



aba position paper regarding the

EIOPA Technical Advice on the development of pension dashboards and the collection of pension data

The **aba Arbeitsgemeinschaft für betriebliche Altersversorgung e.V.** - is the German association representing all matters concerning occupational pensions in the private and public sector. The aba has over 1000 members including corporate sponsors of pension schemes, IORPs, actuaries and consulting firms, employer associations and unions, as well as insurance companies, banks and investment managers. According to our statutes, our mission is to represent existing schemes as well as to expand coverage of occupational pensions independent of vehicle. We are a member of the European Association [PensionsEurope](#).

Please do not hesitate to contact us¹ if you have any questions:

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¹ We also thank our former colleague Verena Menne.

Zusammenfassung:

Die EU-Aufsichtsbehörde EIOPA hat am 1. Dezember 2021 ihre [Empfehlung](#) an die EU-Kommission zum Renten-Dashboard veröffentlicht. Sie ist die Antwort auf deren [Beratungersuchen](#).

Für eine gute Rentenpolitik ist es wichtig, rentenpolitisch relevante Entwicklungen zu verfolgen und deren Ursachen zu verstehen. Ein Dashboard kann ein Instrument sein, um eine gute Rentenpolitik zu unterstützen, und so zu einem angemessenen Einkommen im Alter beitragen. Für das weitere Vorgehen haben wir in drei Bereichen Vorschläge:

Das Renten-Dashboard richtet sich in erster Linie an die Mitgliedstaaten (MS)

- Die erste Anlaufstelle der EU-Kommission zum Thema Dashboard sollten die Mitgliedstaaten sein, genauer: die für die Rentenpolitik zuständigen Ministerien (in Deutschland BMAS und BMF).
- In einem zweiten Schritt sollten alle nationalen Stakeholder, das sind vor allem die Anbieter von Altersversorgung, einschließlich der Trägerunternehmen in der zweiten Säule, konsultiert und in den weiteren Prozess einbezogen werden.

Datenverfügbarkeit und effiziente Datenerhebung

- Die Kommission sollte eine Umfrage bei den zuständigen nationalen Ministerien durchführen, welche Daten verfügbar sind und welche Weiterentwicklungen auf nationaler Ebene möglich sind.
- Die von EIOPA angeregte Ausweitung des EIOPA-Berichtswesens auf Nicht-EbAV wäre in Deutschland mit einem angemessenen Kosten-Nutzen-Verhältnis nicht möglich bzw. sie würde die bAV beschädigen. Zu den Nicht-EbAV-Rentenanbietern in der zweiten Säule zählen zigtausende Arbeitgeber, die ihre Altersversorgung über Direktzusagen durchführen, Unterstützungskassen, Direktversicherungen und Zusatzversorgungskassen im öffentlichen Dienst. Daher sollte das Fachwissen der MS zum Aufbau eines Renten-Dashboards mit einem angemessenen Kosten-Nutzen-Verhältnis genutzt werden. Die MS wissen am besten, wo Daten vorhanden sind, welche zusätzlichen Daten benötigt werden und wer am besten in der Lage ist, zusätzliche Daten zu sammeln.
- Dort, wo sie bereits zuständig sind, sollten die nationalen Aufsichtsbehörden die Daten weiterhin erheben und an das Dashboard übermitteln. Für alle anderen Daten ist es wichtig, dass die MS (siehe oben) einen effizienten Weg zur Berechnung/Schätzung oder Erhebung zusätzlicher Daten finden.

Aufbau und Betrieb des Dashboards

- Die GD EMPL sollte mit Unterstützung der GD FISMA die politische Verantwortung für das Dashboard übernehmen und die MS einbeziehen.
- Falls noch nicht geschehen, sollte die EU-Kommission das MISSOC (System der EU zur gegenseitigen Information über den sozialen Schutz) Projekt evaluieren und analysieren, welche Lehren daraus in Bezug auf die Governance des Dashboards gezogen werden können. Es sollte geprüft werden, ob es möglich ist, MISSOC weiterzuentwickeln, und die zusätzliche Altersversorgung mit einzubeziehen.
- Die EU-Kommission sollte die Vor- und Nachteile eines live Dashboard sorgfältig abwägen. Die Durchführung von Berechnungen ist zwar wichtig, aber in einem Bereich, in dem Anspar- und Auszahlungsphase in der Regel Jahrzehnte umfassen, sehen wir keine Notwendigkeit für sehr häufige Aktualisierungen.
- Wir sprechen uns gegen einen singulären Indikator aus, weil er die Komplexität eines Rentensystems nicht ausreichend widerspiegelt.

Main points

The EU supervisory authority EIOPA published its [advice](#) to the EU Commission on pensions dashboard on 1 December 2021. It is the response to the [call for advice](#).

The importance of pension policy and funded pensions. For good pension policy, it is important to analyse and understand a number of parameters. A Pension Dashboard can be one tool to support good pension policy – and with that, adequate incomes for those in retirement. We have suggestions in three areas when going forward:

The Pension Dashboard is first and foremost for the MS

- The first point of contact for the Commission should be the MS, namely the ministries responsible for pension policy (in Germany BMAS, the Federal Ministry for Labour and Social Affairs, and BMF, the Federal Ministry for Finance).
- As a second step, all national stakeholders, i.e. primarily all pension providers including sponsoring employers in the second pillar, should be consulted and included in all further developments.

Data availability and efficient data collection

- The Commission should conduct a survey among the relevant national Ministries about what data is available and possible further developments at national level.
- For Germany we do not see any extension of the EIOPA reporting to non-IORPs as proposed by EIOPA with an adequate cost-benefit ratio or it would damage occupational pensions. Non-IORP pension providers in the second pillar include thousands of employers who provide their pensions through direct promises (Direktzusage), support funds (Unterstützungskassen), direct insurances (Direktzusagen) and supplementary pension funds in the public sector. Use the expertise of the MS to build a Pension Dashboard with an adequate cost-benefit ratio. MS know best where data is available, what additional data is needed, and who is best placed to collect additional data.
- Where they are currently already responsible, the NCAs should continue to collect the data and send it to the Dashboard. For all other data, it is important that MS (see point above) find an efficient way to calculate / estimate or collect additional data.

Setting up and running the Dashboard

- DG EMPL with support of DG FISMA should have the political ownership of the Dashboard and should involve the MS.
- If not already happening, the EU Commission should evaluate the MISSOC (EU's Mutual Information System on Social Protection) project and determine what lessons can be learnt in terms of governance and whether it is possible to develop MISSOC further to include supplementary pensions.
- The EU Commission should carefully consider the advantages and disadvantages of a life Dashboard. While doing calculations is important, we do not see the need for very frequent updates in an area where accumulation and decumulation can easily span several decades.
- We are against a single indicator, because it does not sufficiently reflect the complexities of a pension system.

1 Introduction: The importance of pension policy and funded pensions

Good pension policy is a cornerstone of a well-functioning welfare state. Within that system, funded pensions have gained importance over the past decades, and certainly will continue to do so over the decades to come. We support a strong second pillar, which supplements income from the first (pay-as-you-go) pillar, and therefore welcome the efforts around a Pension Dashboard. For good pension policy, it is important to analyse and understand a number of parameters. A Pension Dashboard can be one tool to support good pension policy – and with that, adequate incomes for those in retirement.

Pension policy has both political and technical aspects. Any political decision should without any doubt remain in the hands of the Member States (MS). We therefore support EIOPA's objective in this Advice: „The intention is not to provide recommendations on political choices or public policy, whether at national or at EU level.” (No. 5). Recommendations on political choices are not a task for a supervisory authority. While the mere collection of data is not political, deciding which data is being collected (and which not) and what is done with that data is very political. Beyond this point, the Advice seems to follow the stated intention.

We welcome that EIOPA is advocating a gradual approach for building the Dashboard in the MS. We also share EIOPA's assessment in No. 9: “The creation of pension dashboards is complex, not only because of the availability of data, but also their comparability as well as the substantial differences in the underlying national pension, social security and tax systems.” This also indicates that achieving comparability at EU level (something we are critical of) will be a challenging task.

We support the analysis that Dashboards can help to design “suitable policy responses coping with future pressure on public finances or poverty of the population in old age” (No. 15). We see a strong role for supplementary pensions in this regard and agree with EIOPA: “Enhanced transparency can also lead to greater incentives for pensions savings and a greater supply of capital, which can help finance the long-term growth of the real economy, as well as its green and digital transition, contributing to the goals of the CMU.” (No. 15).

However, to make the most of the Dashboard, we have a number of suggestions in three areas:

- The Pension Dashboard is first and foremost for the MS
- Data availability and efficient data collection
- Setting up and running the Dashboard

2 The Pension Dashboard is first and foremost for the Member States

From our perspective it is a key question what the objective of the Pension Dashboard is. The EU Commission states in its [Capital Market Union Action Plan](#): “Action 9: Supporting people in their retirement: (...) In order to strengthen the monitoring of the state of play as regards pension adequacy in Member States, the Commission will seek to identify the relevant data and methodology for developing pension dashboards with indicators.”. According to the [CfA](#) the Commission sent to EIOPA, „Second, the Commission seeks to fill a gap in the current monitoring of pension adequacy in Member States by establishing pension dashboards that cover indicators about future pension entitlements at the aggregate level of the Member State and for all sources of retirement income. For this purpose, it is necessary to complement the public ageing expenditures in the ageing projections and the available adequacy indicators and projections with more complete information about

contributions to and benefits received from non-public sources of retirement income. This information should feed into pension dashboards and be used in long-term pension projections.

(...)

Pension dashboards could provide an up-to-date view of the progress made towards adequate and sustainable pensions in Member States. As populations are ageing, comparable information about the role of occupational and personal pension schemes across the EU Member States would also be valuable for benchmarking, identification of best practices and potentially the formulation of policy recommendations in the EU semester.”

The MS are in charge of pension policy – to make the most of the Pension Dashboard, they should also be involved in the Dashboard because they know best what is helpful to them. The objective of supporting the MS should be reflected in the process of establishing the Dashboard as well as in the governance (more on that below).

Looking at the process so far, we see that DG FISMA and EIOPA have been involved in the project. We expect that at national level, finance ministries (rather than labour and social affairs) have been involved. According to the [Feedback statement](#) published by EIOPA, there were 14 responses to the consultation which was run during the preparation of the Advice. While the number is already low, it is also the case that mostly stakeholders of EIOPA responded (AEIP, InsuranceEurope, PensionsEurope etc. at EU level; and e.g. from Germany aba, DAV, GDV). The vast majority of those with a broader outlook on pension policy did not respond. For an instrument as important as the Pension Dashboard, a consultation run by EIOPA is therefore not sufficient.

In terms of content of the Pension Dashboard, we would also like to stress that what is considered under each pillar should be determined at the national level by those responsible for pension policy. While providing important content, the EIOPA database should not be used as a reference point for determining what falls under each pillar (see Box of p. 22). Defining what is a first, second or third pillar pension is not a technical task, because it might carry tax breaks or incentives specific to each pillar. Deciding what is incentivised is a political decision which has to be taken at MS level.

Going forward

The first point of contact for the Commission should be the MS, namely the ministries responsible for pension policy (in Germany BMAS and BMF). As a second step, all national stakeholders, that is all pension providers including sponsoring employers in the second pillar, should be consulted.

3 Data availability might not be as poor as it seems

According to the Advice, there is poor data availability. However, we doubt that really all existing (national) resources have been taken into account. We expect that in many MS, there are additional sources for pension data. In Germany, these are for example:

- BMAS
- Pensions-Sicherungs-Verein
- Tax authorities and BMF
- Office for Riester incentives (Zulagenstelle, which is part of the German state pension agency)
- ...

The variety of different sources shows that the scope of EIOPA's work as a supervisory authority is by far too narrow for the Pension Dashboard. In the [Resolution Table](#) (p. 115), our comment ("In addition to the data collected for supervisory purposes, the MS should check what kind of pension data at the national level are available for tax, labour or social law reasons. As a next step, it should be determined by the relevant stakeholders how this data could be used in a Pension Dashboard.") is noted, however, there is no direct response or action from EIOPA.

The Commission – preferably DG EMPL together with DG FISMA – should therefore engage with the MS (in Germany: BMAS / BMF) to gain a complete picture of data availability and possible further developments (see chapter 4).

Going forward

The Commission should conduct a survey among the relevant national Ministries about what data is available and possible further developments at national level.

4 Collecting additional data: the MS know best

We note that EIOPA recommends to collect additional data, in particular of "non-IORP" pension providers (see Box starting on p. 76). EIOPA also states, „For non-insurance and non-IORP private pension providers substantial changes in supervisory practice would be needed, i.e. change of the regulatory perimeter and additional resources to ensure the quality of the data.“ (p. 10).

We strongly reject the introduction of EIOPA reporting requirements along the lines of the BoS decision for IORPs for all non-IORP pension providers. Equally, we are against a change of the "regulatory perimeter" of EIOPA. Only the MS can and should decide what the regulatory perimeter of their national competent authority is.

In this context, we would like to stress the diversity of occupational pensions in Germany. There are five vehicles to deliver occupational pensions (see [aba website](#) for an introduction to the German pension system), and all of them would have to be included in the Dashboard, otherwise the Dashboard would not present a meaningful picture. However, the key question is, how they can be included while keeping the effort and cost at a reasonable level. As described above, it should be checked who might hold additional data (including authorities responsible for the supervision at the state level (Bundesländer in Germany), social insurance and tax authorities). Where data is available, but it is legally not possible to use it, ways should be investigated how this can be achieved. Remaining gaps could potentially be closed by (small scale) surveys, which are used to provide estimations.

It should be borne in mind that additional data collection will lead to additional costs, which in the end have to be borne by members and beneficiaries. Since the Dashboard is focused on long-term trends, it seems reasonable to use a proportional approach. This is also done in the EIOPA reporting, where not all IORPs are included in the same way. There are three categories according to balance sheet total ([BaFin-Website](#) regarding the EIOPA reporting) – small IORPs with less than Euro 100m are not subject to the reporting requirements. The decision what data is needed for the Pension Dashboard should also take into account proportionality so that a reasonable cost-benefit ratio is achieved.

EIOPA states, „Finally, it should be taken into account that these results provide no assessment on the additional effort required from providers if additional information were to be requested. Information can be readily available at the pension providers but might not be collected in a MS by the NCA or another entity.” (p. 21). In our experience, data is being collected by pension providers if it is useful to them, their sponsor, members and beneficiaries or third parties (based on tax, labour and social law). In Germany this is unlikely to be true for the existing EIOPA reporting and the proposal to extend the EIOPA reporting.

Going forward

For Germany we do not see any possible extension of the EIOPA reporting to non-IORPs with an adequate cost-benefit ratio or it would damage occupational pensions. Non-IORP pension providers in the second pillar include thousands of employers who provide their pensions through direct promises (Direktzusage), support funds (Unterstützungskassen), direct insurances (Direktzusagen) and supplementary pension funds in the public sector.

Use the expertise of the MS to build a Pension Dashboard with an adequate cost-benefit ratio. MS know best where data is available, what additional data is needed, and who is best placed to collect additional data.

5 Governance of data collection: consider all pillars and their diversity

In terms of data collection and setting up the Dashboard, a number of different European actors (EIOPA, ECB, Eurostat, COM together with EPC and SPC) is discussed. EIOPA considers itself well positioned to carry out the required tasks (No. 233-237; 276-279).

EIOPA states that it works together well with the NCAs. Looking at a potential Pension Dashboard, however, this is not sufficient: The NCAs cover only part of the actors which will have to be involved in a meaningful Pension Dashboard – in Germany, this applies to IORPs and to insurance undertakings.

Efficient choice of reporting channels: Reporting requirements cause costs for those obliged to report, which ultimately have to be borne by the beneficiaries through lower occupational pensions. It is therefore important that existing reporting channels are used for reporting requirements (e.g. BaFin or state supervisory authorities for companies under their supervision; sponsoring undertakings to the PSVaG).

The national recipients of this data should then give the data to the operators of the EU pension dashboards. We do not consider it necessary to merge the NCA data at EIOPA. If the data is to be compiled at the national level, this could be done in Germany e.g. by the ministries BMF or BMAS, the Federal Statistical Office or the statutory pension insurance.

Going forward

Where they are currently already responsible, the NCAs should continue to collect the data and send it to the Dashboard. For all other data, it is important that MS (see point above) find the most efficient way to calculate / estimate or collect additional data.

6 Governance of setting up and running the Dashboard: DG EMPL plus MS

The EU Commission, that is DG EMPL with support of DG FISMA, should have the political ownership of the Dashboard. The MS should at this level be involved through the Economic Policy Committee and the Social Protection Committee.

From our perspective, MISSOC provides a good example of how such a database can be governed: [MISSOC](#) is the EU's Mutual Information System on Social Protection. It provides detailed, comparable and regularly updated information about national social protection systems in English, French and German. MISSOC is coordinated by the EU Commission, with the assistance of a Secretariat it has appointed. Each of the MS covered designates one or two correspondents from the national ministries or institutions responsible for social security.

Going beyond the governance structure, it could also be considered whether it is possible to use MISSOC as a starting point and develop it further to include data on supplementary pensions.

On a side note, we would like to point out that the “Digitale Rentenübersicht” which we are currently building is not being referred to as a “dashboard” (No. 168).

Finally, we would like to stress that the Pension Dashboard has to be hosted on the website of the EU Commission, preferably related to DG EMPL. It is not politically acceptable to us that a supervisory authority hosts a Pension Dashboard which covers all pension pillars and is designed to inform pension policy-making.

Going forward

DG EMPL with support of DG FISMA should have the political ownership of the Dashboard and should involve the MS.

If not already happening, the EU Commission should evaluate the MISSOC project and determine what lessons can be learnt in terms of governance and whether it is possible to develop MISSOC further to include supplementary pensions.

7 Which features are important – and which aren't

We note that EIOPA advocates a Live Dashboard (Box p. 65). We agree that it is important that policy makers or other interested parties can manipulate the data and do the calculations they need for the specific question they are looking at.

However, from our perspective it is not important that data is constantly updated. In that context, the comparison with the Covid-19 dashboard (No. 172, 174 and Annex III) is misleading. While data on Covid-19 cases has

to be updated at very short intervals and users might check it every day and adjust their behaviour based on that, this is not necessary when it comes to pensions. Pensions are very long-term, accumulation and decumulation phase together can easily span six decades.

We very much agree with EIOPA on the disadvantages regarding a single indicator (No. 202-204). Considering the complexity of a pension system and the need to understand its different elements, a single indicator is not adequate. What is more, having a single indicator would send the message in particular to those not (yet) experts in the area, that pension policy is simple and straightforward, which it is not.

Going forward

The EU Commission should carefully consider the advantages and disadvantages of a life Dashboard. While doing calculations is important, we do not see the need for very frequent updates in an area where accumulation and decumulation can easily span several decades.

We are against a single indicator, because it does not sufficiently reflect the complexities of a pension system.

Berlin, 4 April 2022 / SD/VM