

# AEIP ACTIVITY REPORT 2018



European Association of Paritarian  
Institutions of Social Protection

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## Foreword President

Dear AEIP members, partners and friends,

It is my great pleasure to present the 2018 Activity Report of the European Association of Paritarian Institutions.

2018 has been proven a particularly fruitful year for AEIP, full of meaningful collaborations, strong initiatives as well as a multitude of novel content regarding AEIP's policy dossiers. In the spirit and tradition of more than two decades, this year's report aims to provide a concise overview of the key dossiers that we have managed throughout 2018, having as an overarching priority the promotion of the paritarian model, encircled by the values of transparency, solidarity and equal representation in all forms of governance.

AEIP continued to be very much present at the EU and national levels, as it enhanced its visibility and monitor activities on a wide array of policy developments. At the same time, the advocacy role of the organization has been strengthened, as we continued our efforts to consolidate the existing network of members, partners and stakeholders. Despite the good results and effective organization, such a coordinating process remains a challenging task, as our members come from different regulatory contexts, representing systems with diversity of approaches to social protection. However, over the years it has become increasingly obvious that social protection systems all over Europe are faced with a big number of common challenges - old ones as well as new ones. As a result, we are still convinced that the appropriate policy responses for safeguarding and enhancing the European social model can be found only through an inclusive exchange between national governments, EU institutions and the social partners.

The upcoming year will be of great importance and at the same time, particularly challenging, bearing in mind the upcoming European elections in May 2019 and the change of the European Commission, within the generalized climate of Euro-skepticism. As a consequence, we aspire to remain even more closely involved in the public debates and regulatory processes relevant to the development of the European social protection systems. Our role as an association that promotes paritarian social protection schemes and the paritarian model is even more pertinent, given the need for democratic dialogue and inclusion of social actors at all levels of governance.

In that respect, we would like to provide the opportunity to our members to be actively engaged in the latest legislative developments in the EU context, spanning from the field of social protection and social inclusion through pensions to initiatives relating to the Capital Markets Union and sustainable finance.

As we translate these priorities into concrete actions, AEIP reaffirms its commitment to sustainable, modern, adequate and inclusive European social protection systems, while underlining the importance of knowledge-sharing processes and best practices. The following sections give a detailed overview of our main topics of interest and actions for 2018, while showing AEIP's collective efforts, always with the valuable support of its members and partners.

Michel Dieu, AEIP President





## Foreword Secretary General

In this context of a constantly changing political situation and shifting priorities, in 2018 AEIP remained firmly committed to the core values of paritarism – transparency, solidarity and equal representation of the social partners in all forms of governance. Following the principles behind this commitment, we have put substantial efforts in contributing to all political decisions at European level that had the potential to impact the application of these values as defining components of the European social model.

**AEIP and its members have a specific place in the context of social protection, which makes us a unique actor in Europe's decision-making. On one hand, paritarian institutions are social protection providers, ensuring the balanced and efficient functioning of complementary, solidarity-based, national social protection schemes. On the other hand, as social protection funds we are also among the largest and fastest growing investors in the European and global capital markets, allocating long-term capital efficiently across sectors. In that sense all international, European and national socio-economic developments are of equal significance to our work. As in the past 22 years, in 2018 AEIP continued to work and contribute to all consistent political efforts towards a more socially fair and inclusive Europe.**

Beyond the many challenges of the past few years, in 2018 we have seen the continuation of some positive trends that are undoubtedly linked to the implementation of structural reforms at European level. Employment rates, as an indicators of economic sustainability has remained stable and moving closer to the 75% target set in the Europe 2020 Strategy. Unemployment continued to decline in all European Member States, although admittedly there are still major socio-economic differences across Member States that remained to be tackled. Although, economic growth has softened this year in comparison to 2017, it remained sufficiently strong to sustain and strengthen job creation. Convergence of labor markets continued, due to consistent efforts on the side of national and European Social Partners underlying that the focus on a strengthen Social Dialogue at the European level is needed more than ever.

Despite the positives, the external and internal EU environment remains complex – the overall direction of the global socio-economic trends and the deepening nation-specific political divides have created a situation defined by diverging social and economic realities and major political imbalances affecting all levels of governance. The risk of a no-deal Brexit poses major economic risks and entails an abrupt change and long-term uncertainty for the bilateral relations between the EU and the UK after April 2019 that would require a long period of adjustment for all economic actors.

In more specific terms, in the context of social protection we saw important developments at European level. The diversity and complexity of the national social protection systems is certainly a major challenge, but the continuation of a wide and inclusive dialogue aimed at identifying common objectives is the only way forward. Within these lines, November 2018 marked one year of the proclamation of the European Pillar of Social Rights in the Social Summit for Fair Jobs and Growth in Gothenburg – an instrument which we see as a valuable indication of the high political importance of a strong social policy in all Member States.

AEIP put substantial effort to contribute to the evolution of all relevant dossiers at the European level throughout the year by providing input and engaging our members directly in all relevant political processes. The next pages will provide you with the full review of our work in 2018. The good results are as always owed to the commitment of our members and partners to the core values of AEIP and to the continuous efforts of the AEIP Team.

We thank sincerely all our supporters, members and partners and we look forward to another year of successful cooperation in Europe.

**Bruno Gabellieri,**  
*AEIP Secretary General*





The European Association of Paritarian Institutions – AEIP, founded in 1996, is a Brussels-based advocacy organization, representing Social Protection Institutions established and managed by employers and trade unions on a joint basis within the framework of collective agreements.

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The Association has 20 Associate and Affiliate members – all leading large and medium-sized Social Protection Institutions, from 12 European countries, as well as 13 Task Force Members from 3 European countries. All AEIP members are not-for-profit organizations.

In particular, AEIP deals – through dedicated working groups – with EU coordinated pension schemes, pension funds, healthcare, unemployment and provident schemes, paid holiday and health & safety at work schemes. Complementary to their role as non-for-profit social protection providers, AEIP members are also long-term institutional investors.

In particular, AEIP deals – through dedicated working groups – with:

- ✓ Coordinated Retirement Schemes
- ✓ Occupational Pension Funds
- ✓ Complementary Healthcare Insurance
- ✓ Long-term Care
- ✓ Health and Safety at Work & Paid holidays
- ✓ Unemployment Benefits Funds

Complementary to their role as non-for-profit social protection providers, AEIP members are also long-term institutional investors.



“AEIP represents its members’ values and interests at the level of both European and international institutions.”

# Paritarian governance – A definition

“Paritarian” (from the French “paritaire”; “paritair” in Dutch, “paritätisch” in German, “Paritetico” in Italian) means jointly managed on an equal or parity basis. In the field of social protection, paritarian organizations are not-for-profit institutions, jointly managed by Social Partners. In other words, the governance of these institutions is based on the equal representation of employers and employees in their governing bodies.

All our members are necessarily paritarian organizations and the governance of AEIP fully respects the principle of paritarism upon which the association is based as well as the values linked to it. Our main objective can be defined as the promotion of paritarism in Europe in the area of social protection and the representation of our members at the European level through the establishment of strategic partnerships.

Further to its main focus on the promotion of the concept and values of paritarism and the representation and defense of the interests of our members, for more than 20 years AEIP has evolved as an organization where innovation and ideas for reforms and change are continuously sought and developed through the establishment of strong international collaborations and exchange of experiences and best practices across borders.

In the context of the evolvement of the present system, what we have observed in the past years is that complementary social protection systems have developed in the specific context of the national social and labor law, reflected in the different national social systems. However, we have underlined that it has been through collective negotiation that the value of solidarity - shared by all European legal systems and involving employers and employees in the implementation of a common project - has been realized.



*AEIP Board Meeting, September 2018*

## **COMMISSION I** – Coordinated Retirement Schemes & **COMMISSION II** – Pension Funds

AEIP Commission I gathers representatives of EU Coordinated Retirement Schemes in the first pillar of social protection. In addition to traditional social security public schemes, it includes both statutory pension schemes managed by social partners and pension schemes which are set up by collective bargaining agreements and function on paritarian basis. These schemes are either pay-as-you-go, mixed or funded, and fall under the EU coordination rules of social security (EU Regulation 883/04). Commission I monitors the evolution of the EU coordination system of social security pension schemes and analyses the new challenges and major developments of statutory pensions.

AEIP Commission II encompasses all issues surrounding the paritarian 2nd pillar pension institutions and the related Directive on Institutions for Occupational Retirement Provision (IORP II Directive).

Commission I and Commission II form one Working Group on Pensions and with the main purpose of sharing good practices around subjects such as adequacy and sustainability of pensions and the overall performance of pension systems.

## **COMMISSION III** – Health and Provident Funds and Task Force Health and Care

AEIP Commission III consists of paritarian social protection providers – paritarian healthcare insurers and provident funds.

The purpose of Commission III is to promote best practices and raise awareness on current trends in the area of healthcare and the growing cost of the healthcare sector. This Working Group follows jointly with other AEIP members the process of evolution of the European Insurance Directives and the revision of Solvency II.

In the current context of demographic change and an ageing population, including the overall economic developments affecting the European social protection systems, the topics discussed in the Commission are of ever growing importance.



Working group of the Construction Sector:

**COMMISSION IV** – Paid Holiday Schemes &

**COMMISSION V** – Occupational Health and Safety

Construction is one of the most relevant sectors represented in the European Association of the Paritarian Institutions of Social Protection (AEIP) as several social protection providers managing pension plans, paid holidays and health-and-safety at work schemes are managed on paritarian basis in the construction sector.

The members of Commission IV operate paid holiday schemes which provide benefits both to domestic and posted workers within the construction industry. AEIP Commission V Health and Safety at Work focuses on the promotion of best practices in the prevention of occupational health & safety schemes in the construction sector.

The members of Commission IV & V work together and jointly form one AEIP Working Group on the Construction Sector.

## Working Group on Employment

The members of AEIP, which specifically deal with unemployment benefits are two paritarian organizations – the national unemployment insurance scheme of Finland – TVR and the regional employment-benefits provider of the craft and small companies of Veneto, Italy – EBAV. On their behalf, AEIP has created an informal working group that follows general issues in the context of European employment policies with relevant international organizations, operating at Brussels level.

## Capital Markets Union (CMU)

On 30 September 2015, the Commission adopted an Action Plan on Building a Capital Markets Union (CMU). The Action Plan sets out a programme of actions which aim to establish the building blocks of an integrated capital market in the European Union by 2019.

The Action Plan is built around the following key principles:

- Connecting financing to the real economy by developing non-bank funding sources;
- Creating more opportunities for investors;
- Fostering a stronger and more resilient financial system;
- Deepening financial integration and increasing competition.

The Capital Markets Union (CMU) is a key pillar of the Commission's Investment Plan for Europe – or better known as "Juncker Plan". Through a combination of regulatory and non-regulatory reforms, this project aims to better connect savings to investments. It seeks to strengthen Europe's financial system by channeling alternative sources of financing and more opportunities for consumers and institutional investors.

In January 2017, the Commission launched a consultation on the CMU mid-term review, creating an opportunity for stakeholders to provide targeted input to complement and advance actions put forward in the CMU Action Plan. Based on the public consultation, on 8 June 2017 the EC published a number of new initiatives to ensure that the CMU programme remains fit for purpose, including the CMU Mid-Term Review.

The Mid-Term Review reports on the good progress in implementing the 2015 Action Plan and sets the timeline for the next round of outstanding measures that will be unveiled in the coming months. Moreover, it updates and complements the original CMU agenda with some selected new priority measures to respond to evolving challenges, drawing on the responses to the public consultation of January-March 2017.

Most recently, on 28 November 2018, the European Commission published its latest communication on the CMU, recalling the basic goals set in the 2015 Action Plan and underlining the progress made during the last three years, concluding that the institutions need to continue their efforts for the completion of the CMU before the European elections of May 2019.

## Capital Markets Union (CMU)

### AEIP Action



Having a long horizon allows paritarian institutions to invest in asset classes that are not accessible to true short-term investors, such as illiquid, private assets. In addition to higher expected returns as well as potentially lower risks, these investments make a significant contribution to the European economy. Therefore, paritarian institutions play a pivotal role in the CMU initiative.

AEIP welcomes the CMU initiative, as in our opinion, the European Commission has the responsibility to ensure that the EU businesses and investors have access to strong, dynamic and more integrated capital markets, while risks to financial stability are properly managed. In addition, we recognize that the maturity of capital markets differs considerably among countries. We support the European Commission in its effort to broaden the geographical reach

of capital markets so that all Member States can participate equally in deeper and more integrated capital markets.

AEIP supports the overall objective of the CMU – to better connect savings to investment and to strengthen the EU financial system by enhancing private risk-sharing, providing alternative sources of financing, increasing options for institutional investors and tackle possible hindrances for long term investors.

AEIP shares the view that there is an imperative need for re-launching growth and investments if Europe wants to maintain the sustainability and adequacy of its welfare model, which might be put at stake by the prolonged effects of the economic crisis.

AEIP would like to stress that the main challenge for occupational pension funds still remain the low interest rate environment that affects both DB and DC schemes. We consider the following aspects as of utmost importance for the success of the Capital Markets Union:

- ✓ A capital based and paritarian occupational pension system, which helps to channel savings into capital markets;
- ✓ Strong and sustainable economies backed by a stable political environment;
- ✓ Safe, sound and transparent financial markets, with financial market regulation which takes into account the specific nature and the risk profile of pension funds;
- ✓ Public private partnerships in e.g. infrastructure projects, which takes into account the needs of investors (such as risk/return profiles and scale);
- ✓ Consideration for the specificities of pension funds and their search for keeping the costs low.

AEIP is closely involved in individual dossiers composing the CMU. In the pages to follow, we will give a concise overview of our organization's actions regarding specific policy issues, such as Sustainable Investment, the Solvency II Directive, the review of the European Supervisory Authorities (ESAs), the pan-European personal product (PEPP) as well as the IORP II Directive.



## Legislative Proposal of the European Commission to amend existing Regulations regarding the European Supervisory Authorities (ESAs)

On 20 September 2017, the European Commission published its initiative [COM (2017)536] making a proposal for a Regulation which would amend the existing Regulations establishing the European Supervisory Authorities (ESAs). At the same time, it opened a for period of public feedback from 20 September 2017 to 23 January 2018. After 6 years of the current ESAs operation, the Commission has identified three aspects in relation to their function, with the aim of addressing them in the near future. According to its rationale, the ESAs need to extend their mandate's scope and re-frame their powers with the objective to enhance the existing supervision of the EU financial and capital markets, in particular with regard to cross-border activities and entities. At the same time, the Commission deemed necessary to review the governance structure of ESAs as a means to ensure that their powers would remain adequate for the effective performance of their function. Finally, the EU's executive branch referred to ESA's funding, as a way to ensure sufficiency of resources and proportionality of costs among the contributing parties. On 16 November 2017 the dossier was referred to the ECON Committee of the European Parliament for its 1st reading, and it is still pending there.



## Legislative Proposal of the European Commission to amend existing Regulations regarding the European Supervisory Authorities (ESAs)

### AEIP Action



On 23 January 2018 AEIP gave its feedback as a response to the open consultation procedure, and in April 2018 adopted the final version of its Position Paper on the review of the ESAs. In this, our organization explains its following positions:

Since the members of AEIP are paritarian institutions of social protection in the field of pensions and health care insurance, they fall under the provisions of national social and labour law (SLL) and are subject to national supervision. The EC and EIOPA should acknowledge their social function and the triangular relationship between the employee, the employer and the institution (IORPs or provident institutions). AEIP is convinced that the opportunity for supervisory convergence in this specific context is rather limited - convergence of supervisory practices is different in a framework of minimum harmonization. AEIP underlined in its position that paritarian funds should not be treated as purely financial service providers even though they are active on financial markets.

As a result, AEIP strongly believes that National Competent Authorities (NCAs) are best placed to judge the risks, vulnerabilities, threats and weaknesses of the system given the local labour market, the social and labour legislation as well as the local social environment, and to take any action required. Therefore, we strongly call for a status quo in the tasks and powers of EIOPA being the most relevant supervisory authority for our members. NCAs should stay independent in deciding on the supervisory policy for national paritarian institutions - as pension funds or healthcare insurers - which remain under the national SLL. Having in mind all these, a right balance needs to be struck between maintaining the NCAs' current roles and enhancing ESMA's role in mainly creating more supervisory convergence.

Finally, AEIP considers that a system of checks and balances should be in place. In our opinion, further efforts are needed with regard to cost/benefit analyses, which could show the value added of the ESAs' work. We see an important role for the Commission, the Council and the European Parliament in the supervision of the ESAs, in order to check whether their operations align with the set ambitions.

Importantly, AEIP stressed that shifting (entirely or partly) the funding of the ESAs to the industry is not the right way forward. We would like to stress that supervision is a public task and should in our opinion be kept as such.

Having the latest Position Paper as a basis, AEIP disseminated its arguments to various stakeholders and had a series of meetings and fruitful exchanges with key stakeholders from the European Parliament (such as the rapporteurs of the ECON Committee) as well as the Austrian Council Presidency.

## The Pan-European Personal Pension Product (PEPP)

The proposal of the European Commission, published on 29 June 2017, establishes the PEPP as a complementary voluntary scheme alongside national regimes and is stated to have as a general objective the realization of a new framework for savings that address currently existing gaps in availability and cross-border portability and barriers for cross-border activity for both providers and savers. The proposal comes in the context of the European Capital Markets Union (CMU), aiming to ensure higher liquidity and funds supply for long-term institutional investors.

On 20 June 2018, the Council of the European Union reached an agreement on the pan-European personal pension product. In particular, this agreement grants the Council Presidency the mandate to start trialogue negotiations or dialogues with the European Parliament. After the voting of the Rapporteur's Draft Report on the PEPP in ECON Committee, the trilogues between the EU institutions officially kicked-off. The first political trialogue took place on 11 October, followed by other on 25 October, 15 November and 4 December.



## The Pan-European Personal Pension Product (PEPP) AEIP Action



Having already provided its comments during EIOPA's consultation period (October 2015) and the European Commission's public consultation (October 2016), AEIP published on 17 April 2018 the final version of its position on the PEPP.

More recently, in November 2018 AEIP updated its position on several parts, in order to reflect the developments and the several dialogues which took place between the EU institutions.

In our communications with the European decision-makers we stress that the PEPP should not interfere with existing systems in countries where the market is already well developed and highly regulated. This would be counterproductive and not in line with what the PEPP is ought to be: a supplementary and voluntary individual product. Considering the outlined steps towards the CMU, in the framework of which the PEPP is introduced, AEIP would like to stress that the efforts of the EU Institutions should also focus on further promoting and spreading occupational pensions and supporting the exchange of best practices in this respect. In AEIP's view, auto-enrolment and statutory models lead to wider coverage and higher saving rates towards pensions. Compared to 3rd pillars products based on a voluntary individual membership and sold on a retail basis, workplace occupational pensions have clear advantages such as a wider base of risk-sharing, high standards of engagement and solidarity as well as a more inclusive governance system and lower costs.



## Sustainable Finance and Environmental, Social and Governance (ESG) Factors in Investment Strategies of Paritarian Funds

The EC established the EU High-Level Expert Group on Sustainable Finance (HLEG) on 22 December 2016 with the main purpose to provide recommendations to the EU level decision-makers on how to better integrate sustainability considerations in the EU's financial policy framework.

The HLEG's objective was the development of an overarching, comprehensive EU strategy on Sustainable Finance by giving operational, practical, and concrete recommendations. In January 2018, the High Level Group delivered its final report. Based on the former, the EC adopted on 8 March an action plan on sustainable finance, and consequently organizing on 22 March a high level conference to discuss the existing action plan. On 24 April 2018 European Parliament MEPs from ECON Committee backed a resolution to further harmonize EU capital markets with long-term sustainability objectives.

On 24 May 2018 the European Commission published several legislative proposals

implementing the strategy on sustainable finance of which AEIP considers as of particular importance the following:

A proposal for a regulation on the establishment of a framework to facilitate sustainable investment: This regulation establishes the conditions and the framework to gradually create a unified classification system ('taxonomy') on what can be considered an environmentally sustainable economic activity. This is a first and essential step in the efforts to channel investments into sustainable activities.

A proposal for a regulation on disclosures relating to sustainable investments and sustainability risks: This regulation will introduce disclosure obligations on how institutional investors and asset managers integrate environmental, social and governance (ESG) factors in their risk processes and sets requirements on how to integrate ESG factors in investment decision-making.

Several months after these legislative proposals,

in July 2018, the Commission formed a -new- Technical Expert Group (TEG) on sustainable finance in order to support the formers' development. The TEG has the responsibility to develop an EU-classification system (taxonomy) which will determine whether an economic activity is environmentally sustainable. In addition, it will define an EU Green Bond Standard, benchmarks for low-carbon investment strategies and guidance on how to improve disclosure on climate-related information. The TEG has a mandate to operate until June 2019.

As the dossiers follow the ordinary legislative procedure, the regulation regarding the taxonomy on ESG factors was by the end of the year still pending in the ECON Committee. As regards the ESG disclosure dossier, the European Parliament's ECON Committee agreed on 5 November to enter into inter-institutional negotiations (trialogues). Accordingly, the EU Council reached a compromise between its members in December 2018 regarding the Commission's legislative proposal.

## Sustainable Finance and Environmental, Social and Governance (ESG) Factors in Investment Strategies of Paritarian Funds AEIP Action



AEIP gave its feedback to the Commission' public consultation on its sustainable investment legislative package in August 2018. As regards the EU taxonomy on sustainable finance, AEIP underlined its support to an EU-wide classification system which contributes to better comparability and will help all market participants. However, in that case sufficient flexibility is necessary and should be regularly built in. In addition, the aim of such a taxonomy should be that end-investors are able to easily compare sustainable investments. Investors require tangible ESG factors in order to quantify them with the ultimate aim to make better investment decisions and risk analysis. Importantly, AEIP would also like to stress the importance of the social factor in sustainable finance. Poor social protection, limited social inclusion and poor working conditions present societal risks that damage financial stability and the continuity of pension funds. We invite

the EC to consider the Social and Governance aspects beyond environmental aspects, as these have been framed through the Pillar of Social Rights.

With regard to the EC Proposal on disclosures relating to sustainable investments and sustainability risks, AEIP stressed that it is in general in favor of increasing transparency regarding the integration of sustainability risks, however it is necessary to ensure that the specific nature and social role of IORPs and paritarian insurers is understood and taken into account. Moreover, we stressed that in our opinion the IORP II Directive is already a sufficient and appropriate framework for disclosures relating to sustainability risks and investments, therefore AEIP will object to delegated acts for the IORP II Directive. In our opinion, the principle of proportionality must be respected when designing the appropriate disclosure measures,

due to the evident national variety and wide differences between pension funds of different sizes throughout Europe. Especially with regard to smaller pension funds, any new legislation should take into account that these might not be able to support additional costs linked with novel requirements.



## Stress Test of EIOPA for IORPs 2019

EIOPA conducts regularly (every 2 years) stress tests for the occupational pensions sector in order to assess the resilience of the European occupational pensions in the face of an adverse market risks.

In that context, AEIP participated in an exchange of views and in the open consultation in April 2017 organized by EIOPA, while providing further comments on the draft technical specifications of the 2017 IORP Stress Test.

As the next stress test of EIOPA is set to take place in spring 2019, AEIP has been very much present in the consultative preparatory sessions of the European Authority, while at the same time coordinating with other industry actors to provide a timely feedback.



OPSG of EIOPA, Photo credit EIOPA

## Stress Test of EIOPA for IORPs 2019 AEIP Action

As part of the closing procedure of the last stress test, AEIP's Secretary General, Mr. Bruno Gabellieri, gave on 21 March 2018 a presentation at the premises of EIOPA concerning "EIOPA's 2017 Occupational Pensions Stress Tests".

At the same day, AEIP published its position on the 2017 stress test stressing that in our opinion the Common Balance Sheet (CBS) for IORPs cannot serve as an adequate tool for prudential supervision, given the following few points:

- ✓ National IORP systems and their supervisory frameworks are very different. They fall under national social and labour law and therefore specific rules are existing in each Member State making it difficult to compare the IORPs. This diversity is also recognized in the IORP II Directive.
- ✓ AEIP questions whether market consistency will provide for a realistic picture of the financial soundness of an IORP due to their long-term horizon. Applied to IORPs it will lead to artificial results and will introduce short-term volatility;
- ✓ Protection of members and beneficiaries is demolished if in the end retirement plans are terminated or all risk is shifted to the individual;
- ✓ Long-term investments should be encouraged.

AEIP collaborated extensively with Pensions Europe in the preparation of the stress test exercise of EIOPA planned for 2019 and participated in several joint working group meetings throughout the second half of 2018 in order to coordinate the follow up steps jointly.

On 15 November AEIP participated in the EIOPA stakeholders meeting in Frankfurt to discuss the upcoming 2019 stress test. The three main subjects of discussion were the use of the holistic balance sheet, the inclusion of ESG factors as well as the market scenarios which could serve as a basis for the 2019 stress test.



## *Statistical Reporting for Pension Funds – Requirements by EIOPA and ECB*

The Regulation (EU) 2018/231 of the European Central Bank on statistical reporting requirements for pension funds (ECB/2018/2) was adopted in April 2018 and is binding only for the euro-area countries while its objective is to improve the quality of the data reported by pension funds.

The primary aim of this regulation is to help fill in a data gap due to the difficulty to achieve a comprehensive understanding of cash flows and risks associated with pension obligations. Having more harmonized data would help to increase transparency on pension funds' activities, while understanding whether they can indeed deliver on their promises.

According to the regulation, the data required by pension funds will include: outstanding amounts and transactions broken down by country, economic sector, maturity and the type of pension plan, as well as detailed security-by-security reporting.

The updated framework for pension fund statistics will provide more complete and detailed information on assets and liabilities than the previously published quarterly statistics and at the same time will cover end-of-quarter outstanding amounts and financial transactions aggregated not only for the euro area but also individually by euro area country.

As the regulation stipulates, the reporting begins with quarterly data on assets for the first quarter of 2019 and with annual data on assets and liabilities already for 2018.



Photo credit: ECB

## *Statistical Reporting for Pension Funds – Requirements by EIOPA and ECB* AEIP Action

AEIP responded on to the consultation of the ECB concerning the Regulation on 28 September 2017. On 27 October 2017, AEIP provided its response to EIOPA's consultation on regular information requests towards National Competent Authorities (NCAs) for the occupational pensions information. In its consultation response, AEIP stressed that any additional reporting requirements for pension funds will imply additional costs that will be later on passed on to the consumers. We pointed out that there is a need for substantial efforts towards minimizing the reporting burden and costs on the pensions industry. In addition, we underlined that in AEIP's opinion there should be sufficient level of alignment with Pillar 3 reporting as stipulated in the IORP II Directive as this provides already substantial information from which the ECB will be able to carry out its mission.

Several months after the publication of the directive on 10th October 2018 an AEIP delegation was present at the ECB premises, participating in the workshop on statistical reporting of pension funds.

Following the workshop, the ECB suggested the creation of a Technical Expert Group to work on the derivation of quarterly liabilities from annual data reported by PFs. On 14 December, AEIP confirmed to the ECB that an expert from AEIP's Belgian member organization - PensioPlus would be the association's representative in the group.

## European Commission 2018 Ageing Report

On 25 May 2018 the European Commission published its triennial '2018 Ageing Report on Economic & Budgetary Projections for the 28 EU Member States (2016-2070)'.

As with every edition, the European Policy Committee (EPC) and the European Commission (DG ECFIN) agreed on a work programme with broad arrangements to organize the budgetary projections and reach an agreement on its assumptions and methodologies to discharge this mandate.

The report provides a very rich set of information at the individual country level which covers a long time-span (until 2070), compiled in a comparable and transparent manner. Its long-term projections show where (in which countries), when, and to what extent ageing pressures will accelerate

as the baby-boom generation retires and as the people in the EU are expected to live longer in the future. Hence, the projections are helpful in highlighting the immediate and future policy challenges for governments posed by projected demographic trends.

The projections feed into a variety of policy debates and processes at EU level, including the overarching Europe 2020 strategy for smart, sustainable and inclusive growth. In particular, they are used in the context of the European Semester so as to identify policy challenges, among others in setting the medium term budgetary objectives (MTOs), in the annual assessment of the sustainability of public finances carried out as part of the Stability and Growth Pact, and in the analysis on the impact of ageing populations on the labour market and potential economic growth.

### *European Commission 2018 Ageing Report* AEIP Action



The AEIP team met with one of the authors of the Ageing Report from the European Commission's ECFIN, agreeing to present to the members of Commission I & II the findings of the 2018 edition. During May's session of Commission I & II, our members gained a full overview of pensions' financial sustainability in the EU and had the opportunity to participate in an informal exchange of views with the Commission's representative.

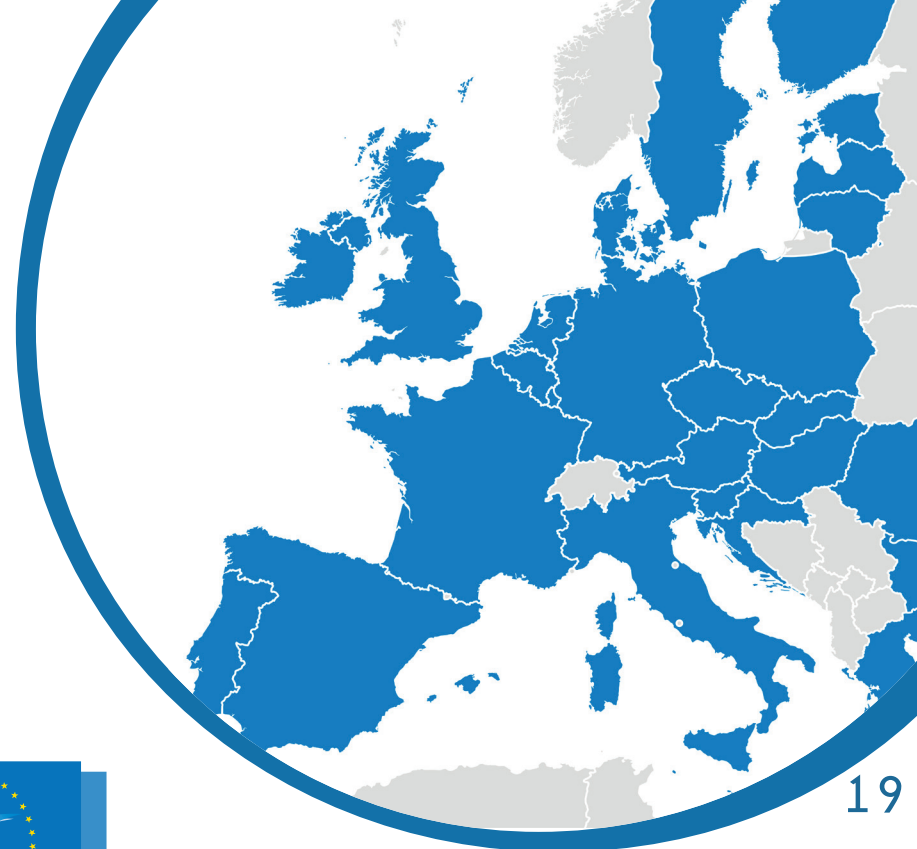
## European Commission 2018 Pension Adequacy Report

The 2018 Pension Adequacy Report was published on 25 April 2018. It is a triennial edition of the European Commission (with the help of the Council's Social Protection Committee) that provides a detailed analysis on how current and future pensions help prevent old-age poverty but also maintain the income of people throughout their whole retirement.

### *European Commission 2018 Pension Adequacy Report* AEIP Action



On 2 May 2018 AEIP provided an overview and an analysis to its members through its internal briefing on the 2018 Pension Adequacy Report, while its team met with a number of policy officials from the European Commission who have been involved in its drafting. Finally, AEIP attended in July the official conference of the 2018 Pension Adequacy Report, analyzing the findings of the European Commission and the Council's Economic Policy Committee, while establishing expanding the public debate in regards to the issue of pension adequacy, which seems to start gaining momentum in the EU context.



## European Semester 2018

The European Semester is the EU's current policy coordination framework regarding budgetary, macroeconomic, employment and social issues. It was launched at the aftermath of the sovereign debt crisis in order to synchronise and enhance the member states' policies in this respect. For that reason, it combines diverse coordination instruments such as the Stability and Growth Pact (SGP), the Macroeconomic Imbalance Procedure (MIP) and the Social Open Method of Coordination (Social OMC). The European Semester kicks-off annually with the Annual Growth Survey (AGS), followed by the Commission's Country Reports, the member states' responses named National Reform Programmes (NRPs) and concludes with the publication and endorsement of the Country Specific Recommendations (CSRs). Each year's CSRs, published in the summer, contain a small number of policy recommendations addressed to EU countries, as a means for the latter to improve in the respective fields.

For the year 2018-2019 the overall objective of the Semester's Country Specific Recommendations (CSRs) was to encourage Member States to use the current favorable economic climate to further strengthen the resilience of their economies.

Compared to last year, most progress has been delivered in reforming financial sectors and active labour market policies. For instance, Member States have improved the financing conditions and facilitated a durable resolution of non-performing loans or improved banking supervision. Sound progress was also made in active labour market policies which have become increasingly diverse in nature in recent years, focusing on a more tailored approach to individual needs, in line with the Council recommendations for youth and long-term unemployed. On the other hand, progress was slow in education and in addressing challenges in the long-term sustainability of public finances. Education reforms, notably those aiming at improving access for disadvantaged groups and raising the overall quality of education, continues to represent a challenge. Rather modest progress has also been recorded on addressing challenges posed by the long-term sustainability of public finances in view of an ageing population. This policy area is addressed in a high number of Member States, but progress has only been limited in spite of posing significant challenges over the coming decades.

This year, the recommendations dedicated special attention to social challenges, guided by the European Pillar of Social Rights proclaimed in November 2017. There has been a particular focus on ensuring the provision of adequate skills, the effectiveness and adequacy of social safety nets and improving social dialogue.

As regards pensions in particular, the Semester plays a prominent role since this policy domain lies at the heart of national social systems and at the same time holds a clear budgetary aspect, which makes it directly relevant to certain mechanisms of the European Semester.

## European Semester 2018

### AEIP Action



In December 2018 AEIP published its research paper on the European Semester. The paper has a twofold aim: first, it is set to provide a comprehensive mapping of the Commission's recommendations and their implementation across time and space. And secondly, it aims to give a concise picture of the reforms which took place at the national level as well as to provide a sound basis for a broad comparative exercise among the eight countries under study. This analysis is highly relevant to the work of AEIP, as an organization which focuses on the developments regarding coordinated retirement schemes, occupational pensions and healthcare schemes. The scope of the analysis extends to eleven EU member states, chosen due to the participation of relevant organizations in the working groups of AEIP.

Future actions of AEIP will take into consideration the various stakeholders and existing public policy groups that focus on the European Semester, in order to start a fruitful dialogue and exchange knowledge on the EU's coordination framework.



## Solvency II Directive

The Solvency II Directive (Directive 2009/138/EC1), which became fully applicable on 1 January 2016, introduces a modernized risk-based prudential and supervisory regime for insurance and reinsurance undertakings in the European Union. A Commission Delegated Regulation containing detailed implementing rules for Solvency II, including risk calibrations for the calculation of capital charges for specific asset categories, was adopted by the Commission on 10 October 2014.

EIOPA published its final report from 28 February 2018 that could be taken into account by the EC in the process of updating the Solvency II Delegated Regulation that will come into force in 2019.

Since last summer, EIOPA and the European Commission made several steps with the aim to prepare for the next review of the Solvency II Directive scheduled for 2020.

## *Solvency II Directive*

### AEIP Action



Following its participation in the teleconference of EIOPA on the review of the Solvency Capital Requirements (SCR) in January 2018, AEIP published -at the initiative of its French member Centre Technique des Institutions de Prévoyance (CTIP)- on 22 May a position on Solvency II referring to the Calculation of SCR.

As an important development in the dissemination of its positions, AEIP met on 3 July with the Head of DG FISMA's Insurance and Pensions Unit, having an in-depth discussion with the European Commission's experts on how to proceed with the upcoming review of Solvency II in 2020.

AEIP continued its role as a channel of communication between its members and the EU institutions. As such, the organization participated on 19 November in the workshop organized by DG FISMA on 'EU-level supervisory reporting requirements' while in December 2018 released a novel position on the amendments to Solvency II Delegated Regulation (with substantial feedback from one of its French members, CTIP). In this novel position, AEIP expressed that it shares the need of introducing more simplifications and a more proportional application of the Solvency II framework. It added that, in that way it appreciates the no-modification of standard deviation for the NSLT Health premium as well as the extend of the look-through approach to investment related undertakings and the measures proposed which aim to promote the financing of the real economy, like with the new « long-term equity investments » asset category.

However, AEIP expressed its regrets because of the perceived lack of ambition that emerges from the Commission's proposal, in particular in the case of the proposed calibration of long-term equity. We firmly believe that, in practice, the technical proposal will not be implemented by insurers because of the criteria that make it inoperative, unless the Commission comes up with substantial modifications in its final draft.

## ■ Interpretation of the VAT Directive

### *Concerning Article 135 -1- (g) of the VAT Directive*

The VAT Directive provides for an exemption of management services rendered to special investment funds. In most Member States, pension funds are qualified as special investment funds. Consequently, these pension funds receive management services exempt of VAT.

However, as pointed mostly by the Dutch occupational pension funds, at present the VAT Directive treats pension plans based on its form and the place of residence differently for VAT purposes, but also does not provides any guidelines or any sufficient guidance for hybrid pension plans.

For that reason, in the joint VAT paper published in October 2018 in cooperation with Pensions Europe, AEIP urged the European Commission to take the necessary steps to relieve all pension fund participants from unnecessary VAT burdens, regardless the character of the schemes as well as the Member State in which the services are being received. Or at least provide Member States with clear guidelines. In particular, the position paper calls for an amendment to the VAT-Directive that provides clarity, is non-discriminative with regard to pension schemes, and is up-to-date.

### *Concerning Article 132-1-(f) of the VAT Directive*

As regards the French social protection groups, the recent case-law decisions from the European Court of Justice tend to reserve the exemption benefit prescribed in Article 132-1-(f) of the 2006 VAT Directive (2006/112/EC) to legal entities carrying out activities of public interest, which notably include welfare, social security (including mandatory complementary pensions), education, sport and culture.

This new trend contradicts both the latest proposal made by the European Commission to amend the VAT Directive (COM 2007/747) as well as the currently VAT exempted activities in a wide number of EU Member States, including France.

Given the increasing complexity of the VAT exemption applicable to insurance-related activities (also see the case-law decisions of the European Court of Justice), these recent changes tend to reconsider the VAT exemption of the cost sharing structures which are in place within the French Social Protection Groups.

However, the VAT taxation of these cost sharing structures which results from the current position of the European Court of Justice would lead to the reconsideration of the whole structure of the French social protection sector. Moreover, this additional functioning cost could endanger the compulsory social protection scheme which is currently in place.

## *Interpretation of the VAT Directive* AEIP Action



At the initiative of CTIP, AEIP adopted on 20 June 2018 its final position on VAT exemption regarding art. 132-1-(f), which refers to the exemption from VAT of supplies of services by independent groups of persons to their members. Following the set communication strategy, our organization made sure that the position has been received in due time from the European Commission's DG TAXUD.

At the same time, a joint position with PensionsEurope and at the initiative of PensioenFederatie on art. 135-1-(g) of the VAT Directive was adopted by the AEIP board on 27 August. A joint delegation consisting of AEIP, PensionsEurope and PensioenFederatie's representatives met with Ms. Pia Michelsen, DG TAXUD in order to present and discuss the joint position paper and AEIP's requests for further political action.

## EC Proposal for a Council Recommendation on Access to Social Protection for Workers and Self-employed

During the public consultation on the European Pillar of Social Rights (EPSR) many stakeholders have expressed concerns regarding the obstacles faced by people in non-standard forms of employment and self-employment in accessing social protection (ex: unemployment benefits, sickness benefits, disability benefits, pensions, etc.) and employment services (ex: training, career counselling)

The aim of the stakeholder consultation related to the EU initiative on access to social protection is thus to deliver a high quality and credible proposals by allowing interested parties to provide feedback.



## *EC Proposal for a Council Recommendation on Access to Social Protection for Workers and Self-employed* AEIP Action

In January 2018, AEIP submitted its input to the open consultation procedure of the European Commission on Access to Social Protection for Workers and Self-Employed.

In its consultation response AEIP stressed that sustainable social protection systems can adequately respond to social trends only if based on strong and constructive cooperation between social partners and policy-makers at all levels of governance. The engagement of social partners at EU and at national level is crucial for achieving a successful design and implementation of new economic and social policies. AEIP is certainly in favor of promoting access to social protection for all, including people in new forms of employment. We consider that is necessary to protect workers' rights, but the portability of supplementary pension entitlements could not be the best solution and could lead to unnecessary costs for the pension providers, affecting the long-term investment horizon of the fund. AEIP strongly believes that further measures towards simplification of access to social protection and efforts towards increasing transparency in the provision of services will contribute to higher confidence in social protection systems.

## Work-Life Balance for Working Parents and Carers Directive

On April 2017 European Commission presented a series of legislative and non-legislative proposals to support work-life balance for working parents and carers, published together with the European Pillar of Social Rights. This new initiative takes into account the developments in society over the past decade in order to enable parents and other people with caring responsibilities to better balance their work and family lives and to encourage a better sharing of caring responsibilities between women and men.

It is based on the results of the public consultation and two-stage social partner consultations and the analysis of the accompanying impact assessment. *The Communication: An initiative to support Work-Life Balance for Working Parents and Carers* (WLB) sets out a comprehensive package of complementary legal and policy measures, which will reinforce each other.

## Work-Life Balance for Working Parents and Carers Directive

### AEIP Action

Studies show that work-life balance prevents and reduces mental health problems, is positively related to job and life satisfaction. Conflicts in balancing work and life activities have been associated with higher levels of absenteeism and burnout, as well as with uptake of health risk behaviors, which then in turn have a negative effect on mental health and the overall individual health status of workers. Studies have also shown that flexible working arrangements in favor of employees are directly related to a higher commitment from and lower stress for workers and, consequently, indirectly decrease the costs that companies and employers may incur due to work-life imbalance. More recently, a Eurofound report suggested that while, in some cases, flexible working arrangements may result in additional costs for companies, they also enhance productivity.

In March, AEIP prepared jointly with the EU Mental Health Alliance amendments in the context of mental health to the WLB Directive based on the view that there is an overall need for changing work organization and practices in order to accommodate the needs and rights of a diverse workforce, which has been proven as an approach with a positive impact on both workers and employers.



## *Occupational Mental Health at EU level*

Mental health is becoming a priority at EU level in the past decades. The European Commission adopted in 2005 the Green Paper “Improving the mental health of the population”. The purpose of the Green Paper was to launch a debate with the European institutions, Governments, health professionals, civil society, including patient organizations, and the research community on the relevance of mental health for the EU, the need for a strategy at EU-level and the most pressing priorities for action.

The outcome of the Consultation process was the European Pact for Mental Health and Well-being, launched in 2008.

### **Economic impacts and relevance to AEIP**

Psychosocial risks impact work performance-related outcomes with major economic implications for social protection systems and labor markets. The economic consequences of ill-mental health—mainly in the form of lost productivity—are estimated to average 3–4% of gross national product in European Union countries. A report funded by the European Commission indicates that mental health issues at work lead to immediate losses in productivity through absenteeism or presenteeism, pose a risk of unemployment for those affected. The compound effect is estimated to be 610 billion euros per year resulting from a shrinking labour force, productivity losses and increased public spending and burden on social protection systems. By preventing or treating mental health at the work place level, interventions have the potential to reduce risks, generating major cost savings.



## *Occupational Mental Health at EU level* AEIP Action

In 2016, AEIP took the coordination of the recently established European Alliance for Mental Health / Employment and Work (EUMH Alliance) – an informal co-operation of partners on the specific issue of the economic impacts of mental health. The aim of the Alliance is to raise awareness for this issue and to stimulate policy development on EU level. All partners recognize its importance and incorporate it in their own, broader health policy agendas. At this point, the Alliance is comprised of six partners and focuses activities towards joint analysis and research, exchange of expertise and best practices and joint representation on topics of key interests to partners and members.

As an additional part of its activities on mental health, AEIP became an official partner to the European Joint Action on Mental Health and Well-being and participated to all meetings and initiatives organized as part of the initiative. The purpose of the Joint Action was the development of a “more rigorous and comprehensive knowledge on mental health and well-being in the EU and the development of an endorsed framework for action in 2016”. The Joint Action involved a wide range of actors at various levels of governance and produced an in-depth analysis of available and potential approaches, concluding that there is an apparent need to address mental health within a broader framework, employing an integrated approach as mental health determinants lie in many non-health policy sectors – social protection, education, employment, etc.

Based on the positive results of our initial work on the topic, AEIP will continue to establish further collaborations with partners and European institutions, in order to strengthen its visibility and broaden its impact on the topic of occupational mental health throughout 2018 – our work focused specifically on the European Semester, the initiatives related to the European Pillar of Social Rights and work-life balance.

## Revision of the Posting of Workers Directive

Together with the announced revision of the Social Security Coordination Regulation (Regulation 883/04), the targeted revision of the Posting of Workers Directive is one of the two pillars of the Labour Mobility Package, a set of initiatives of the European Commission aimed at supporting labour mobility and improving the capacity of Member States to prevent and fight social dumping, frauds and abuses, with regards to the posting of workers and the entitlement to welfare benefits.

In March 2016, the European Commission proposed a revision of the rules set by the EU Directive 96/71/EC to ensure they remain fit for purpose and to introduce the principle of “same pay for the same job in the same place”. As a specific form of temporary labour mobility, posting has been a prominent topic of public and political debate during years. AEIP deals with this dossier within its Working Group of the Construction sector. The

impact of posting on domestic labour markets is indeed much stronger in specific sectors and Member States. The construction sector counts alone almost the 50% of the total intra-EU posting. Moreover, posting is often linked to broader issues, such as the labour market effects of EU enlargement and, here in particular, restrictions on the free movement of workers, unfair competition based on labour costs and ‘social dumping’, amongst others.

AEIP adopted its official position on the revision of the Posting of Workers Directive in August 2017 and coordinated its actions with the European Social Partners of the Construction Sector – the European Federation of Building and Woodworkers (EFBWW) and the European Construction Industry Federation (FIEC).

### *Revision of the Posting of Workers Directive*

#### AEIP Action

In 2018 AEIP has engaged with EU officials, namely Mr Fernando Pereira from the Directorate General Employment, Social Affairs and Inclusion of the European Commission and Mr Georgi Prinski, MEP S&D in the European Parliament during its Commission IV&V working group meetings. The purpose of the exchanges with the two experts was to discuss the changes introduced by the revision of the Directive and what its implications will be regarding its future implementation in the EU Member States.

AEIP has also closely followed the discussions within the European Parliament and the Council related to the approval of the revision and will continue its engagement and follow up of the dossier in the Posting of Workers Committee dedicated to the clarification on the implementation of the Directive.

## European Platform tackling Undeclared Work

The European Platform for Tackling Undeclared Work aims at improving the cooperation between the European Union Member States bringing together relevant actors and authorities in charge of preventing undeclared work ensuring their close collaboration.

The main objectives of the platform are to raise awareness on undeclared work, provide EU countries with effective tools to fight undeclared work, promote better working conditions and enhance policy instruments and resources at national level. Further to that, its aims is to enhance the involvement of different actors as social partners, enforcement authorities and stakeholders in a continuous exchange of information and best practices. It will assist national level actors with concrete examples on best practices, development of expertise and improved engagement in cross-border cooperation activities.

### *European Platform tackling Undeclared Work* AEIP Action

In 2018, AEIP members of the Working Group of the Construction Sector met with the Member of the European Parliament Mr Pirinski - the appointed the rapporteur of the dossier. AEIP members discussed their proposals and concerns on the work of the Platform and its work for the following years. In order to ensure the follow up on the dossier, AEIP met Mr Kleimman from the Directorate General Employment, Social Affairs and Inclusion of the European Commission for discussing the latest activities and the future programme of the platform in the second half of 2018.

AEIP will continue to follow the developments of the platform and its new programme for 2019-2020 focusing on the cooperation carried out by the MSs regarding cross-border activities.



## European Labor Authority (ELA)

The rapid increase in the number of Europeans working in a Member States as posted workers, the large number of daily cross-border commuters, the need for information on job opportunities and rights at home and abroad (ensured by good cooperation between national authorities) are the reasons for the initiative of the European Commission for the establishment of a European-level coordinating body. The European Commission has proposed to set the European Labour Authority (ELA) that would add to the existing structures at European and national level dealing with information for individuals and employers, mediate between national labour authorities and social security bodies, and gather up-to-date data on posted workers.

On 13 March 2018, the European Commission published a proposal on the establishment of a European Labour Authority. The proposal was presented at the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council meeting on 15 March 2018. On 16 May 2018, the Council Working Party on Social Questions discussed the impact assessment of the proposal.

### *European Labor Authority (ELA)*

#### AEIP Action

Throughout 2018, AEIP has organized individual meetings with its members for discussing the new initiative of the European Commission on a European Labour Authority. The main purpose of these discussions was the preparation of an AEIP position paper taking into consideration the concerns and the potential added-value of this proposal.

In the meetings and discussions with members, AEIP engaged also EU officials in charge of developing the proposal. In June, AEIP as part of a meeting of the Construction Sector Working Group Mr Van Nuffel, Member of the Cabinet of Commissioner Thyssen provided an analysis and an -in-depth overview of the proposal outlining the amendments that should be assessed by the European Commission. AEIP members provided their positions at national level and a general overview of the potential points of concerns or opportunities for the operation of the ELA.





## Digitalization in the Construction Sector

The European Commission considers digitalization as a fundamental factor for the Construction Sector's competitiveness of the entire value chain. There is a strong connection with energy efficiency, sustainability. A sustainable and competitive European construction industry brings many benefits to society and the EU economy. The EC Construction 2020 Strategy is focused on 5 topics: investments, skills, resource efficiency, internal market and globalization. High Level Tripartite Strategic Forum for Construction was created by the EC as a point of meeting with all stakeholders.

### *Digitalization in the Construction Sector*

#### AEIP Action

In 2018, AEIP was invited to participate as a stakeholder in the European Commission's the Thematic Group for Skills and Qualifications focusing on the Construction Sector. The main purpose of the Thematic Working Group is the exchange and provision of input between relevant stakeholders. AEIP will participate in the future meetings of this Thematic Group throughout the following years foreseen for the implementation of the EC Construction 2020 Strategy.

At the end of the year, AEIP members met with Mr Horváth from Directorate General Internal Market, Industry, Entrepreneurship and SMEs for providing preliminary input to the implementation of the Construction 2020 Strategy and the current DG Grow activities and agenda.







## World Pensions Alliance

The World Pension Alliance includes the main advocacy associations representing pension plans and providers at the international level, including Europe, the US, Canada, Latin America, and Australia.

AEIP was one of the founding members of the WPA, which was launched in 2011 under the name of Global Pension Alliance.

In 2016 the network developed its governing rules, appointed a Chair and a Coordinator. For the period June 2018 – June 2019 the WPA is chaired by Pensions Europe's Secretary General/CEO – Mr. Matti Leppälä.

Today, through its members the WPA represents more than 400 million people covered by retirement plans, and roughly 5000 pension providers managing more than 7 trillion US\$. The primary long-term objective of the WPA is to be recognized at the international level as the common voice of the not-for-profit pension industry representing millions of retirement income plan members.

AEIP assists its partners towards the long-term objectives of the World Pension Alliance and promotes the voice of the not-for-profit pension community with international decision makers.  
For more information: [www.worldpensionalliance.org](http://www.worldpensionalliance.org)

## Transatlantic Partnership

The National Coordinating Committee for Multiemployer Plans (NCCMP), The Multi-employer Benefit Plan Council of Canada (MEBCO) and AEIP signed a protocol in 2008 with the purpose of better coordinating their lobbying activities where common interests are shared, and particularly to raise the voice of Paritarism.

NCCMP is an American advocacy organization of national, regional and local multiemployer pension and health and welfare plans, international and local unions, national and local employer associations, individual local employers, and multiemployer fund professionals.

MEBCO is a Canadian federal no-share capital corporation, operating on a not-for-profit basis. MEBCO represents the interests of Canadian multiemployer pension and benefits plans.

Under this protocol of cooperation, AEIP, NCCMP and MEBCO organize a joint conference each year, bringing together social protection institutions, government representatives, social partners, banking representatives and industry employees from both sides of the Atlantic, to exchange good practices and to discuss the current situation in the USA, Canada and Europe and possible. The conference takes place alternatively in Europe and in North America.



European Federation  
of Building  
and Woodworkers



## Protocol of Cooperation with the Social Partners of the Construction Sector

On 7th November in Paris, AEIP and the European social partners of the Construction Sector – the European Federation of Building and Woodworkers (EFBWW) and the European Construction Industry Federation (FIEC) – signed a new Protocol of Cooperation with the view to intensify their collaboration but also to strengthen industrial relations in the construction industry at EU-level.

The objectives of the Protocol of Cooperation were defined as: the development, elaboration and coordination of a long-term action plan to strengthen the system of industrial relations in the construction industry in the CEECs. The partners were committed to also jointly implement measures towards joint research activities of the European social dimension of the construction industry.

## Protocol of Cooperation with Pensions Europe

In September 2015, Pensions Europe and AEIP signed a Protocol of Cooperation, recognizing the shared value of an ongoing dialogue and open exchange of ideas to meet common challenges and objectives, in the field of workplace pensions.

The overall objective of the cooperation is to provide an added-value for all the beneficiaries of the ongoing and future activities, including companies, their employees, and of course pensioners. With the aim of fully addressing the set objective, AEIP and Pensions Europe agreed to share ideas and experiences in order to learn from each other and to promote common positions, when appropriate.

## Participation in the OECD Working Groups

AEIP has an observer status in two OECD working groups – on Long-term Investment and Private Pensions.

The OECD Institutional Investors and Long-term Investment Project was created in 2012 with the aim to address potential regulatory obstacles and facilitate long-term investment by various institutional investors, including pension funds, insurance companies, and sovereign wealth funds.





## European Alliance for Mental Health / Employment & Work

Launched in 2013, the European Alliance on Mental Health in All Policies brings together six founding partner organizations – AEIP, Mental Health Europe, the European Public Health Alliance, the Dutch Association of Mental Health and Addiction - GGZ Netherlands, EuroHealthNet and the International association of mutual benefit societies - AIM.

The Alliance is an informal cooperation around the specific issue of the economic impacts on mental health and the role it plays in raising labor productivity as means to support an exit of the economic crisis.

The Alliance aims at raising awareness of mental health disorders as an emerging risk for social protection and economic growth and to stimulate policy development at the EU level.



For more information: [www.eumhalliance.com](http://www.eumhalliance.com).

## Social Economy Europe

Social Economy Europe is the EU-level representative institution for the social economy. It aims at promoting and reinforcing the political and legal recognition of the social economy cooperatives, mutual societies, associations and foundations at EU level.

Since June 2014, AEIP is an official member of the Social Economy Europe, taking part in all its meetings with the purpose of contributing to the organization's initiatives and activities.

For more information: [www.socialeconomy.eu.org](http://www.socialeconomy.eu.org)

AEIP has been involved in the development and implementation of several projects in the past years, funded with the financial assistance of the European Commission on topics closely linked to the policy areas of major importance to the members of the organization. AEIP considers that the currently ongoing projects that are implemented with its active engagement support the realization of its long-term policy objectives.

## EaSI Project on Mental Health in the Construction Sector

The European social partners of the Construction Sector – the European Federation of Building and Woodworkers (EFBWW) and the European Construction Industry Federation (FIEC) carried out a joint research project since the beginning of 2017 funded under the European Employment and Social Innovation Programme on the topic of Mental Health in the Construction Industry, aimed to address the topic of occupational mental health from the sector-specific perspective of the construction industry, to improve the stakeholder's understanding of the subject and to provide good examples allowing social partners to practically deal with the issue focusing on aspects of the work which are directly susceptible by the social partners at company level i.e. work organization.

The research is focusing on the quality of work and especially on the health conditions of work processes. The underlying assumption is that by allowing for a better understanding of the complex relations between work organization and the driving factors behind increasing psychosocial risks at the work place, it will be possible to improve the quality of work and to reduce negative trends as absenteeism and presenteeism.

The research project aims to deepen the understanding of mental health in the specific context of the construction industry and eventually, formulate pathways for solutions that take into account the concrete reality of construction work and trends within the various work processes and occupations. Particular importance was given to specifics of the Construction industry that were taken into account e.g. the high number of small enterprises, the specific conditions in subcontracting, trends, working conditions, etc.

National reports from the 7 EU Member States of focus i.e. Denmark, Spain, Finland, Belgium, France, Poland and Austria, served as the basis for the elaboration of this report, providing for conclusions, recommendations and evaluation guidelines for the sector.

Within the project AEIP had the responsibility to analysing the research reports and writing the final research report, drawing conclusions on possible policy measures and support for action at national and European level. The final report will be published in March 2019 and will be followed by a closing Conference in Brussels.



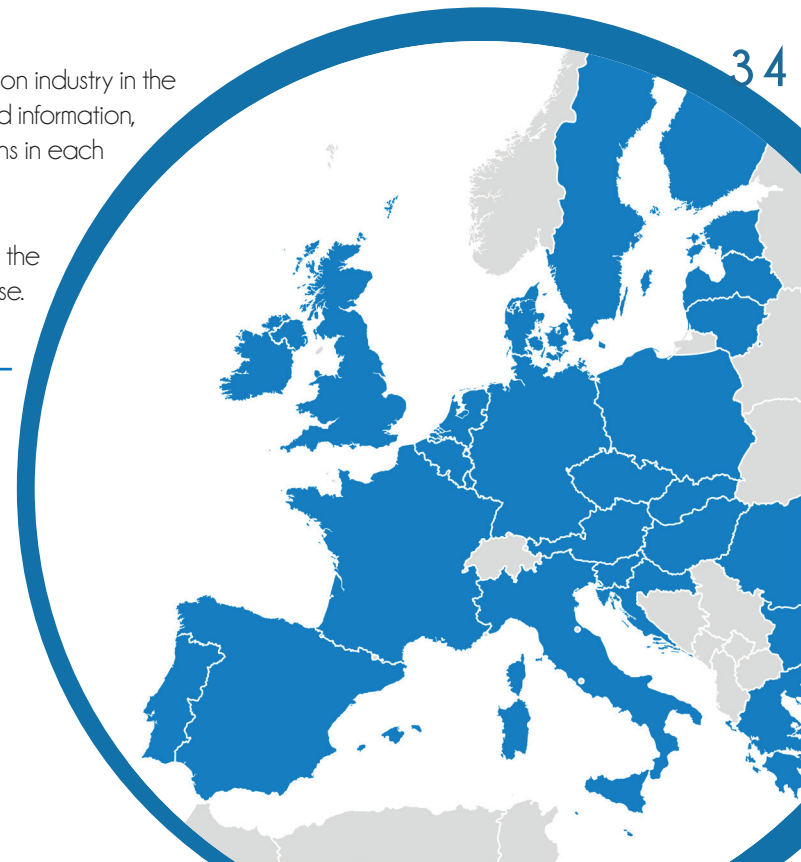
## EaSI Project – Towards a New Start of Industrial Relations in Construction in Central and East European Countries - TANSIRC

EFBWW and FIEC, as European social partners of the construction industry, together with AEIP, agreed on a long-term cooperation agreement committing themselves to strengthen, reinforce and promote industrial relations in the construction industry at all levels of governance. One specific element of the cooperation agreement stipulates that the three partners will make better use of the existing EU funding instruments related to industrial relations and social dialogue, in particular as regards initiatives targeting supporting new initiatives and build-up of resources in Central and East European Countries (CEECs).

Over the last years the EFBWW, FIEC and AEIP implemented jointly several projects targeting CEECs on topics as paritarian funds, health and safety at work, etc. With the TANSIRC project which was launched in the beginning of 2018, the partners (EFBWW, FIEC and AEIP) aim at creating a stronger added value for the concerned organisations in CEECs and to strengthen the capacity of the trade unions and the employer's federations to enter in "negotiation" within a system of industrial relations.

The first part (2018), envisaged a detailed practical sectoral industrial relations mapping exercise of the construction industry in the CEECs. This study will aim to complement the existing EUROFOUND representativeness study with concrete data and information, regarding existing challenges and opportunities relevant to the implementation of a new system of industrial relations in each target country.

The second part (2019) of the project aims at launching five open thematic debates with the social partners of the construction industry of the target countries and relevant stakeholders on the priorities identified during the first phase. The project will be finalized in the beginning of 2020.







## AEIP Annual Conference 2018

The AEIP Annual Conference 2018 took place in Brussels on 8th November 2018 in the International Auditorium of the European Trade Union Confederation – ETUC. The topics of the conference were focused on the European social agenda and its potential for contributing to Adequate & Sustainable Social Protection. The full-day Conference covered the most notable trends and challenges in topics as: Access to Social Protection, Adequacy & Sustainability of Pensions, and New Framework for Sustainable Finance and Social Dialogue.

Speakers from the European Commission, European Parliament, the European Economic and Social Committee, representatives of national paritarian institutions, academia and other relevant stakeholders joined us to share their perspective on our key topics and discuss the latest trends and challenges and examples of solutions and best practices.

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*Association Européenne des Institutions Paritaires*  
European Association of Paritarian Institutions

Annual Conference - 8 November 2018

**ADEQUATE AND SUSTAINABLE  
SOCIAL PROTECTION**  
THE WAY FORWARD





## 10th AEIP-NCCMP-MEBCO Transatlantic Conference

### Pension Dialogue Day

The 30th May 2018 was a unique opportunity to exchange experiences and best practices concerning pension policies around the globe. The European Association of Paritarian Institutions – AEIP, the Federation of the Dutch Pension Funds, the Australian Institute of Superannuation Trustees (AIST) and the World Pension Alliance (WPA) of which NCCMP and MEBCO are part, have joined forces to organise the Global Pension Dialogue. The event was held at the Stadsschouwburg in Amsterdam.

Olivier Guersent, Director-General FISMA of the EU, opened the Global Pension Dialogue. Nicholas Davis of the World Economic Forum gave an insight into several global developments and their impact on pensions. The event focused on several related topics as infrastructure investing, adequacy, ESG, investment management fees and financial education and literacy of beneficiaries, discussions providing for a cooperative overview of pension policy around the world, examples and identification of best practices, including the leading countries in the Mercer Global Pension Index.

A global audience of more than 300 people attended the Pension Dialogue Day.

### Healthcare & Social Dialogue

On 31st May, AEIP, in partnership with the American National Coordinating Committee for Multiemployer Plans (NCCMP) and the Multi-employer Benefit Plan Council of Canada (MEBCO) organized a Day dedicated to healthcare, focusing on exchange of experience and best practices from North America and Europe. Several speakers from the OECD, the European Commission and relevant stakeholders from partner organizations took part in the discussions.

During the morning of 1st June the focus of the follow up event was on Social Dialogue & Collective Bargaining discussed from a sectoral perspective. This session explored how social partners (trade unions & employers' organizations) or public private providers develop schemes address the challenges of new forms of employment (e.g. part-time work), trends on mobility and posting of workers, etc.





## BELGIUM

Prof. Dr. Yves Stevens / Katholieke Universiteit Leuven  
Prof. Dr. Yves Jorens / Universiteit Gent  
Mrs. Lut Sommerijns / Loyens & Loeff



## FRANCE

Mr. Philippe Laigre / Philippe Laigre et associés  
Prof. Philippe Coursier / Université de Montpellier 1  
Mr. Pierre Chaperon & Mrs. Cécile Vokleber / AGIRC-ARRCO



## GERMANY

Prof. Heinz-Dietrich Steinmeyer / Westfälische Wilhelms Universität Münster  
Dr. Janda & Prof. Eichenhofer / Friedrich-Schiller-Universität Jena  
Mr. Manfred Walser & Mrs. Dana Schäfer / SOKA BAU  
Prof. Christian Müller - Graff / Heidelberg



## GREECE

Prof. Dr. Konstantinos Kremalis / Kremalis Law Firm



## ITALY

Prof. Pasquale Sandulli / Sapienza Università di Roma  
Prof. Federico Spandonaro & Mr Michele Faioli / Università degli Studi di Roma "Tor Vergata"



## THE NETHERLANDS

Prof. Erik Lutjens / Vrije Universiteit Amsterdam

The Scientific Council of AEIP is composed of 21 professors and advisors from different countries. It meets once a year to discuss innovative ideas with regard to social protection and the role of paritarian management at the European level in particular.

The Scientific Council advises AEIP on current affairs, produces studies, contributes to draft agendas of AEIP events and gives relevant presentations. With the growing network of AEIP, the Scientific Council is expanding too.



## PORTUGAL

Prof. Arlindo Donario / Universidade Autónoma de Lisboa



## SWITZERLAND

Mr. Jacques-André Schneider / LHA, Suisse  
Mr. David Pittet



## UNITED KINGDOM

Prof. Bryn Davies / Union Pension Services Ltd



## LITHUANIA

Prof. Dr. Alvydas Pumputis / Mykolas Romeris University



## ESTONIA

TARTU University / Prof. Dr. Volli Kalm



## HUNGARY

ELTE LAW University / Prof. Dr. Miklós Király



**2017 – 2019 AEIP Presidency:**  
**Mr Michel Dieu, CTIP, FR**

For the 2017 – 2019 term, he will be representing the employees' side according to the paritarian management rotation of AEIP management.



**2017 – 2019 AEIP Vice-President:**  
**Jean-Louis Peyrude, OCIRP**



**Bruno Gabellieri**  
Secretary General

The AEIP Managing Board is paritarian in nature and is made up of the Associate Members which nominate two delegates. One delegate represents the employees while the other delegate represents the employers. The officials of the Managing Board are elected for a two year term. The President of the Managing Board, who is also the President of the Association, changes every two years and his position also alternates from an employee to an employer representative.



**Aleksandra Kaydzhyska**  
Permanent Representative



**Christos Louvaris Fasois**  
Pensions and  
Financial Affairs Advisor



**Laura Mesa López**  
Policy Advisor on  
European Healthcare Affairs



**Cécile Henrotte**  
Internal Affairs Manager

## AEIP Secretariat

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*Secretary General*

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**Cécile Henrotte**

*Internal Affairs Manager*

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PensioPlus - [www.pensioplus.be](http://www.pensioplus.be) - Belgium

PensioPlus is a not-for-profit organization which reunites the IORPs and sectorial pension schemes providers, all involved in the 2nd pillar pension schemes.



Agirc et Arrco - [www.agirc-arrco.fr](http://www.agirc-arrco.fr) - France

AGIRC and ARRCO are both paritarian mandatory pension schemes, created by social partners and coordinated by the regulation 883.



assoprevidenza

Assoprevidenza - [www.assoprevidenza.it](http://www.assoprevidenza.it) - Italy

Assoprevidenza is an Italian not-for-profit organization for welfare and 2nd pillar pension managed by social partners.



Berufsgenossenschaft der Bauwirtschaft

BG BAU - [www.bgbau.de](http://www.bgbau.de) - Germany

BG BAU is the statutory accident insurance for the construction industry and construction-related services in Germany.



BANQUE INTERNATIONALE À LUXEMBOURG

Bil - [www.bil.com](http://www.bil.com) - Luxembourg

Bil is the International bank in Luxembourg. It is a European Pension Fund Platform working inside the New-York Life Mutual Insurance Company after the merger with the asset management of Dexia.



LOMBARD ODIER DARIER HENTSCH

Lombard Odier - [www.lombardodier.com](http://www.lombardodier.com) Switzerland

Lombard Odier is a private bank in Switzerland. Lombard Odier Pension Fund is a Private Pension Scheme and a mandatory and voluntary paritarian pension funds under management of a specific branch of the banking group. It is a not-for-profit provider, and for the mandatory part, falls under the regulation of the 883 EU-Level.



Federation of Dutch Pension Funds  
[www.pensioenfederatie.nl](http://www.pensioenfederatie.nl) - Netherlands

On behalf of its members, the Federation of the Dutch Pension funds promotes the further development, maintenance and the provision of a 2nd pillar pension system that is based on high quality and trust.



Soka-bau - [www.soka-bau.de](http://www.soka-bau.de) - Germany

SOKA-BAU is a paritarian institution established by the social partners of the German construction industry.



Assofondi Pensione - [www.assofondipensione.it](http://www.assofondipensione.it) Italy

Assofondipensione is a not-for-profit organization which represents the interests of the pension funds established after 28 April 1993 managed by social partners.



Mefop

Mefop - [www.mefop.it](http://www.mefop.it) - Italy

Mefop is a not-for-profit organization working on the development of the pension schemes in Italy and managed by social partners.



BAUARBEITER-URLAUBS-UND ABFERTIGUNGSKASSE

BUAK - [www.buak.at](http://www.buak.at) - Austria

BUAK is a public paritarian corporation, focused on Construction Workers' Holiday and Severance Pay Fund.



CTIP - [www.ctip.asso.fr](http://www.ctip.asso.fr) - France

The Technical Centre for Provident Insurance Undertakings – CTIP represents provident institutions, not-for-profit personal insurance organizations with paritarian governance.



OCIRP - [www.ocirp.fr](http://www.ocirp.fr) - France

OCIRP, a union of provident institutions managed by the social partners, covers the risks of death and loss of autonomy and develops this expertise to offer, with its members, guarantees adapted to the needs of companies and employees.



Tela - [www.tela.fi](http://www.tela.fi) - Finland

TELA is a federation defending the interests of all the providers of pensions in Finland. It focuses on statutory, private sector foundations and pension funds.

## Affiliate Members



CSC - [www.casoc.ro](http://www.casoc.ro) - Romania

CSC is a not-for-profit organization which represents the interests of the construction sector in Romania. It also represents the constructors' associations and the trade unions in the construction sector.



CWPS - [www.cwps.ie](http://www.cwps.ie) - Ireland

CWPS is the construction Workers' Pension Scheme in Ireland. It is an industry-wide pension scheme, providing pension and protection benefits for workers in the construction sector and related industries.



EBAV - [www.ebav.it](http://www.ebav.it) - Italy

EBAV is a not-for-profit organization which represents the interests of the Veneto manufacturer's associations and of the trade unions in the Veneto Region.



TVR - [www.tvr.fi](http://www.tvr.fi) - Finland

The Unemployment Insurance Fund was founded in 1998, with operations based on the Act on the funding of unemployment benefits.



Labour Foundation for Construction  
[www.fundacionlaboral.org](http://www.fundacionlaboral.org) - Spain

The Fundación Laboral de la Construcción is a non-profit bipartite organization created in 1992 by the most representative institutions of the construction sector: Confederación Nacional de la Construcción (CNC), Comisiones Obreras de Construcción y Servicios (CCOO-CyS), and Federación de Industria, Construcción y Agro de UGT (UGT-FICA). Its main goals are to improve professional training and skills amongst the workers, promote health and safety in the workplace and generally improve employment.

## Task Force Members



**AG2R LA MONDIALE**

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

"AG2R-La Mondiale is a social and patrimonial protection group insuring individuals, employees, self-employed persons and enterprises."



Congés Intempéries BTP - [www.cibtp.fr](http://www.cibtp.fr)

The original mission of the Union des caisses de France is to ensure the distribution among the various caisses of the expenses resulting from the movement of construction workers from one caisse to another. The network is made up of thirteen caisses serving companies and construction workers throughout France (metropolitan France and overseas departments).



Groupe Agricola - [www.groupagricola.com](http://www.groupagricola.com)

The AGRICA Group is a complementary social protection group dedicated to the agricultural world. It provides agricultural companies and employees with solutions and services in the areas of supplementary retirement, provident, health and savings.



CAPSSA - [www.capssa.fr](http://www.capssa.fr)

CAPSSA is the provident institution created in 1994 to manage the new provident scheme (death and disability) set up by a collective agreement of 24 December 1993.



Carac - [www.carac.fr](http://www.carac.fr)

Carac is an independent savings, retirement and provident mutual insurance company created in 1924.



CNCE - [www.cnce.it](http://www.cnce.it)

The CNCE is the Joint National Committee for Building Workers' Welfare Funds for orientation, control and coordination of the Workers' Welfare Funds.



Humanis - [www.humanis.com](http://www.humanis.com)

Le groupe Humanis, acteur de référence dans le monde de la protection sociale, occupe aujourd'hui une place prépondérante sur les métiers de la retraite complémentaire, de la prévoyance, de la santé et de l'épargne.



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

"Malakoff Médéric is one of France's leading social protection groups. It covers all the protection needs of people in supplementary retirement, health, providence and savings. In addition, the group pursues an active policy of social and societal commitment through its social actions and its fight in favour of disability."

## Task Force Members



IPECA PRÉVOYANCE - [ipeca.fr](http://ipeca.fr)

"IPECA PRÉVOYANCE was created to meet the retirement and pension needs of aerospace companies as a supplement of the general social security scheme. It offers group provident solutions to cover all risks related to the person: work stoppage, disability and death. IPECA PRÉVOYANCE also designs individual pension solutions for working people, former employees, pensioners, job seekers and their families (beneficiaries)."



Ipsec - [www.ipsecprev.fr](http://www.ipsecprev.fr)

L'Ipsec est l'institution de prévoyance créée en 1955 par la Caisse des Dépôts et Consignations pour les salariés du Groupe. Membre aujourd'hui d'Humanis, l'Ipsec est l'assureur de référence du public et du parapublic (immobilier, collectivités locales, transport de voyageurs, autoroutes, etc.).



PGGM - [www.pggm.nl/english](http://www.pggm.nl/english)

PGGM is a pension fund service provider which manages the pensions for different pension funds, the affiliated employers and their employees.



Previmedical - [www.previmedical.it](http://www.previmedical.it)

Previmedical is one of the most important companies in the sector in Italy, managing some of the largest Italian Health Funds (of a contractual, corporate and mutual nature) and important Insurance Groups operating in the life and non-life sectors.



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

PRO BTP is the social protection group serving companies, craftsmen, employees, apprentices and pensioners in the building and civil engineering sector in the field of health, providence, retirement, savings and insurance.



Solidarietà Veneto - [solidarietaveneto.it](http://solidarietaveneto.it)



European Association of Paritarian  
Institutions of Social Protection

## **MISSION**

Promotion of Paritarian Social Protection Schemes and defence of the shared interest of its members.

## **PHILOSOPHY**

As a key player in the area of Social Protection at European level we promote responsible and efficient Paritarianism across Europe and are recognized as an added-value for our members and partners.

## **WHO ARE WE?**

AEIP is the leading non-profit association gathering institutions, organisations, companies and federations involved in the development and management of Paritarian Social Protection schemes in Europe.

## **WHAT DO WE WANT? (IDENTITY, DNA)**

We have been entrusted by our members with the responsibility to protect and defend the Paritarian social protection schemes at the local and the European level. Our ambition is to be the leader exercising influence to strengthen and ensure sustainability of Paritarian social protection schemes.

## **WHAT DO WE DO?**

Through our presence, our proposals and our communication we defend, develop and promote a responsible and powerful Paritarianism as a means for optimal and efficient social protection.

## **WHERE DO WE GO IN MEDIUM TERM?**

Our intermediate goals are the following:

- Fully ensure advocacy of our Associations' members' interests
- Managing our growth to focus on the sustainability of the current situation

## **WHERE DO WE GO IN LONG TERM?**

Our ultimate goal is to be recognized as a major European player and as an inexhaustible source for improving efficient Paritarian social protection schemes in Europe and support our member organisations in this respect.