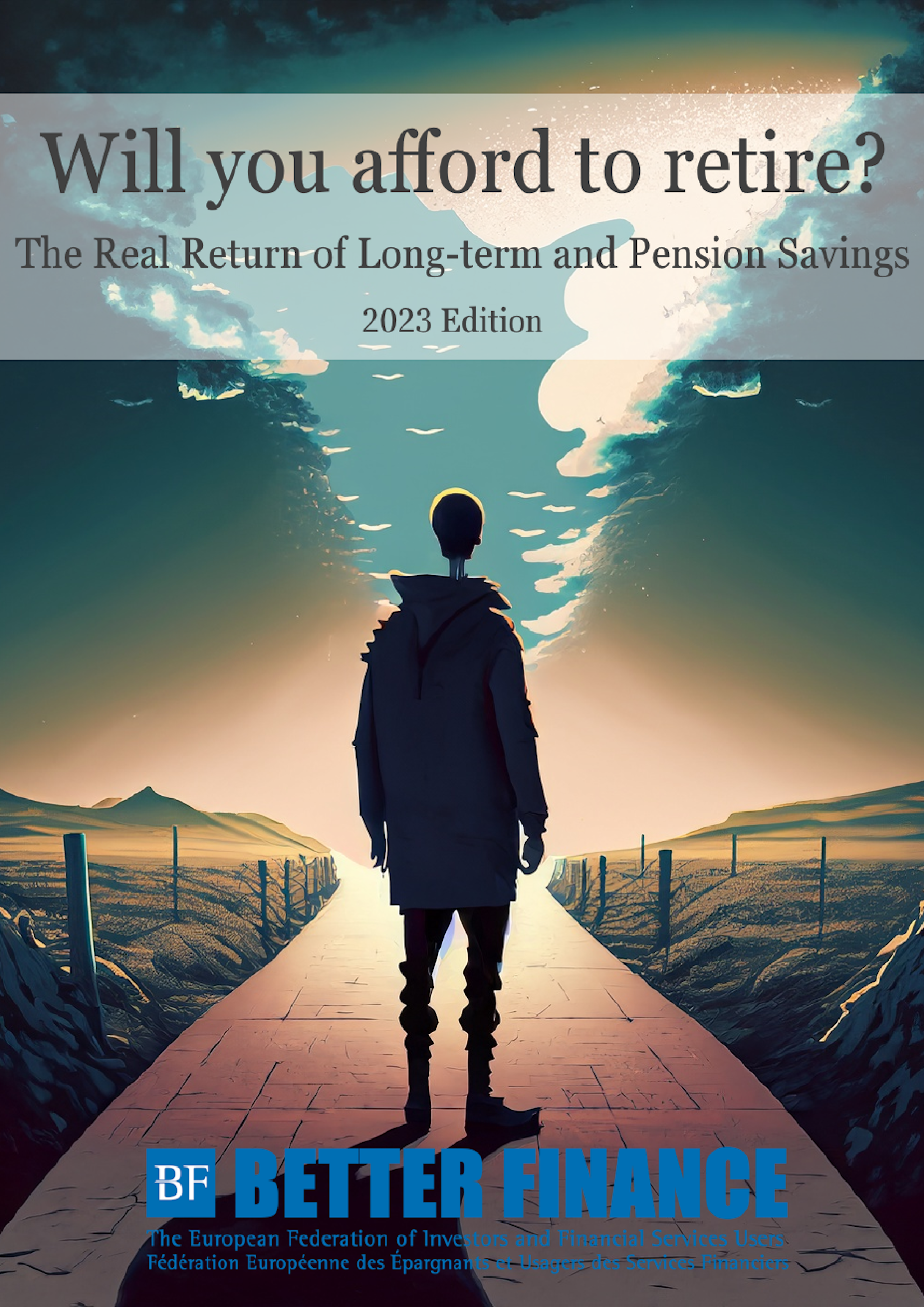
Will you afford to retire?

The Real Return of Long-term and Pension Savings

2023 Edition



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Country Case 2

Belgium

Résumé

Le système de retraite belge est constitué de trois piliers. Le premier pilier par répartition reste le plus important des trois piliers. Les retraités bénéficient d'un taux de remplacement moyen de 61.9% en 2020. Les piliers 2 et 3 constituent les pensions complémentaires professionnelles et individuelles basées sur les cotisations volontaires des individus. Le nombre d'individus couverts par les véhicules de placements dans ces deux piliers continue de croître (respectivement 80% et 68% de la population active couverte). Les véhicules de placements du pilier 2 sont gérés par des IRP ou des sociétés d'assurance. Les belges ont accès à fonds d'investissement et à des produits d'assurance dans le cadre du pilier 3.

Sur une période de 22 ans (2000-2022), les fonds de pension gérés par les IRP (pilier 2) et les fonds d'épargne retraite (pilier 3) ont eu un rendement réel annuel moyen après charges de 1% et 0.64% respectivement. Depuis 2016, le rendement garanti offert sur les nouvelles cotisations versées sur les contrats d'assurance groupe Branche 21 du pilier 2 ont été revus à la baisse et sont devenus en moyenne inférieurs à 3%. En raison, du manque d'informations, il est plus difficile de fournir des informations sur les rendements des contrats d'assurance vie groupe et assurance vie individuelle.

Real returns 2022
IORP: -22.86%
Pension savings plans: -23.69%

Summary

The Belgian pension system is divided into three pillars. The first PAYG pillar is still important among the three pillar and provides on average a replacement rate of 61.9% in 2020. Pillar II and Pillar III are both based on voluntary contributions. Numbers of individuals covered by pillar II and pillar III pension schemes continue to grow rapidly. Respectively 80% and 68% of the active population is covered by these pillars. In both pillar II and pillar III, pension scheme can take the form of a pension fund (managed by an IORP in pillar II and by asset management companies in pillar III) or can be an insurance contract ("Assurance Groupe" contracts in pillar II and individual life-insurance contracts in pillar III).

Over a 22-year period (2000-2022), occupational pension funds managed by IORPs (pillar II) and pension savings funds (pillar III) had annualised real performance after charges of 1% and 0.64% respectively. Since 2016, the average guaranteed return on "Assurance Groupe" Branch 21 contracts decreased and became on average slightly under 3%. Due to a lack of information, it is more difficult to provide return information on individual life-insurance contracts subscribed in the framework of pillar III.

Introduction: The Belgian pension system

There are four types of vehicles for old age provision within the second and third Belgium pillars: pension funds managed by IORPs, “Assurance groupe” contracts within the second pillar and pension savings plans and long-term insurance products within the third pillar.

Pension savings plans managed by IORPs and pension savings plans managed by asset management companies have similarities, notably in terms of returns. Their performance remains positive over the whole period from 20002 to 2022, with an annualised real net returns (after charges and before tax) of 1% and 0.64% respectively. These pension vehicles experienced 7 years of negative returns during the whole period (2000-2022, 2008, 2011, 2018 and 2022).

There is few information regarding regarding of “Assurance Groupe” contracts and long-term insurance products. For the whole period (2002-2014) for which the data is available, “Assurance Groupe” Branch 21 offered an average net return of 2.59%. On the same period, long-term insurance products had on average net return of 1.92%. Table BE.1 shows the categories of products for which real net returns are calculated in this chapter. The annualised nominal, net, and real net rates of returns for the Belgium retirement provision vehicles are summarised in Table BE.2 are based on different holding periods: 1 year, 3 years, 5 years, 7 years, 10 years and since inception (2000 for pension funds and 2002 for insurance products).

Table BE.1 – Long-term and pension savings vehicles analysed in Belgium

Product	Pillar	Reporting period	
		Earliest data	*Latest data*
IORP	Occupational (II)	2000	2022
”Assurance Groupe”: Branch 21	Occupational (II)	2002	2014
”Assurance Groupe”: Branch 23	Occupational (II)	2002	2014
Pension savings plans	Voluntary (III)	2000	2022
Long term insurance products (Branches 21 and 23)	Voluntary (III)	2002	2014

Pension system in Belgium: An overview

Table BE.2 – Annualised real net returns of Belgian long-term and pension savings vehicles (before tax, % of AuM)

	IORP	Pension savings plans
Reporting period	2000-2022	2000-2022
1 year (2022)	-22.9%	-23.7%
3 years (2020–2022)	-6.3%	-6.7%
5 years (2018–2022)	-2.3%	-3.5%
7 years (2016–2022)	-0.8%	-1.9%
10 years (2013–2022)	1.4%	1.1%
Whole period	1.0%	0.6%

Data: PensioPlus, Belgian Asset Managers Association (BEAMA), Eurostat; *Calculations:* BETTER FINANCE. *Note:* Annualised returns up to 2022 cannot be calculated for "Assurance Groupe" contracts and long-term life insurance products due to the absence of data on returns

Pillar I — State pension

The Belgian Pillar I is organised as a PAYG pension system consisting of three regimes: one for employees in the private sector, one for the self-employed individuals and one for civil servants. The legal retirement age is 65 for both women and men. It used to be 60 for women until 1993 but was progressively increased to reach 65 in 2010. The Act of 10 August 2015 increases the retirement age imposed by law to the age of 66 by 2025 and 67 by 2030. Pillar I pensions are PAYG systems based on career duration and income earned. A complete career equals to 45 working-years. The calculation of the retirement pension depends on the individual's status, his/her career and his/her salary earned throughout his/her career. The amounts can therefore vary greatly from person to person. In 2020, the net replacement rate from the PAYG system for both men and women (with an average working wage) was 61.9%. A guaranteed minimum pension and a maximum pension have been fixed. The amounts of these pension are often revised. The guaranteed minimum pension will increase up to € 1 500 for a single person in 2024.

Several measures for workers were voted in an amendment on July 19, 2022. The last year's amendment aimed to make the payment of state pensions more financially sustainable. Unfortunately, this amendment was finally more costly for Belgian public finances. On July 9, 2023, a new amendment of the pension reform was voted and modified some decisions voted last year:

- In order to have the right to perceive the guaranteed minimum pension, a worker must have an effective working period of 20 years. Several periods are treated as periods of effective work, including maternity and breastfeeding leave, palliative care leave and periods of inactivity due to disability. The current agreement adds several periods including preventive separation from work, paternity leave, temporary unemployment, and cares for a child under 21 years old suffering from a disability. The consideration of these periods of work aims to consider differences between men and women's careers.
- The method of calculating the minimum guaranteed pension was revised in 2022. This new

methodology was deleted in the new agreement. Only the modification regarding the consideration of part-time worker is maintained. This measure exists mainly for women who worked part-time before the existence of time credit. A 4/5-time job will be considered full-time for a maximum of 5 years.

- People who meet the conditions for access to early pension will be encouraged to work longer thanks to a pension bonus. A worker who, at 63, already has 42 years of career and decides to continue working when he could take his early pension, will not only continue to build up pension rights, but he will receive, in addition, a pension bonus. This bonus will be increased each year, reaching € 22 645 net after 3 years. The pension bonus will be not taxed.

Pillar II — Funded pensions

Occupational pension plans are private and voluntary. This pillar exists for both employees and self-employed individuals. Employees can subscribe to occupational pension plans provided either by their employer (company pension plans) or by their sector of activity (sector pension plans). Company pension plans are traditionally dominant in the second pillar in comparison to sector pension plans. Self-employed individuals can decide for themselves to take part in supplementary pension plans.

An employer can set up a company pension plan for all its employees, for a group of employees or even for a single employee. In the case of sector pension plans, collective bargaining agreements (CBAs) set up the terms and conditions of pension coverage. Employers must join sector pension plans, unless labour agreements allow them to opt out. Employers who decide to opt out have the obligation to implement another plan providing benefits at least equal to those offered by the sector.

Company and sector pension plans can be considered as "social pension plans" when they offer a clause with solidarity benefits that provides employees with additional coverage for periods of inactivity (e.g. unemployment, maternity leave, illness). "Social pension plans" are becoming less and less prevalent, possibly as a result of the relatively high charges associated with these plans in comparison to pension plans without a solidarity clause.

Occupational pension plans are managed either by an IORP or by an insurance company. Insurance companies predominantly manage them.

The Supplementary Pensions Act reform entered into force as of January 1, 2016. It amended the Act of April 28, 2003 by introducing the alignment of the supplementary pension age and the legal pension age (respectively 65, 66 in 2025 and 67 in 2030). Supplementary pension benefits will be paid at the same time as the legal pension's effective start. Previously, some occupational pension plans allowed early liquidation: lump sum payments or annuities from supplementary pension could be paid from the age of 60. Conversely, employees who decide to postpone their effective retirement when having reached the legal pension age, have the possibility to claim their supplementary pension or to continue to be affiliated to the pension scheme until their effective retirement.

Moreover, many supplementary pension plans provided financial compensations to offset the income loss employees may encounter when they end prematurely their career. As of January 1, 2016, all these existing beneficial anticipation measures were abolished. Affiliates who reached the age of 55 years on or before December 31, 2016 can still benefit from these existing measures.

At January 1, 2022, approximatively 4 174 million Belgians (83% of the active population) were covered by occupational pension plans:(Autorité des Services et Marchés Financiers [FSMA], 2022a).[1]

- 3 558 million employees were covered either by their company or by their sector of activity;
- 351 896 self-employed individuals were covered by supplementary pension plans;
- 263 848 individuals were covered both by their company or by their sector of activity and by a supplementary pension plan dedicated to self-employed

The number of Belgian covers by occupational pension plans increased by 3% between 2021 and 2022.

Pillar III — Voluntary pension

The third pillar regroups individual private and voluntary pension products, which allow them to have tax reliefs from their contributions. There are two types of available products for subscription: pension savings funds managed either by banks or asset management companies and long-term savings products managed by insurance companies. This pillar is significant in Belgium when compared to other EU member states. The tax rate applied to accrued benefits from pension savings products (funds or insurance) was lowered from 10% to 8% in 2015, in order to encourage savings in the framework of the third pillar.[2] The third pillar covered more than two thirds of the active population of Belgium, with 34% of workers subscribing to a life insurance retirement savings product (1.7 million Belgians) and 34% being covered by pension savings funds (1.7 million Belgians).

Long-term and pension savings vehicles in Belgium

AuM in Belgium pension savings vehicles amounted to € 177.6 billion in 2021. Figure BE.1 represents the breakdown of assets under management of the different pension vehicles in Belgium from 2000 to 2022. In 2021, more than two thirds of assets are managed in the framework of the second pillar (€ 120.2 billion). “Assurance Groupe” contracts are predominant within the second pillar and represented 64% of outstanding amounts managed (€ 77 billion). AuM in IORPs amounted to € 43.2 billion. The weight of “Assurance Groupe” contracts has always been higher than that of IORPs. Nevertheless, this weight has tended to decrease slightly for the last five years. In the third pillar, pension vehicles are also managed either by a pension fund or either by an insurance company. The share of pension savings funds has increased to represent 45% of asset under management within the third pillar. Outstanding amounts of long-term pension savings, managed by insurance companies, amounted € 31.8 billion and represented almost a quarter of individual life insurance outstanding amounts.

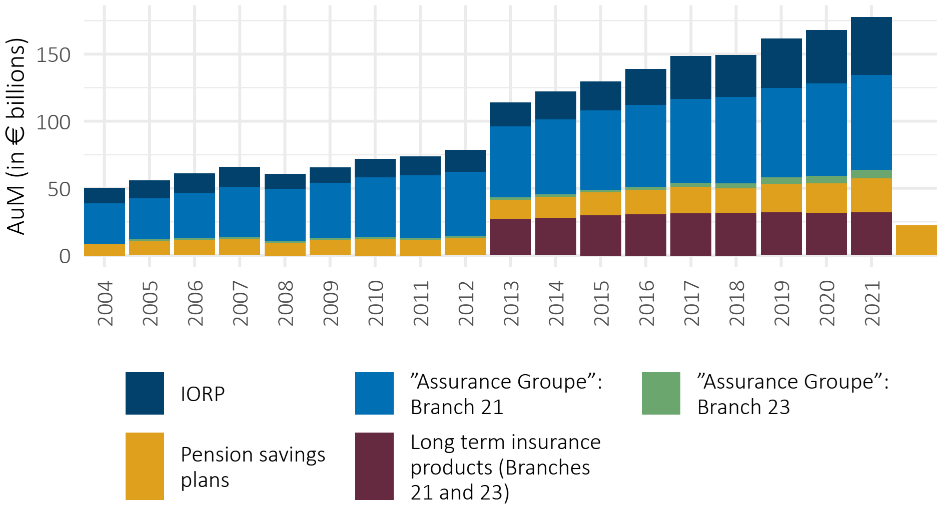
[1] Data presented in this publication were provided by the DB2P who manages the supplementary pensions database. It collects data related to supplementary pension plans such as individualised acquired pension rights of employees, self-employed individuals, and civil servants.

[2] The lowering of the tax rate does not apply to long-term savings products.

Table BE.3 – Overview of the Belgian pension system

Pillar I	Pillar II	Pillar III
State Pension	Funded pension *The Supplementary Pension Law (the Vandenbroucke Law) implemented in 2003*	Voluntary pension
SFPD (Federal Pensions Service)	IORPs and Insurance companies	Banks (pension savings fund) and Insurance companies (pension savings insurance and long-term savings plans)
Mandatory	Voluntary	Voluntary
Publicly-managed	Privately managed pension funds and "Assurance Groupe" contracts	Privately managed pension funds and life-insurance contracts
PAYG	Funded	Funded
Earnings-related public scheme with a minimum pension	DB / DC Individual retirement accounts	
Quick facts		
Number of old-age pensioners (as of January 1, 2021): 2 267 868	IORPs: 184 Insurance companies: 27	Pension savings funds: 21 Life insurance retirement savings product
Average old-age pension: € 1 214	AuM: € 125.5 bn (in 2020)	AuM: € 53.29 bn (in 2021)
Average income (gross): € 3 758 (in 2019)	Participants: 4.030 million	Participants: 3.4 million
Men and women's average replacement ratio: 61.9% (2020)	Coverage ratio: 80% of active population is affiliated to a pension product, being active or dormant	Coverage ratio: 68%

Figure BE.1 – AuM of Belgian long-term and pension savings vehicles



Data: Assuralia, BEAMA; *Calculations:* BETTER FINANCE.

Second pillar: Occupational pension funds

The second pillar refers to occupational pension plans designed to raise the replacement rate. Savings in these plans are encouraged by tax incentives. The second pillar is based on the capitalisation principle: pension amounts result from the capitalisation of contributions paid by the employer and/or employee in the plan or by self-employed individuals. There are four types of occupational pension plans in place, managed by two kinds of financial intermediaries (IORPs and insurance companies):

- Company pension plans;
- Sector pension plans CBAs;
- Supplementary pension plans for self-employed individuals, company directors and an additional pension agreement for self-employed as individuals (PLCI, PLCDE, PLCIPP);
- Supplementary pension plan for employees (PLCS).

The Financial Services and Markets Authority (FSMA) annually reports detailed information on institutions for occupational retirement provision (IORPs, the EU law term for non-insurance regulated occupational pension products provider)[3]. Every two years, the FSMA also reports detailed information on sector pension plans, company pension plans, supplementary pension plans for self-employed individuals company directors and an additional pension agreement for self-employed as individuals and supplementary pension plan for employees.

[3] Article 6(1) of Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (recast), O.J. L354/37.

Management of occupational pension plans

The management of occupational pension plans can be entrusted to an IORP or to an insurance company (Branch 21 and Branch 23 contracts).

Institutions for occupational retirement provision (IORPs):

IORPs are asset management companies set up with the sole purpose of providing occupational retirement savings products under the form of investment funds, which can either be directly invested, through tailor-made portfolios, or which can be linked to other funds' units (unit-linked).

FSMA reported the following data on IORPs in 2021 (as of January 1, 2022): 164 occupational pension plans in the framework of pillar II were managed by an IORP and the number of affiliates to IORPs increased to 2 135 785 against 2 026 017 in 2020. Based on the amount of reserves managed out of the total in Pillar II, IORPs had a market share of 36%, the rest being managed by insurance companies through Branch 21 and Branch 23 contracts.

"Assurance Groupe" (Branch 21 and Branch 23 contracts):

Occupational pension plans are predominantly managed by insurance companies. Such pension plans are called "Assurance Groupe" contracts and can be divided into two different types of contracts:

- "Branch 21 contracts" are occupational plans, offering a guaranteed return on contributions made by employers and employees (1.75% since January 1, 2016). The insurance companies who provide these contracts bear the risk and pay the guaranteed return in addition to a profit-sharing. All sector pension plans and all supplementary pension plans for self-employed individuals managed by insurance companies take the form of "Branch 21 contracts". Most of company pension plans are also managed through "Branch 21 contracts" rather than "Branch 23 contracts".

- "Branch 23 contracts" are unit-linked contracts and are invested mainly in investment funds and equity markets. Insurance companies do not offer a guaranteed return on contributions made into the plan. Their total returns depend on their portfolio composition. However, affiliates to "Branch 23 contracts" benefits from the legal minimum guaranteed return which is 1.75% since January 1, 2016. In case of a shortfall on the individual account when paying a benefit or a transfer of reserves, the employer must pay the difference. This kind of occupational plans are riskier for employers who bear the risk and are generally costlier.

In the second pillar, company pension plans and some PLCI are managed through Branch 23 contracts. All Branch 23 contracts accumulated € 6 billion in reserves in 2021, representing 5.0% of the total outstanding amounts managed within "Assurance Groupe" contracts (see Table BE.4).

Description of occupational pension plans

The following sub-sections provide information and figures for the different occupational pension plans within Pillar II in Belgium (product are described by increasing market share in terms of individuals' accrued reserves):

Table BE.4 – Total balance sheet managed in Pillar II (in € billion)

Year	IORP (1)	"Assurance Groupe": Branch 21 contracts (2)	"Assurance Groupe": Branch 23 contracts (3)	Total "Assurance Groupe" (2)+(3)	Total (1)+(2)+(3)
2004	11.7	29.9	n.a.	n.a.	41.6
2005	13.4	30.6	1.6	32.2	45.6
2006	14.3	33.5	1.7	35.2	49.5
2007	14.9	37.3	1.7	39.0	53.9
2008	11.1	39.0	1.4	39.6	50.7
2009	11.2	41.2	1.8	43.0	54.2
2010	13.9	44.1	1.8	46.5	60.4
2011	14.0	46.7	1.6	50.2	64.2
2012	16.4	47.9	1.7	54.0	70.4
2013	18.0	52.7	1.9	58.6	76.6
2014	20.7	55.8	2.1	62.2	82.9
2015	21.9	58.9	2.1	66.3	88.2
2016	26.8	60.9	2.4	69.8	96.6
2017	32.0	62.6	3.2	73.5	105.5
2018	31.4	64.2	3.7	76.3	107.7
2019	36.9	66.8	4.7	81.3	118.2
2020	39.7	69.2	5.2	85.8	125.5
2021	43.2	70.9	6.0	77.0	120.2

Data: FSMA, National Bank of Belgium (NBB)

- company pension plans (€ 59.3 billion),
- supplementary pension plan for company directors (PLCDE) (€ 21.4 billion),
- supplementary pension plan for self-employed individuals (PLCI) (€ 9.9 billion),
- sector pension plans (CBAs) (€ 5.4 billion),
- additional pension agreement for self-employed as individuals (PLCIPP) (€ 152.2 million),
- supplementary pension plan for employees (PLCLS).

Company pension plans (€ 59.3 billion)

Company pension plans are prevalent within the second pillar. FSMA publishes a bi-annual report on company pension funds. The last edition provides information as of January 1, 2022 (FSMA, 2023b):

- The total individuals' accrued reserves amounted to € 59.3 billion against 55.6 at end-2020 and 53 billion at end-2019. 75% of these reserves were managed by 19 insurance companies through "Assurance Groupe" Branch 21 or 23 contract (€ 44.5 billion) and 25% were managed by 122 IORP (€ 14.8 billion).
- 2 117 139 employees were affiliated to a company pension plan. This is an increase of 4.3% from January 1, 2021.
- The total number of employers who implemented a collective pension commitment for the benefit of their workers was 60 762. This is an increase of 6% compared to January 1, 2020, when 57 800 employers set up a pension scheme (with one or more pension commitments). The number of company pension plans were 123 341. It increased from 116 595 on January 1, 2020. It represented an increase of 5.8%.

Private Supplementary Pensions for Company Director (PLCDE) (€ 21.4 billion)

The Private Supplementary Pension for Company Director is a tripartite relation between the company (the organizer), who can implement a pension commitment for the benefit of its director(s) and the commitment is managed by a pension organisation (either insurance companies or IORPs). FSMA publishes every two years since 2019, a bi-annual report on Private Supplementary Pensions for Company Director (PLCDE). The last report published in May 2023, provides the following information at January 1, 2022 (FSMA, 2023a):

- 246 227 directors were affiliated to a PLCDE This is an increase of 5.9% from January 1, 2020.
- The total number of organisers who implemented an individual or collective pension commitment for the benefit of its director(s) was 223 913. This represented an increase of 7.3% compared to January 1, 2020.
- The total number of commitments dedicated to Director increased and reached 343 268. Most of commitments were DC (95%) and were dedicated for only one affiliate (98%).

- The management of the pension commitments were managed quasi-exclusively by insurances companies (99,9%).

- Total individuals' accrued reserves amounted to € 21.4 billion and the contributions amounted to 1 633 billion euros. These reserves increased by 9% when compared to January 1, 2020.

Private Supplementary Pensions for self-employed individuals (PLCI) (€ 9.9 billion)

In 2004, *Pension Libre Complémentaire pour Indépendants* (PLCI)—Private Supplementary Pensions for self-employed individuals—were integrated into the Supplementary Pensions Act. PLCI enable self-employed individuals to get a supplementary and/or a survival pension at their retirement. Since 2004, self-employed individuals have the choice to contribute to supplementary pension plans. Moreover, they can henceforth choose the pension provider, either an IORP or an insurance company. They can switch from one provider to another during the accumulation period. Self-employed individuals can save up to 8.17% of their income, without exceeding a maximum annually indexed amount (€ 3 859.40 in 2023). These ceilings can be increased up to 9.40% and € 4 440.43 when a social convention is subscribed. FSMA provided the following information as of January 1, 2022:

- 531 376 self-employed individuals were covered by supplementary pension plans (PLCI convention).

- Total individuals' accrued reserves amounted to € 9.9 billion, which increased by 14.5% since January 1, 2020. 94.9% of these reserves were managed by insurance companies, predominantly by Branch 21 contracts.

Self-employed individuals can also supplement their PLCI with several solidarity benefits, called social conventions (INAMI convention). 176 068 self-employed individuals were affiliated to PLCI with a social convention at January 1, 2022. These conventions offer benefits such as the funding of the PLCI in the case of inactivity and/or the payment of an annuity in the case of income loss.

Sector pension plans (€ 5.4 billion)[4]

Sector pension plans are supplementary pension commitments set up on collective bargaining agreements and concluded by a joint committee or sub joint committee. In the joint committee/subcommittee, a sectoral organiser responsible for the pension commitment is appointed. At January 1, 2022, FSMA provides the following information:

- 57 joint or sub joint committees offered occupational pension schemes to employees. The number of employees covered by a sector pension plan reached 2 324 677. It represents an increase of 10% compare to January 1, 2020.

- There are 80 sector pension plans available for subscription. The total individuals' accrued reserves amounted to € 5.4 billion. It represents an increase of 1% when compared to January 1, 2020 Two third of these reserves were managed by 10 IORPs (€ 3.6 billion) and a third by 7 insurance companies through "Assurance Groupe" Branch 21 or 23 contracts (€ 1.8 billion).

Convention for self-employed as individuals (PLCIPP or CPTI) (€ 152.2 million)

[4] All data provided comes from plans for which information is available.

Since July 1, 2018, self-employed individuals without a company, can subscribe a pension agreement for self-employed individuals (CPTI), whether combined or not with a PLCI. FSMA provides information on this new type of pension agreement at January 1, 2022:

- There were 6 703 pension agreements which covered 6 601 self-employed individuals. The number of individuals covered by a PLCDE increased by 31% when compared to January 1, 2020.
- The total individuals' accrued reserves amounted to 152.2 million euros. 55.9% of reserves are managed by Branch 21 contracts, 32.5% by combined Branch 21 / Branch 23 contracts, 5.3% by Branch 23 contracts and 5.3% by IORPs
- The total amount of contributions amounted to 38.7 million euros in 2019

Supplementary pension for employees (PLCS) (€ 2.1 million)

Until March 2019, an employee could constitute an additional pension only if there is a pension plan within the company or the sector of activity which employs him/her. The legislator introduced a new form of pension constitution for employees on March 27, 2019. If the employee does not constitute a supplementary pension with his/her employer or within his/her sector of activity, or if it is low, the employee can take the initiative to constitute an additional pension (PLCS). FSMA publishes a bi-annual report on company pension funds. The last report provides information as of January 1, 2022:

- There were 1 118 pension agreements which covered 1 115 employees. The number of employees covered by a PLS was multiplied by 3,6 by two years. Most employees constituting pension rights under the PLCS signed only one agreement.
- The total accrued reserves amounted to € 2.1 million (against € 149 797 as of January 1, 2020).
- These pension agreements are managed by three insurance companies. 94% of reserves are managed by combined Branch 21/Branch 23 contracts and 6% by Branch 21 contracts.

Third pillar: pension savings products and long-term savings products (individual life insurance products)

The third pillar provides Belgians with individual private and voluntary pension products, which allow them to have tax reliefs from their contributions. Two types products are available for subscription:

- Pension saving funds managed by asset management companies,
- Pension savings insurance (Branch 21 contracts) and long-term savings products (Branch 23 contracts managed by insurance companies.

This pillar is significant in Belgium when compared to other European Union member states. The tax rate applied to accrued benefits from pension savings products (funds or insurance) was lowered from 10% to 8% in 2015, in order to encourage savings in the framework of the third

Table BE.5 – Pillar III pension savings products (in € billion)

Year	Net AuM in pension savings funds	Reserves managed in long-term pension products
2003	7.4	n.a.
2004	8.7	n.a.
2005	10.3	n.a.
2006	11.5	n.a.
2007	11.8	n.a.
2008	9.0	n.a.
2009	11.1	n.a.
2010	12.0	n.a.
2011	11.2	n.a.
2012	12.6	n.a.
2013	14.4	27.0
2014	15.6	27.9
2015	16.9	29.8
2016	18.0	30.6
2017	19.6	31.3
2018	18.2	31.7
2019	21.3	32.0
2020	22.3	31.5
2021	25.6	31.8
2022	22.1	n.a.

Data: BeAma, Assuralia

pillar.[5] The third pillar covered more than two thirds of the active population of Belgium, with 34% of workers subscribing to a life insurance retirement savings product (1.7 million Belgians) and 34% being covered by pension savings funds (1.7 million Belgians).

The Belgian pension savings funds market remains relatively concentrated since the launch of the first funds in 1987. The market grew significantly in the past few years. 21 products (18 UCITS and 3 alternative investment funds (AIFs)) were available for subscription at end-2022. The net assets under management reached €22.1 billion (-13.5% over a year). The net sales remained high and amounted to €511 million in 2022.

Charges

Information regarding costs applied to occupational pension funds in Belgium is only provided by FSMA in its biannual reports on the various products available for employees and self-employed individuals. FSMA provides information on management fees. There is no information regarding other costs and charges like entry fees. Assuralia provides some information on the administration and management fees and fees on commissions.

[5] The lowering of the tax rate does not apply to long-term savings products.

Charges of Pillar II products: Few data available

Charges in IORPs

There is no general data or available information on IORP charges. The only available information was for sector pension funds managed by IORPs (FSMA, 2023b): Total operating expenses reached 0.15% of reserves in 2019 (see Table BE.6).

Table BE.6 – Costs and charges of Belgian IORPs (% of assets)

Year	Admin. and mgt. fees
2010	0.16%
2011	0.17%
2012	0.19%
2013	0.16%
2014	0.14%
2015	0.15%
2016	0.15%
2017	0.13%
2018	0.15%
2019	0.14%
2020	0.18%
2021	0.15%

Data: FSMA; *Note:* Average fees of sectoral plans managed by glspliorp.

Charges in "Assurance Groupe" (Branch 21 contracts)

The only historical information on administration and management costs as well as commissions on a yearly basis is for "Assurance Groupe" contracts (Branch 21), reported by Assuralia (see **??**).

In addition, FSMA publishes information regarding costs of sector pension plans. The level of fees varies considerably, ranging from 0.5% to 17.9% of premiums in 2021. Half of the sector plans managed by insurance companies levied charges lower than 2% of premiums in 2021. This proportion remained stable since 2015. The management fees levied by sector pension plans represented on average 0.19% of reserves. In Branch 23 Group Insurances ("Assurance Groupe"), charges can be higher: in addition to contract fees other fees related to underlying "units" (typically investment funds) may apply.

Charges of Pillar III products: More transparent than Pillar II products

Pension savings funds

Historical data on charges for pension savings funds is difficult to obtain for investors. KIDs must provide investors with information on all charges related to the funds on a yearly basis, but for UCITS only, not for other investment funds.

Using the prospectus of the 21 available pension savings funds for subscription in the Belgian market, the following average yearly charges were calculated in 2022:

- Entry fees: 2.24% of initial investment;
- Management fees: 1.02% of AuM;
- Total Expenses Ratio represented on average 1.38% of AuM;
- No exit fees.

Table BE.7 summarises the TER of 21 available funds for subscription in the Belgium market since 2017. After three years of stability in charges, only three funds did not increase their TER in 2022.

Table BE.7 – **Costs and charges of Belgian pension savings plans (% of assets unless otherwise specified)**

Year	Entry fees*	Admin. and mgt. fees	Total Expense Ratio
2012	2.20%	1.00%	n.a.
2013	2.20%	1.00%	1.24%
2014	2.20%	1.00%	1.25%
2015	2.20%	1.00%	1.29%
2016	2.81%	0.93%	1.27%
2017	2.21%	0.94%	1.26%
2018	2.32%	0.93%	1.24%
2019	2.37%	0.95%	1.28%
2020	2.38%	0.95%	1.28%
2021	2.29%	0.95%	1.29%
2022	2.24%	1.02%	1.38%

Data: Financial statements of individual pension savings funds.
* % of contributions

Pension savings insurance (Branch 21 contracts) / Long-term savings products (Branch 21 and Branch 23 contracts combined)

Assuralia provides us with historical data on administration and management costs as well as entry fees and other commissions paid for individual life insurance contracts. Data, for Branch 23 individual life insurance contracts, most likely do not include fees charged on the underlying units (investment funds).

Table BE.8 – Costs and charges of Belgian long term insurance products (branches 21 and 23) (% of assets unless otherwise specified)

Year	Acquisition fees*	Admin. and mgt. fees
2002	3.65%	1.20%
2003	3.35%	1.80%
2004	3.15%	1.40%
2005	2.65%	0.50%
2006	4.05%	0.50%
2007	4.40%	0.45%
2008	5.40%	0.55%
2009	5.70%	0.45%
2010	5.25%	0.40%
2011	5.30%	0.40%
2012	4.75%	0.40%
2013	6.80%	0.45%
2014	6.50%	0.50%
2015	7.00%	0.45%
2016	6.85%	0.45%
2017	7.10%	0.50%
2018	6.90%	0.50%
2019	6.85%	0.45%
2020	7.50%	0.45%
2021	7.80%	0.50%

Data: Assuralia. * % of premiums

Taxation

Table BE.9 – Taxation of pension savings in Belgium

Product	Phase *Contributions*	Phase *Investment returns*	Phase *Payouts*	Regime
IORP	Exempted	Exempted	Taxed	EET
”Assurance Groupe”: Branch 21	Exempted	Exempted	Taxed	EET
”Assurance Groupe”: Branch 23	Exempted	Exempted	Taxed	EET
Pension savings plans	Exempted	Exempted	Taxed	EET
Long term insurance products (Branches 21 and 23)	Exempted	Exempted	Taxed	EET

Data: Assuralia, Wikifin.be.

Taxation of occupational pension plans (pillar II)

Regarding the second pillar in Belgium, the tax regime for the whole saving period is an EET model. Employees are not taxed during the first two phases that constitute the process of savings via a pension scheme: contribution and accrued interests are not taxed. Employees are taxed during the third phase on the benefits' payment.

Employees pay two taxes on their benefits:

- A solidarity contribution varying up to a maximum of 2% of the benefits depending on the retiree's income;
- *Institut National d'Assurance Maladie-Invalidité* (INAMI) contribution of 3.55% of the benefits.

In addition, benefits from occupational pension plans are taxed depending on how they are paid out:

- A lump sum payment;
- Periodic annuities;
- A life annuity issued from invested benefits.

Table BE.10 – Taxation of benefits from occupational pension plans

Benefits paid before the legal pension		Benefits paid at the same time as the legal pension	
Benefits from employee's contributions	Benefits from employer's contributions	Benefits from employee's contributions	Benefits from employer's contributions
16.5% for contributions made before 1993 10% for contributions made since 1993	60 years old: 20% 61 years old: 18% 62-64 years old: 16.5%	16.5% for contributions made before 1993 10% for contributions made since 1993	10% if the employee remains employed until legal pension age (65 years old)
+ local tax	+ local tax	+ local tax	+ local tax

Source: Assuralia, Wikifin.be.

Lump sum payment In the case of a lump sum payment, the taxation of benefits depends on the beneficiary's age and who contributed to the plans (employer or employee). Since July 2013, the rules detailed in Table BE.10 are applied to taxation on benefits from occupational pension plans. Before July 2013, benefits from employer's contributions were taxed at the flat rate of 16.5% regardless the beneficiary's age at the time of the payment of the benefits. The local tax can vary from 0% to 10%, with an average of 7%.

Periodic annuities [6] Periodic annuities are considered as an income and are taxed at the applicable progressive personal income tax rate.

[6]For pillar II, employees can choose to redeem capital in a lump sum payment or in annuities. In practice, few people choose annuities and most employees redeem their product in a lump sum payment.

Converting the accumulated capital into a life annuity An employee can convert the lump sum payment into a life annuity. In this case, the INAMI contribution and the solidarity contribution must be paid according to the rules applied to the lump sum payment. Then the retiree must pay a withholding tax of 15% on the annuity each year.

Taxation of Personal pension savings products (pillar III)

Regarding the third pillar in Belgium, the tax regime for the whole saving period is an EET model with a limited ceiling on contributions during the first phase for pension savings products and with a limited ceiling on the maximum tax benefit depending on the level of the saver's yearly earnings for long-term savings products (see below and Table BE.11.

Tax relief on contributions during the accumulation phase: Contributions invested in pension savings products (fund or insurance) are deductible from the income tax. Individuals can make contributions into pension savings products up to a rather low annual ceiling (€ 990). This ceiling on contributions to benefit from tax relief was frozen from 2020, and thus despite high inflation, the next indexation will take place in 2024.

From 2012 to 2018, a tax relief rate equal to 30% of the contributions was applied, regardless of the taxpayer's income.

In 2018, in order to further promote contributions into pension savings products (fund or life-insurance contracts), a new tax relief system was introduced. Two tax relief systems now co-exist and the amount of the individual contribution determines the tax relief:

- For any contribution less or equal to € 990, individuals can still benefit from a 30% tax relief rate. This may result in a maximum tax relief of € 297 per year.
- If the individual chooses to save above € 1 270 and informs the provider of the product, he/she can benefit from a tax relief rate equal to 25%. The maximum contribution cannot exceed € 1 270, with a maximum tax-relief of € 317,5.

The tax relief of pension savings products is "stand-alone." Taxpayers can claim tax relief for only one contract even if they make contributions to several products.

Final taxation on the accumulated pension rights: Since January 1, 2015, the final taxation on the accumulated capital was lowered from 10% to 8% and still depends on the beneficiary's age at the time of the subscription. From 2015 onwards, a part of the taxation is levied in advance (except in case of early retirement before the age of 60). From 2015 to 2019, the pension reserves (per 31 December 2014) are subject to a tax of 1% each year, which constitutes an advance on the final tax due.

Table BE.11 – Taxation of pension savings products (funds and insurance)

Subscription to pension savings products before the age of 55	
Benefits paid before the age of 60	The accumulated capital is taxed under the personal income tax system.
At the age of 60	8% of the accumulated capital is levied (excluding participation to annual earnings); The taxation is based on a theoretical return of 4.75%; The saver can continue investing and enjoying tax relief until the age of 64; The accumulated capital is no longer taxed after the 60th birthday of the beneficiary.
Subscription to pension savings products at the age of 55 or after	
Benefits paid before the age of 60	The accumulated capital is taxed under the personal income tax system.
Benefits paid between the age of 60 and 64	The accumulated capital is taxed at the rate of 33%.
At the age of 65 or after (i.e., when the contract reaches its 10th anniversary)	8% of the accumulated capital is levied (excluding participation to annual earnings); The taxation is based on a theoretical return of 4.75%; To benefit from this lower taxation, the beneficiary has to stay at least 10 years in the fund and make at least five contributions.

Source: Assuralia, Wikifin.be.

Performance of Belgian long-term and pension savings

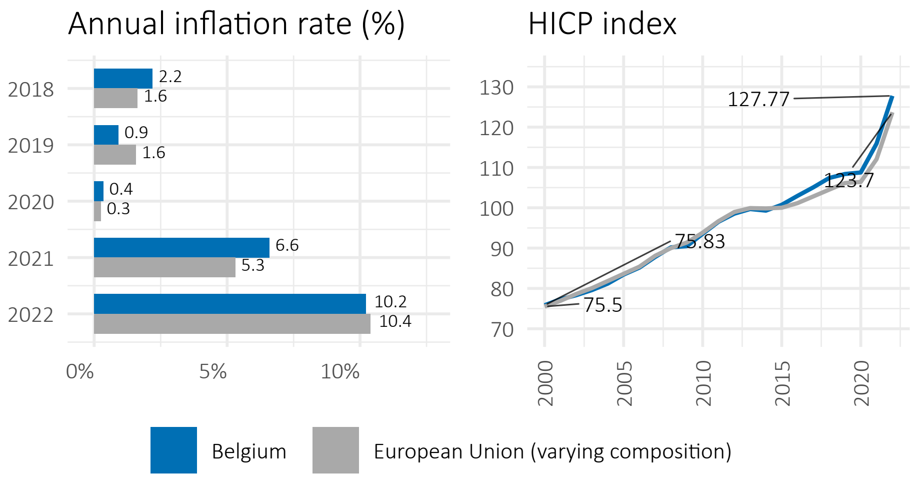
Real net returns of Belgian long-term and pension savings

The evolution of inflation in Belgium used to follow the evolution of inflation in the EU. As in all European countries, the inflation started to increase in 2021 in Belgium, with the outbreak of the war between Ukraine and Russia. Then, the inflation continued to rise and sky-rocketed. The Belgian annual inflation rate became higher than the average EU inflation in 2021 (6.59% against 5.31%) and reached a similar level in 2022 (10.21% against 10.39%).

Figure BE.2 – Inflation in Belgium

Period 2000–2022

	Annualised	Compounded
Belgium	2.4%	73.5%
European Union (varying composition)	2.3%	67.5%



Data: Eurostat, HICP monthly index (2015 = 100); *Calculations:* BETTER FINANCE

Pillar II: IORPs and "Assurances Groupe" contracts

The returns of occupational pension plans depend on how they are managed, either by an IORP or by an insurance company. From 2004 to 2015, all DC plans managed either by IORPs or insurance companies through Branch 21 contracts were required to provide an annual minimum return of 3.75% on employees' contributions and 3.25% on employers' contributions. The Supplementary Pensions Act reform entered into force as of January 1, 2016, in order to ensure the sustainability and social character of the supplementary pensions. The level of the minimum guaranteed return for both employer and employee contribution is set each year according to economic rules considering the evolution of government bond yields in the future:

- the new guaranteed return must be within the range of 1.75% to 3.75%;
- the new guaranteed return represents 65% of the average of 10-year government bonds

rates over 24 months, rounded to the nearest 25 basis points to prevent it from fluctuating too frequently.

In addition, the alignment of the supplementary pension age and the legal pension age (respectively 65, 66 in 2025 and 67 in 2030) affects the minimum guaranteed return offered to employees. When the affiliate reaches the age of 60, his/her occupational pension plan is extended until he/she reaches the age of 65. During the extension period, the minimum guaranteed return continues to be applied to reserves. Its level corresponds to the new effective minimum guaranteed return that will be recalculated and published each year by FSMA In 2022, the legal minimum guaranteed return remained steady at 1.75%.

Occupational pension plans managed by IORPs

In 2021, among the 169 pension plans managed by an IORP[7], 142 had a promise of returns (DB plans) or were hybrid plans (Cash Balance, DC + rate), 27 were DC plans. While newly opened plans are always DC plans, a large part of assets are still managed in plans offering promises of returns.

PensioPlus, the Belgium's occupational pension plans association reported an average return of -14.78% in 2022. This represents the gross average weighted returns after charges of occupational pension plans that participated in the annual financial and economic survey of PensioPlus in 2022.[8] PensioPlus reported the nominal and real net returns of IORP since 1985. These funds experienced 9 years of negative returns over 37 years. In 2022, the inflation impacted negatively the real net return and even in mid-term. The real net return becomes positive after 10 years of holding.

Over a 23-year period (2000-2023), occupational pension plans managed by IORPs experienced negative nominal returns before charges five times: in 2001, 2002, 2008, 2018 and in 2022. The annualised real net return is positive, but quite low (only 1%).

PensioPlus reported the average asset allocation of IORP at end-2022, as follows: 36% in equities, 48% in fixed-income securities (with the half invested in corporate bonds), 3% in real estate, 3% in cash and 10% in other asset classes. The proportion of fixed income assets still represented the largest part of assets and it increased while the proportion of equities decreased. The proportion of real estate increased significantly in 2022 (see Figure BE.4).

Occupational pension plans managed by insurance companies (Branch 21 contracts)

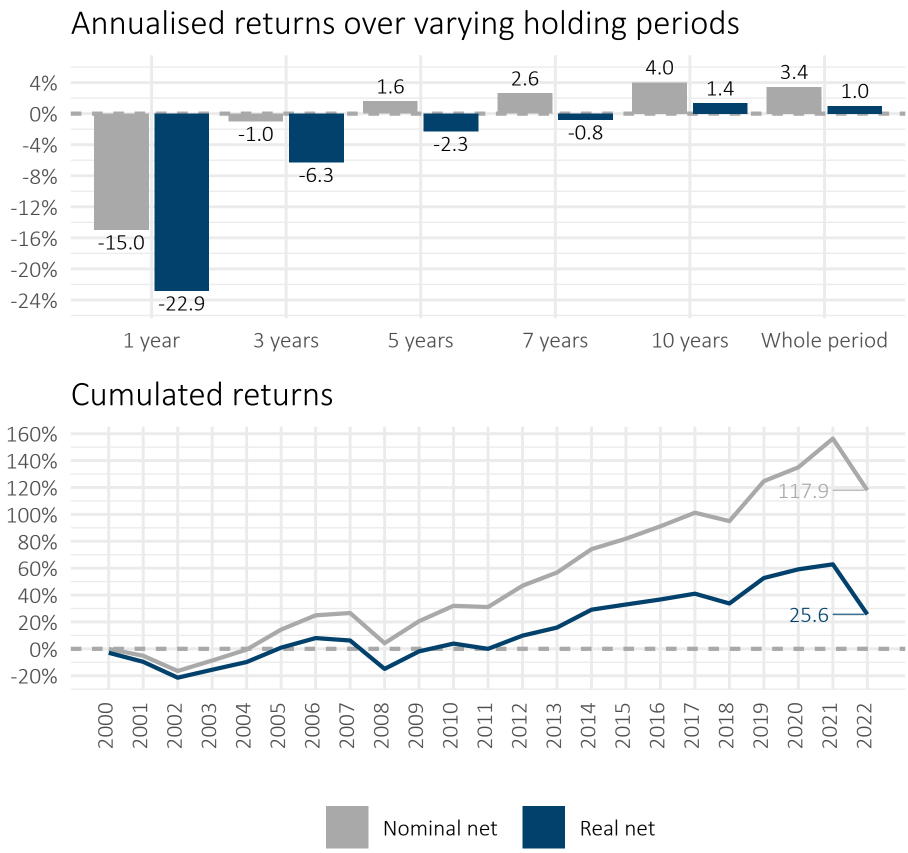
In the second pillar, most of pension products are managed by insurance companies through "Assurance Groupe" Branch 21 contracts. Since 2015, Assuralia no longer reports net returns after charges in percentage of the total reserves of "Assurance Groupe" Branch 21 contracts in its annual report this report.[9] There is no information for years after 2014. "Assurance Groupe" Branch 21 occupational pension plans experienced a positive real net annual average return of 2.54% over 13 years (from 2002 to 2014) (see Figure BE.5).

[7]The 169 pension plans include both IORPs for the first and second pillars

[8]The participants to the annual Pensio's Plus survey represented 85% of the market share in terms of asset under management in 2022.

[9]In November 2022, Assuralia published its annual report including Statistics for the whole year 2021.

Figure BE.3 – Returns of Belgian IORPs (before tax, % of AuM)



Data: PensioPlus, Eurostat; *Calculations:* BETTER FINANCE.

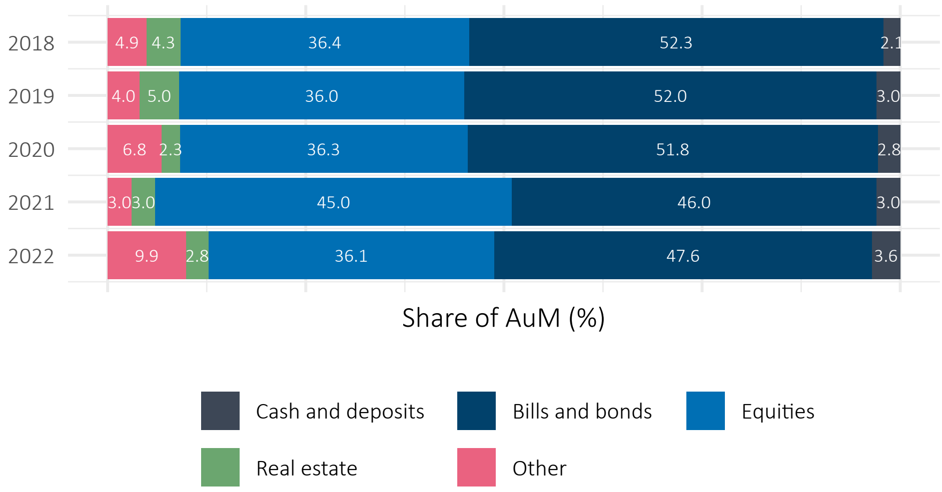
In May 2023, FSMA reported some information on returns in its bi-annual report on sector pension, company pension and PLCLS. It reported an average net return of 2.40% for sector pension funds managed through "Assurance Groupe" contracts in 2019 (against 1.66% in 108, 2.63% in 2017, 2.91% in 2016 and 3.01% in 2015, see FSMA, 2023b). The downward trend that has been observed for several years is confirmed. One can observe the same assessment for PLCI conventions.

The minimum guaranteed return of PLCI varied between 0% and 4.75%. Some conventions subscribed before July 1, 1999, offer a guaranteed return of 4.75% on past and future premiums. A self-employed individual who subscribes to a PLCI convention had on average a return of 2.36% on his/her contracts in 2021 (against 2.5% in 2019, 2.64% in 2017 and 2.75% in 2015). It corresponded to an average guaranteed return of 1.53% and a participation to benefits equal to 0.48%.

Assuralia provided information on "Assurance Groupe" contracts with data at the end-2018. This information was not updated for years after 2018.

At the end-2018, "Assurance Groupe" contracts and individual contracts through Branch 21 con-

Figure BE.4 – Allocation of Belgian IORPs' assets



Data: PensioPlus; *Calculations:* BETTER FINANCE.

tracts[10] were invested with the following assets allocation:

- 73% in fixed income assets (of which 32% in Belgian government bonds);
- 9% in equities and UCITS;
- 16% in loans and real estate;
- 2% in other assets.

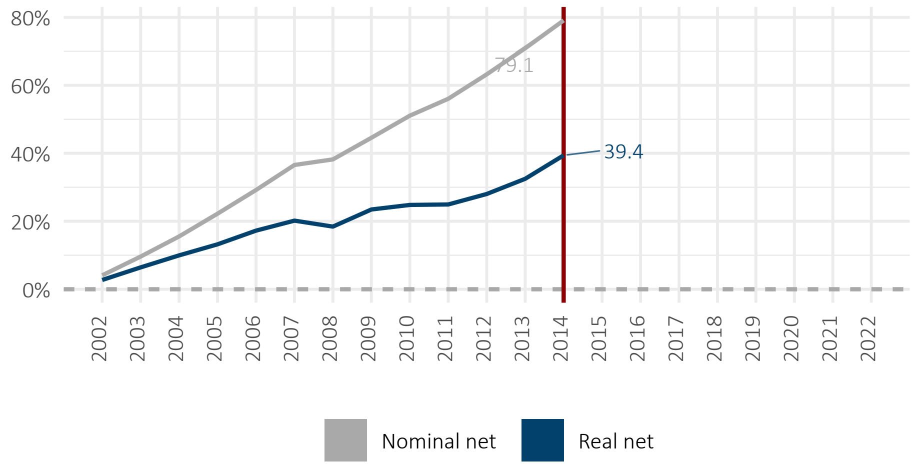
With the decline in the return on the Belgian 10-year government bonds since 2011, insurance companies were forced to decrease the guaranteed return offered to new contributions on "Assurance Groupe" Branch 21 contracts. However, insurance companies continue to guarantee the previous returns on the past contributions until the retirement. Past reserves continue to have guaranteed returns range from 3.25% to 4.75%. In 2018, the average guaranteed return continued to decreased but remained at 2.74%. When including the profit share, the average guaranteed return reached 3% of the total reserves. For older pension plans the return was higher than this rate, for newer plans it was lower.

Occupational pension plans managed by insurance companies (Branch 23 contracts)

Returns on "Assurance Groupe" Branch 23 contracts are variable and depend on the performance of underlying assets. These contracts experienced negative returns in 2011 and 2018. Their net average returns are very close to those of occupational funds managed by IORP (around -4% in 2018). Since 2015, Assuralia no longer provides information on the returns of "Assurance Groupe" Branch 23 contracts.

[10] The insurance law of March 13, 2016 (Solvency II law) requires that investments relating to "Assurance group" contracts and individual life insurance must be managed together. In this way, the insurer benefits from economies of scale and more possibilities for diversification, which should benefit the return.

Figure BE.5 – Cumulated returns of Belgian "Assurance Groupe": Branch 21 (before tax, % of AuM)



Data: Assuralia, Eurostat; *Calculations:* BETTER FINANCE.

Insurance companies do not offer guaranteed return on these contracts. However, affiliates benefit from the legal minimum guaranteed return on their contributions, which is currently equal to 1.75%. When the affiliate claim for its pension rights, if the final payment is less than the amount including the minimum guaranteed return, the employer must pay the difference.

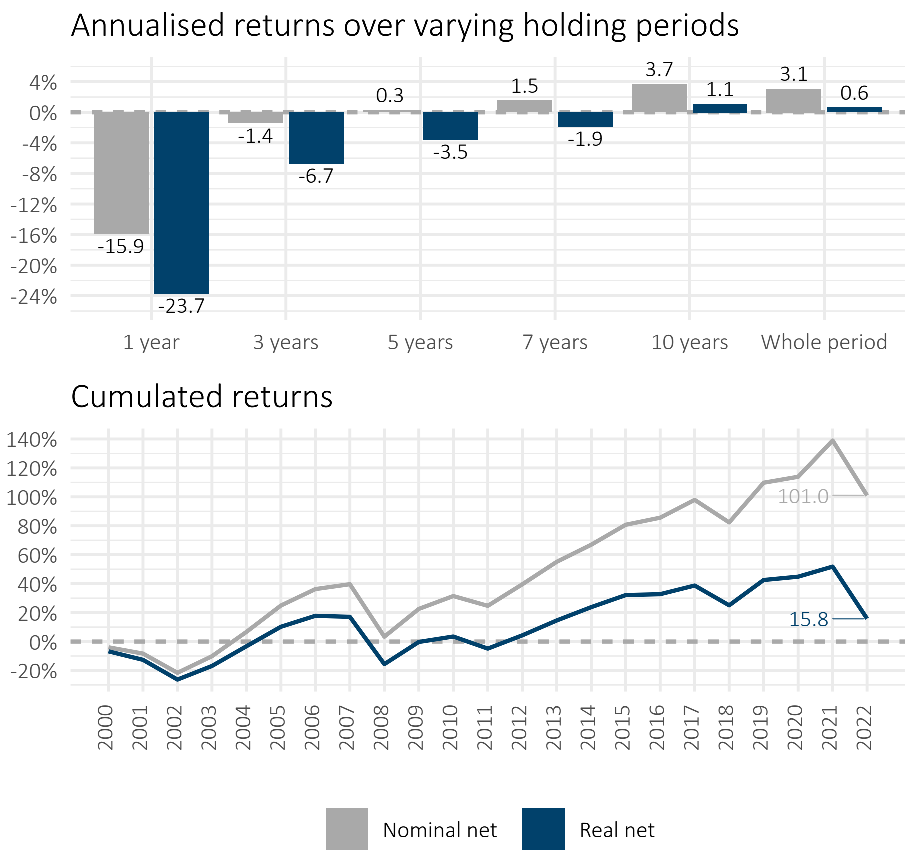
Pillar III: Personal pension savings products (pension savings plans and long-term insurance products)

Pension savings funds managed by asset management companies

The BEAMA provides quarterly data on pension savings funds. The most recent data regarding their returns was on an annual basis at end-2022. These average returns were calculated based on the average returns of all available funds in the market, after expenses but before taxation and inflation.

Annual returns are also available in the prospectus of each pension savings fund provided by the asset management company that commercialises the fund. In general, there is no available information on returns before 2002 in the fund prospectuses. The following figures (see Figure BE.6) show the average returns of all available funds for subscription in the Belgian market from 2000 to 2022. Pension savings plans and IORPs have a performance that evolved similarly. Pension savings plans experienced negative performance in the same years (2002, 2008, 2011, 2018 and 2022). High inflation impacted negatively the annualised real net returns which are positive after 10 years of holding like IORP. Unlike occupational pension plans, these pension savings funds are not obliged to pay a guaranteed return to retirees. Over the 22-year period (2000-2022), they delivered relatively similar nominal returns to occupational pension plans managed by IORPs, equal to 0.64%.

Figure BE.6 – Returns of Belgian Pillar III pension savings plans (before tax, % of AuM)



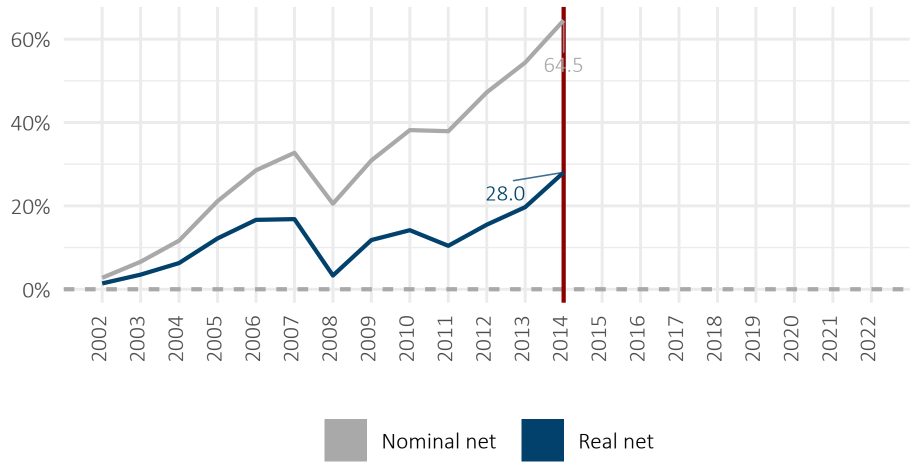
Data: BEAMA, Eurostat; *Calculations:* BETTER FINANCE.

Pension savings insurance (Branch 21 contracts) and long-term savings products (Branch 23 contracts)

In order to save for their retirement, Belgian can subscribe to pension savings insurance or to long-term savings products. Pension savings insurance consists in investing in individual life-insurance Branch 21 contracts with a guaranteed capital. Long-term savings products combine Branch 21 contracts and unit-linked Branch 23 contracts. Assuralia used to report net returns after charges in percentage of the total reserves managed through Branch 21 and Branch 23 contracts. This information gave an insight into returns of reserves invested within the third pillar. However, since 2015 Assuralia no longer provides on pension savings insurance and long-term savings products in its annual publication. Over the whole period from 2002-2014, the real annual average return after charges remained positive to 1.94% for Branch 21 contracts and to 1.57% for Branch 23 contracts. Branch 23 contracts experienced negative nominal and real returns in 2008 and 2011. Nevertheless, there is no available information on return after the year 2014.

Figure BE.7 represents the returns of Belgian insurance products (Branch 21 and 23) dedicated to prepared retirement. It is the average nominal and real net returns of Branch 21 and Branch 23 contracts from 2002 to 2014.

Figure BE.7 – Cumulated returns of Belgian long-term insurance products (branches 21 and 23, before tax, % of AuM)



Data: Assuralia, Eurostat; *Calculations:* BETTER FINANCE.

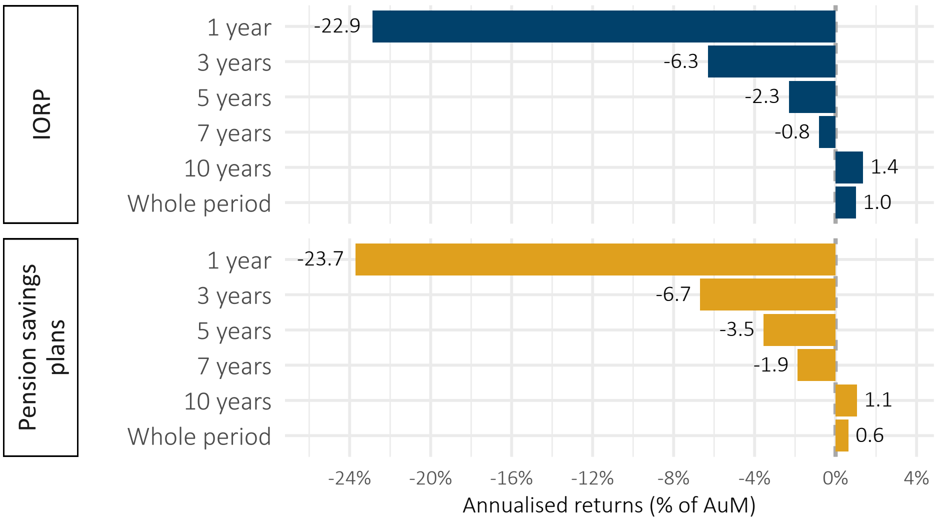
Returns in comparison

Figures BE.8 and BE.9 summarize annualised returns of Belgian long-term and pension vehicles over varying holding periods and show their cumulated returns.

Performance of IORPs and pension savings funds within the third pillar evolved similarly over the time. Despite some years with negative performance, these products offered a positive real net return in a long-term period (22 years) which are quite low, respectively 1% and 0.64%.

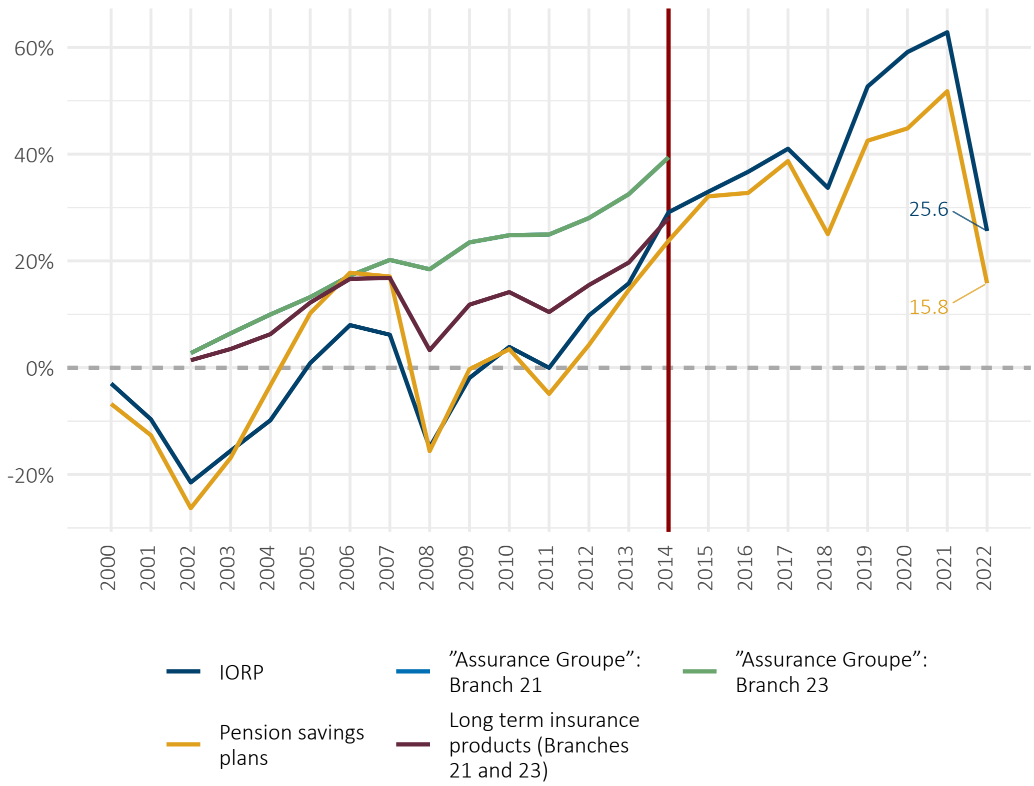
Information on returns of insurance products within the second and third pillar are fragmented. It is more difficult to see their real performance in the long run. It is interesting to remind that "Assurance Groupe" products offered a guaranteed minimum return (see returns of occupational plans managed by insurance companies on Page 81).

Figure BE.8 – Annualised returns of Belgian long-term and pension vehicles over varying holding periods (before tax, % of AuM)



Data: PensioPlus, BEAMA, Eurostat; *Calculations:* BETTER FINANCE.

Figure BE.9 – Cumulated returns of Belgian long-term and pension savings vehicles (2000–2022, before tax, % of AuM)



Data: PensioPlus, Assuralia, BEAMA, Eurostat; *Calculations:* BETTER FINANCE.

Do Belgian savings products beat capital markets?

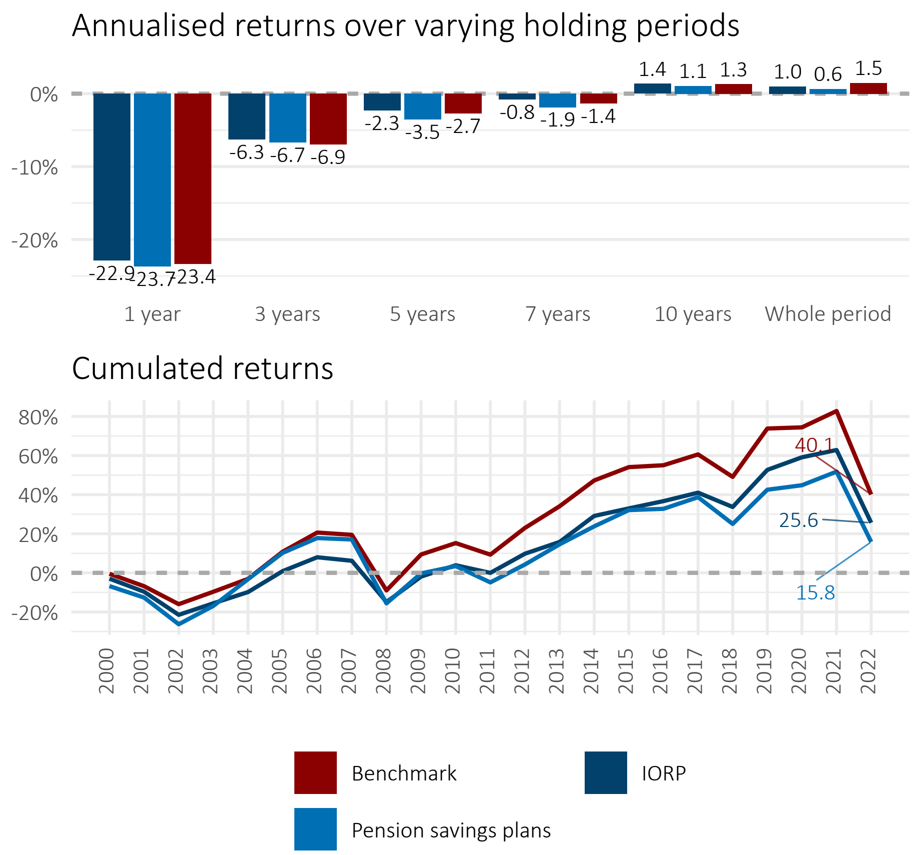
In the long run IORPs (pillar II) and pension savings plans (pillar III) evolved in the same way. Large parts of their assets are invested in equities and in bonds, it is interesting to compare their evolution with a benchmark portfolio with equal holdings of equity and bonds (see Table BE.12 and methodology on ?? for more details). Both IORPs and pension savings funds have the same trend as the benchmark over the period 2000-2022. Nevertheless, the benchmark and pension savings plans had almost the same performances from 2003 to 2007 (see Figure BE.10). Then, the gap of cumulative performance increased and it widened between 2018 and 2021, as the benchmark's performance increased faster over this period. Over the same period, the gap of cumulative performance between the IORPs and the benchmark is less important. Thus, the annualised returns of IORPs are higher than that of the benchmark over varying periods, except over the whole period. Over the period 2002-2022, the annualised return of IORPs is higher of 0.48 percentage point. While the annualised return of pension savings plans is lower of 0.84 percentage point.

Table BE.12 – **Capital market benchmarks to assess the performance of Belgian pension vehicles**

Product	Equity index	Bonds index	Allocation
IORP	STOXX All Europe Total Market	Barclays Pan-European Aggregate Index	50.0%–50.0%
Pension savings plans	STOXX All Europe Total Market	Barclays Pan-European Aggregate Index	50.0%–50.0%

Note: Benchmark porfolios are rebalanced annually.

Figure BE.10 – Performance of Belgian IORPs against a capital market benchmark (returns before tax, after inflation, % of AuM)



Data: PensioPlus, BEAMA, Eurostat; *Calculations:* BETTER FINANCE.

Conclusions

Belgians are encouraged to save for their retirement in private pension vehicles. In 2003, the implementation of the Supplementary Pensions Act defined the framework of the second pillar for sector pension plans and supplementary pension plans for self-employed individuals. The number of employees covered by occupational pension plans keeps rising as well as the number of self-employed individuals covered by supplementary pension plans.

Measures to guarantee the sustainability and social character of the supplementary pensions were enforced in January 2016:

- The guaranteed minimum return on contribution was lowered to 1.75% for both employee and employer contributions. This return will be revised according to an economic formula considering the evolution of government bond yields in the future;
- The supplementary pension age and the legal pension age were aligned;

- Beneficial anticipation measures granted to employees when they claim their supplementary pension before the legal age were abolished.

Over a 23-year period (2000-2023), occupational pension funds managed by IORPs (pillar II) and pension savings funds (pillar III) had a real annualised performance before taxation of 1% and 0.64% respectively. A benchmark composed of 50% of equities and 50% of bonds overperformed both IORPs and pension savings funds over the whole period. High inflation impacted negatively the performance of both products.

Assuralia reported some information on “Assurance Groupe” contracts on its website. In 2018, “Assurance Groupe” Branch 21 contracts offered on average nearly 2.74% of return (including profit share) and “Assurance Groupe” Branch 23 contracts offered a return close to -4%. Since 2016, guaranteed minimum return of new “Assurance Groupe” Branch 21 contracts decreased years after years and is now below 3%. Nevertheless, information on return for and individual life-insurance contracts within the third pillar are not publicly available since 2014.

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