 22 March with participation of European Commission, the IMF, World Bank and national regulators.

- EIOPA's publication of the revised IORP reporting requirements on 10 February 2023 which will make the reporting of occupational pensions information more proportionate and better fit-for-purpose. They will become applicable as of 1 January 2025.
  - Invitation to the EIOPA roundtable on defined Contribution Pensions organised on 21 April online.
6. OPSG members acknowledged that major challenges lie ahead of the pensions sector due to rising interest rates, climate change risks and geopolitical instabilities.
  7. Members discussed if and how the OPSG could become more pro-active and efficient for finding and proposing solutions.

#### AGENDA ITEM 4: GREENWASHING

8. OPSG Member Flavia Micilotta introduced the topic. She provided a comprehensive overview of the advice the OPSG had delivered in March to EIOPA.
9. OPSG members as well as EIOPA welcomed the presentation. EIOPA thanked the OPSG for the comprehensive comments and the input provided on the draft advice.
10. EIOPA is currently in the process of drafting its report to be delivered to the Commission by end of May 2023.

#### CONCLUSIONS AND ACTION POINTS

11. EIOPA to upload the OPSG advice on Greenwashing on the OPSG website area.

#### AGENDA ITEM 5: IORP II REVIEW

12. EIOPA provided members with an overview of the [EIOPA consultation paper on the IORP II review](#) work on six defined areas.
13. The Commission call for advice invites EIOPA to provide advice covering in particular the following areas:
  - The adequacy of the Directive from a prudential and governance point of view and the Directive's impact on the stability of different types of IORPs.
  - Cross-border activity and transfers.
  - The functioning of the Pension Benefit Statement.
  - The need for and possible ways to adapt the regulatory framework to the shift from defined benefit to defined contribution schemes.
  - The sustainability aspects of the fiduciary duties and stewardship rules of IORPs.
  - Prudential requirements to include diversity and inclusion issues in relation to management bodies.
14. This CP also explores options to enhance proportionality in the IORP II Directive, considering the results of a mapping of the implementation of proportionality at national level.

15. OPSG welcomed the comprehensive CP and encouraged EIOPA to integrate into its considerations the need to address the pension challenge and the increasing risk of poverty in retirement, in particular because of the limited pensions coverage among women. In this context, OPSG members expressed satisfaction with the reference made to the opportunity to use the review of the IORP II Directive to look at alternative solutions to grow the internal market for occupational pensions as a wider IORPs market would offer members and beneficiaries scale and potential savings. This being said, it was agreed that there are limits to what can be achieved by occupational pension schemes and DC plans to cover the pension gap. The OPSG also welcomed the proposals related to low-risk profile IORPs and small IORP exemption, while stressing the need to maintain a high level of protection.
16. In response to these comments, while agreeing the pension challenge raises concerns in many member states, EIOPA stressed that it will need to stick to its mandate, noting in particular that the organisation of first pillar pensions falls the sole responsibility of member states. The OPSG may of course decide to share its concerns in its response to the CP.
17. OPSG Chairperson explained that the pension challenges and possible solutions will be discussed again during the [European Retirement Week](#). Its third edition will take place in the last week of November with the launch event scheduled on 27 November.
18. The OPSG supported the Chairperson's proposal that members who took the lead in the preparation of the OPSG previous advice on the review of the IORP II Directive take the same responsibility in preparing the OPSG response to the public consultation. The OPSG work will therefore be organized its contribution to the EIOPA CP as follows with the following penholders:
  - Ioannis Tzanakos & Francesco Briganti on Governance and prudential standards
  - Philip Neyt on Cross-border activities and transfers
  - Christian Gülich on information to members and beneficiaries and other business conduct requirements
  - Jerry Moriarty on Shift from defined benefit to defined contributions
  - Flavia Micilotta & Torun Reinhammar on Sustainability
  - Matti Leppälä on Diversity and inclusion

## CONCLUSIONS AND ACTION POINTS

19. OPSG to provide its input to the CP by the end of the public consultation on 25 May 2023.

## AGENDA ITEM 6: PEPP – OBSTACLES FOR PROVIDING CROSS BORDER SOLUTIONS

20. OPSG member Jan Sebo presented his own initiative work on the PEPP. He outlined the regulatory requirements for PEPP and informed about his intention to progress together with a small team of academic researchers to develop a survey for comparison of the PEPP with national PPPs. The outcome of this work is not yet determined and could take the form of a working paper.
21. OPSG members showed interest to further work on this topic. A dedicated working meeting will be scheduled for interested OPSG members to join and exchange further.

#### CONCLUSIONS AND ACTION POINTS

22. OPSG Member Jan Sebo to convene in due course a dedicated working meeting (online) for further explanation and discussion of the research work and the next steps.

#### AGENDA ITEM 7: PEPP FOR SECOND PILLAR

23. OPSG Vice-Chair Falco Valkenburg presented his own initiative work on a potential Pan European Occupational Pension Product (PEOP). He outlined his initial thoughts for such an occupational pension plan for the second pillar that would offer similar advantages as a PEPP but to employees and employers. He outlined that this would be based on a voluntary basis and acknowledged that such a product to become successful for employers would have to generate volume. The idea is to develop a paper on this topic.
24. OPSG Members welcomed the initial ideas and in particular the fact that PEOP potential providers would benefit from a wider market than PEPP providers. However, it was stressed that the barriers to build a successful PEOP would be even more serious than those faced by the PEPP because of the diversity of social and labour laws applied at the national level to occupational pensions. It was also noted that the OPSG should also examine how the PEPP could be offered in the second pillar to boost demand and encourage providers to create PEPPs.

#### CONCLUSIONS AND ACTION POINTS

25. OPSG Vice Chairperson to convene a dedicated meeting (online) with all interested OPSG members to discuss the matter further.

#### AGENDA ITEM 8: OPSG REVISED REPORT ON INFLATION ENVIRONMENT FOR OCCUPATIONAL PENSIONS

26. Onno Steenbeek presented his revised version of the draft report on the main messages of the updated version of the OPSG advice to reflect on the rise in inflation and interest rates.
27. Members welcomed the comprehensive presentation.
28. Members agreed that the rise of inflation in 2022 and the sharp monetary tightening triggered by central banks prompted a complete regime shift. One of the goals of the revision of the initial OPSG advice should be to analyse the implications of this shift for pension funds and their members.
29. EIOPA Chairperson proposed that the OPSG reach out to EIOPA experts to exchange views on the impact of the new macroeconomic environment for pension savers and pension providers.

## CONCLUSIONS AND ACTION POINTS

30. Onno to share an update report version with OPSG members for further comments and suggestions.

## AGENDA ITEM 9: BETTER FINANCE REPORT

31. Due to time constraint, it was agreed to delay this presentation to the OPSG meeting on 30 May.

## CONCLUSIONS AND ACTION POINTS

32. To add the presentation by OPSG Vice Chair Alexandra to the draft agenda of the 30 May OPSG meeting.

## AGENDA ITEM 10: GENDER PENSION GAP

33. OPSG Member Janina Petelczyc presented her own initiative work on the gender pension gap.
34. Addressing the gender gap in private pensions is critical not just for achieving gender equality, but also for promoting sustainable finance. The objective of the work will be to examine the gender pension gap and to provide some recommendations.
35. OPSG members welcomed Janina's proposed project.
36. EIOPA Chairperson was also very supportive of this important work and underlined that any pay gap has direct implication and leads to a pension gap in the end.

## CONCLUSIONS AND ACTION POINTS

37. OPSG Member Janina to further develop the draft note that will then be shared with OPSG members for comments and further suggestions.

## AGENDA ITEM 11: ACP WORK

38. EIOPA presented its work on the ACP activities. This was followed by an EIOPA presentation on the ACP advice 2022 on the IORP II review.
39. OPSG members noted that any changes in the current capital market conditions should not come at the expense of pension savers. For SME Pension Funds it was suggested that considerations should be given to align the threshold with the EU definition for SME's of up to 500 members, rather to 1,000 members.
40. OPSG Members acknowledged the important work devoted by the ACP in particular on proportionality for IORPs.

## CONCLUSIONS AND ACTION POINTS

41. OPSG members to brainstorm further on pension topics that the ACP could potentially focus on and to further support the upcoming ACP work on topics like IDD, POG, AI, and DORA.

## AGENDA ITEM 12: AOB

42. OPSG Chair reminded OPSG members about the next OPSG meeting on 30 May 2023 (online).

## OPSG Participants:

**Chairperson:** Bernard Delbecque (Belgium)

**Vice-Chairpersons:** Aleksandra Maczynska (Poland), Falco Valkenburg (Netherlands)

First name	Last name	Country	OPSG Category
<b>Pauline</b>	Azzopardi	Malta	Beneficiaries
<b>Paul</b>	Le Bihan	France	IORP
<b>Francesco</b>	Briganti	Italy	IORPs
<b>Lukasz</b>	Budzyński	Poland/France	IORPs
<b>Bernard</b>	Delbecque	Belgium	Professional associations
<b>Valdemar</b>	Duarte	Portugal	IORPs
<b>Bruno</b>	Gabellieri	France	Employees
<b>Christian</b>	Gulich	Germany	Beneficiaries
<b>Kęstutis</b>	Kupšys	Lithuania	Beneficiaries
<b>Christian</b>	Lemaire	France	IORPs
<b>Matti</b>	Leppälä	Finland	IORPs
<b>Elisa</b>	Luciano	Italy	Academics
<b>Aleksandra</b>	Maczynska	Poland	Beneficiaries
<b>Ute</b>	Meyenberg	France	Employees
<b>Flavia</b>	Micilotta	Italy	SMEs
<b>Jerry</b>	Moriarty	Ireland	IORPs
<b>Antonello</b>	Motroni	Italy	IORPs
<b>Stefan</b>	Nellshen	Germany	IORPs
<b>Philip</b>	Neyt	Belgium	IORPs
<b>Nele</b>	Nys	Belgium	Employees
<b>Janina</b>	Petelczyc	Poland	Academics
<b>Gertrude</b>	Pils	Austria	Beneficiaries
<b>Torun</b>	Reinhammar	Sweden	Professional associations
<b>Jan</b>	Sebo	Slovakia	Academics
<b>Onno</b>	Steenbeek	Netherlands	IORPs
<b>Ioannis</b>	Tzanakos	Greece	IORPs
<b>Falco</b>	Valkenburg	Netherlands	Professional associations
<b>Hans</b>	Van Meerten	Netherlands	Academics