



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Disappointing outcomes from EP Committee vote on pensions rights transferability

- **Rejection of EU portability principle, inclusion of Social Partners main positive outcomes**
- **Eligibility criteria, clarifications on “retroactivity” and on “self-employed” to be dealt with in Plenary**

Brussels, 21 March 2007. UEAPME, the European craft and SME employers’ organisation, was left with mixed feelings by today’s vote on supplementary pension rights at the European Parliament’s Committee on Employment and Social Affairs. MEPs clarified the objective of the Directive and rejected unrealistic proposals on rights and capital portability. In addition, they recognised the important role of Social Partners and the value of collective agreements in this delicate policy area. However, they also introduced troublesome clauses on eligibility criteria, and failed to spell out whether the Directive should apply “retroactively” to existing schemes and to self-employed people.

“The Parliament’s Committee took a very important decision in deleting all references to portability. The original proposal by the European Commission was completely unworkable, as it failed to consider the complexity and technicalities of transferring rights from one country to another, not to mention the intricacy of the fiscal aspects involved”, explained **Liliane Volozinskis**, UEAPME Director for Social Affairs and Employment Policy. The Parliament made it clear that the Directive does not aim to facilitate mobility within the same Member State, which is in line with the subsidiarity principle. It also inserted a list of elements that are deemed to ensure fair treatment for “dormant pension rights”, i.e. rights accrued but not yet enjoyed by the beneficiary.

Positive news, however, were counterbalanced by the report’s lack of clarity on other aspects. First of all, a last-minute compromise led the Committee not to vote on a very important amendment stating that the Directive would not apply to existing supplementary pension schemes, but only for new ones. UEAPME criticised this decision, which will bring about legal uncertainty, create additional administrative burdens and go against the “better regulation” principle. *“MEPs missed a good chance to clearly reject the ‘retroactivity’ risk today”,* commented Ms Volozinskis.

Secondly, the report suggests merging minimum age criteria and the criteria for “vesting periods”, that is to say the period of active membership in a pension scheme before the member is actually entitled to a supplementary pension. According to the new text, no vesting period should be foreseen for workers after the age of 25. This would impose changes in most of the EU27 Member States, whereas the original Commission allowed several different criteria to coexist.

Finally, and perhaps most importantly, MEPs approved contradictory amendments on the scope of the Directive, with the end text mentioning in passing “employment relationships” and “workers” but once again failing at the very last minute to clarify whether the Directive will apply to self-employed people or not.

“We hope that the Parliament’s plenary will shed some light on the text, which we cannot support in its current form. The European Council’s decision on the Directive requires unanimity, therefore an unambiguous Parliament position is of the utmost importance for Council negotiations”, concluded Ms Volozinskis.

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EDITORS’ NOTE: UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 81 member organisations, which represent crafts and SMEs across Europe, covering over 11 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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