



*Association Européenne des Institutions Paritaires*

European Association of Paritarian Institutions

## **AEIP Position Paper on the New European Pillar of Social Rights Action Plan (2025)**

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**European Association of Paritarian Institutions (AEIP)**

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The European Association of Paritarian Institutions (AEIP) is a Brussels-based organisation that represents non-profit social protection institutions jointly managed by employers and trade unions through collective agreements. AEIP's mission is to promote this paritarian model across Europe and advocate for the shared interests of its members at the EU level. Its members operate occupational pensions, coordinated retirement schemes, complementary healthcare insurance, vocational training scheme, paid leave scheme – also for posted workers and their employers, and other solidarity-based services across 13 European countries, covering over 118 million people on a not-for-profit basis.

AEIP has actively supported the European Pillar of Social Rights (EPSR) since its adoption in 2017, recognising it as a vital tool to enhance social rights across the EU. The organisation contributed extensively to shaping the first EPSR Action Plan by submitting a position paper in 2020, advocating for policies such as strengthened social dialogue, improved pension adequacy, and broader access to social protection<sup>1</sup>. Several of these proposals were broadly reflected in the 2021 Action Plan, which AEIP welcomed for its ambition and the momentum it created during the Porto Social Summit.

Since 2021, the EU's socio-economic context has changed considerably due to global crises, such as the war in Ukraine and trade tensions with the United States, leading to rising energy costs, defence spending, inflation, and labour shortages. These challenges have made social protection and investment more critical. While there has been progress toward some 2030 targets, significant disparities remain in employment, skills training, and poverty reduction. AEIP views the upcoming 2025 EPSR Action Plan as a chance to address the gaps left by its predecessor and respond to emerging needs like demographic change, digitalisation, and healthcare resilience. By formally recognising paritarian institutions and incorporating AEIP's targeted policy proposals, the European Commission can deliver a more inclusive and responsive strategy that builds on past achievements and addresses today's realities.

## **1. Paritarian Institutions and Social Dialogue**

The 2021 Action Plan on the European Pillar of Social Rights (EPSR) did not explicitly acknowledge the role of paritarian social protection institutions in delivering social rights. While the Action Plan reaffirmed the importance of social dialogue, including a planned 2022 initiative to support social partner agreements, it fell short of recognizing the distinct and effective role of paritarian funds in implementing social protection systems.

This omission is significant. By not highlighting paritarian institutions, the Action Plan missed an opportunity to leverage existing governance models that are already aligned with the Pillar's objectives. These institutions represent a proven method for jointly managing benefits and services, contributing to resilient, equitable welfare systems. Stronger language supporting social partners and paritarian governance would have reinforced EPSR Principle 8 on social dialogue and participatory policymaking.

Promoting paritarian governance EU-wide would not only strengthen social dialogue, but also enhance the sustainability and fairness of welfare systems. This approach supports the EU's 2030 social targets, particularly those related to poverty reduction, inclusion, and access to adequate social protection.

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<sup>1</sup> <https://aeip.net/2020/11/27/aeip-provides-its-contribution-to-european-commission-consultation-on-the-implementation-action-plan-of-the-european-pillar-of-social-rights/>

**Recommendations:**

- **Formal recognition:** The European Commission should formally recognize paritarian social protection institutions as key actors in implementing the European Pillar of Social Rights. Their balanced governance structure and operational expertise make them credible, effective partners in delivering social rights.
- **Targeted support:** The Commission should allocate dedicated funding to initiatives jointly led by social partners. Supporting these collaborative structures would encourage the wider adoption of the paritarian model across relevant EPSR principles and contribute to inclusive, participatory social policy.

**2. Pension adequacy and occupational pensions coverage**

Addressing pension adequacy requires more than any single policy tool. An adequate and sustainable retirement system demands a holistic approach, incorporating measures beyond the pension system itself. These include for instance:

- An adequate and coordinated level of social protection benefits,
- Informed financial planning support for individuals,
- Promotion of long-term savings cultures,
- Fair taxation of pension income and savings

Expanding the coverage of occupational pension schemes remains a critical challenge across Europe. Despite some positive developments, large disparities persist between Member States in terms of participation, adequacy, and the role of social partners. In many Member States, sectoral and national collective bargaining has been instrumental in expanding occupational pension coverage. Where social dialogue is fragmented or underdeveloped, revitalisation efforts are necessary to ensure fair and adequate retirement income for all workers.

The EU should prioritize expanding coverage and strengthening paritarian occupational pensions. This can be achieved by strengthening industrial relations and reinforcing the role of social partners in shaping pension policies through collective agreements which can lead to an increase in the coverage of occupational pension plans. The European Union should also avoid a one-size-fits-all approach to pension reform. Instead, it should support flexible, context-sensitive solutions that respect national systems while advancing broader access to pension benefits and ensuring adequacy in line with EPSR Principle 15 on old-age income and pensions.

Another approach to increasing coverage is the introduction of auto-enrolment, not at EU level but within national occupational pension schemes; the decision on whether this approach is appropriate and necessary should be left to each Member State. Mechanisms such as automatic enrolment have shown potential in increasing participation; particularly in systems where voluntary coverage dominates; but their success ultimately depends on ensuring that contributions are both regular and sufficient to provide future income security.

Auto-enrolment can be a valuable instrument in countries with low occupational pension uptake, but it must be carefully tailored to national contexts. In Member States where mandatory or quasi-mandatory

second-pillar schemes already exist; often governed through paritarian structures; the introduction of auto-enrolment may offer limited additional value and could risk disrupting well-functioning governance models.

Finally, we note that currently, pension adequacy indicators within the Social Scoreboard remain limited, hindering policy visibility and action. The potential of paritarian workplace pensions to support old-age income adequacy has been underutilized. Although subsequent initiatives, such as the European Commission's Capital Markets Union (CMU) study on auto-enrolment best practices, have acknowledged the issue of coverage, these efforts often frame it through a financial market lens, rather than prioritizing it as a core social policy objective. Another tool that the European Commission can use to stimulate the uptake of paritarian workplace pensions is the pensions dashboard, which should serve as a transparent national policy support. Properly designed, the dashboard can help highlight gaps in adequacy and sustainability using existing data sources

#### **Recommendations:**

- Issue EU-level guidance: the European Commission should provide clear, context-sensitive guidance aimed at expanding second-pillar occupational pensions, particularly by supporting Member States' efforts to strengthening the capacity of social partners to create and manage paritarian institutions.
- Use auto-enrolment strategically: Auto-enrolment can be an effective tool in Member States with low coverage and voluntary participation. However, in countries with established, mandatory or quasi-mandatory occupational schemes, especially those governed jointly by the social partners, it may not offer added value and could jeopardize existing success. Any introduction of auto-enrolment must be carefully aligned with national systems.
- Prioritise social partner involvement: the design and implementation of auto-enrolment mechanisms must actively involve social partners, who enhance legitimacy, trust, and system sustainability. Where social dialogue is weak, targeted state support may be required to strengthen institutional frameworks and facilitate implementation.

### **3. Fair Working Conditions and Enforcement of Rights**

AEIP underlines that fair working conditions are a key of the European Pillar of Social Rights and that the full enjoyment of these rights depends not only on their existence but also on their consistent and effective enforcement, however this was not sufficiently mentioned in the previous Action Plan. Across the EU, significant disparities persist in how labour rights are monitored and upheld, with some Member States facing chronic under-resourcing of labour inspectorates or lacking coordination across relevant authorities. The International Labour Organization recommends at least one labour inspector per 10000 workers, yet more than one-third of European countries no longer meet this standard<sup>2</sup>. This undermines workers' trust, creates an uneven playing field for employers, and risks encouraging social dumping.

The application of EU legislation on wages, working time, and information about employment conditions still varies considerably across countries, while cross-border mobility in sectors such as construction and transport makes enforcement particularly complex due to language barriers and fragmented oversight

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<sup>2</sup> <https://www.etuc.org/en/pressrelease/huge-fall-labour-inspections-raises-covid-risk>

responsibilities. AEIP believes that strengthening enforcement should go hand in hand with improving workers' access to clear and transparent information on their employment conditions, especially in cross-border contexts where rights are most at risk. Increased cooperation between authorities, social partners, and paritarian institutions would help close the enforcement gap, and secure, well-regulated data sharing mechanisms would allow all relevant actors to play their role in ensuring compliance while fully respecting data protection rules.

**Recommendations:**

- Encourage Member States to adequately resource and modernise labour inspectorates, strengthening their capacity to carry out proactive inspections, make use of digital tools for risk-based targeting, and conduct effective workplace audits.
- Stronger cross-border collaboration between authorities and stakeholders is essential, with paritarian organisations playing a more direct role in the exchange of information to support effective enforcement, compliance and to ensure the consistent and coherent on the ground application of EU labour directives. The European Labour Authority should reinforce these efforts by strengthening cross-border cooperation and helping to close enforcement gaps.
- Facilitate workers' access to clear and transparent information on their rights and entitlements, including through multilingual digital portals, social ID systems, and simplified documentation of employment conditions, particularly in cross-border contexts, like in the case of posted workers.

**4. Vocational Rehabilitation Services**

The 2021 Action Plan did not mention vocational rehabilitation or the reintegration of workers after illness or injury. Our assessment is that rehabilitation was an overlooked area: neither legislative measures nor stakeholder dialogues under the first Action Plan emphasized helping workers return to work after long-term sickness or disability.

This gap meant unrealized potential for raising overall employment rates and for relieving pressure on disability and pension systems. Investing in vocational rehabilitation and return-to-work services is essential to helping people with disabilities or those recovering from injury remain active in the workforce. AEIP highlights the importance of these services as a way to prevent long-term exclusion from employment and to support the wellbeing and economic independence of affected individuals.

**Recommendations:**

- The 2025 Action Plan should introduce a dedicated EU initiative on vocational rehabilitation for workers facing health-related limitations. This initiative should include specific targets and funding allocations within the EU's social monitoring tools, such as the European Semester country-specific recommendations, to ensure it is both visible and actionable across Member States.
- Integrating vocational rehabilitation within the European Semester would give practical effect to EPSR Principle 17 (inclusion of people with disabilities) and Principle 4 (active support to employment). By

supporting more people in returning to work after illness or injury, this initiative would also contribute to raising the EU employment rate, helping to meet the 2030 target of 78% employment<sup>3</sup>.

## 5. Informal Carers

Principle 9 of the Pillar addresses work-life balance for people with caring responsibilities, yet the first Action Plan touched on the situation of informal (family) carers only indirectly. Its commitment to propose a Long-Term Care initiative in 2022 was a positive step, and indeed the Commission's subsequent European Care Strategy did acknowledge the role of informal caregivers<sup>4</sup>. However, AEIP's call to consider reforms to better support them, for example through increased social security protection, credits or fiscal measures was not explicitly taken up in 2021. Given the vast number of Europeans providing unpaid care to elderly or disabled family members; often at the cost of their own employment or income; this was a notable gap.

Ensuring carers' rights and support is crucial for principles 2 (gender equality), 17 (disability inclusion) and 18 (long-term care), as well as for reducing poverty risks in households affected by caregiving. Strengthening the recognition and support of informal carers is key to achieving universal, high-quality long-term care across Europe. It would also allow more carers, particularly women who are disproportionately represented in this role, to stay in or return to the labour market, contributing to the EU's employment and poverty reduction targets for 2030.

### Recommendation:

- The European Commission should propose a Council Recommendation focused specifically on the rights and support of informal carers, aligning with Principle 9 of the European Pillar of Social Rights on work-life balance. This recommendation would build on the 2022 European Care Strategy. It should encourage Member States to introduce concrete measures such as income support, access to respite services, tailored training programmes, and the accrual of social security rights for informal carers.

## 6. Collective Occupational Health and Income Protection Schemes

Some AEIP members manage schemes that provide income replacement during sickness or accidents at work, like sectoral sick pay funds, or occupational injury insurance. AEIP had urged the Commission to promote these schemes and involve paritarian providers in relevant EU initiatives. Such collective schemes embody solidarity and help implement EPSR principles 10 and 12 (health & safety at work and social protection for all workers).

The first Action Plan, beyond referencing the EU Occupational Safety and Health strategy, did not explore ways to strengthen or expand collective income protection mechanisms. As platform work and new forms of employment rise, the lack of collective protections remains an issue. Thus, the upcoming Action Plan should consider how to support social partners in developing group insurance solutions that ensure no

<sup>3</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Employment\\_-\\_annual\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Employment_-_annual_statistics)

<sup>4</sup> [https://employment-social-affairs.ec.europa.eu/news/european-care-strategy-one-year-after-adoption-2023-09-07\\_en](https://employment-social-affairs.ec.europa.eu/news/european-care-strategy-one-year-after-adoption-2023-09-07_en)

worker is left without safety net, and aligning with principle 12's call for adequate social protection regardless of employment status.

In that regard, we must also consider that adequate minimum income schemes are essential to reduce poverty and social exclusion. In 2024, around 93.3 million people in the EU, equivalent to 21% of the total population, were at risk of poverty or social exclusion. The situation is worse for the unemployed, among whom a staggering 66.6% were at risk<sup>5</sup>. For workers in non-standard forms of employment or those facing unemployment, sectoral solidarity schemes, including as well those managed by paritarian institutions, can play a crucial role in bridging these gaps, complementing statutory minimum income provisions and offering targeted protection where it is needed most.

### **Recommendations:**

- The European Commission should actively promote the development of collective sectoral schemes for health and income protection, with a particular focus on sectors employing large numbers of non-standard or self-employed workers, such as construction and platform work. These schemes can offer vital security to workers who are often excluded from traditional social protection systems.
- AEIP urges the EU to support the growth of occupational schemes that cover health-related risks, workplace accidents, and sick leave, working alongside statutory systems. This support could include mapping best practices across Member States and using EU funding instruments like the European Social Fund Plus (ESF+) and the Employment and Social Innovation programme (EaSI) to launch or scale up schemes in underserved sectors.
- The 2025 Action Plan should prioritise the establishment and improvement of adequate minimum income schemes. Such schemes should be regularly updated in line with inflation and linked to national poverty indicators, while also being accessible and inclusive for vulnerable groups. To be effective, they must be combined with access to active labour market policies, skills training and quality social services, creating an integrated approach that prevents long-term exclusion and supports re-entry into employment.

## **7. Financial Literacy**

The first Action Plan did not cover measures to improve citizens' financial literacy, even though this is important for achieving adequate incomes in old age. AEIP had highlighted the need for raising awareness about retirement planning and enabling individuals to easily track their pension rights across schemes.

The absence of actions on financial literacy in the EPSR context is a gap, considering principle 1 (education and lifelong learning) and principle 15. People need the knowledge and tools to make informed decisions about their financial security, especially as pension systems become more multi-pillar. For the 2025 Action Plan, integrating financial literacy initiatives, possibly via the EU4Health or ESF+ funding for training programs, would strengthen individuals' capacity to exercise their social rights.

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<sup>5</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living\\_conditions\\_in\\_Europe\\_-\\_poverty\\_and\\_social\\_exclusion](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living_conditions_in_Europe_-_poverty_and_social_exclusion)

## Recommendations:

- The European Commission, in collaboration with Member States, should launch a comprehensive EU-wide campaign to improve financial literacy around pensions and social protection entitlements. This initiative should aim to raise awareness and understanding, particularly among young people and mobile workers, about their pension rights and the importance of planning and saving for retirement early in their careers. The campaign could feature a mix of educational tools, public events, and targeted communications to make complex pension systems more accessible.
- The EC should keep supporting existing efforts, such as the European Tracking Service (ETS) for pensions, which enables individuals to monitor their pension entitlements across different countries. With the ETS rollout now expanding with EU support, a public campaign could significantly increase its visibility and usage.
- To EC should integrate the European Retirement Week in the official EU calendar, as was done for example with the EU Green Week. The European Retirement Week provides a platform for a wide range of stakeholders to debate the future of pensions in Europe and raise citizens' awareness of the need to save for retirement and achieve pension adequacy.

## Conclusion

AEIP reaffirms its commitment to supporting and accelerating the implementation of the European Pillar of Social Rights. The recommendations above illustrate how paritarian institutions and their European partners can contribute to each chapter of the Pillar. By adopting these proposals, the 2025 Action Plan would not only address gaps in social protection but also make the Pillar's principles more tangible in Europeans' daily lives.

AEIP calls on the European Commission and the Member States to integrate these policy areas and commitments into the EPSR Action Plan, thereby strengthening its capacity to deliver real results. Aligning EU health initiatives, reinforcing paritarian and non-profit actors will help the Union achieve its 2030 headline targets on jobs, skills and poverty reduction. As a representative of paritarian social protection providers, AEIP stands ready to work closely with EU institutions, its members, and social partners to turn these recommendations into reality.



### AEIP Disclaimer

AEIP represents its members' values and interests at European and international level and is the leading body for the promotion of paritarian social protection in Europe. The Association has 16 Associate and Affiliate members – all leading large and medium sized Social Protection Institutions and 17 Task Force Members. All AEIP members are not-for-profit organizations. AEIP deals – through dedicated working groups – with Coordinated retirement schemes, Occupational pension funds, Complementary healthcare insurance, Longterm care, Health and Safety at work & Paid holidays, and Unemployment benefits funds. AEIP advocates and develops policies aiming at the sustainability of paritarian social protection systems at local level considering the national specificities, ensuring social cohesion in Europe.

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