

## **Revision of the IORP II Directive**

### **Joint Statement by Ceemet, ECEG and industriAll Europe**

Occupational pension schemes (IORPs) are an important component of retirement provision in many Member States. IORPs should provide additional secure and predictable retirement income and are deeply embedded in national labour-law frameworks and systems of collective bargaining.

From a joint employer and employee perspective, it is essential that the revision of the IORP II Directive preserves well-functioning national pension systems and strengthens the second pillar, rather than introducing regulatory approaches that risk undermining occupational pensions.

Occupational pension schemes already make a substantial contribution to long-term investment.

#### **1. Minimum harmonisation and avoidance of new quantitative requirements**

The IORP II Directive is based on the principle of minimum harmonisation, which allows Member States to take account of their national pension traditions and industrial relations systems. This flexibility is essential for the proper functioning of occupational pension schemes and must be maintained.

The new proposed introduction of expanded quantitative EU-level stress tests with predefined scenarios and of delegated acts regarding the solvency margin go beyond minimum harmonisation. In systems where Defined Benefit schemes remain prevalent, such stress tests risk triggering Solvency II-like effects, including convergence plans, higher capital requirements and increased funding pressure on employers. This may ultimately affect benefit security for employees and weaken occupational pension provision.

Occupational pension schemes are already adequately safeguarded through national supervision and security mechanisms, including employer responsibility. Introducing quasi-quantitative requirements at EU level risks damaging the second pillar without delivering a clear added value.

#### **2. Stability, proportionality and simplification**

The proposal introduces new governance, information and procedural requirements that risk increasing complexity.

Occupational pensions are collectively organised, employment-based arrangements, often governed by the social partners. Individualised concepts, such as preference-based “duty of care” requirements or benchmarking against capital-market indices, do not reflect this reality and risk undermining well-established collective governance structures.

From a social partner perspective, the revision should prioritise regulatory stability, proportionality and simplification, enabling occupational pension schemes to focus on their core mission: providing reliable retirement income over the long term.

### **3. Clear distinction from personal pension products**

Private pension schemes are characterised by a provider-customer relationship and involve an imbalance of power. Collectively agreed pension schemes are negotiated between the social partners and do not involve such an imbalance of power. They should therefore not be assessed using the same criteria.

The measures to promote PEPPS require a clear distinction between occupational and personal pensions schemes. Crowding out of pillar II pension schemes must be avoided.

### **Conclusion**

As social partners we advocate that the revision of the IORP II Directive should:

- preserve minimum harmonisation and national diversity,
- avoid Solvency II-type requirements, ensure stability, proportionality and simplification, strengthen occupational pensions as a reliable and attractive pillar of retirement provision and
- safeguard statutory pensions and collectively negotiated occupational pension schemes.

Only under these conditions can occupational pensions continue to contribute effectively to social security, long-term investment and the objectives of the European Union.