

IORP II Directive

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union

Insurance and Pensions Unit
Directorate-General Financial Stability,
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Directive (EU) 2016/2341 on the activities and supervision of institutions for occupational retirement provision (IORPs)

Date of adoption: 14 December 2016

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Institutions for occupational retirement provision (IORPs)

- Financial institutions
- managing collective retirement schemes
- for employers
- to provide retirement benefits to their employees

→»Second pillar» pension systems

Challenges

- Ageing of EU population
- Increase of defined-contribution schemes (risk transferred to members)
- Under-funding of some pension funds
- Only few cross-border pension funds currently
- Development of European supervision of financial institutions
- The EU needs to encourage long-term investments, pension funds are key long-term investors

Protection of pension scheme members and beneficiaries

- Governance requirements on key functions
- Provisions on remuneration policy
- Self-assessment of the risk-management system (Own Risk Assessment for Pensions)
- Enhanced powers for supervisors, including with regard to outsourcing and stress-testing

More information for members and beneficiaries

- **Before joining a pension scheme**
 - Basic information on the pension scheme and the IORP
- **During the membership**
 - Annual Pension Benefit Statement, including
 - Information about accrued entitlements or accumulated capital
 - Pension benefit projections, based on different scenarios
 - Breakdown of costs
 - Information on the funding level of the scheme

Cross-border provision of services

- Improved rules for cross-border activities
 - An IORP in MS A operates a pension scheme for a company located in MS B
- New rules for cross-border transfers of pension funds
 - Based on cooperation between the supervisory authorities of the MS involved