



Association Européenne des Institutions Paritaires

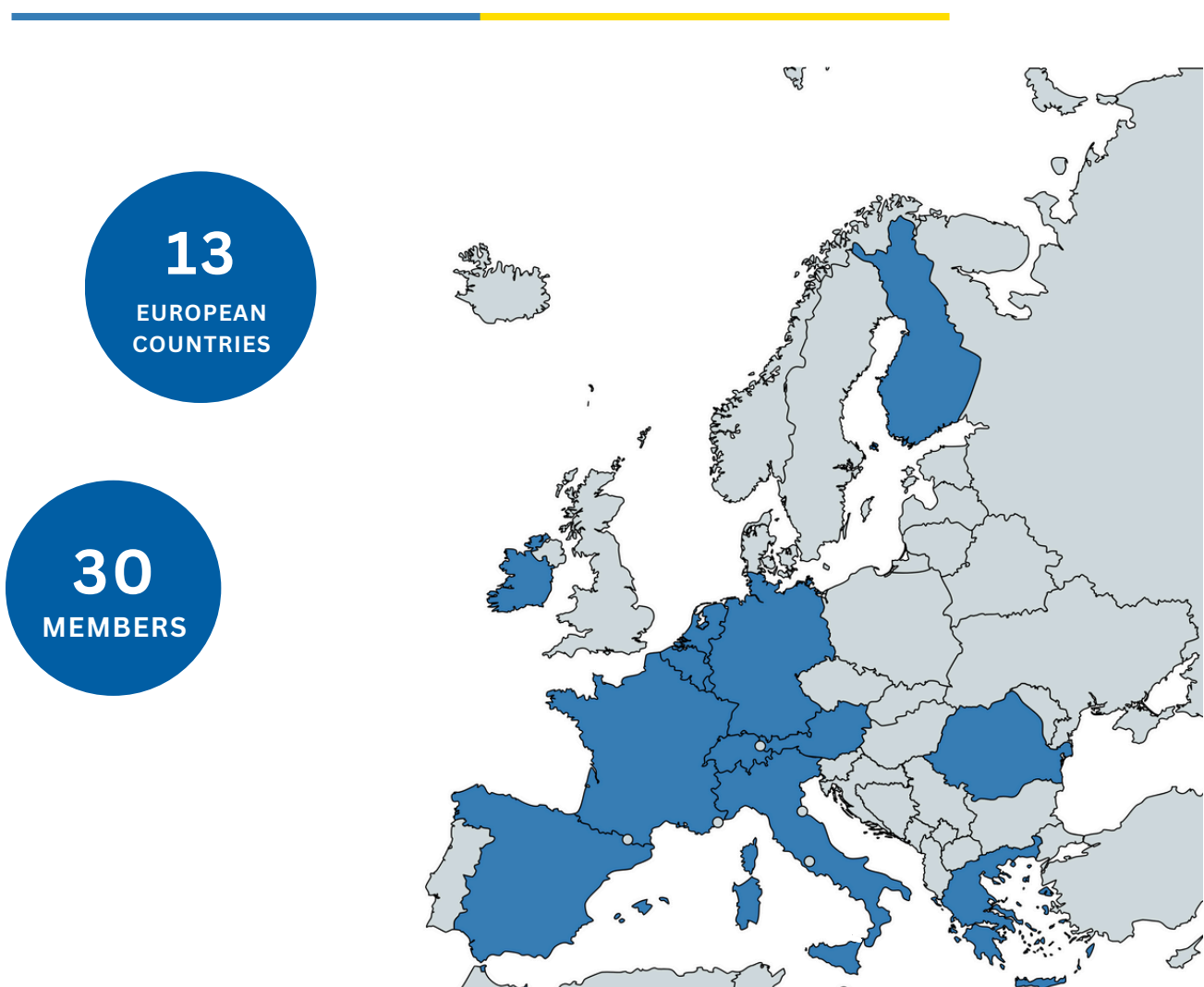
European Association of Paritarian Institutions

Building social protection for all

Recommendations to
strengthen resilience of
paritarian institutions

2024 - 2029

AEIP, is a Brussels-based advocacy organisation founded in 1996. Our members are non-for-profit social protection institutions established and managed by employers and trade unions on a joint (or paritarian) basis within the framework of collective agreements. Our main objective is the promotion of paritarism. Our mission is the representation and defence of the shared interests of our members at European level.



460+

Social protection providers such as pensions and healthcare funds



118+ million

Citizens covered by the social protection benefits offered by our members



2.8+ trillion

Assets under management of our members

*Data last updated in May 2024.

*Data may include instances of double reporting due to overlaps between active and deferred participants, as well as coverage by multiple social protection providers for different social risks.

OUR PRIORITIES

SOCIAL POLICIES

- European Pillar of Social Rights
- Strengthening Social Dialogue
- EU Social Security Coordination (Regulation 883/2004)
- Access to social protection for all
- EU's framework for the coordination of member states' economic and social policies (EU semester)



HEALTHCARE

- EU Care Strategy and Council Recommendations on Long-term Care
- European Health Data Space (EHDS)



OCCUPATIONAL PENSIONS & PROVIDENT AND MUTUAL-BENEFIT INSTITUTIONS

- Review of the IORP II Directive 2016/2341
- Sustainable Finance Disclosures Regulation
- Solvency II Directive
- Corporate Sustainability Due Diligence
- Financial Data Access Framework (FiDA)
- Digital Operational Resilience Act (DORA)

CONSTRUCTION

- Digitalisation in social security coordination, ESSPASS & DC4EU projects
- EU OSH Strategic Framework 2021-2027
- Posting of Workers
- EU Pact for Skills

WHY THE EU INSTITUTIONS SHOULD LISTEN, DEFEND AND SUPPORT PARITARIAN INSTITUTIONS?

Social protection is a fundamental right and a cornerstone of a fair and resilient society. Several macro-trends impact our societies, economies, labour markets, and social protection systems. These include demographic changes, new types of employment, decrease in the participation rate in trade union and employer association membership, digitalization and climate change. These factors have a profound impact on the sustainability and adequacy of social security systems

Paritarian institutions play a key role in ensuring that social protection systems are adequate and sustainable. The paritarian model is understood in many countries as both an intrinsic element of social dialogue and a joint management model of social partners in the context of social protection. Paritarian institutions are an integral part of industry-specific models in many branches today. The principle of solidarity, at the heart of paritarian social protection schemes, ensures that the interests of all stakeholders are reflected in the employment agreement in a transparent and inclusive manner. These schemes, implemented by the AEIP members, guarantee economic efficiency whilst at the same time promote solidarity, enhance social protection and welfare.

Paritarism both as a concept and a practice has the potential to safeguard diverse societal norms, economic and cultural conditions, along with historical factors that have contributed to the distinctive design and implementation of national social security systems.

At the same time, it possesses the means to rethink the evolution of social security systems and collective mechanisms tailored to society's needs. Paritarian institutions are a key component of a smooth and democratically driven transition, whilst supporting the rule of law thus they should be a central point when addressing challenges related to social protection.

RECOMMENDATIONS TO STRENGTHEN RESILIENCE IN PARITARIAN INSTITUTIONS

1

Recognise the unique role of Paritarian Institutions. Paritarian institutions are inherently different from pure financial market entities and should be treated accordingly.

2

Enhance the rationalisation of reporting requirements and limit the tendency to regulate horizontally.

3

Actively support social dialogue and collective bargaining.

4

Ensure the full respect for the right to social protection for all.

5

Guarantee a just digital transition.

6

Develop a proportionate, principles-based, and streamlined approach to sustainable investment.

7

Foster a robust Capital Markets Union (CMU).

1

**Recognise the unique role of paritarian institutions.
Paritarian institutions are inherently different from pure financial market entities and should be treated accordingly.**

When regulating, reject the one size fits all approach.

Paritarian institutions, in most cases, operate as ‘not-for-profit’ entities, fulfilling a crucial social role in ensuring adequate social protection. Our members do not engage in product sales but rather serve members and beneficiaries with retirement, healthcare, unemployment benefits, or other benefits as defined by collective agreements. Mandatory affiliation based on employment relationships, regulated and protected by national social and labor laws, further distinguishes these institutions. This fundamental distinction between paritarian institutions and pure financial market entities must be recognized and reflected in regulatory frameworks.

2

Enhance the rationalisation of reporting requirements and limit the tendency to regulate horizontally.

Striking the right balance between regulatory oversight and the operational needs of social protection institutions is paramount.

Administrative burdens and regulatory obstacles pose significant challenges, especially for small and medium sized paritarian institutions such as Institutions for Occupational Retirement Provisions (IORPs) or paritarian healthcare providers. These burdens not only strain operational capabilities but also impose financial costs on members and beneficiaries, ultimately compromising social protection benefits. While acknowledging the importance of reporting, it is crucial to ensure that regulatory frameworks across the EU embrace the principle of proportionality adequately and coherently, respecting a minimum harmonisation approach.

3

Actively support social dialogue and collective bargaining.

Defending and strengthening social dialogue is of outmost importance.

AEIP encourages the EU to increase support for social dialogue and collective bargaining through collaborative projects and joint initiatives among social partners, particularly in EU countries where these processes are underdeveloped. New EU institutions should build upon recent initiatives to strengthen social dialogue at EU and national level, as well as upon the Tripartite Declaration for a Thriving European Social Dialogue concluded at the Val Duchesse summit in January 2024, fostering synergies between funding instruments.

4

Ensure the full respect for the right to social protection for all.

The European Pillar of Social Rights (EPSR) must be the compass for the European social agenda and the transition towards a green economy.

Supporting paritarian institutions is fundamental, as they play a key role in translating EPSR principles into practical policies and actions.

Extend social protection coverage to include non-standard workers and the self-employed.

AEIP believes that regardless of the type and duration of employment, workers and the self-employed have the right to adequate social protection and representation.

Ensure that pensions ensure an adequate standard of living for everyone.

AEIP emphasises that Member States should create or maintain a pension-friendly legal environment encompassing social, labour, and tax laws, along with an appropriate prudential framework. Both the EU and Member States should actively strengthen, and support developing adequate and sustainable pension systems and encourage collective bargaining to foster pension for all workers. Such approach must acknowledge the diverse architectures of the Member States' pension systems, recognizing that there is no one-size-fits-all solution.

Affirm the right of every individual to prompt access to affordable, preventive, and curative healthcare of high quality.

Paritarian institutions, as non-for-profit social protection providers, play a vital role in providing healthcare coverage and services to workers. AEIP fully supports the EPSR principles 16 on healthcare and 18 on long-term, which uphold the right of every individual to timely affordable, preventive and good quality health care.

AEIP also encourages and supports future EU Institutions' commitment to assisting Member States in designing and implementing reforms aimed at strengthening the coordination between health, social care and long-term care and the integration of the different levels of care provision. Future EU healthcare policies should be built upon the adoption of the Health in All Policies (HiAP) approach to advance active and healthy aging through prevention, improved access to high-quality and affordable care, and increased focus on occupational health and safety.

05

Guarantee a just digital transition

Ensure a just digital transition based on the principles of paritarianism and social dialogue.

This approach can respect the rights of employers and employees, while promoting the efficient delivery of social protection.

Digitalization can be the vehicle for healthcare provident institutions to improve their services to individuals and make better use of health data.

AEIP welcomes the establishment of the European Health Data Space (EHDS) and supports the proposal of the European Commission to deploy the data infrastructures to scale up cross-border exchange of health data. AEIP flags the sensitivity of health data, asserting that under no circumstances it should be exploited for commercial gain.

As part of the just digital transition EU institutions should endorse and support the development of pension tracking services at national and European level.

Pension tracking services are helpful tools to provide citizens with a holistic overview of their future retirement income, based on their entitlements from (all) pension sources within their Member State. EU institutions should promote the further development of these tools and support the work of the European Tracking Service Association to develop a web-based cross-border pension tracking services to help mobile workers follow their pension rights accrued in different Member States.

06

Develop a proportionate, principles-based approach to sustainable investment.

Streamlining regulation, eliminating duplications, and moving away from a horizontal approach by recognizing the diverse needs and specificities of different types of investors are crucial steps towards effectively achieving sustainability goals.

AEIP strongly supports the Commission’s ambition to further enhance the financing of the transition to a more sustainable economy. An increasing number of paritarian institutions are actively and voluntarily considering the adverse effects of investments on the environment and societies, aligning with the OECD Guidelines (inside-out perspective) and UN Guiding Principles on Business and Human Rights. At EU level, the regulatory landscape is solidified by initiatives like the EU Taxonomy Regulation, CSRD, and SFDR.

07

Foster a robust Capital Markets Union (CMU)

Accelerate the establishment of the Capital Markets Union (CMU) through the parallel enhancement of paritarian institutions of social protection.

We advocate for a well-functioning CMU. Paritarian institutions are important institutional investors, making substantial contributions to long-term investment and sustainable growth. New EU institutions should remain ambitious on developing and integrating the EU capital markets. A well-functioning CMU can provide better access to diverse sources of capital across the EU by creating more opportunities to invest, including cross-border investments. This can help paritarian institutions to reduce costs, improve portfolio performance and risk management. Ultimately, this can lead to higher social protection benefits for paritarian funds’ members by facilitating safer savings, achieving higher returns while reducing costs.

Our Expectations across EU Institutions



European Parliament

- To listen and consider the voice of paritarian institutions in the areas of social protection and financial regulation.
- To maintain the Sustainable, long-term investments and competitive European industry Intergroup which serves as a forum for discussion on the multifaceted dimensions of long-term and sustainable investments, and of a comprehensive EU industrial policy.

European Commission



- To keep high social policies in the political agenda and to continue constant engagement and exchange with national and EU stakeholders' through dedicated mutual learning workshops and forums.
- AEIP acknowledges the Commission's ambitions regarding the strategic, green, and digital agenda, still, it is crucial to avoid an unchecked proliferation of new regulations. The focus should be on effectively implementing the recently adopted regulatory measures and mitigating excessive compliance burdens.
- To uphold the IORP II Directive's minimum harmonization nature. The triangular relationship between the employee, the employer (sponsor) and the IORP should be a priority guiding the review of the IORP II Directive. Also, the review should embrace a principle-based approach, emphasising proportionality to accommodate the diversity among IORPs across the EU.
- To 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.



European Council

- To incorporate paritarian institutions position into relevant Council discussions.

OUR COMMITMENT

In the coming years AEIP will persist in advocating for and advancing policies directed towards the support and promotion of paritarian social protection institutions.

As a vital stakeholder in social protection, we stand ready to lend our expertise and commitment to support the EU institutions and bodies, including political groups, the European Parliament, the European Commission and Council, in their efforts to formulate policies and initiatives that enhance social protection for all.

ABOUT US

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 15 Associate and Affiliate members – all leading large and medium-sized Social Protection Institutions and 12 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, Long-term 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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