

# Activity Report

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# General Information

## Foreword

The AEIP, the European Association of Paritarian Institutions of Social Protection, counts 34 members in 17 European countries. The AEIP's core business is to promote paritarian management in social protection through defending the interest of its members, lobbying the European institutions, organising conferences and seminars and cooperation between its members. The ultimate goal of the AEIP is the European Institution of Paritarian Management.

The chairman of the AEIP is Jacques Brossard from the Fondation de 2ème pilier LODH, Switzerland, representing the employers, the vice-chairman is Esa Swanljung from the Finnish Pension Alliance, TELA, representing the employees. Peter Huber from SOKA-BAU in Germany representing the employers is the treasurer; Gerard Riemen from VB in the Netherlands is the secretary of the board. Bruno Gabellieri is in charge of the daily work of the AEIP supported by Corinne Lamacq, and by the AEIP Brussels team, Sibylle Reichert, the permanent representative, Francesco Briganti, the legal advisor, and Anna Kondrak, their assistant.

The AEIP welcomes the membership of the following institutions in 2008:

### As Observers joined :

Fundación Laboral, Spain  
Casa Sociala a Constructorilor, Romania

### As a Correspondent joined :

Adam Smith Centre, Poland

In 2008 the AEIP enlarged its activities to the Eastern and Central European countries to analyse the so-called 1408/71 schemes in those countries. Jacques Brossard, Chairman of the AEIP and Francesco Briganti, Legal Advisor of the AEIP started a dialogue with several eastern and central European Ministries of Social Affairs in order to develop further contacts with the often privatised and funded schemes. Another objective of these contacts is to inform our partners about the advantages of paritarian social protection schemes.

The AEIP participated in a conference of the European social partners of the construction sector in order to promote paritarian social funds such as collectively managed pension, health and safety as well as training schemes in the so-called Visegrad countries.

Furthermore, the contacts with the AEIP counterpart in the US, the NCCMP, were strengthened. For the first time Matti Leppälä, Director International and Legal Affairs of TELA, and per decision of the board of the AEIP in charge of the relations with the USA, and Sibylle Reichert, Permanent Representative of the AEIP, participated as speakers in the national congress of NCCMP in September 2008.

The major subject in 2008 was the works of the European Commission on Solvency II and the discussions whether or not pension funds shall fall under the same solvency regime as insurance companies. The AEIP took part in these discussions and organised a major conference.

Another major theme was long-term care, a subject that bridges health insurers and pension institutions. In cooperation with AIM (Association Internationale de la Mutualité), the AEIP was invited by the Slovene Presidency to assist in the organisation of a major event on Intergenerational Solidarity for cohesive and sustainable societies.



## AEIP Works in 2008

### Pensions and retirement schemes

#### 1408/71: Follow-up

The AEIP members such as AGIRC – ARRCO, TELA and the Fondation de 2ème pilier LODH are under the so-called 1408/71 regulation (soon 883/04) on the coordination of social security systems in Europe. With the enlargement of the European Union, such schemes become more and more diversified. They are always statutory, but their legal forms and their way of financing may be different from one country to the other. They may be pay-as-you-go, funded or partially funded. The intention of the AEIP is to map the existing forms, bring the schemes together, discuss their varieties and seek ways for a better coordination of the different schemes. Legal as well as financial aspects are considered and discussed and as a consequence, paritarian managed funds are promoted.

#### IORP Directive

In 2008 the CEIOPS, the European Committee of Insurance and Occupational Pensions Supervisors, presented two reports with regard to the IORP Directive:

the first one dealt with the “Initial review of key aspects of the implementation of the IORP Directive”, the second was a “Survey on fully funded, technical provisions and security mechanisms in the EU occupational pension sector”. The AEIP Commission 2 on pension funds discussed those reports.

Concerning the first report on the implementation, according to the AEIP, the CEIOPS’ Report just confirms the conclusions of the previous works carried out by the AEIP itself in the field of the IORP directive implementation. Indeed, the mentioned Leuven Study about the meaning of social and labour law in the IORP Directive and the AEIP questionnaires have already noticed that there still are huge differences between member states and that further work is needed in order to better implement the IORP directive.

The AEIP reaffirms its availability to contribute to these works with its studies, surveys and events devoted to this topic.

With regard to technical provisions for IORP’s, the AEIP provided a comprehensive answer to the consultation of the European Commission issued in September 2008:

Rules for technical provisions

**The AEIP is in favour of broadening the discussion on how the beneficiaries can be better protected against risks in the future and how to ensure sustainable and viable pensions against the background of an ageing society.** It underlines the growing importance of occupational retirement provision and is willing to discuss the way of financing IORPs.

With regard to the terminology of the IORP Directive, the AEIP would prefer using the term **“Rules for Technical Provisions”** instead of “Solvency Rules” in order to avoid misconceptions. This is also to underline that the current rules stipulated in the Solvency II proposal such as the one year horizon, a short-term recovery plan and the full fair value approach are not appropriate for collectively agreed pension operations and need to be revised.



The AEIP would like to stress **that a change in rules for technical provisions for IORPs should be properly assessed before implementation, because of the dramatic impact that such a change would imply:**

- European IORPs manage assets of up to 2.500 billion euro. Changes in regulation of technical provisions for IORPs may have **an enormous macroeconomic impact**. If risk profiles had to be changed, this could lead to a shift from equity into bonds. This could have a destabilizing effect on the financial markets. Furthermore, with such rules institutions could be forced to sell equity in market melt-down periods, which is pro-cyclic. This type of regulatory stress discourages equity investment, because short-term selling would prevent the institutions from benefiting from upturns at a later stage.
- **A shift from equity to fixed income assets will lead to lower returns on investment**. This will increase the costs of pensions, which is currently a major topic of the discussions on future retirement provision in an ageing Europe.
- Furthermore, **inappropriate regulations for technical provisions of IORPs could lead to a shift from defined benefit to defined contribution schemes**. The consequences of such a development must be evaluated in the context of the future of European retirement provision.

**Until proved differently, so far there are no indications that current rules for technical provisions and security mechanisms are not satisfactory.** The current directive provides for minimum standards. Therefore, in the short term, the reference in article 17 to Solvency I should remain in force as requested in the adopted report by the ECON Committee of the European Parliament.

The consultation acts on the assumption that IORPs under article 17 bear all risks. In practice, these risks are often shared between pension funds,

employers and employees. **In times when solvency buffers shrink to unacceptable levels, the pension funds have the possibility to lower indexation and increase contributions.**

If the IORP Directive is **revised, transparency and disclosure** issues should also be taken account of. For the AEIP these are part of the protection of the beneficiaries.

**The AEIP stresses the importance of a detailed investigation with regard to differences in the pension landscapes of all 27 Member States.** A broad overview is necessary before discussion on future retirement provision starts. A revision of the current IORP directive should be part of such a broad discussion on future retirement provision.

In addition, the **AEIP believes that a mapping exercise about the different forms of IORPs existing across Europe is necessary**. The AEIP is ready to work on such a mapping exercise in order to get a clearer picture of the pension market across Europe.

As for the programme of 2009, the AEIP reflects upon providing such a mapping exercise of the different existing forms of IORPs.

#### Information to scheme members

As a follow-up of the 2007 works, the AEIP Commission 1 and 2 continued to share information on how scheme members are informed about their pension rights. The AEIP members gave presentations of their practices. In 2009 it is planned to compile the information and submit the report to the public.





## Members

Associate members

Observers

Correspondents

United Kingdom



Correspondents

UPS Ltd

Netherlands



Finland



Poland



Germany



Austria



Hungary



Romania



Switzerland



Observers



Bulgaria

Central Union of  
Workers' Productive  
Cooperatives

Greece



Observers



Belgium



Luxembourg



Italy



Ireland



France



Correspondents



CAVAMAC

Observers



Spain



Correspondents



## Participation of the AEIP in the works of the European Commission, the European Parliament and the CEIOPS

### Pension Forum European Commission

Bruno Gabellieri, Secretary General, represents the AEIP at the Pension Forum of the European Commission. The AEIP has requested the renewal of its membership in the Forum in 2008. From now on there will only be one meeting of the Pensions Forum per year. At the 2008 meeting the following points were discussed:

- The tentative to reach a political compromise with regard to the portability project of supplementary pension rights.
- Implementation of IORP Directive with the ongoing infringement procedures
- The first approach of the study of the SPC concerning "Privately Managed Funded Schemes"
- The need to have a map of existing retirement schemes across Europe

### Pension Forum of the European Parliament

The Pension Forum of the European Parliament organised one meeting in 2008. The topic was Solvency Rules for Pension Funds. The AEIP was invited to present its point of view on that matter. Paul Roels, Advisor to Integrale, represented the AEIP in this meeting. He explained the differences between pension funds and insurance undertakings and why different rules were needed. The AEIP had pointed out those differences in a paper issued in 2006.

### CEIOPS Consultative Panel

Since 2008, the AEIP has been a member of the Consultative Panel of the CEIOPS. This panel "...provides suggestions for the work programme of the CEIOPS, presents comments on the interim results of the work being undertaken and makes proposals to amend existing practices. The role of the Panel is to monitor the way in which CEIOPS exercises its role and to act as a «sounding» board to support CEIOPS' policy-making process."

The representative of the AEIP is Bruno Gabellieri, his proxy is Peter Borg-Dorff on behalf of the AEIP member VB from the Netherlands.



The topics dealt with were:

- The IORP Directive and Solvency
- The review of the IORP Directive
- The implementation of the IORP Directive
- Common Terminology for the pension landscape in Europe
- Supervision of IORPs
- Convergence of supervision
- The CEIOPS working programme
- Consumer protection
- Calculation of own funds

## The AEIP activities in insurance and financial services

### Solvency II

The AEIP reflects the kaleidoscope of the social security in Europe. Its members are active in coordinated retirement schemes, pension funds, but are also covered by the insurance directive. The discussions taking place at European level also take place within the AEIP. The position of AEIP is the result of the common terminology of AEIP members that represent different kind of institutions involved in the pensions sector.

The AEIP contributed with a joint position in October 2008.

The AEIP explained **that collective pension institutions are long-term investors and thus better placed to balance out market turbulences, to share risks and to use innovative capabilities.** In addition, elements of solidarity and compulsory membership ensure mechanisms that mitigate risks and distribute them over generations. In the end, through proper control and supervision, the **collective pension providers have steering mechanisms that allow absorbing shocks by e.g. adapting the contribution rate, the benefits or the partial inflation linkage.**

As a conclusion, in the short and medium term the calculation and excessive amount of the capital requirements in Pillar I of the Solvency II regime would pose bigger threats to the shut-down of collectively managed pension schemes than any subprime crisis or other financial turmoil.



### The impact of social and labour law....

Secondly, coming back to the AEIP position of October 30, 2007, the AEIP underlined that it is in favour of an investigation for a **modified Solvency II approach** for IORP activities and their specificities in coherence with the main principles of the IORP directive. Furthermore, the AEIP pointed out the need for taking into account **national social and labour legislation**. Based on social and labour law, social partners are usually in charge of ensuring the solvency of collective schemes, thus securing the vested rights of the beneficiaries. This means that in collectively managed pension schemes, the beneficiaries are represented in the supervisory board by the trade unions. Therefore, sufficient reserves or reserve funds are created in such schemes to make sure that the funding is prudent and aims to provide fair buffering of current and future risks. The reserves and buffers are set up according to the specific design, history and structure of collectively managed pension schemes in the respective countries.

### An in-depth study is necessary....

What is more, the AEIP believes that the current works on the SCR Standard Formula do not take account of the specificities of collectively managed pension schemes. **An in-depth study on the possible solvency rules for the schemes is necessary, according to the AEIP.**

With its recent consultation published on September 9, 2008, the European Commission launched a reflection process on possible solvency rules for IORPs and thus started gathering information about existing rules and especially about Article 17 of the IORP Directive. The "Survey on fully funded, technical provisions and security mechanisms in the European occupational pension sector" of CEIOPS from April 2008 states that "...the existing prudential frameworks for pension funds / IORPs in Member States are very diverse..." and that "the issue of solvency for pension funds is highly complex and involves numerous nationally determined trade-offs...and does not give rise to any substantial convergence in supervisory approaches in the field." The third study by the OECD in cooperation with the risk lab Germany also requires further investigation of possible consequences of the introduction of Solvency II for pension funds.



The AEIP subscribes to the call for further investigation by the European Commission and CEIOPS and asks the European Parliament to carve out collectively managed pension schemes from the current Solvency II framework. It asks the European Parliament to consider the danger of an inappropriate solvency framework for collectively managed pension schemes, especially with regard to Pillar 1 issues.

The AEIP reminds that collectively managed pension schemes are part of the social protection in Europe. Their management, as well as the prudential rules are very different and these differences need to be respected equally well as the protection of the beneficiaries. Therefore, the AEIP has set up a working group "Solvency" in order to study possible solutions. The AEIP is ready to cooperate in these investigations and to provide its expertise in the field.



## Health

### Follow-up of Health Reforms

The AEIP members active in the area of health insurance are currently undergoing severe changes in their systems due to the reforms adopted in their countries. Thus, the AEIP followed-up the developments and encouraged exchange of information between its members.

The recently proposed directive on the application of patient rights in cross-border health care has been discussed in the AEIP working group.

### Long Term Care

The AEIP considers long-term care as one of the most important challenges of the coming years. Against the background of an ageing society and an ever increasing number of persons in need for care, the AEIP and AIM, l'Association Internationale de la Mutualité decided to set up a working group. Together with other actors from the social field, the AEIP and AIM have been asked to participate in the preparation of the conference of the Slovene Presidency on "Intergenerational Solidarity for cohesive and sustainable societies".

The AEIP and AIM consider that **paritarian institutions and mutual benefit societies** that are not for profit have a major role to play in making long-term care accessible and sustainable financially. Mutual benefit societies and paritarian institutions are closer to the insured, they are able to provide tailored solutions under one roof, thus avoiding fragmentation of health and social care and they are ensuring better access to long-term care.

As a follow-up to the conference on "**Intergenerational Solidarity for cohesive and sustainable societies**", organised by the EU Slovenian Presidency together with the Youth Forum, AGE, Erste Foundation, AEIP and AIM on April 28-29, 2008 in Brdo, the AEIP and AIM welcome the fact that Minister Cotman stressed the importance of intergenerational solidarity as a common value for all European societies and that intergenerational solidarity and long-term care should be an integral part of the EU social protection systems.



With regard to intergenerational solidarity applied in the field of long-term care the AEIP and AIM state that both associations:

- ▶ fully support the joint report on social protection and social inclusion published in 2008 by the European Commission.
- ▶ call for a paradigm shift with regard to intergenerational solidarity and long-term care implying the following:
  - According to the AEIP and AIM **intergenerational solidarity is the driver** for social cohesion. Long-term care is a responsibility shared by the society as a whole. Solidarity between generations to keep long-term care accessible and financially sustainable should be a priority of all responsible actors on a European, national, regional and local level.
  - **Quality in long-term care:** the AEIP and AIM call for the development of a European Charter of fundamental rights for people in need of long-term care.
  - **Sustainability of long-term care systems:** the AEIP and AIM stress the need for strengthening the principle of solidarity between generations as a core value for the European Social Model in general and for long-term care systems in particular.
  - The AEIP and AIM call for intergenerational solidarity to remain on the **European Agenda** and will continue to raise awareness of the issue. Together with their respective members, both organisations are ready to cooperate with the subsequent EU Presidencies to build on the basis created by the Slovene EU Presidency

During the conference, the Slovene Presidency announced April 29, 2009 to be the first European Day of Intergenerational Solidarity. The AEIP is a member of the steering committee established in order to campaign for this day at the European level.

## Area of common interest

### Training of Board Members of Social Protection Institutions

With the financial crisis hitting the world in 2008, the AEIP continued its works on the training of board members, an issue that is of utmost importance. Organised in a Paritarian way, Board members are the decision makers in the funds and need to be properly trained in order to take the right decisions. All members presented their training practices. A matrix showing the common denominators and the differences between the practices has been produced. In 2009 the AEIP will come up with a compilation of the information gathered.







## Task Force Construction

The Task Force Construction has been created in 2001, in order to provide a meeting platform for European social protection schemes active in the construction sector, which is the sector with the highest mobility of workers in Europe. The aim of this Task Force consists in exchanging good practice in asset management, informing about the AEIP works in the field of occupational retirement and finding common elements that would help to prolong working life, especially with regard to workers' health, safety measures, and continuous training. The works of the Task Force Construction are followed up and supported by the Social Partners of the Construction Sector, FIEC and EFBWW.

The long-term objective of this Task Force is to work on pan-European projects. In 2008 the Task Force Construction counted 10 members coming from 10 European countries.

### Asset Management

The main objective with regard to asset management is to discuss different investment strategies and the respective return on investment. Furthermore, alternative investment strategies and solvency rules are being debated.

In 2008 the AEIP members also started to deal with the impact of the financial crisis on the schemes and what effect it had on the investment strategies.

## Pensions

With regard to pensions, members shared experience in the area of information to scheme members in parallel to the works of the statutory AEIP Commissions.

The financial education of the workers has also been considered. With the decrease of statutory pensions, the members of the AEIP Task Force Construction deem important to strengthen the financial education of the workers in order to provide them with the necessary information on how to save for their pensions.

## Task Force Paid Holiday Schemes

The Task Force Paid Holiday Schemes emanated from the Task Force Construction.

In 2008 this Task Force counted 8 members from 8 European countries. The aim is also to share good practice examples of the paid holiday schemes in the construction sector.

### Mobility of workers

With regard to mobility of workers a recent judgement of the European Court of Justice, the so-called "Laval-Case" and its impact on the Paid Holiday Schemes and collective agreements in general has been debated. Furthermore, a representative of the European Commission explained the ongoing works with regard to the "Posting of Workers" Directive.



## Irregular Work

A representative of the European Commission explained the ongoing works with regard to the Communication of the European Commission on "Undeclared Work". With this communication, the European Commission wanted to restate the importance of combating undeclared work to ensure sustainable economic growth and social justice. The Communication is linked to labour law. The labour market today is segmented and undeclared work has not diminished. The services and construction sector are mostly affected by undeclared labour. The motivation is to evade taxation and there is sometimes cultural tolerance of undeclared labour. The communication fits into the implementation of the Lisbon agenda since the purpose is to reduce taxes and administrative burdens. A transitional period and a European platform between EU inspection services (tax and social security fraud) in the field of posted workers are planned. Within the framework of PROGRESS, sharing best practices with regard to the fight against undeclared labour is planned. The communication is complementary to the works on "flexicurity". The AEIP will follow up these works in 2009.



## Posting of workers

In order to remedy shortcomings in the implementation and the enforcement of the posting of workers directive the Commission adopted on April 2008 a recommendation which aims at creating better administrative cooperation between the Member States. The recommendation focuses on better exchange of information, improving access to information and the setting up of a High Level Committee which involve the social partners. According to the Commission, the Recommendation sets the basis for enhanced fight against "social dumping". However, the Commission still considers some national control measures not to be in conformity with the Treaty. The AEIP will continue to follow with interest the activities of the Commission on this subject and remains available for the provision of any information necessary with regard to the High Level Committee.

In a judgement of June 2008 the ECJ as it did in previous cases interpreted the posting of workers directive narrowly thus allowing only for a limited number of host member rules to apply.

A representative of the CLR (Construction Labour Research Network) presented a study with regard to downsizing and collective bargaining. This includes the posting of workers directive, migration and the lack of real cooperation between the Member States. The negotiation on undeclared labour of the social partners of the construction sector has failed. Therefore CLR thought it was necessary to study the evolution of employment patterns. There is a return of gang masters, cross-border agencies and abuse of the self-employed status. The AEIP will further study what this could mean for collective bargaining.

## Task Force Health and Safety at Work

With the arrival of BG BAU, Germany, in 2007 and Fundación Laboral, Spain, in 2008, the AEIP decided to set up a new Task Force in the area of Health and Safety at work in the construction sector. The objective is to share information about training, to work on a common management tool for implementing health and safety measures, based on a model developed by BG Bau, and to compare communication strategies. Nowadays, the construction sector is the sector with the highest number of accidents at work. Therefore such a Task Force is timely and necessary.



## Task Force Territorial Social Protection

The AEIP's Task Force "territorial and regional social protection schemes" is a working group specifically dedicated to territorial and regional social protection schemes.

The Task Force studies the developments of these expanding initiatives and shares the existing experiences of the regional social protection schemes in supplementary pensions, healthcare and long-term care. This group also deals with the issue of the local investments carried out by the local funds and with the role of the local governments in promoting these funds. At the moment, the group is composed of representatives of both regional governments and territorial social protection schemes in France, Italy, Germany and Spain. Some of them were speakers at the AEIP conferences on this issue in Bolzano (2004), Barcelona (2005) Paris (2006) and Brussels (at the Committee of Regions of the EU in 2007 and 2008). The next conference will be held in Venice in 2009, in cooperation with the Veneto Region Government.

The meetings of the Task Force are usually 3 or 4 per year and they are held in Brussels at the AEIP office. However, sometimes the Task Force meets on the premises of some regional social protection institutions, in order to see their functioning on the spot.



## Conferences

### ➔ Promotion of Paritarian Schemes in Central and Eastern Europe, March 6 and 7, 2009

The social partners of the Construction Sector, FIEC (European Construction Industry Federation), and EFBWW (European Federation of Building and Woodworkers) in cooperation with the AEIP and the support of the Polish Ministry of Labour and Social Policy, the European Commission and the French paritarian organisation PRO BTP organised this conference in order to promote paritarian schemes in the so-called Visegrad countries: Poland, Hungary, the Czech Republic and Slovakia. The objective of the conference was to describe the role, the impact and the advantages of paritarian social funds in the construction sector and to stimulate discussions between social partners, the stakeholders and existing paritarian funds through an exchange of best practices, ideas and experiences. The idea was to offer the Visegrad countries a possibility to talk about their concerns, needs, difficulties and challenges. At the same time the existing paritarian organisations explained their schemes, how they were managed and set up. Representatives of paritarian funds active in the area of training, pensions (the AEIP members CWPS, B&CE Benefit Schemes, Etera) and health and safety (the AEIP members BG Bau and Fundación Laboral) explained how they had been set up, how they were managed and what challenges they faced.

At the end of the conference, a joint declaration was signed by FIEC and EFBWW in order to state the importance of collective bargaining and the role of the social dialogue and the industrial relations as a driving force for long-term sustainability of the construction sector and a better organisation of the sector against the background of an ever increasing mobility

and a strongly fragmented industry. In this respect paritarian funds are a perfect tool for achieving the objectives of the "Lisbon Strategy", combining the search for economic efficiency on the one hand and the safeguarding the social rights of salaried workers on the other. Thus, solidarity applied to social protection schemes constitutes a cornerstone of the European social model.

The AEIP will continue the good partnership with the European social partners in the construction sector. Another event of this kind is planned for 2010 in Bucarest.







### ➔ Health, April 9 and 10, 2008 in Moscow

This conference was organised by the Ministry of Social Affairs of the Russian Federation with the social partners and Kadris Group supported by the French Embassy and the participation of AEIP.

The main topics were the struggle against drug and alcohol at the workplace with presentation and explanations given by international companies active in Russia (ex: Renault, Total, ARKEMA). Another presentation about the ongoing works at European level has been given by Bruno Gabellieri.



### ➔ Intergenerational Solidarity for Cohesive and Sustainable Societies, April 28 and 29, Brdo, Slovenia

Together with its partners: AIM (International Association of Mutual Benefit Societies), AGE Platform and European Youth Forum, the AEIP was asked by the Slovene Presidency of the European Council which took place in the first half of 2008 to participate in the preparation of a conference entitled: "Intergenerational Solidarity for Cohesive and Sustainable Societies".

The second day of the conference dealt with long-term care as a concrete example of intergenerational solidarity. The subjects that were dealt with included sustainability, quality and volunteering (human resources) in long-term care. Sibylle Reichert was the rapporteur of the session about quality. The outcome of the session was that there was a need for a European Charta of rights for dependent people, for quality management of informal and formal care that includes the perspective of the user and should provide a holistic approach (such as European Quality Standards). The importance of human values such as solidarity, communication and respective care, which imply the need for adequate and pro-active training of the staff in charge of dependent persons, was stressed.

ning of the staff in charge of dependent persons, was stressed.

Bruno Gabellieri, the Secretary General of the AEIP, together with Rachelle Kaye, representative of AIM, provided a final statement of the two organisations, where the following was stated:

- There is a need to look at long-term care as a new social risk to be covered by social protection schemes,
- Commitment is necessary to ensure a nearly universal access,
- A sustainable mix between public and private sources of finance should be ensured and the financing of long-term care is to be secured.





➔ **Seminar about the 1408/71 regulation and mixed funded schemes on June 5, 2008 in Munich**

This seminar was a kick-off meeting in order to bring experts together to debate about the evolution of the regulation 1408/71 towards the new 883/04 regulation and the future of financing retirement schemes in the eastern countries. In those countries the financing can be fully funded, mixed and managed by public or private institutions.

The main subjects covered by the speakers were the state of play of the negotiations in Council and Parliament concerning the package of proposals necessary to make Reg 883/04 applicable as soon as possible. Pierre Chaperon and Cécile Vokléber from Agirc-Arrco described their schemes as contractual based schemes covered by the 1408/71. Then different representatives from Eastern Europe explained how their schemes were financed and how the coordination was organised. During the seminar, Matti Leppälä presented a possible pension policy able to combine sustainability, solidarity and the good performance of the system, considering the demographic problem and the slowdown of the European economy. In the end the participants discussed the possible relations and interactions between the coordination Regulations and the other EU policies and acts concerning pensions (IORP Directive and portability)

This seminar also served as a preparatory meeting for the conference of the AEIP on October 23, 2009 about the future of mixed retirement financing.



➔ **Conference on 1408/71 on October 23, 2008 in Geneva**

The conference dealt with the future of the mixed retirement financing and was hosted by the AEIP member LODH. During the conference an overview

of privately managed 1408/71 schemes was given by Francesco Briganti, the legal advisor of the AEIP with the help of a matrix. A representative of the European Commission gave a speech about the study of the Social Protection Committee entitled: "Privately managed Funded Pension Provision and their Contribution to Adequate and Sustainable Pensions".

A representative from Slovakia explained the issue of financing in central Europe through the example of Slovakia. A panel discussion then deliberated about the future of the financing of the schemes. In a second panel discussion, the Swiss system, with its three pillar organisation and the application of 1408/71 in the first and second pillar has been in the focus of the discussion. Furthermore the specificity of Swiss fully funded second pillar foundations has been presented. In addition, its financial characteristics and its major challenges concerning especially the public foundations and their mixed systems were developed by the representative of "Retraites Populaires".

The conference helped to further develop the ideas of AEIP with regard to the evolution of the variety of so-called 1408 schemes across Europe.

### → Committee of the Regions, December 11, 2008

The conference in the Committee of the Regions has been the second of this kind following the conference in 2007. The EAPSPI, the European Association of Public Sector Pension Institutions, co-organised this conference. During this year's conference, four subjects were tackled: the public sector territorial pension schemes, private sector territorial pension schemes, territorial healthcare and care dependency schemes and finally cross-border regional social protection schemes.

The objective of the conference was to promote territorial schemes and to present current practices in the field with the rising importance of regional social protection schemes across Europe when there is a lack of solutions provided by sector wide or national mandatory schemes.



## Conclusions and outlook

The AEIP members learn from each other, share experience and inform one another through their close cooperation within the statutory working groups that meet every second month to discuss the topical issues. All face the same current challenges of the financial and economic crisis, the demographic ageing of the societies and the need to increase second pillar social protection. Therefore, it is important to continue the dialogue between the members and to find solutions adequate for national needs and for fostering the European project. Once again in 2008 the AEIP showed its pro-activity through timely conferences, debates with the main interlocutors and its works on the topical issues that are at the heart of its members' activities.

In 2008 the AEIP continued to strengthen the cooperation of its members at sectoral level. This seems to be a good approach for its long-term objective of a Pan-European Paritarian Institution, since there are strong cross-border links within specific sectors and a high mobility of the workforce across borders. At the same time the European social dialogue continues to evolve in different sectors. In 2009 the AEIP will set up two new

Task Forces at sectoral level, one in the Health and Care sector and the second one in the Metal Industry. This will help to share experiences and best practices.

As for 2009, the AEIP and its members will put the emphasis on how to face the financial crisis, on the discussion about appropriate rules for technical provision for pension funds and on strengthening even more the advantages of paritarian management of social protection schemes. In the light of intergenerational solidarity this may well be in the end the compromise between the market-based approach and safeguarding social rights.





## Associate members

	B	Integrale	<a href="http://www.integrale.be">www.integrale.be</a>
	D	BKK-BV	<a href="http://www.bkk.de">www.bkk.de</a>
	D	SOKA-BAU	<a href="http://www.soka-bau.de">www.soka-bau.de</a>
	D	BG BAU	<a href="http://www.bgbau.de">www.bgbau.de</a>
	F	AGIRC	<a href="http://www.agirc.fr">www.agirc.fr</a>
	F	ARRCO	<a href="http://www.arrco.fr">www.arrco.fr</a>
	F	CTIP	<a href="http://www.ctip.asso.fr">www.ctip.asso.fr</a>
	IT	ASSOPREVIDENZA	<a href="http://www.assoprevidenza.it">www.assoprevidenza.it</a>
	SF	TELA	<a href="http://www.tela.fi">www.tela.fi</a>
	CH	LODH	<a href="http://www.lombardodier.com">www.lombardodier.com</a>
	NL	VB	<a href="http://www.vb.nl">www.vb.nl</a>
	LUX	Dexia Pension Fund	<a href="http://www.dexia-bil.lu">www.dexia-bil.lu</a>
	IRL	CWPS	<a href="http://www.cwps.ie">www.cwps.ie</a>

## Observers

	UK	B&CE	<a href="http://www.bandce.co.uk">www.bandce.co.uk</a>
	A	BUAK	<a href="http://www.buak.at">www.buak.at</a>
	I	CNCE	<a href="http://www.cneps.es">www.cneps.es</a>
	CH	CIA	<a href="http://www.cia.ch">www.cia.ch</a>
	GR	TEA ELTA	<a href="http://www.elta-net.gr">www.elta-net.gr</a>
	F	Prévoyance Ré	<a href="http://www.prevoyance-re.fr">www.prevoyance-re.fr</a>
	SF	TVR	<a href="http://www.tvr.fi">www.tvr.fi</a>
	E	Fundación Laboral de la Construcción	<a href="http://www.fundacionlaboral.org">www.fundacionlaboral.org</a>
	RO	Casa Sociala a Constructorilor	<a href="http://www.casoc.ro">www.casoc.ro</a>
	IRL	CIMA	<a href="http://www.monagency.ie">www.monagency.ie</a>

## Correspondents



GR

Hellenic bank Association [www.adam-smith.pl](http://www.adam-smith.pl)



E

CNEPS [www.cneps.es](http://www.cneps.es)

E

Mutua General de Catalynya [www.mgc.es](http://www.mgc.es)



UK

UPS Ltd [www.pension.co.uk](http://www.pension.co.uk)



BG

Central Union of Workers' productive Cooperatives [www.cecop-est.cz/bulgaria](http://www.cecop-est.cz/bulgaria)



F

CAVAMAC [www.cavamac.fr](http://www.cavamac.fr)

F

CARCD [www.carcd.tm.fr](http://www.carcd.tm.fr)

F

CARAC [www.carar.fr](http://www.carar.fr)

F

Groupe France Mutuelle [www.groupefrancemutuelle.fr](http://www.groupefrancemutuelle.fr)



H

Orszagos Nuygdijbiz-tositasi Föigazgatosag (ONYF) [www.onyf.hu](http://www.onyf.hu)



PL

Adam Smith Centre [www.adam-smith.pl](http://www.adam-smith.pl)

## Task Force



F

Aprionis [www.aprionis.fr](http://www.aprionis.fr)

F

AG2R La Mondiale [www.ag2rlamondiale.fr](http://www.ag2rlamondiale.fr)

F

Malakoff Médéric [www.malakoffmederic.com](http://www.malakoffmederic.com)

F

PRO BTP [www.probtp.com](http://www.probtp.com)



FI

ETERA [www.etera.com/](http://www.etera.com/)



I

Centrum Pensplan [www.pensplan.com](http://www.pensplan.com)



NL

Cordares [www.cordares.com](http://www.cordares.com)





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