



To: Members and Substitutes of the
European Parliament
Economic and Monetary Affairs Committee

17 January 2011

Dear Members and Substitutes of the ECON Committee,

The European Parliament's Economic and Monetary Affairs Committee is due to vote on a draft opinion by George Sabin Cutaş on the Green Paper on Pensions at its meeting on 24-25 January.

As European social partner, we would like to provide you with our views on the most crucial parts of the draft opinion as well as some of the amendments which have been tabled:

- BUSINESSSEUROPE supports the statement in the draft opinion that a sustainable and well functioning pension system is extremely important to the stability of public finances and that pension reforms are necessary. We also agree that the full costs of pension reforms should be taken into account regarding decisions to launch excessive deficit procedures.

We therefore encourage you to support amendments stating that the current situation dissuades member states from introducing necessary reforms to pension systems.

- European companies disagree with the view expressed in the draft opinion that Solvency II is a valuable starting point for developing a solvency regime for Institutions for Occupational Retirement Provision (IORPs). Applying Solvency II rules to pension funds would raise the cost for companies operating such schemes, negatively effecting current or future scheme members. Also, pension funds offer pension plans in a different way to insurance undertakings, as they are associated with a sponsoring employer and make up part of their benefit plan to employees.

We therefore encourage you to support amendments deleting this paragraph.

- In relation to the IORP Directive, we agree that it is not always clear when a cross-border activity takes place, however we do not believe that further harmonisation of the rules on technical provisions is an appropriate solution. The flexibility given to member states in interpreting and implementing the directive allows them to apply it in the most appropriate way according to national circumstances.

We therefore encourage you to support amendments which delete the request for further harmonisation. As a compromise, one option could be to call for the Commission to provide clearer guidance to member states in implementing the directive.

We remain at your disposal for further questions or comments.

Yours faithfully,

Philippe de Buck