

Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL)

Study supporting the monitoring of care credits in occupational pension schemes and evaluating the Situation of EU mobile workers

First Focus Group meeting minutes

Monday, 16th January 2023, 14:00-16:00 CET, MS Teams

Present

Stakeholders

(MMon) Marina Monaco (ETUC) until 15:44 CET
 (MMoe) Moritz Moessner (Business Europe)
 (JB) Julien Bourgeois (SMEUnited)
 (PS) Philippe Seidel (AGE Platform)
 (CC) Claire Champeix (EuroCarers)
 (ML) Matti Leppälä (PensionsEurope)
 (SM) Simone Miotto (Pensions Europe) from 15:00 CET
 (NJ) Nicolas Jeanmart (Insurance Europe) until 15:00 CET
 (FZ) Fabienne Zwagemakers (Insurance Europe) from 15:00 CET
 (JW) Josef Woess (Arbeiterkammer (Chamber of Labour))

Project Team

(DN) David Natali (SSSA, Project Director)
 (BJ) Barbara Janta (RPA, Project Manager)
 (JO) John O'Brien (Mercer)
 (JM) Julia McCarthy (Mercer)
 (SS) Slavina Spasova (OSE)
 (LBC) Lucy Bannister Curran (RPA)

Notes are not necessarily in the order discussed.

No	Response	Action
1	Agenda point: Welcome and Introductions <u>Action:</u> NJ and JB requested that the slides for the focus group be sent to them.	LBC – already actioned
2	Agenda point: Overview of project and project ambitions Study team presented the slides on the project and the project ambitions.	
3	Agenda point: Q&A with attendees MMon recognised the importance of the study and its impact. Interest was also expressed on the impacts that legislation might have on occupational pension schemes and the interactions between these and private pensions. Further, MMon raised the issue of inclusive transferability of best practices in occupational schemes to all workers, such as self-employed ones. Lastly, MMon queried the implications the study might have on the gendered adequacy of pensions. <u>Best practice and its transferability</u> JW stated that in many countries there is minimal coverage of occupational pension schemes and no capacity to improve these schemes due to lacking social	

<p>partners and social dialogue. Further, even in best practice Member States (MS), coverage is not universal.</p> <p><u>Supplementary pensions and inequality</u></p> <p>PS commented that it would be interesting to examine the impact of supplementary pensions in driving inequality. That is, how supplementary pensions interact with individuals with the same gross salary and the impact it then has on the respective care period. Rather than comparing one MS to another, making comparisons within individual countries / system(s).</p> <p><u>Women, long-term care and legislation</u></p> <p>CC expressed her welcome of the study and its inclusion of long-term care. CC acknowledged that it might be beyond the remit of the study and questioned whether the link between supplementary pensions and no formal employment will feature on the project.</p> <ul style="list-style-type: none"> There are women who never enter the workforce and dedicate extended period of their lives to providing long-term care (e.g., of disabled children) and then receive no rights. There is the assumption that they made a choice to be a carer due to the husband's income and so they should also rely on the husband's pension. <p>CC suggested the study group examine pension reform such as the following: There are MS with legislation on occupational pensions where a woman who might have worked for only 20 years still benefit from occupational pension schemes. The legislation creates a pension pot at national level which is then shared, thereby creating less pressure for individual employers. These can also be at a sectoral level instead of national.</p> <p><u>Study limitations</u></p> <p>DN explained the pragmatism required of the study team to meet and stay within the scope set out by the European Commission. The European Commission has specific issues and questions, and the study team cannot be driven by their own intellectual curiosities.</p> <p>At the core of the study teams' analysis is: Why the occupational pension was established, what level of coverage they provide, and which workers/sectors are provided for.</p> <p>The European Commission is interested in the source of the regulation of the occupational supplementary schemes; The interplay of legal regulations and collective agreements; How care credits are regulated; Knowing that the role of law and collective bargaining can be different in different countries.</p> <p>The Commission also expressed an interest in gender inequalities. Even in countries where coverage is almost universal there are a lot of gender inequalities. DG EMPL highlighted the comparison of Denmark and the Netherlands.</p> <ul style="list-style-type: none"> Though the Netherlands is viewed as a best practice example with nearly universal coverage, it has a lot of gender inequalities in the labour market and pensions at the old age. 	
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	<ul style="list-style-type: none"> What is the origin of the main difference? What are the main problems? What have been the actions to address the specific problems? <p>Despite the necessary limitations, the study team is aware of some of the many different issues at hand and so will attempt to provide contextual information, to improve the level of knowledge of what is occurring in certain MS. The first step of the project is general mapping, the second and third steps will contain more depth.</p> <p>SS further elaborated; the European Commission wants this project to feed into two initiatives. The 'Gender Equality Strategy' and the next 'Pension Adequacy Report' (PAR). The EU Commission is interested in best practices of occupational pension care credits. In essence, the study is to focus on good practices, how they are regulated, etc, in order to examine them in the next PAR. The stakeholders should be aware that the study team is limited in this regard.</p> <p><u>The self-employed & atypical contracts/temporary workers</u></p> <p>SS thanked the stakeholders for raising the aspect of an independent work status, i.e., the self-employed. Generally, the self-employed lack access to occupational supplementary schemes. However, this is not the case in certain MS such as the Netherlands. The study team should endeavour to examine if this access is granted under different conditions to employers.</p> <p>JW agreed with the importance of the self-employed. JW also raised those within employment contracts (the difference between permanent contracts and temporary workers) be seen by the study, especially considering the increasing presence of mobile workers¹. Even in best practice countries mobile workers are often not included in occupational supplementary pensions.</p> <ul style="list-style-type: none"> The specific groups JW noted are the self-employed, temporary workers (or atypical contracts), and those not actively participating in the labour market. <p><u>Women who care as a career</u></p> <p>In response to CC, SS explained that the study team is examining specific credits in long term care, such as for disabled children.</p> <p><u>Avoidance of repeating data</u></p> <p>BJ explained that the study team is working in synergy with PAR which focused on state pensions. The study team is aware of the mapping of state pension systems and the interplay. As such, the study team and this project are working alongside PAR, building as comprehensive picture as possible.</p> <p>MMon questioned the interplay and whether a previous study on supplementary occupational pensions existed. SS replied that interplay between pension systems will feature in the report and that information on supplementary pensions is available in the 2021 PAR, however only in brief. Therefore, this study will improve understanding and show interactions between state and occupations pension systems.</p>	
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¹ The term 'mobile worker' has been used to indicate workers on atypical (e.g. temporary) contracts.

4	<p><u>Agenda point: Proposed methodological approach to data collection and analysis</u></p> <p>BJ presented the slides on the study teams' methodological approach.</p>	
5	<p><u>Agenda point: Identification of relevant sources of data and stakeholders to be consulted</u></p> <p>JO presented the slides on the study teams' data sources</p> <ul style="list-style-type: none"> ▪ Only sources with adequate data availability and occupational pensions will be included. ▪ The Total Remuneration Survey (TRS) will aid and add nuance to the country data mapping within employment in different sectors. ▪ The self-employed is an area that neither the Global Pension Index nor the TRS cover. Other services such legislative digest are likely to have more information on this. The study team will be relying on colleagues and interviews to enrich the understanding of self-employed. ▪ 'Worldwide Benefit and Employment Guidelines' heavily features occupational pensions and their features. These reports also go into the details of state pension arrangements and interactions between the two systems. ▪ Data can be enriched by utilising Mercer colleagues in the relevant countries. ▪ The Global Pension Index focuses on larger regimes, covering half of EU Members States. It is likely that most of the countries chosen to be case studies will appear in it. ▪ Mercer's clients are not individuals planning their own retirement, they are corporate sponsors, fiduciaries, organisations researching talent retention etc. 	
6	<p><u>Agenda point: Questions to participants about data and stakeholders to be consulted</u></p> <p><u>Mercer data and databases</u></p> <p>ML requested clarification on the Mercer data as the Global Pension Index employs varying definitions of 'occupational pensions' in different states which means the country data is not totally comparable.</p> <p>JO explained that the Global Pension Index examines a pension system in its entirety (all three sectors: state and supplementary - occupational & private). The database then at the granular level has categorisations that make the distinctions. However, the study team will still ensure care is taken, especially when calculating financing. BJ clarified that the Mercer data will be collected based on a template and be the same for each MS to ensure rigorous standards.</p> <p>JW acknowledged the breadth of Mercer data but expressed an ideological issue with the way Mercer categorises the ratings of the pension systems. Despite ideological differences JW welcomes the use of these databases for this study.</p> <p>JW questioned whether the EU-level stakeholders participating in the focus group will also have access to the Mercer reports without facing a paywall. JO will check with Mercer and revert via BJ.</p>	

<p><u>Action:</u> JO will communicate to BJ whether Mercer will allow the focus group participants to access previous reports.</p> <p><u>Social Partners</u> It was queried whether the study team will examine the role of social partners. BJ clarified that the relationship between supplementary occupational pensions and social partners will feature through the lens of collective agreements.</p> <p><u>Scope of care activities</u> CC advised that the study team should be precise regarding care activity and coverage. For example, types of care include childcare, long term care, including care for disabled family members, those with chronic disease, elderly. CC also advised to examine carer eligibility. That is, how the national/sectoral legislations / regulations define who qualifies as a carer. Often, access to social protection for caring is limited by strict and narrow definitions of who the carer is. In practice, a carer is often not limited to close family; they could be a cousin, distant relative, neighbour etc. CC also raised the issue of information on accessibility of rights. Difficulty in accessing information about rights can have significant implications on whether the care activity is registered.</p> <p><u>Agreed:</u> BJ agreed that the term ‘long-term care’ needs to be disaggregated further and that the question of who qualifies as a career is also important for this study.</p> <p><u>Financing of pension credits</u> MMoe recognised the importance of providing adequate occupational pensions and care breaks, but emphasised the necessity to consider that employees do not work in their time of absence and employers cannot contribute to occupational pensions beyond a reasonable time. When examining best practice and solutions, this should be kept in mind. The longer the leave is, the more solutions may require public social security institutions to have a greater role. These solutions need to respect national competences in terms of social protection provision, and social partners autonomy, especially countries where the social partners jointly manage occupational pensions schemes.</p> <p>Following that, MMoe raised comments related to slide 19 (key indicators and the accessibility of information):</p> <ol style="list-style-type: none"> 1. Sabbatical leave is also one of the reasons for career breaks. As life expectancy increases and so does the need for a break, sabbaticals are likely to increase. Therefore, career breaks will not only be linked to care credits. Asked if the study team will view sabbaticals taken for the care of an individual as a care activity. 2. Stated that social partners should be considered but acknowledged BJ’s comment on social partners and collective agreements. 3. Suggested analysing the aspects related to eligibility criteria (access period, waiting time, vesting period) to ensure that access is related to contributions and not a ‘waiting time’ so that access is available to 	<p>JO, BJ</p> <p>Study Team</p>
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	<p>workers but that fragmented careers and people who often change job do not add to unsustainable financial requirements from employers.</p> <p>4. Regarding accessibility of information: Information must be timely, accurate and simple. Often pension-related information is too complex, even for workers with high education levels. It should include simple examples to illustrate the consequences of career breaks on pensions.</p> <p>5. Regarding best practice: finding and comparing the 'best practices' is interesting. However, national differences and the different architecture of national pensions systems should always be considered.</p> <p><u>Capturing variety of social demographic and socioeconomic characteristics</u></p> <p>ML asked how the study team is handling the nuances of gender/gender equality. For example, same sex couples and their care provision, as there are more dimensions than male/female. Further, the issues that arise might be different among different demographics.</p> <p>BJ explained that when designing the data collection tool, the study team will attempt to be as detailed as possible. Where it is not possible to populate answers to all questions and data gaps remain, it will be an important finding.</p> <p><u>On 'Task 3'</u></p> <p>JW queried the meaning of '<i>will also analyse the long-term financial stability of financing...</i>'. BJ explained that the study focus is on care credits in occupational pensions, and that this sub-task concerns primarily an indicative analysis that will inform further thinking and analysis on potential future projects.</p> <p>DN affirmed that systematic assessment of such measures is outside the scope of the project. This section is primarily collecting initial preliminary data and knowledge on strategies related to the financing of occupational pension schemes. It is not a systematic assessment as that would go beyond project scope and is not one of DG EMPL key demands.</p>	
7	<p><u>Agenda point: Project timeline and work programme</u></p> <p><u>Action:</u> The study team will share communication and invites once the 2nd focus group date is known.</p> <p>If the stakeholders are aware of any colleagues who might be interested in this study, then please share the information, or let the study team know.</p>	Study team
8	<p><u>Agenda point: AOB and Next Steps</u></p> <p>The study team welcomes the stakeholders to hold internal discussions. If they have any further comments or suggestions, please share them with the study team.</p> <p><u>Action:</u> The study team will communicate the meeting minutes and a short questionnaire to the shareholders for them to give feedback on their experience with this focus group.</p>	Study team