



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Plenary vote on supplementary pension rights a missed opportunity

- **MEPs do not clarify whether the directive will apply retroactively to existing pension rights**
- **Merged acquisition conditions (minimum age, “vesting periods”) will increase bureaucracy for SMEs**

Brussels, 20 June 2007. UEAPME, the European craft and SME employers’ organisation, deeply regretted the outcomes of today’s vote at the European Parliament on portability of supplementary pension rights. The Parliament’s plenary reconfirmed the deletion of unrealistic clauses on transferability, but rejected at the same time a number of sensible amendments that would have clarified the scope of the directive and shed some light on acquisition conditions. The final text does not mention whether the directive will apply retroactively to rights acquired before its transposition, which will create additional costs for small employers. Moreover, it introduces the troublesome notion of merging conditions for minimum age and for “vesting periods”.

“Today’s vote is a missed opportunity to really encourage workers’ mobility in the EU”, said UEAPME Secretary General **Hans-Werner Müller**. *“The unworkable and unrealistic clauses it brings about will discourage small businesses from offering supplementary pension schemes to their employees, making it increasingly difficult for SMEs to attract the skilled workforce they need”,* he continued.

Commenting on the scope of the directive, Mr Müller regretted that the proposal as amended by the Parliament does not clearly spell out if the new rules will apply to pension rights from periods prior to its national transposition. A “retroactive” implementation will trigger a huge administrative effort to recalculate the pension rights of a worker, thereby causing significant additional costs for crafts and SMEs. On the same subject, UEAPME was disappointed by the rejection of amendments aiming at explicitly excluding self-employed workers from the scope of the directive.

Clauses on acquisition conditions were also complicated by today’s vote. The Parliament’s plenary reconfirmed the merger of conditions for minimum age and for “vesting periods”, i.e. the period of active membership in a pension scheme before the affiliate is actually entitled to a supplementary pension, which will have the *de facto* effect of abolishing vesting periods for workers who have reached the age of 25. This will lead to a significant number of low-value “dormant rights” accrued but not enjoyed by the beneficiary, and increase bureaucracy for pension funds and employers. According to UEAPME, minimum age and vesting periods should have been dealt with separately in order to respect the diversities in national pensions systems. Amendments going in this direction were unfortunately voted down in the EP today.

“The Parliament failed to take a strong stance on supplementary pension rights, which leaves several unanswered questions on the table and does not provide a good basis for discussion at Council level. We look forward to see whether and how the Portuguese Presidency of the EU will be able to make progress on this dossier”, concluded Mr Müller.

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EDITORS’ NOTES: 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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