



ACTIVITY REPORT 2007



1. GENERAL INFORMATION



FOREWORD (2007)

The membership of AEIP increased in 2007 from 25 members to now 31 members in 16 European countries.

In 2007 following members joined AEIP:

- BG Bau, Germany as associated member;
- Prévoyance Ré, France as observer;
- TVR, Finland as observer;
- Mutua General de Catalunya as correspondent and member of the Task Force Territorial Social Protection Schemes;
- Groupe France Mutuelle as correspondent;
- CARAC as correspondent.

With its new members, AEIP also enlarged its area of activities to employment and health and safety issues. Discussions are ongoing with paritarian institutions from Spain, Romania and Hungary to become members of AEIP.

The term “paritarian management”, meaning joint management of social protection institutions by representatives of employees and employers, is more and more spread among experts at European level through AEIP’s continuous promotion of this model. In fact, paritarian management is not limited to one of the sectors or the “pillars” of the European Social Model, but can be found in different shape all over Europe in both in the first, the second and the third pillar of social protection. A major task for AEIP

in 2007 and also in the future will be to further promote paritarian management and its values of solidarity, transparency and equity.

In 2007, Bernard Devy, representative of the employees and president of the ARRCO, France, handed the baton of the AEIP presidency over to Jacques Brossard, representative of the employers and of the “Fondation de prévoyance du 2^e pilier de LODH”.

The presidency of Bernard Devy has been marked by the important works of AEIP on solidarity and social and labour law and the setting up of a working group on Solvency. During his presidency, AEIP grew by 9 members.

The goals for the presidency of Jacques Brossard are to expand the AEIP activities to the new Member States and to increase the cooperation with the US and possibly other parts of the world.

Esa Swanljung from TELA, Finland and representative of the employees became the new Vice-President. The new secretary of the board was Peter Borgdorff from the VB, representing the employees, but after his departure the new secretary is Gerard P.C.M. Riemen. The new treasurer is Peter Huber from SOKA-BAU, Germany, representative of the employers. Bruno Gabellieri has been charged with the daily business as secretary

① Jacques Brossard,

Chairman of the
Management Board
(employers' side),
Fondation 2^e pilier
LODH, Suisse.

② Esa Swanljung,

Vice-Chairman
of the Management
Board (employees' side),
TELA, Finland.

③ Peter Huber,

Treasurer of the
Management Board
(employers' side), SOKA-
BAU, Germany.

④ Peter Borgdorff,

Secretary of the
Management Board
(employees' side),
VB, The Netherlands.

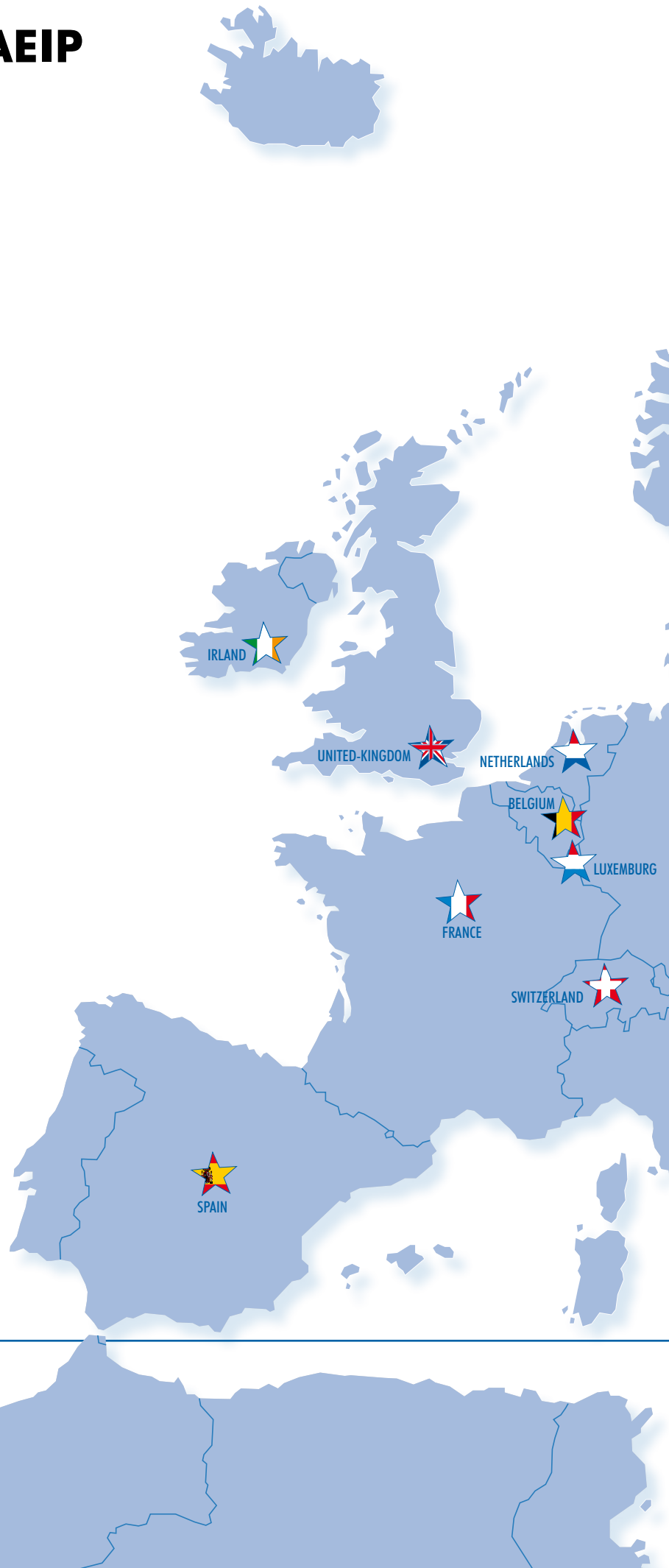
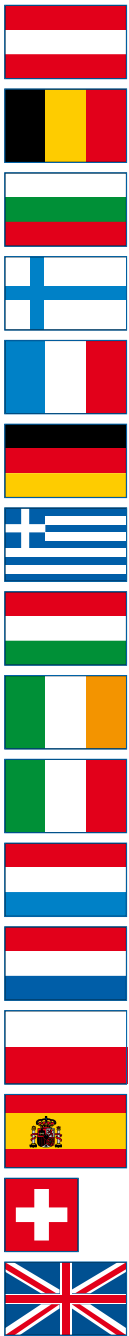


general supported by Sibylle Reichert, the permanent representative of the AEIP office in Brussels and Francesco Briganti, legal advisor. The secretary of the office in Paris is Corinne Lamarca, assistant of Bruno Gabellieri. The secretary of the Brussels office is Anna Kondrak.

In 2007, AEIP also streamlined its governance rules and set up a strategic committee as well as a budget committee within its Bureau.



2. MEMBERS OF AEIP





FINLAND

Associate members,
observers and
correspondents
in Europe

GERMANY

POLAND

AUSTRIA

HUNGARY

ITALY

BULGARIA

GREECE

ASSOCIATE MEMBERS



GERMANY

BKK-BV
Kronprinzenstrasse 6 – D45128 Essen
Tel.: 00 49 201 179 11 00 – Fax: 00 49 201 179 10 01
www.bkk.de **Founder Member: 1996**

SOKA-BAU
Wettiner Str. 7 – D-65189 Wiesbaden
Tel.: 00 49 611 707 1406 – Fax: 00 49 611 707 1300
www.soka-bau.de **Member since: 2004**

BG BAU
Berufsgenossenschaft der Bauwirtschaft Hauptverwaltung
Hildegardstr.29/30 – D-10715 Berlin
Tel.: 00 49 30 85781 0 – Fax: 00 49 30 85781 500
www.bgbau.de **Member since: 2007**



BELGIUM

INTEGRALE
Place Saint-Jacques 11/101 – B-4000 Liège
Tel.: 00 32 4 232 4420 – Fax: 00 32 4 232 4451
www.integrale.be **Founder Member: 1996**



FINLAND

TELA
Lastenodinkuja 1 – FIN-00180 Helsinki
Tel.: 00 358 10 680 6710 – Fax: 00 358 10 680 6708
www.tela.fi **Member since: 2002**



FRANCE

ARRCO
16-18, rue Jules César – F- 75592 Paris Cedex 12
Tel.: 00 33 1 71 72 12 02 – Fax: 00 33 1 71 72 16 15
www.arrco.fr **Member since: 1998**

AGIRC
16-18, rue Jules César – F- 75592 Paris Cedex 12
Tel.: 00 33 1 71 72 12 02 – Fax: 00 33 1 71 72 16 15
www.agirc.fr **Member since: 1998**

CTIP
10, rue de Cambacérès – F-75008 Paris
Tel.: 00 33 1 42 66 99 22 – Fax: 00 33 1 42 66 64 90
www.ctip.asso.fr **Founder Member: 1996**



IRELAND

CWPS
Canal House – Canal Road – IRL-Dublin 6
Tel.: 00 353 1 497 76 63 – Fax: 00 353 1 497 666 11
www.cwps.ie **Member since: 2007⁽¹⁾**



ITALY

ASSOPREVIDENZA
Corso Matteotti n°23 – IT- 00121 Torino
Tel.: 00 390 1153 01 04 – Fax: 00 390 11 55 56 30
www.assoprevidenza.it **Founder Member: 1996**



LUXEMBURG

DEXIA Pension Fund
69, Route d'Esch – L-2953 Luxembourg
Tel.: 00 352 4590 4590 – Fax: 00 352 4590 4987
www.dexia-bil.lu **Member since: 2005**



THE NETHERLANDS

VB
Zeestraat 65D – NL-2518 AA Den Haag
Tel.: 00 31 362 80 08 – Fax: 00 31 362 80 09
www.vb.nl **Member since: 2003**



SWITZERLAND

Fondation de deuxième pilier LODH
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www.lodh.com **Member since: 2005**

OBSERVERS



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Kliebergasse 1a – A-1050 Wien
Tel.: 00 43 5 79 579 1103 – Fax: 00 43 5 79 579 91199
www.buak.at **Member since: 2004**



FRANCE

Prévoyance Ré
19, rue de Chaillot – F-75016 Paris
Tel.: 00 33 1 56 52 51 30 – Fax: 00 33 1 56 52 51 49
www.prevoyance-re.fr **Member since: 2007**



FINLAND

TVR (työttömyysvakuutusrahasto)
Kalevankatu 12 PL 191 – FIN-00121 Helsinki
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www.tvr.fi **Member since: 2007**



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TEA ELTA Occupational Insurance Fund of the Hellenic
Post Aristotelous str. 11-15 – GR – 10432 Athens
Tel.: 00 30 210 5228508 / 00 30 210 5200522
Fax: 00 30 210 5200012
www.elta-net.gr **Member since: 2006**



ITALY

CNCE
Via Alessandria, 215 – IT-00198 Roma
Tel.: 00 39 6 852614 – Fax: 00 39 6 85261500
www.cnce.it **Member since: 2005**



SWITZERLAND

CIA Caisse de Prévoyance du personnel enseignant
de l'instruction publique et des fonctionnaires
de l'administration du Canton de Genève
Boulevard de Saint-Georges 38 – Case Postale 176
CH- 1211 Genève 8
Tel.: 00 41 22 809 16 16 – Fax: 00 41 22 809 16 00
www.cia.ch **Member since: 2005**



UNITED-KINGDOM

B&CE Benefit Schemes
Manor Royal – Crawley – West Sussex RH10 9QP –
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Tel.: 00 44 1293 586 502 – Fax: 00 44 1293 526 933
www.bandce.co.uk **Member since: 2003**

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www.cneps.es
MGC Mutua General de Catalunya
Tuset 5-11 – E-08006 Barcelona
Tel.: 00 34 93 414 36 00 – Fax: 00 34 93 201 22 22
www.mgc.es



FRANCE

CARCD Caisse Autonome de Retraite
des Chirurgiens-Dentistes
50, Avenue Hoche – F-75381 Paris Cedex 08
Tel.: 00 33 1 40 55 42 42 – Fax: 00 33 1 42 67 43 70
www.carcd.tm.fr

CAVAMAC Caisse d'Allocation Vieillesse
des Agents Généraux
104, rue Jouffroy d'Abbans – F-75847 Paris Cedex 17
Tel.: 00 33 1 44 01 19 64 – Fax: 00 33 1 44 01 19 20
www.cavamac.fr

Carac⁽²⁾
2 bis rue du Château – F-92577 Neuilly sur Seine
Tel.: 33 1 55 61 55 08 – Fax: 33 1 55 61 55 62
www.carac.fr

Groupe France Mutuelle⁽²⁾
56, rue de Monceau – F-75008 Paris
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www.groupefrancemutuelle.fr



GREECE

GR Hellenic Bank Association
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www.hba.gr



HUNGARY

ONYF Országos Nyugdíjbiztosítási Főigazgatóság
(Administration Centrale de l'Assurance Pension
Nationale)
Visegrádi u. 49 – H – 1132 Budapest
Tel.: 00 361 270 81 32 – Fax: 00 361 270 81 91
www.onyf.hu



POLAND

Adam Smith Centre⁽²⁾
Ul. Bednarska, 16
PL-00-321 Warszawa
Tel.: 00 48 22 828 47 07
[www.adam-smith.pl /](http://www.adam-smith.pl/) <http://www.smith.pl/>



UNITED-KINGDOM

UPS Ltd
Trinity Gardens 50
GB – London SW9 8DR
Tel.: 00 44 20 7737 06 82 – Fax: 00 44 20 7737 06 56
www.unionpension.co.uk

(1) Observer since 2001 – (2) New member since 2007.

3. AEIP WORKS IN 2007

A. PENSIONS AND RETIREMENT SCHEMES

1. 1408/71: Follow-up

AEIP followed up the developments of the simplification and modernisation of the 1408/71 and in future 883/04 regulation and the ongoing works on the implementation rules. With the new Member States in the European Union new forms of 1408/71 schemes emerged. Social security in some countries is more and more outsourced to private organisations and the borders of social security are in a continuous change. AEIP is eager to examine the peculiarities of such schemes and plans to organise a conference in 2008 to better understand the different shapes of such schemes.

2. Family bonuses: state of play in the European schemes

On the initiative of AGIRC/ARRCO, the members of the Commission 1 discussed the existing rules concerning bonuses for

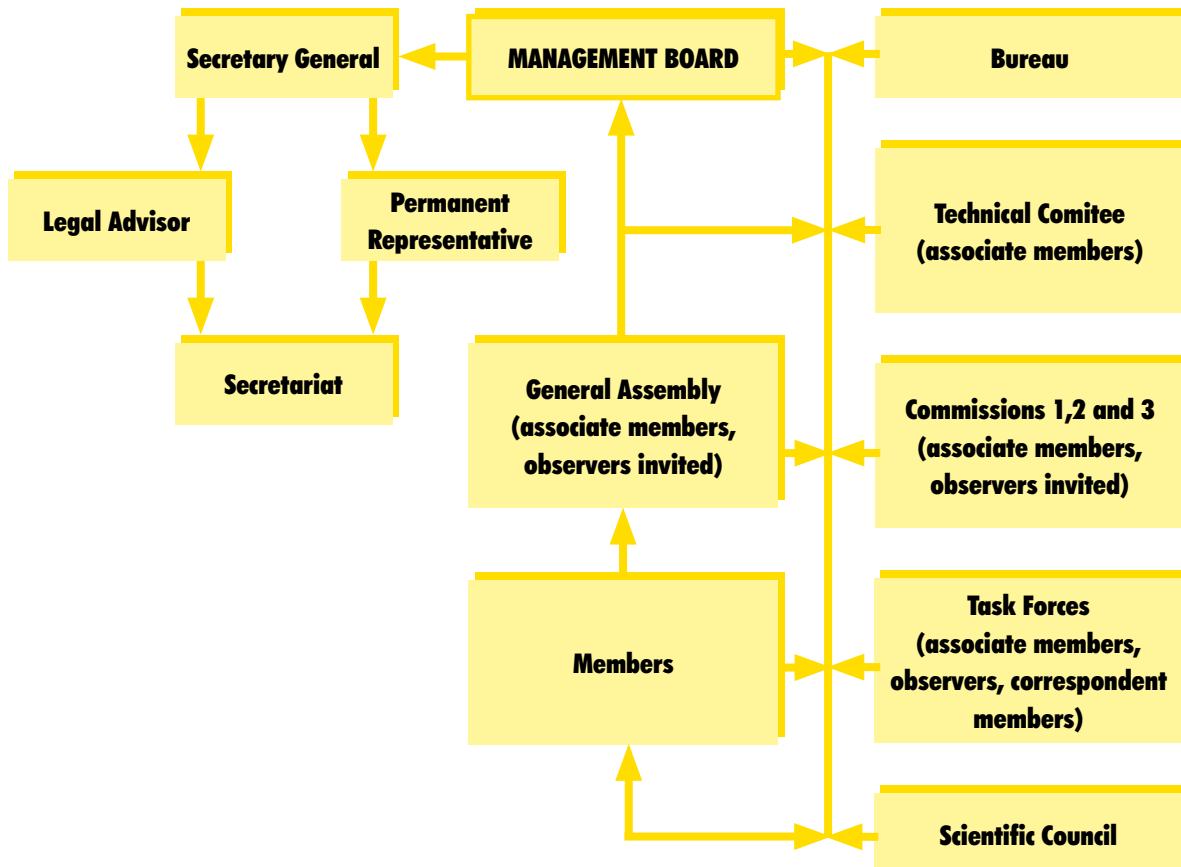
family members of an insured person. Bonuses for family members, such as child benefits or widower's pensions, are often part of the social partners' negotiations. Therefore, information about the practices in other countries with regard to non-discrimination and the changing patterns of families and partnerships in society have been shared among the AEIP members.

3. Information to Scheme members

Many countries are currently undergoing further sophistication of their tools for the information of scheme members about their pension rights. Each employee has the right to comprehensive information about his/her pension rights according to the Member States' recent pension regulations. This gets even more important with the demographic pressure and the danger of decreasing public pension provision in the future. The employees need to be informed about what income they can expect in their retirement.



AEIP'S CURRENT STRUCTURE



Therefore, the members of AEIP started a series of presentations in its working group to compare the practices in the countries. Reference is often made to the so-called "Orange Envelope" used in Sweden. In the Member States, the pension institutions are challenged to set up central databases, gathering the information on all the insured in a way that respects the protection of the data.

For example, in France, 36 statutory pension schemes will have to share data in order to build the comprehensive individual statement. As of 2007, different age groups will be receiving information about their pension rights to ensure that the full career is taken account of and to show to the age group 55 to 60 how much pension they will get at what age.

In Finland, all employment relationships are recorded centrally. Already now, the scheme members have access to the information about their pension rights with their banking registration. In 2005 a new legislation has been put into place, which stipulates that a person has to react within five years on his/her pension statement. As of 2008, all private sector employees will receive an extract of their employment record. Over 50 year olds usually receive in addition an estimate about the amount of the pension. With the help of the extract it is possible to annually follow the development of one's pension rights. The burden of proof for old

employment history is gradually shifted from pension institutions to employees and entrepreneurs. An extract will be sent by the pension institution which currently has the pension insurance. The series of presentations will be followed up in 2008 in Commission 1 and 2 of AEIP. The objective is to gather all the information and present a comparative study once all the AEIP members have presented their practices.

4. IORP Directive: Legal Matrix and the implementation of the Directive with regard to governance rules and social and labour law

As of 2007, all the Member States have implemented the IORP Directive. In 2008, the revision of the directive is planned. The CEIOPS is already preparing a report about the revision of the directive.

One of the major projects of the last few years with regard to the IORP Directive has been the AEIP works in cooperation with the KU Leuven and Prof. Stevens concerning the meaning of social and labour law in the IORP Directive. End of 2006, AEIP and Prof. Stevens presented the second part of the study "The development of a legal matrix on the meaning of "National social and labour legislation" in directive 2003/41/EC with regard to five Member States. – Belgium, France, Germany, Italy and the Netherlands" to the Pension Forum of the

European Commission. In February 2007, AEIP and Prof. Stevens presented the study to the Occupational Pension Committee of the CEIOPS. A press release has been published in August 2007. According to the report, common denominators that recur among the five examined Member States are the following:

- IORPs are recognised to be suitable of pursuing public interest objectives;
- social partners have a role in organising the relation between members and the IORP;
- the protection of rights within the organisation of the pension scheme.

In several meetings, AEIP called for more transparency with regard to the publication of social and labour legislation. Due to the AEIP and Prof. Stevens' works, the topic of social and labour law has been put on the agenda of the CEIOPS and the European Commission. In the last conference of CEIOPS in November, it was declared that it is the role of the CEIOPS to set up a database with the respective legislations of the Member States. AEIP thinks that there is a need to develop a tool at policy level now that common denominators of social and labour law in the IORP are known. In the end, there is a possibility to try to find a common definition of the European social model. AEIP sees the duty to present this inquiry and intends to work on a proposal on how future

social and labour law could improve mobility through the action of social partners.

In 2008, AEIP will update and possibly extend the legal matrix to the new legislation in place and finally work on the definition of the European Social Model. Furthermore, AEIP will look at how the directive has been implemented in the Member States with regard to Social and Labour Law and governance rules.

5. Portability of pensions

The strongly contested proposal for a directive of the portability of pension rights was revised in 2007 following the adoption of the Report of Riia Oomen-Ruijten in June 2007. The European Commission proposed a new text on minimum requirements for enhancing worker mobility by improving the acquisition and preservation of supplementary pension rights. Concerning these last evolutions of the EU works on this draft directive, the AEIP regrets that a good framework about occupational pensions for cross-border workers has not been achieved yet. In fact, the AEIP has always supported the need of such a framework, in order to provide the EU with an effective means to improve the mobility of workers and to further enhance the internal market.

The AEIP also acknowledges that the goal of the directive has now changed profoundly. All the more so that the provision of similar conditions for supplementary rights'



Management Board
of October 24, 2008.

acquisition in the EU and the safeguard of dormant rights have become in the EU and the safeguard of dormant rights have become the sole goals of the directive.

The AEIP acknowledges the need for an agreement that would really involve all the Member States, and not only some of them. Nevertheless, from the point of view of the AEIP members, the proposed requirements on e.g. the vesting period may imply serious financial problems for some of its member schemes. Therefore, AEIP thinks it should be left to the Social Partners to decide on such requirements according to the setting-up and financing of the schemes. Thus, the discussions within AEIP reflect the discussion in the European Council. In 2008, AEIP will present a new position listing the existing practices in the Member States, where AEIP has members.

6. Pension Forum European Commission

The Pension Forum of the European Commission discussed in 2007 the following issues:

- Robins' Case: judgment of January 25, 2007 (Robins & Ors v Secretary of State for Work and Pensions (C-278/05) of the European Court of Justice where it has been announced that the European Commission will present a report in 2008;
- Up-date on the implementation of the IORP Directive. The DG Internal Market stated that the above mentioned revision of the directive will focus on technical provisions, the role of sub-ordinated loans, social and labour law in cross-border provision, the situation of insolvency in pension schemes;
- Solvency II and its impact on the discussions about whether or not similar rules are needed for IORPs;
- Financial impact of ageing;
- Streamlining of the Open Method of Coordination;
- Report about flexible retirement provision that the European Commission is preparing in cooperation with the SPC;
- Portability.

The working programme for 2006/2007 included subjects such as:

- Cross-border mobility and the implementation of the IORP Directive;

- Data gathering;
- Study on the availability and design of annuity provision;
- Information to pension scheme members;
- Best practices in regulatory reform.

7. The Robin's Case

Following the discussions in the Pension Forum about the Robins' Case, AEIP has discussed this issue within its Commission 1 and 2 and with European Commission officials. In this judgment of January 25, 2007 (Robins & Ors v Secretary of State for Work and Pensions (C-278/05) the European Court of Justice dealt with the topic of the protection of employees' accrued rights under supplementary company or inter-company final salary pension schemes in case of employer's insolvency. Actually, a specific European norm is dedicated to this occurrence, that is the art 8 of the Directive 80/987 on the protection of employees in the event of the insolvency of their employer.

The three conclusions of the Court were the following:

- First: The article 8 does not require the Member States to protect entirety of rights, nor it requires these rights to be funded by the Member States themselves;
- Second: A system such as that established by the UK legislation, under which more than half the total claimants would lose at least half their benefits, did not

ensure the protection provided for by the Directive and did not constitute proper implementation of Art.8 thereof. That being stated, a minimum level of protection required was not established by the Directive 80/987 itself;

- Third: The breach of the said provision by MS does not itself imply their liability for damages caused to individuals. Indeed, such a liability of a Member State is generally conditional on a finding of manifest and serious disregard by that state for the limits set on its discretion, and the national court hearing a claim for reparation had to take account of all the factors that characterised the situation put before it.

Finally, it is also important to state that, despite the Court's verdict on the non-correct implementation of the said directive by the UK, a Commission report COM (95) 164 final, concerning the transposition of the Directive by the Member States, substantially considered the UK's rules adopted in order to transpose the article 8, appeared "to meet the requirements of article 8". Against this background, AEIP decided to gather information about existing solvency rules of its member schemes to compare the rules with regard to the recent judgement on the Robins' Case. It will come up with the results in 2008. The AEIP welcomes the report of the European Commission on this subject.

B. AEIP ACTIVITIES IN INSURANCE AND FINANCIAL SERVICES

1. Solvency II

The European Commission published a proposal for a Directive on Solvency II in July 2007. This directive, based on three pillars, will provide for a more risk based approach with regard to quantitative requirements for the solvency capital and the minimum capital (Pillar I), for more qualitative requirements with regard to risk management and supervisory activities also including governance issues (Pillar II) and for better supervisory reporting and disclosure (Pillar III). Through its founder member CTIP, AEIP has followed up and participated in the works of the CEIOPS and the European Commission. The AEIP set up a working group on Solvency in 2007, in order to discuss the ongoing works at European level and to discuss on the participation in the ongoing works concerning the Quantitative Impact Studies, the impact of the directive on the AEIP members and about solvency rules for pension funds. In October 2007, the AEIP presented its common position.

In this position AEIP pleaded for a principle based approach which takes account of the existing national social and labour legislation. According to AEIP, social partners are normally in charge of ensuring the solvency of collective schemes. Based on

national, sector- and company-wide collective agreements, they take care for securing the rights of the beneficiaries.

Concerning collective health schemes managed by social partners under the insurance directives, AEIP is clearly in favour of a simplified standard formula, based on robust and clear hypothesis.

Concerning pension scheme operations whether managed by non commercial collective insurance undertakings or by IORPs, the AEIP considers that the Solvency II' approach should be modified for IORP activities and their specificities in coherence with main IORP directive principles.

The ultimate goal of all collective insurance undertakings and pension funds according to AEIP is to care for a decent standard of living for the insured in case of risks such as longevity, death, inability or invalidity. The collective agreements provide for securing these rights through adequate control mechanisms and recovery plans. As managers of collective schemes, social partners provide for an adequate risk governance and financial transparency. In case of under funding, social partners may decide to make supplementary contributions if necessary or modify future benefits to be acquired. It is also possible to create a guarantee fund which takes over the risks for the beneficiaries in case of under-funding.

The sector furthermore underlies the supervision of the respective supervisory authorities in Member States.

AEIP is sure that such a principle based approach would reflect the kaleidoscope of the existing forms of undertakings of the collective insurance and pension sector all over Europe.

In 2008 the AEIP will continue to work on Solvency II and provide its expertise to the ongoing discussions at European level. It furthermore plans to organise a conference about solvency issues in May 2008. The challenge of the AEIP works in 2008 will be to find the best solution of a solvency regime for pension products, whether they fall under the Insurance Directives or the IORP Directive.

2. Socially Responsible Investment

The AEIP members started sharing their experiences with regard to their activities in socially responsible investment in 2007. With the increasing pressure for socially and environmentally sound investment, the pension schemes all over Europe apply investment strategies that are in line with the values promoted within the schemes.

The first few presentations given during meetings showed that all the schemes apply such principles. Some tend more to ESG (Environmental, Social and Governance

principles) whereas others more to SRI (Socially Responsible Investments). Some Member States set up principles of SRI or ESG to be followed by the pension institutions. The objectives in this respect are to invest profitably and securely and at a high, stable and long standing yield. Socially responsible investment can be considered as a form of risk management and transparency of the investments is important. TELA, Finland, for example decided to incorporate the UN principles of SRI in its principles. Belgium set up guidelines for SRI and in the Netherlands the pension fund associations presented a report about SRI.

AEIP will in 2008 continue to work on SRI and present a survey about the principles put into place by its members and is ready to offer a better knowledge about SRI through conferences or seminars.

C. HEALTH

1. Participation in Peer Review on health inequalities

Sibylle Reichert, the permanent representative of AEIP, has participated in the Peer Review session within the framework of the Open Method of Coordination. The Peer Review was hosted by the Hungarian Ministry of Health. Austria, Bulgaria, Czech Republic, Estonia, Finland, France, Luxembourg, Portugal and Slovenia were the participating peer countries. The session focussed both

on inequalities in health status and on access to healthcare. These are particularly important topics for Hungary, which is currently working on its health reform.

AEIP thinks that for tackling health inequalities, the most important thing is to place the individual at the centre of the reflections. It is also important to have qualitative, comparable data at the European level, as a prerequisite for reducing inequalities. The most difficult aspect is to change people's behaviour. It is important to make people aware at a very early age of what it means to be in poor health and to teach them how they can avoid illness. At the level of companies and sectors, there are possibilities for prevention through health and safety at the workplace. Another possibility is to give people more

choice, but then accurate information has to be provided and individual preferences have to be taken into account, so that people are able to choose different treatments or indeed to care for themselves. Provision must also be made for complaints management. As the AEIP represents institutions that are managed by the social partners, it has to take account of the employees' need for social justice and welfare but also the employers' concern for economic issues and performance. Solidarity as a changing concept should be at the heart of all reflections about inequalities. At the same time, personal responsibility needs to be strengthened. However, personal responsibility within the health sector is difficult, due to asymmetric information. Concerning the socio-economic factors, it has to be kept in mind that health is one of the fastest-growing markets. Does that mean that everybody can have access to this market? At the same time, healthcare is considered to be an economic activity. Does that mean that everything can be privatised, and we can forget about solidarity? Inequalities also have a huge economic impact, because people who are in poor health are not able to be productive and to add to economic growth. There is a need for rehabilitation measures, so that people are quickly inserted back into employment and thus avoid poverty. The AEIP places great importance on cooperation between economic and social actors. As the Finnish

The AEIP team with the members of the AEIP Commissions:
Pierre Chaperon - GIE Agirc-Arrco,
Bruno Gabellieri,
Olivier Schumacher - Soka-Bau,
Sibylle Reichert,
Corine Lamarq,
Tomas Wijffels -VB,
Francesco Briganti,
Cécile Vokléber - GIE Agirc-Arrco,
Matti Leppälä - TELA.



EU presidency emphasised, health should be considered in all policies.

In order to overcome organisational barriers to access to healthcare, market instruments could be used.

The role that could be played by the EU is rather limited, as healthcare falls under the subsidiarity principle. Nonetheless, through the open method of coordination, the EU could provide benchmarks for quality standards, equivalence of medical practice, licensing and accreditation, and patient rights. As 2007 has been the European Year of Equal Opportunities for All, this can help to raise awareness about inequalities in the health sector. It is also important for all the Commission's DGs to cooperate on healthcare issues. AEIP promotes solidarity, cross-border projects and cooperation. An interesting approach to tackle health inequalities is the territorial one. In the future, the regions will play an increasingly important role in healthcare, because they are the closest to the citizens. To fight inequalities, cross-sectoral cooperation is essential, as many synergies can be achieved between the different sectors of social protection.

2. Long Term Care

In cooperation with AIM, the International Association of Mutual Societies, AEIP has set up a working group on Long Term Care. Against the background of an increasing

need for long term care in the future due to an ageing society, it is even more important to discuss it at European level. Long Term Care is also a subject that is linked to both health and pension issues. Many Member States have reforms of their Long Term Care Schemes on their agenda. The objective of this working group is to compare and analyse ongoing reforms and to discuss the trends and challenges in this area. A focus is laid on long-term sustainability of the Long Term Care systems and the role of the paritarian and mutual schemes.

In 2008, AEIP, AIM, AGE, the Youth Forum and Erste Foundation will co-organise a conference with the Slovenian Presidency of the European Union on Intergenerational Solidarity and Cooperation. The second day of this conference will be dedicated to Long Term Care. Issues such as quality of Long Term Care, human resources and volunteering and sustainability will be dealt with. AIM and AEIP plan to continue with their working group and to share experience with other organisations such as AGE.

3. Discussion about public/private partnerships in the health sector

With the new German health reform adopted in 2006, there will be possibilities of cross-border cooperation. Such cooperation has been one of the objectives at the very beginning of the creation of AEIP. The

German health insurers can compete now with so-called optional tariffs that allow them to offer specific treatments such as homeopathy or special rates using a general practitioner. This also may allow cross-border cooperation with European partners. AEIP, CTIP and BKK BV have decided to study this question in depth in 2008 and will organise a seminar around this question.

D. AREA OF COMMON INTEREST

1. Solidarity

In 2007, AEIP continued its works on solidarity. In March 2007, it published its proposal for a legal framework on solidarity. This document has been well received by the European Commission, Parliament and other stakeholders emphasising the need to foster the value of solidarity also in the future and anchoring it as a legal value at European level.

2. Services of general interest

Closely linked to the works of solidarity are the works of AEIP on Services of General Interest. AEIP provided its answer to a questionnaire of the European Social Protection Committee about the future role of Social Services of general interest in January 2007. With the protocol annexed to the treaty of Lisbon, at the level of treaty, a number of principles have been confirmed. An interesting challenge is nonetheless how to tackle the definition of economic and

non-economic services of general interest and the impact on the schemes represented by AEIP. A vivid discussion with Commission representatives has been launched about this subject and the role of Art. 81/82 and 86.2. with the need to respect subsidiarity and proportionality. For AEIP the tension between competition and social policy has not been solved with the recent communication of the European Commission about Services of General Interest.

It will further work in this area including the interpretation of the respective judgements of the European Court of Justice.

3. Governance of Social Protection Schemes

Governance of Social Protection Schemes has been a subject for two years at AEIP. In 2007 AEIP members started to share information about the training of directors of its institutions. With the ever increasing complexity of the financial market and its instruments, there is an increasing need that the board members of social protection institutions are trained with regard to their role as controllers and supervisors of their schemes. This is even more necessary with the challenges of sustainability against the background of the demographic changes that all European Member States face. The questions tackled in this share of information were what trainings are offered for board members, whether they are compulsory, how often they are realised and what

backgrounds are required for board members in order to be able to fulfil their tasks to the benefit of the scheme members.

AEIP will present a comparative study of the training of the board members and show best practice examples in 2008.

4. Labour Law

With the Communication of the European Commission on 'Modernising labour law to meet the challenges of the 21st century' in 2007, AEIP presented a common position in 2007. In its position, AEIP underlined the need for a strong involvement of the social partners in labour relations regulating processes. Furthermore, AEIP stressed the need to protect the social rights of mobile workers. AEIP also favours a clarification of common elements and boundaries of national labour laws at European level.

E. TASK FORCE CONSTRUCTION

The AEIP Task Force Construction welcomed in 2007 the partnership with the American counterparts ILMA. Representatives of ILMA participated in one meeting of the Task Force Construction and presented the situation of the construction sector in the US.

The members of the Task Force Construction are Soka-Bau, Cordares, The Construction Workers Pension Scheme, B&CE Benefit Schemes, ETERA, BUAK, CNCE, PRO BTP, BG-BAU.

1. Asset Management

The members of the Task Force Construction continued to compare their strategies on asset management. Discussed were the use of long term products and the application of socially responsible investment rules. Furthermore, experts from the field presented new products. An important subject also was the increasing role of institutional investors and shareholder policy instruments and the impact this has on governance of the firms that the schemes are investing in. The members also discussed the impact of the subprime crisis on their schemes.

2. Pensions

As in 2006, an important subject has been the proposal of a directive on portability of supplementary pension rights. Members discussed the challenges for their schemes. Furthermore, AEIP shared information about the ongoing subjects such as the IORP Directive and solvency issues. Information about the reforms in the countries has been shared. Furthermore, the financial education of scheme members has been discussed in order to raise awareness. Finally, new evolutions with regard to pension fund governance of the construction sector have been examined.

3. Health and Safety, Rehabilitation and Training

The new European Strategy of Health and Safety at the work place will cover the period

of 2007 to 2012 and pursue the positive trends of the previous Community Strategy 2002-2006 which is already bearing fruit. Over the period 2002-2004, the rate of fatal accidents at work in the EU-15 has fallen by 17% while the rate of workplace accidents leading to absences of more than three days has fallen by 20%.

As promoted in the previous Community strategy evaluation, a particular emphasis is placed on partnership at European and national levels to achieve good results in safety and health. In the Task Force Construction, the participants discussed their practices in the area of health and safety, as for example the introduction of a compulsory smart card for each worker to prove that he has taken part in health and safety trainings. Furthermore, the management of rehabilitation and sick leave have been dealt with.

With the arrival of two new members to the Task Force Construction, BG BAU as an associated member and Fundación Laboral announced as an observer, the Task Force Construction will continue to work on this issue and share best practices in a specific working group.

4. Cooperation with EFBWW and FIEC

In the framework of the AEIP Task Force Construction, the first common project with the social partners has been portability of pension rights. The project has been realised

by Prof. Yves Jorens from the University of Ghent and member of the AEIP Scientific Council, supported by the European Commission. The cooperation has been continued in 2007 with the idea of organising a joint conference about the promotion of paritarian schemes in the so-called Visegrad countries: the Czech Republic, Hungary, Poland and Slovakia. The conference with the support of the European Commission and the Ministry of Labour and Social Policy of Poland will be organised in March 2008 in Warsaw.

F. TASK FORCE PAID HOLIDAY SCHEMES

The Task Force Paid Holiday Schemes had joint meetings with the Task Force Construction. Subjects that have been dealt with were the posting of workers directive, irregular work and mobility of workers.

The members of the Task Force Construction are Soka-Bau, Cordares, The Construction Workers Pension Scheme, B&CE Benefit Schemes, ETERA, BUAK, CNCE, PRO BTP, BG-BAU.

1. Posting of Workers Directive

With regard to the posting of workers directive, the Commission published, on 13th June 2007, a new communication in which the Commission assessed the measures taken by the Member States in the event of failure to comply with the directive. In response, the AEIP Task Force



Construction presented a common position to safeguard the existing and necessary control mechanisms in the Member States with regard to the social protection of the workers and the maintenance of fair competition. The members of the Task Force Paid Holiday Schemes discussed their concerns with the European Commission.

2. Irregular Work

Irregular work in the construction sector is a major problem for the schemes involved. Therefore, within its Task Force, the members share best practice examples of how to tackle irregular work. The presentation of the Italian DURC system, where as all companies active in the construction industry have to register with the social protection

schemes of the sector, was an interesting example of how irregular work could be reduced on the long term.

3. Mobility of workers

With regard to mobility of workers, members shared their experiences about the impact of mobility on social protection schemes and how to organise the flow of pension and paid holiday rights.

Pierre Chaperon - GIE Agirc-Arrco,
Bruno Gabellieri,
Olivier Schumacher -Soka-Bau,
Sibylle Reichert,
Corine Lamarq,
Francesco Briganti,
Cécile Vokléber - GIE Agirc-Arrco.

G. TASK FORCE TERRITORIAL SOCIAL PROTECTION Schemes

This Task Force was set up in 2006 in order to discuss the possibilities of setting up regional social protection schemes by collective agreements. Such schemes can in fact cover employees of Small and Medium Enterprises that usually do not have access

to sector – or company – wide occupational social protection schemes. They are perceived to be closer to the needs of local citizens and they are better organized to provide comprehensive information to its scheme members. Such schemes are also promoters of the European regions, investing into local infrastructure according to the existing legislation. Another objective of this working group is to create a European network and to discuss and promote existing initiatives.

The members are Assoprevidenza, Centrum PensPlan Region Trentino Alto Adige, MGC (Mútua General de Catalunya), Arbeitsgemeinschaft / Kommunale und kirchliche Altersversorgung (AKA) e.V. (AKA), Staatskanzlei des Landes Nordrhein-Westfalen Landesvertretung Brüssel, Vertretung des Landes Niedersachsen bei der Europäischen Union, Vertretung des Freistaates Bayern bei der Europäischen Union, AG2R and Prof. Dr. Yves Stevens.

H. CONFERENCES OF AEIP

1. Portability, April 18, 2007

AEIP in cooperation with EAPSPI (European Association of Public Sector Pension Institutions) held a conference in Brussels on April 18, 2007. High level experts from the Member States, the European Commission, the European Parliament, Social Partners and other stakeholders participated in this conference.

The prior aim of this conference was to highlight the experience and the technical issues of portability within the Member States and at European level. Questions such as whether portability was possible within the countries and what were the challenges of cross-border transfers and whether all fiscal obstacles already have been removed, have been asked.

As keynote speakers, Mr. Gerd Andres, Secretary of State from the German Ministry of Labour and Social Affairs, and Georg Fischer, head of Unit “Social Protection and Social Services” from DG Employment, Social Affairs and Equal Opportunities will provide their points of view.

During the conference, experts presented technical studies about portability.

The first study was realized by Prof. Yves Jorens from the Social Law Department, Gent University and member of the AEIP Scientific Council and commissioned by the Social Partners of the Construction Sector, EFBWW and FIEC with the partnership of AEIP. The study included an assessment of the practices concerning portability in the construction sector in 9 European countries.

The other two studies were commissioned by EAPSPI and were about the importance of cross-border transfer of occupational pension rights within Europe. The first study has been compiled by independent experts

from pension institutions. The second dealt with the important question of taxation rules. It looks at whether these rules might hamper cross-border portability.

Finally, representatives of some pension schemes from Germany, The Netherlands, Italy and Ireland discussed about their experiences with portability at national level.

2. Governance, May 15, 2007

The second conference of AEIP in cooperation with EFRP (European Federation for Retirement Provision) took place on May 15, 2007 in Amsterdam. The subject of this conference was: "Governance- Challenges for companies and social protection institutions – state of play". In this conference experts shared information and practices with regard to governance and the different models used in companies, but also in pension funds. For pension fund governance, where normally a two tier system with a supervisory and an executive board is common, subjects such as control, responsibility, accountability, disclosure and transparency are vital. A speaker from ABN AMRO Asset Management presented the proxy voting in the daily practice and the impact of good governance on shareholder value.

In the first panel, different speakers presented the governance practices in their countries such as Sweden, the Netherlands and Central and Eastern European Countries.

The speakers of the second panel discussed

the policy approach on Governance. A representative of the European Corporate Governance Forum explained that the Forum is working on the operation of corporate governance codes, on shareholders' rights, on the principle of proportionality and on internal control and risk management. A representative of the Dutch National Bank explained the practices in the Netherlands from a Supervisor's point of view. In the end, an expert from Great Britain called for an increased role of paritarian management for the better governance of the pension schemes. In the last panel, the approach of governance in Social Protection Schemes of France, Italy and Finland has been presented. The role of the social partners with regard to governance has been stressed by all the speakers.

3. Construction Sector, June 8, 2007

On June 8, 2007, AEIP organised a conference in Dublin entitled "**The Construction Sector in the European Union: Pilot Sector for Pan-European Projects**".

The construction sector is the sector with high worker mobility and thus could serve as a pilot sector for pan-European projects in the area of pensions or paid holiday schemes.

The conference in Dublin presented the projects of the Task Force Construction and its main points of interest.

Charlie McCreevy, European Commissioner for the Internal Market and Services, provided the keynote speech.

During the first panel, speakers from France and Ireland looked at asset management benchmarking and how to get the best return for the benefit of the insured. The second panel dealt with portability and the challenges encountered in European countries such as Germany, Finland and Denmark. In the third panel, representatives from the Netherlands and Luxembourg presented their cross-border experiences and projects. The final panel gave an overview of the impact of cross-border mobility on social protection schemes. Representatives of German and Italian schemes explained their experiences.

4. Renewal of Social Protection, June 15, 2007

AEIP has always been a laboratory for new ideas with regard to social protection law at European level. Therefore, in cooperation with Groupe Apri and the Centre for Social Protection Law of the University of Montpellier AEIP organised a conference in the European Parliament in Strasbourg on June 15, 2007. The changes of the regulation 1408/71 and the impact of mobility on European law has been explained by Robertus Cornelissen from the European Commission. The negative impact of mobility and the possibility to counteract fraud has been described by a

representative of the Ministry of Social Affairs from France. Dr. Jacques-André Schneider questioned whether supplementary retirement systems and financial legislation were compatible and what challenges this implied. Henri Lewalle from the Christian Mutualities in Belgium described the challenges of Community law for health insurers. Representatives of Areva and Sanofi-Aventis reported on their daily practices and the impact of a mobile labour force. Diego Aquilina from Integrale, explained the impact of European legislation on a company wide pension schemes. Prof. Langlois, member of the AEIP Scientific Council gave a historic overview of European legislation with regard to occupational pension schemes. Bruno Serizay described the Community construction from the French point of view.

5. The rising importance of territorial social protection schemes, December 11, 2007

"...Why Territorial schemes are worth"

Do the traditional supplementary social protection schemes cover enough the population of a country? According to statistics, the major coverage is reserved to workers of big companies and to the people belonging to well defined and unionized industry sector.

This is why we need the territorial social protection schemes that will easily cover the craftsmen, the shopkeepers, the workers of for example SMEs.

At a conference that AEIP organised in cooperation with the Committee of the Regions on December 11, 2007, a strong voice has been given to the representatives of existing Territorial Social Protection Schemes. They deliberated on the reasons for setting up such schemes and described the success of their forward-looking and innovative projects.

Introducing the conference, the Secretary General of the Committee of the Regions, Gerhard Stahl underlined the increasing need for regional solutions with regard to complementary social protection.

Francesco Briganti, Legal advisor of AEIP, presented the view of AEIP on solidarity and the need for a legal framework for solidarity at European level, as proposed by a project drafted by the AEIP.

In the first session about territorial pension schemes, representatives of territorial schemes in Italy, France, Norway, Germany and Spain presented these schemes that complement the first pillar pensions. The original idea of setting up those schemes is to be closer to the local population, in order cover those people that normally do not have access to pension funds, and often do not even know what these schemes are.

It was very interesting to notice that these schemes had been set up very differently from each other even within the same

country: sometimes on the sole initiative of the social partners, sometimes on the initiative of the region.

The advantages of territorial pension schemes were well explained by Michael Atzwanger from PensPlan (Trentino Alto Adige Region-SudTyrol, Italy) :

- Higher market penetration;
- Higher degree of solidarity;
- Higher degree of stability;
- Promotion of local investments.

With regard to health, which was dealt with in the second session by Bruno Gabellieri, the secretary general of the AEIP stated that an initiative had been set up at departmental level in France. According to Prof. Stevens from the KU Leuven, setting up regional health schemes seems to be more complicated due to the different kinds of risks that are covered by health insurers. According to him, social partners and regions could play a major role in complementary regional health schemes. Jacky Brunel presented new project of the company Almerys about technical assistance to dependent people at regional level.

4. AEIP SCIENTIFIC COUNCIL

The AEIP Scientific Council comprises 11 professors and advisors from 9 countries. It meets once a year to discuss innovating ideas with regard to social protection in general and the role of paritarian management at European level in particular. The Scientific Council in 2007 reflected on the future challenges of coordinated retirement schemes, insurance undertakings and pension funds and their interrelations. With regard to health and provident benefits, the members discussed the health market as a market of the future and private public partnerships in the health sector. Furthermore, the programme for the conferences in 2008 has been discussed.

5. CONCLUSIONS AND OUTLOOK

In 2007 with the arrival of the new members, AEIP enlarged its field of activities to unemployment and health and safety. It strengthened its contacts with the European Commission and deepened existing cooperation alliances. This helped to increase the visibility of AEIP at European level and to further promote the values of AEIP such as paritarian management and solidarity.

In 2008, AEIP will further initiate discussions about paritarian management and its advantages as an advocate of the social pillar of the Lisbon Agenda, combining the safeguarding of social rights for the workers and an ever increasing efficiency of social protection schemes.

Sibylle Reichert, January 2008.



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