

NATIONAL UPDATES

SPAIN

Compulsory externalisation for companies' pension provisions

The principle of externalisation requires the compulsory separation of assets covering pension liabilities from any other company holdings.

The Spanish legislation transposes into national law, Article 8 of Directive EEC 80/987 which relates to protection of workers in the case of company insolvency, and the Council Directive EC 98/49 of 29 June 1998 on safeguarding the supplementary pension rights of employed and self employed persons moving within the Community.

The pension arrangements must be formalised either in a pension plan, or by way of one or several insurance contracts (including contracts with mutual social insurance societies) or by using both systems. Liabilities for active employees as well as those for pensioners and survivors are affected.

In the Basque region, the externalisation can be carried out through EPSV (voluntary social insurance entities). They are types of mutual societies, but instead of covering the health risk, like in other European countries, they deal with funded pensions.

In fact, they are similar to Anglo-Saxon pension funds.

The fiscal rules depend on the chosen system. EPSV and pension plans have more favourable conditions, but they must abide by the principle of no-discrimination between workers. For insurance contracts, the system is more flexible but the charges supported by the company are tax deductible only when the pension is paid out.

As for workers' financial participation, their contributions must be paid into pension funds or insurance contracts immediately.

Companies which still do not meet such requirements must apply externalisation by 1 January 2001.

Firstly, this principle of setting apart pension assets is compulsory for most companies, except certain specific financial and public bodies. In fact public administrative bodies are not subject to funding and externalisation, whereas public sector companies providing services (in return for payment) are, as well as private companies with public capital.

EDITORIAL

Our publication has been enriched with an « Open Forum » where subscribing institutions can express their opinions on the evolution of pension systems, case law or proposals introduced by the European Commission. Of course these points of views do not commit the association which in accordance with the second of our Articles « is not a pressure group ».

However it can be interesting to know other institutions' positions on specific subjects and their reasons in order to have a better idea of the moving pension environment.

The Open Forum aims at generating positive critics and trigger reactions in favour or against which once more will evince the difference between our systems and our philosophies.

Although positions on pension policies are interesting, we must not overlook the day to day processing of pension applications and files updating, neither should we forget the questions raised by the pension fund administrators in order to improve techniques and production. In this field too it is worth comparing, not our opinions but our practical methods. This is the aim of our surveys such as the one we have carried out on the processing of the information provided by phone.

For the next issue we are waiting for your ideas, your opinions, and your proposals of surveys, as well as all information on the evolution of pension systems in your countries.

With the variety of our information and ideas we will be improving the interest of our newsletter.

Thierry CHRISTOPHOUL

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Secondly, it is worth noting that pensions liabilities cover a wide range of benefits, including not just pensions, but all kind of benefits for early retirement, seniority bonuses, various allowances paid at the time of retirement, widowhood, or disability and more generally all financial help payable on retirement, disability or death.

Thirdly, this process requires the implementation of a package of legal technical fiscal and actuarial provisions set out in a detailed part of the legislation.

The system relating to company pension liabilities has a dual purpose.

On the one hand it aims to protect the liabilities in the case the company faces insolvency or financial problems. On the other it makes it possible for companies to set apart certain assets and focus on their main activity, while they help developing long term savings.

Although the law provides for the externalisation of the current liabilities, from a practical point of view the social partners will certainly renegotiate the agreements with the companies before integrating the new requirements of the regulations.

Jon Aldecoa

Original language : French

NATIONAL UPDATES

IRELAND

Public pension changes

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In short

Mr Declan Naughton has been promoted and has left the Superannuation Section of the Department. He is being replaced by Ms Marianne McDonnell.

The Government has brought forward its target for increasing State (Social Security) old age pensions in line with average industrial earnings. The 2000 Budget increases are in line with this commitment. The State old age pension will shortly be increased to £96 (122 Euro) per week, an increase of 8% over the previous level which is well above the rate of inflation and well ahead of the expected increase in average industrial earnings.

As indicated in EPB N° 4 (August 1999), the Government has decided to establish two partial pension funds - one for State Social Security pensions and the other for the pensions of those employed in the public service.

An annual provision of 1% of GNP will be set aside for these funds as will a sizeable proportion of the proceeds of the flotation (privatisation) during 1999 of the State telecommunications company (Telecom Éireann).

This should help to meet about one-third of the additional pension costs which will arise, mainly due to demographic changes, over the next 30 to 40 years. Legislation to allow these two funds to be formally established is being prepared at present and this legislation will also have to address issues such as the management and administration of the funds.

Damian Smyth

Original language : English

OPEN FORUM

NETHERLANDS

Europe and pensions – Dutch point of view

On account of historic developments, the current structure of the supplementary pension provisions in the European Union (EU) shows up many differences between the member states. Apart from this, each member state itself determines — in accordance with the subsidiarity principle — how national pension systems are interpreted.

In the Netherlands, the pension system consists of three pillars: the government pension for everybody (AOW) [= General Old Age Pensions Act], the collective pension for employees, and the individual pension by way of supplementary policies. The first pillar of government pensions so far was based on the pay-as-you-go system, i.e., those having a job pay for the AOW allowances in progress at that moment. The second pillar of pension schemes based on a labour relationship is part of the responsibility of the social partners by whom the supplementary pension provision is designed on the basis of collectivity and solidarity. This does not apply to the third pillar; in this case, life insurances are given shape by sales to private persons, with as its major drive to achieve profits for the benefit of the insurer. Both the second and the third pillars are based on capital funding, that is to say that the premiums are saved until they are awarded.

Government pensions provide for nearly 90% of all pension payments in Europe, while the schemes in the framework of the second and third pillars — the supplementary pensions — provide 7 and 0.9%, respectively, of the payments. Italy, France and Portugal do not even have a second and a third pillar. Only in the Netherlands, Ireland and Great Britain, there are used relatively large percentages of supplementary pensions.

Thus, in the Netherlands the ratio between the first pillar and both other pillars is: 50–50. The AOW is carried out by the government

The job-related pension schemes originate from the discussion on the

terms of employment between the social partners. According to legal prescription, the supplementary pensions must be carried out by an industry-wide pension fund (for an entire industry), an company pension fund (in most cases, larger enterprises), or a life-insurance company. Eighty-five per cent of all participants in a pension scheme fall under an industry-wide or company pension fund, as the case may be. Finally, private pension schemes are carried out by commercial (life) insurers.

PENSION DISCUSSION AT THE EUROPEAN LEVEL

The pension discussion in the EU has not come out of the blue. Several reasons may be given :

Demographic Developments

Due to the aging of the population, the pension systems of the member states come increasingly under pressure. Particularly in countries having a pension system largely or entirely based on a pay-as-you-go system, problems may arise in the future. Government pensions currently occupy an average 10% of the Gross Domestic Product within the EU. Given the demographic changes, however, the percentage of the retirement-benefit costs by the year 2030 may have risen, in at least half the member states, to 20%. At the moment, there are four persons with a job for each one entitled to a pension. In 2040, this number will be two.

In the background, the criteria of the Stability Pact play a role, as a result of which government shortages may not exceed 3% of the Gross National Product.

Due to this, a rise in the number of government pensions may be more difficult to compensate for by government shortages. By the way, the structure of the Dutch pension system, a mix of the pay-as-you-go system and the capital-funding system, is very well capable of compensating for the consequences of demographic developments.

Free Traffic of Services and Capital

Free traffic of services and capital still has not been fully realised within the EU. This is becoming more and more of a problem due to the increasing scaling of financial service providers at both the national, the European and the worldwide levels, as a result of which, e.g., the call for greater investment freedom becomes louder. On the other hand, border-crossing service rendering of pension funds in practice is still very difficult as a result of the great diversity of pension schemes in the various member states.

Free Traffic of Persons

Despite the increasing importance of international labour mobility, within the EU this is hardly taking place at all. On the one hand, this is to be blamed on language and cultural differences. (Even within the Netherlands, someone from the extreme north is not quick to accept a job in the south of the country, even if it earns him more.) On the other hand, labour mobility is being obstructed by differences in the national and social systems, including pension systems. Thus, in many cases it is not possible, for migrating employees within the EU, to take their built-up supplementary pension along to another country of the EU.

WHICH ROLE DOES THE EU HAVE IN THE MATTER OF PENSIONS?

The EU has no authority whatsoever to propose binding regulations on the structure of supplementary pension provisions in the member states. ABP and the VB [= Netherlands Association for Industry-wide Pension funds] supports the opinion of the Dutch government, namely, that generally a certain reservation must be observed to further European legislation in the field of supplementary pensions for as long as the pension systems in the EU are still insufficiently evolving towards one another.

In the matter of pensions, the EU principally has the role of a forum for exchange of information and good experiences between member states

and social partners and other organisations involved. In this framework, the member states are encouraged, in policy documents of the European Commission, to develop more pension systems based on capital funding. In broader discussions on the need of modernising the social protection within the EU, too, topics such as aging and pensions are regularly discussed.

Completion of the Internal Market

So far, there are few European rules or agreements on supplementary-pension provisions. For an actual free traffic of services, capital and pensions within the EU, however, there is being discussed a further-reaching co-ordination between the member states in the field of social protection. By the way, this is something different from equalisation or harmonisation. Co-ordination is a better tuning of national pension systems, e.g., through mutual recognition of taxing and supervisory rules, without creating one uniform European pension system. Since 1971, there already exist so-called co-ordination rules for government pensions.

One European pension system is undesirable from the viewpoint of historic traditions of each member state, and in addition (at the moment) practically and politically not feasible. As to the supplementary pension provisions, ABP with the VB favor European regulations aimed at leveling obstructions, as a result of which there arises as good a co-ordination as possible of the national systems.

INITIATIVES FROM THE EU

The first European regulation on pensions relates to equal treatment of men and women. Since the early seventies, this is having its repercussions on Dutch regulations by way of various directives. Judgements of the European Court of Justice, too, sometimes result in changes. In such case, it involves matters such as equal remuneration — according to the Court, this also includes pensions —, equal access conditions to a pension scheme etc.

Legislation in other fields proved politically and practically impossible. Even in early 1996, the European Commission withdrew a draft directive on the “capability of taking along” pension rights, since several member states would not support the directive. By the end of 1996, a “high-level group” led by Simone Veil indicated that the failure of the national supplementary pension systems to match is one of the key problems for the free traffic of employees in the EU.

In 1997, the European Commission presented the Green Paper on supplementary pensions in the internal market (COM(97)283). In this discussion document, all sorts of aspects relating to pensions were dealt with. The demographic and economic context, pension funds and capital markets, supervisory rules, free traffic of employees and the role of tax levying were gone into. By way of a consultation round, the European Commission heard all interested parties, including member states and the European Parliament.

As a first elaboration of the Green Paper, the directive on protection of supplementary-pension rights was passed in June 1998. The directive regulates the retention of built-up supplementary-pension claims upon departure to another member state, promotion of border-crossing payments, and the retention of supplementary-pension claims in the country of origin for those posted abroad. Said directive is a step in the right direction for employees who wish to accept a job across the border.

CONCRETE POINTS OF ATTENTION FOR THE YEARS TO COME

Communication: towards an Internal Market for Supplementary Pensions

Last year, the European Commission issued the announcement “Towards an internal market for supplementary pensions” (COM(99)134) as a follow-up of the Green Paper. This announcement offers an overview of the state of the art in the pensions field in Europe and simultaneously announces regulations in specific areas for the years to come. The European Commission focuses its actions on supervisory rules for pension funds, improvement of the free traffic of

employees, and the co-ordination of tax systems.

Draft Directive on Investment Freedom and Supervisory Rules

Early in 1999, the European Commission announced that it was in the process of drawing up a draft directive on freedom of investment for pension funds, a high security level having to be simultaneously guaranteed. VB and ABP favour the “prudent man” principle. Pension funds are already extremely cautious with their investments. Additional restrictions are not necessary if supervision rules already exists at national level. Expectations are that the draft directive will be presented 2000. ABP and the VB favour supporting measures improving the options for investment and therefore contributing towards higher proceeds of pension funds, and consequently lower labour costs and more employment. Imposing additional supervisory rules apart from independent national supervisory structures already existing or still to be introduced, however, is superfluous and ineffective.

Level Playing Field for the Second and Third Pillars

Particularly from the viewpoint of insurers, demands are becoming louder for the European Commission to more accurately supervise the activities of pension funds and guarantee full competition between all market participants (“level playing field”). A differentiation, however, is required here. As indicated earlier, the second pillar is given shape on the basis of collectivity and solidarity, while the key driving force in the third pillar is making profits for the benefit of the insurer. Equal positions and the same regulations of the pension funds and the life insurances, therefore, are out of the question. This opinion is also shared by the Advocate General at the European Court of Justice (following DG IV for competition) in several cases on this topic. In the Netherlands, agreements were reached between the government and the social partners on the job demarcation between pension funds and insurers. ABP, therefore, is of the opinion that the European regulations aimed at job demarcation should be handled with restraint. Having said this, the European Commission has indicated that it will

put this topic on the agenda only at a later stage (also awaiting jurisprudence).

Fiscal Impediments

Various practical cases, supplemented by jurisprudence from the European Court of Justice, confirm that the differences in fiscal regimes for treating pensions constitute a bottleneck for the free traffic of services and employees between the member states of the EU. The attention is focused on the difference in tax deduction of pension premiums, levying tax in duplicate, and tax discrimination on products offered by pension funds which are established in another country.

This technical and complex matter is being discussed by the "Taxation Policy Group", which serves as a forum between the European Commission and the member states on the co-ordination of fiscal systems. The European Commission envisages a step-by-step method, the findings experienced eventually being capable of serving as a basis for fiscal regulations in the EU relating to premiums paid by migrating employees to pension funds in another member state. ABP supports this approach. Consultation in the Taxation Policy Group will continue in 2000. It may be that a proposal towards a directive is presented late in 2000.

Transferability of Built-up Pension Rights

As to the design of a directive on international value transfer, the VB and ABP support the opinion of the European Commission, namely, to first commission sound comparative studies into this and to establish a "European Pension Forum" consisting of experts. In the event of value transfer, the employee takes along, to a new pension scheme, the value of the rights built up in a previous pension scheme.

It makes no sense, however, to prepare measures in the EU relating to border-crossing value transfer, if building up a supplementary pension in the EU has hardly been developed as yet. In most cases, value transfer then is unfavourable to the employee (e.g., transfer from a pension system based on capital funding to a pay-as-you-go system).

Conclusion

Just as the Dutch government, the VB with ABP strongly favour an improvement of the supplementary pensions in the EU in order to cope with aging. The structure and the size of the pension system, however, emphatically continue to be a national matter. This applies both to supplementary systems and legal pensions. The social partners are responsible here for the contents and design of the second pillar, insurance companies for the third pillar.

In the framework of future-oriented solutions for the European aging problem, the VB and ABP are of the opinion that the Dutch government should promote the internationally recognised successful three-pillar system for other European countries. Not without reason, a 1995 recommendation of the World Bank reads that this system causes the pension costs to continue to be affordable, even in the long run. In this case, it should be prevented that countries having qualitatively sound systems are forced, by European regulations, to adjust their pension systems downwards.

Mathieu Scheepers
Original language : English

Articles under the heading « Open Forum » do not commit the association responsibility. Subscribing institutions can express their positions. Certain points of view may generate comments or trigger a different point of view from another institution.

EUROPE

Pensions forum in Brussels

The Pensions forum had already been mentioned in the report by Simone Veil and in the « Green Paper on supplementary pensions in the single market » issued by the European Commission. The first, whole day meeting took place in Brussels on 13 January 2000 and once more highlighted the divergence of views on pensions, among the Member States and the various institutions.

EAPSPI was represented by Jean Pierre Delville, Board Member of the association. This first participation by our association in an official forum organised by the Commission underlines its growing importance. The working group of pension institutions for municipalities and Churches AKA represented the German Federal Ministry of labour and social affairs on behalf of the German Federal Republic.

The Commission reported that this Pensions forum attracts 80 participants. Each member State, except Luxembourg, has two representatives, generally one representing the Ministry of finance and the other the Ministry of employment and social affairs of each country. Norway is allowed to send two observers. Social partners are represented by several European associations and federations.

The complete list of attendees will be issued later.

The commission explained that:

- It intends to carry out a co-ordinated action and invited the Directorates General to work together

- this forum is to meet twice a year, but this year two further meetings will be scheduled (one in June and one in the autumn).

- the maximum number of participants has been reached, and the Commission will reject further requests to join.

The Internal Market DG underlined that its action covers financial supervision. The draft Directive has replaced the words « pension funds » by « institutions for occupational retirement provision » to avoid any misunderstanding. The directive's target is to introduce a minimum co-ordination in order to guarantee free movement of assets, with a rather restricted field of responsibility.

For the Employment and Social Affairs DG, the Forum's main concerns must be the difference in « qualifying periods », cross-border payments, benefits taxation and portability within special schemes.

The Taxation and Customs Union DG underlined that, at present, there is no intention to harmonise at European level, but only to introduce co-ordination intended to avoid double taxation or tax evasion.

Most Member states' representatives considered that taxation matters were not within the scope of the Pensions forum.

Member states and social partners agreed that the Pensions forum should deal with portability issues, differences in qualifying periods and transfers of benefits.

Associations highlighted the importance of mobility and portability.

In conclusion the Commission pointed out that the Pensions forum was intended to develop mutual exchanges but has no power to make decisions.

Klaus Stürmer
Original language : German

In short

Agenda

The next Board meeting will be held in Paris on 22 June .

The working group on portability of pension rights will meet again at the end of June. After this meeting a report should be presented to the Board.

National updates

FRANCE

Some guidelines for a pension reform

On 21 March, French Prime Minister Lionel Jospin presented his pension reform project. He confirmed his intention to maintain a pay-as-you-go system in spite of the projected demographic ageing. However he does not exclude long term savings instruments, either collective or negotiated.

He defined five guidelines to be followed :

Use of negotiation for setting up the new system with the gradual implementation of new measures (necessary to adapt to the demographic social and economic evolution)

Respect for the diversity and identity of the various schemes (solutions must fit the specific nature of each scheme).

Introduction of better equity and more solidarity between schemes (improvement of financial inter-scheme solidarity)

Introduction of more flexibility to provide more choice for individuals (concentrating on retirement age and conditions)

Anticipation of demographic evolutions in order to balance inter-generational charges (developing the reserve fund to handle financing pensions after 2020).

For this purpose he proposed:

Through negotiation within schemes, to find alternatives particular to each scheme, while developing national solidarity in favour of demographically deficient schemes.

Through negotiation with social partners, to fix a 40 years contribution period for civil servants in order to reduce financial needs,

while guaranteeing pensions without extra cost for tax-payers ; to take into account specific difficult conditions for certain jobs ; to integrate part of bonuses in the pension calculation ; and to promote partial retirement as well as the purchase of reckonable years.

He also proposed more flexibility in retirement age for private sector workers and suggests a reflection on the deterioration of the replacement ratio.

The reserve pensions fund should be developed. Such a fund, administered by social partners, should reach € 3 billion at the end of 2000. It will be enhanced by the excess accrued by CNAVTS (General scheme), the solidarity fund and the companies' social tax (€ 76 billion in 2020) ; in part through social levies on capital returns (€ 23 billion in 2020) ; and possibly also by exceptional receipts and € 50 billion returns and financial products generated by the fund itself. This globally represents € 152 billion in 2020.

A permanent dialogue should also be established through the Pension Orientation Council. This body will involve social partners, members of parliament and pensions professionals.

Finally, The Prime Minister wishes to improve the social role of the elderly (in 2040 persons aged over 60 would represent one third of the global population). He intends to review the coverage of dependent persons (through the dependency benefit whose amount depends on both the incomes and the dependency rate of the person), and facilitate home living.

Laurence Jaumont
Original language : French

Management - administration

Study of information processing by pension funds

In February the secretariat launched a study dealing with the way pension funds process the information they gather on the phone and with the filing of documents that are used for updating dossiers. Eleven pension funds in nine countries answered the study.

- Belgium – Administration des Pensions
- Germany – Versorgungsanstalt des Bundes und der Länder
- Kommunaler Versorgungsverband Baden-Württemberg
- Zusatzversorgungskasse der Bayerischen Gemeinden (ZKdbG)
- Denmark - KP
- Finland – Kuntien Eläkevakuutus
- France : Caisse Nationale de Retraite des Agents des Collectivités Locales (CNRACL)
- Ireland : Dublin Corporation (LGSS)
- Portugal : Caixa Geral de Aposentações
- United Kingdom : pension funds covered by LGPS
- Sweden - KPA

Recording new addresses

The funds of German and Portugal do not record any change of address on the phone or if they do so, the above mentioned organisations request a written confirmation before validating the piece of information. In France, CNRACL study the opportunity to take into account addresses declared by phone.

On the other hand, in the northern countries, Denmark, Finland, Sweden, Belgium, the United Kingdom and Ireland, the concerned funds do take note of any change of address on phone request and do not ask for any written confirmation. This method of administration hasn't shown any possible error or fraud.

Note that Belgium and Finland can check the changes of address thanks to a national register.

Change of account

6 pension funds out of 11 record a bank account only on sight of documentary evidence. Three funds note the piece of information on the phone but demand a written confirmation. Only the Danish fund KP records the changes of account without any documentary evidence providing that they are notified by the pensioner himself or by his legal representative. The risk due to this method of administration is considered to be minor.

Notification of death

The notification on the phone relating to the death of a pensioner is generally taken into account because it avoids payment of undue amounts and use of a recovery procedure.

As for Portugal, death notification is the only phone information taken into account

The pension funds can check the piece of information in their national register (Belgium, Finland), at the tax office (Sweden, Denmark), at the national organisations for health insurance (Germany, France), at the Ministry of Justice (Portugal).

Storing of documentary evidences

Some organisations keep every documentary evidence. The ZkdbG keeps information relating to the pensioners on microfiches.

For other organisations, keeping updating documents is selective and over a limited period of time.

For KPA (Sweden) the written changes of address are kept for 3 months and the statements of account for 1 year.

CNRACL (France) also keeps changes of address for 3 months only and the statements of account during the time the pension is paid on the account.

KP in Denmark does not keep any document relating to address or account numbers of the pensioners.

In short

KPA's visit in Bordeaux

On 26 April, our new Swedish correspondent, Pia Swalbe came in Bordeaux together with Bo Lundin, member of the working group on Portability of pension rights. After having an overview on all the association's activities, our Swedish visitors got on to the subject of the organisation of next year conference which will be held in Stockholm.

CGA in Portugal keeps the documents necessary to process a pension application for 1 year and then they are scanned and destroyed.

Death control – recovery of undue payments.

The development of information exchanges between organisations have enabled to better control the notifications of death for the pensioners living in the country. The pension funds point out that the recovery of undue payments due to the ignorance of death are nowadays quite rare or concern relatively short periods of time. Sometimes the undue amount may be deducted from the widow's pension.

In Belgium, the organisation that holds an account must beforehand commit itself to paying back any amount transferred after the beneficiary died. For money orders, the Post Office is bound by the same obligation, which makes the recovery of undue payments easier.

The existence of pensioners living abroad is generally verified once a year. The pension fund generally sends a form to be filled in by the pensioner and signed by a public or consular authority.

Even if the impact of this study is very limited, it enables to underline our different methods of administration. Some funds stress security, it is a matter of being careful, avoiding any risk as regards payment. Some others stress effectiveness, processing rapidly and, so, the satisfaction of the client. Shall we favour one or the other alternative ?

It is quite hard to decide since both legal environment and public service context are different in every country. The countries which set up a national register can check information and get rid of the documentary evidences that had become useless and cumbersome more easily than the others.

Save this environment difference, it must still be noticed that the statutory schemes are rather inclined to favour a certain caution while the agreement-based schemes and particularly those facing competition (KP, KPA) tend to use more daring methods.

Actually error and fraud risks have been changing over the last decade. Therefore it could be worth reviewing certain procedures while observing what is going on in other pension funds.

We should not forget that the number of pensioners will significantly increase over the next years. The financial consequences of this demographic phenomenon are often mentioned. The consequences as regards administration must also be anticipated for the applications for pensions will be more and more numerous, the documentary evidences will take up more and more space and the updatings will be more and more frequent due to a greater number of pensions and a larger mobility of our pensioners.

Claude Dubois
Original language : French

If you wish to know the procedures or methods used by other pension funds in any specific field, please send your list of questions to the secretariat. It will be passed on to all the members. You will then receive the results. Comparative studies may sometimes lead to field trips enabling a more detailed analysis of a particular scheme.

National updates

NETHERLANDS

ABP member of the « Working group Europe » of the Netherlands Association of Industry-wide pension funds (Vereniging van Bedrijfspensioen fondsen, VB)

The board of VB decided to set up the « Working group Europe ». ABP was invited to take part in it. Mathieu Scheepers will represent ABP in this working group.

In this way there is a link between the Dutch pension umbrella VB and our association (EAPSPI).

What is VB ?

VB was created in 1985 to promote, in the broadest sense of the word, the common interests of all 77 funds in the Netherlands. In addition, VB is a consultation partner for the government and other authorities involved in the pension field.

It carries out its tasks through deliberation with the member funds and

by providing information about and to the member funds as well as frequent talks with the organisations that play a part in the pension field, and last but not least by maintaining relation with the government.

It tries to establish a means of understanding between the pension field and policy makers in parliament and government. To cover the broad pension field, several working groups have been set up within VB: for actuarial matters, legal matters, investments and public relations. They all work in concert towards a common goal.

Why a working group Europe

The board of VB decided to set it up because the pension situation in the

Netherlands is rather specific in comparison with the other European countries and in addition the Dutch pension system is quite unknown in Brussels. Therefore the aim of the working group is to follow the European developments (in particular communication and working documents issued by the Commission or by the European Parliament) give our point of view and make it known in Brussels.

The working group has expressed the wish to co-operate with other European pension umbrellas such as the EFRP, also with EAPSPI (via ABP) and if possible join forces with them on common interests

Mathieu Scheepers
Original language : English

Annual Conference

ABP has defined the subject of the conference which will be held in Amsterdam on 5 and 6 October :

The pension scheme of the future In the administrators' strategic perspective.

The subject means to be innovating and definitely turned towards the future. It will allow participants to study new models of pension systems and to envisage the opportunity to set up hybrid models which would associate pay-as-you-go and funding methods or defined contribution with defined benefit systems. All innovations and projects regarding pensions can be presented.

The role of the European Commission in the pension field will be debated, particularly regarding investment rules or supervision of pension funds..

ABP will send out all invitation letters as well as the provisory programme. Participants will have to send their report to the secretariat general and their booking form directly to ABP.

National updates

FRANCE

Pension Forum in Bordeaux ; a challenge for the XXIst century

Summary of the Pension Forum held in Bordeaux.

This summary is available in French on Caisse des dépôts' web site :
<http://br.caissedesdepots.fr/dante>

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950 people attended the Bordeaux Pension Forum, which tackled the problem of pensions by approaching the pensioners themselves. Philosophical, or simple human considerations, contributed to enrich the pension debate, which normally sticks to purely demographic financial or economic issues. The aim was to analyse the concept of ageing and to make clear the difference between individuals ageing and population ageing. The invitation to a senior citizen at this forum (and moreover a philosopher) was welcome by all participants.

This new humanist approach to the problems relating to retirement is in line with the debate initiated at a European level on active ageing.

Obviously economic problems require economic solutions. However the transformation of society through ageing also deserves a more general analysis, a questioning of the role, the obligations and the responsibilities of each generation in order to maintain a social balance and to preserve inter-generational solidarity.

Its a new challenge for social protection, to not only provide financial security but also a certain physical and moral comfort to the elderly. Indeed they are the necessary conditions to provide better social integration.

Claude Dubois
Original language : French

EUROPE

Case law

On 21st September 1999 the European Court of Justice issued judgements in three important cases (case C-67/96 "Albany"; joined Cases C-115/97 to C 117/97 "Brentjens" and Case C-219/97 "Bokken") referred by the national Dutch Courts on the possible application of Community competition rules to sectoral industry-wide pension schemes.

The Court held that no treaty obligations are infringed. This means that pension funds set up through collective agreement by the social partners are not infringing European competition rules even if there is a compulsory affiliation of all employees in this sector.

The most significant result of these judgements is that the European Court of Justice recognises explicitly that the social objective of the Treaty is legally on a par with the economic objectives. The Court refers to the EU's aims to promote a high level of employment and social protection.

The Court also recognises the autonomy of social partners and the importance of the Treaty's social policy provisions, especially those enabling social partners to conclude collective agreements at Community level.

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