

Date: 12 June 2025

Subject: Proposal for a directive harmonising certain aspects of insolvency law

Appreciation regarding the European Parliament's proposals for amendments for a directive harmonizing aspects of insolvency law

The [European Association of Paritarian Institutions \(AEIP\)](#) welcomes the draft [Report](#) by the JURI Committee (and amendments) and the [Opinion](#) by the ECON Committee on the proposal for a Directive harmonizing aspects of insolvency law.

AEIP currently represents more than 1200 social protection providers such as pension and healthcare funds from 13 European countries, which manage more than 2800 billion euros in assets for more than 118 million European citizens. AEIP members honour their pension obligations as well as welcome efficient insolvency procedures for investors that can lead to a better functioning Capital Market Union.

The overarching objective of the legislative proposal, which is to ensure greater harmonisation of insolvency laws across the EU, and make insolvency proceedings more efficient, is highly valuable for our organisation. The current divergences in insolvency laws across Member States represent a clear barrier to the development of the Savings and Investments Union.

However, we observe certain weaknesses concerning employees' labour and social security rights. We particularly highlight the **handling of unpaid pension contributions during pre-pack proceedings**, wherein employees effectively become creditors. **Unpaid pension premiums constitute obligations** outlined in the employment contract and thus **should be transferred in a pre-pack sale**. We therefore strongly support the following amendments proposed in the ECON Committee's Opinion:

- Amendment 5 to Recital 4a, which highlights that employees can be considered as creditors.
- Amendment 34 to Article 19, which gives Member States the possibility of providing greater protection of workers in the pre-pack proceedings.
- Amendment 43 to Article 27, which allows employees to refuse the transfer of their employment contracts under national law.

Instead, AEIP disagrees with amendment 62 of the JURI Committee's draft Report, which grants Member States the authority to increase the level of protection for creditors.

In an insolvency procedure, pension premium liabilities are transferred as parts of obligations under the employment contract. Such protections should be maintained, to avoid that the costs of an

employer not paying pension premiums after becoming insolvent, are offloaded on a pension fund and thereby the collective of pension fund beneficiaries. Article 28 of the original proposal, instead, outlines that the pre-pack sale, the business (or part of it) is acquired free of debts and liabilities. We endorse the [amendment](#) 411 (to Article 28) of the JURI Committee's draft Report, which stresses that the debtor remains jointly and severally liable with the acquirer, and that Article 28 shall not apply to employment contracts.

AEIP also supports amendments 412 and 414, which make sure that the obligations arising from the employment contract remain due in the pre-pack procedure. In addition, we appreciate amendment 364 to Article 21, which ensures that creditors' rights and their priority wage claims are respected.

Finally, we endorse amendments 176 to Recital 9 and amendment 322 to Article 6, tabled in the JURI Committee's draft Report, which underline that legal acts that are against the benefit of the insolvency estate, in particular wages, cannot be declared void.

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**AEIP Disclaimer**

AEIP represents the European Paritarian Institutions of Social Protection in Brussels since 1996. The association gathers 32 leading large and medium-sized social protection providers, which are managed on the basis of joint governance and equal representation by both employees and employers' organizations (the social partners) in 13 EU Member States.

AEIP represents its members' values and interests at the level of both European and international institutions. In particular, AEIP - through its working groups - deals with EU coordinated pension schemes and pension funds, healthcare, unemployment, provident and paid-holiday schemes.

For more information: www.aeip.net