



*"The voice of crafts and SMEs in Europe"*

## **White Paper on pensions: occupational pensions must remain attractive, say SMEs**

***UEAPME agrees with EC on need to work longer and save more; recommends caution when revising IORP rules***

Brussels, 16 February 2012 – The proposals put forward by the European Commission's White Paper setting out an agenda for adequate, safe and sustainable pensions unveiled today (Thursday) must avoid raising the cost of occupational pensions for employers and workers, according to UEAPME, the European craft and SME employers' organisation. Against a background of an ageing population and a difficult macroeconomic context aggravated by the crisis and high unemployment, the roadmap outlines 20 measures to secure the financial sustainability and adequacy of pensions in the long run. On the positive side, UEAPME agreed with the Commission on the need to work longer by creating a better balance between time spent in work and retirement, as well as for individuals to save more by developing complementary private retirement savings. However, the organisation expressed concerns about the announced revision of the rules regulating and supervising the so-called Institutions for Occupational Retirement Provision (IORP), such as pension funds. The review must not make these schemes more expensive and less attractive, warned UEAPME. Moreover, the debate on the portability of pension rights should focus first and foremost on tax and fiscal obstacles, stressed the SME organisation.

Social Affairs and Employment Policy Director **Liliane Volozinskis** commented as follows:

*"The sustainability, adequacy and safety of pensions in Europe are clearly at risk due to an increasing old-age dependency ratio and pressure on public budgets, further compounded by the economic crisis and the resulting high unemployment levels we are witnessing at the moment. Against this background, today's White Paper is a clear call on Member States to deliver structural reforms of pensions systems and of the labour market where necessary. While pension policy must remain the prerogative of Member States, the Commission's warning is more than reasonable at this stage."*

*"We support the Commission's stance on the need for longer working lives to achieve a better balance between time spent in work and retirement. Raising the effective retirement age in line with longevity and avoiding early exits from the labour market is indispensable, as much as increasing the overall labour market participation. At the same time, individuals should be encouraged to save more. That is why the Commission's proposal to further develop complementary private retirement savings is an important step towards diffusing risks and securing future pension entitlements."*

*"On the other hand, the revision of the rules regulating the activities and supervision of the Institutions for Occupational Retirement Provision must be dealt with very carefully. The focus should be on promoting appropriate incentives for employers and employees to invest in occupational pension schemes. By all means, the revision should not make these schemes more expensive and less attractive, while taking better into account the national IORP specificities. Doing otherwise would discourage small businesses from offering supplementary pension schemes to their employees, making it increasingly difficult for them to attract the skilled workforce they need. On the portability of pension rights, the Commission plans to reopen a dossier that has been blocked due to lack of consensus for quite some time. If they are serious about making progress, policymakers should focus on removing tax and fiscal obstacles to portability."*

\*\*\*\* END \*\*\*\*

**EDITORS' NOTES:** UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 84 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

**FOR FURTHER INFORMATION PLEASE CONTACT:**

Helen Hoffmann, Adviser for Social Affairs, Tel. +32 (0)2 230 7599, Email: [h.hoffmann@ueapme.com](mailto:h.hoffmann@ueapme.com)

Francesco Longu, Press and Communications Officer, Tel. +32 (0)496 520 329, Email: [pressoffice@ueapme.com](mailto:pressoffice@ueapme.com)