

PRESS RELEASE

Significant Setback: Protection of EU Pension Savers to be reduced by the EU Parliament?

Brussels, 15 December 2015 - Workplace pension savings play an increasingly important role in supplementing declining public pension benefits in Europe. For this reason it is of crucial importance that the prudential framework for European Institutions for Occupational Retirement Provision (IORPs) or pension funds, the IORP II Directive, be balanced and up to the task.

The latest amendments to the European Parliament's ECON Committee draft report on the Directive are worrying to say the least. Following these, Better Finance wrote a [letter to the rapporteur](#) on 26 November to voice its concern regarding the proposed amendments that would constitute a very significant setback in the protection of EU pension savers, watering down the information that IORP participants would have access to through the so-called "Pension Benefit Statement" (PBS).

IORP transparency is crucial to foster competition and efficiency. For this reason the 'PBS' should include clear and standardised information about costs and past performance. As proven by Better Finance's annual [research report on Pension Savings](#), too many pension saving schemes in the EU have been found to destroy pension savings in real terms.

These amendments are also clearly in direct contradiction to the CMU Action Plan that requires more transparency on the performance and fees of long term and pension products. A further proposal in the ECON Committee's draft report seeks to delete the requirement for IORPs to disclose funding levels to IORP participants, depriving them of crucial information and exposing them to potential losses.

Better Finance therefore urges MEP Brian Hayes and the ECON Committee to remove these latest outrageous amendments. Regulatory convergence and the removal of existing obstacles would allow savers to shop around for the best interest rates and get the best deal for their pension money.

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