

Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	2002/2017(COS)	Procedure completed
Supporting national strategies for safe and sustainable pensions through an integrated approach		
Subject		
2.50.05 Insurance, pension funds		
4.10.11 Retirement, pensions		
5.10.01 Convergence of economic policies, public deficit, interest rates		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	EMPL Employment and Social Affairs		04/10/2001
		PPE-DE FATUZZO Carlo	
	Committee for opinion	Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs		05/11/2001
	PSE KUCKELKORN Wilfried		
	JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	
	FEMM Women's Rights and Equal Opportunities		11/09/2001
		ELDR SANDERS-TEN HOLTE Maria Johanna (Marieke)	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2393	04/12/2001
	Employment, Social Policy, Health and Consumer Affairs2392		03/12/2001
	Employment, Social Policy, Health and Consumer Affairs2373		08/10/2001
European Commission	Commission DG	Commissioner	
	Employment, Social Affairs and Inclusion		

Key events			
03/07/2001	Non-legislative basic document published	COM(2001)0362	Summary
08/10/2001	Debate in Council	2373	
03/12/2001	Debate in Council	2392	
16/01/2002	Committee referral announced in Parliament		
19/02/2002	Vote in committee		Summary

19/02/2002	Committee report tabled for plenary	A5-0071/2002	
10/04/2002	Debate in Parliament		
11/04/2002	Decision by Parliament	T5-0180/2002	Summary
11/04/2002	End of procedure in Parliament		
29/05/2003	Final act published in Official Journal		

Technical information

Procedure reference	2002/2017(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/5/15687

Documentation gateway

Non-legislative basic document	COM(2001)0362	03/07/2001	EC	Summary
Economic and Social Committee: opinion, report	CES1491/2001 OJ C 048 21.02.2002, p. 0101	29/11/2001	ESC	
Committee report tabled for plenary, single reading	A5-0071/2002	19/02/2002	EP	
Text adopted by Parliament, single reading	T5-0180/2002 OJ C 127 29.05.2003, p. 0593-0659 E	11/04/2002	EP	Summary
Non-legislative basic document	COM(2002)0737	17/12/2002	EC	Summary

Supporting national strategies for safe and sustainable pensions through an integrated approach

PURPOSE : to establish a set of common objectives for supporting national strategies on the pensions systems. **CONTENT** : this paper looks at the demographic changes throughout Europe which make the modernisation of the pensions system high on the political agenda of all Member States. A set of common objectives will, inter alia, help Member States focus on necessary reforms and make pension policy more transparent, thus allowing citizens to adapt to foreseeable changes. The paper proposes the following set of common objectives: On the adequacy of pensions: - ensure that all older people enjoy a decent standard of living. - provide access for all individuals to appropriate pension arrangements necessary to maintain their living standards. On financial stability of public and private pension schemes: - in the context of the Employment Strategy, achieve a high level of employment so that the ratio between the active and the retired remains as favourable as possible. - ensure that pensions systems, particularly early retirement and invalidity schemes, and their interaction with the tax-benefit systems, offer effective incentives for the participation of older workers; that workers are not encouraged to take up early retirement and are not penalised for staying in the labour market beyond the standard retirement age; and that pension systems facilitate the option of gradual retirement. - ensure that public spending on pensions is maintained at a level in terms of percent of GDP that is compatible with the Growth and Stability Pact. - strike a balance between the active and retired through adjustments to the levels of contributions and taxes. - ensure, through appropriate regulatory frameworks, that private funded management schemes will continue to provide the pensions to which members are entitled. On the modernisation of systems in response to changing societies: - ensure that labour market mobility does not result in undue loss of pension entitlements and that self-employment is not discouraged. - review systems and eliminate gender-based discrimination while dealing with sources of inequalities in entitlements (career breaks for family, actuarial factors) - make pension systems more transparent and predictable. The Commission will develop appropriate indicators which aim at providing comparable information on the major economic, financial and demographic trends, which need to address the triple challenge of adequacy, financial sustainability and adaptability to change.?

Supporting national strategies for safe and sustainable pensions through an integrated approach

The committee adopted the report by Carlo FATUZZO (EPP-ED, I) on the Commission communication. It stressed that the EU had a duty to ensure that every pensioner was able to lead a dignified and independent life and applauded the Commission's initiative on guaranteeing safe

and sustainable pensions. The debate on pensions was essentially a social challenge with financial aspects and should not be restricted to the problem of funding. The committee welcomed the introduction of the open method of coordination on pensions on the basis of Community objectives and working methods. It called on the Barcelona European Council to take concrete decisions on the substance of and a timetable for the open coordination method. Member States were requested to submit their national strategies by September 2002, after consulting all concerned, and to devise effective indicators and follow-up mechanisms to evaluate the reforms and modernisation of their pension systems. The European social partners, representatives of pensioners, social NGOs and women's organisations should all be involved in the open coordination process. MEPs emphasised that responsibility for any imbalances in pension schemes must not be laid at the door of workers and pensioners. Keeping pensions up with the cost of living, they argued, was more a question of distribution than a demographic problem. The committee expressed the hope that the current level of European pension provision would be maintained, reformed and increased. It called on Member States to maintain a well-functioning universal pensions system and to actively implement the Lisbon strategy, by means of a gradual approach to pensions. The Commission was asked to clearly distinguish funded pension schemes from purely individual pension or savings arrangements and to strongly promote the first type through the range of EU policy areas. The committee also called on the Commission to organise and support, in conjunction with the Member States, information and education campaigns on developments in the overhaul of pension schemes. The Commission was also asked to carry out a range of studies, including on social exclusion and pension management, a comparison between current pension systems in the EU and studies into the operation and impact of the various types of pension scheme (funded schemes, pay-as-you-go and combined systems). Lastly, the committee wanted Parliament to be fully involved in the entire process and therefore called for it to be consulted on the national strategic reports as well as the choice of agreed indicators.?

Supporting national strategies for safe and sustainable pensions through an integrated approach

The European Parliament adopted a resolution on the Commission communication on sustainable pensions, drafted by Carlo FATUZZO (EPP-ED, Italy). (Please refer to the document dated 19/02/02).

In addition, it stressed that in order to secure pensions in the long term, it is essential that comprehensive reform strategies are drawn up before acute financing problems arise. The aim of this reform process should also be to expand the basis of contributors and to explore alternative forms of financing statutory pension systems. The maintenance of pensions in keeping with living standards can be seen as a problem of distribution: the key question is whether the macroeconomic increases in productivity will be high enough in the decades ahead to secure rising added value even against a background of falling unemployment figures so as to finance a higher proportion of collective consumption for pensioners, and whether the political will exists to redistribute wealth in order to secure pensions in the long term. The Commission should carry out a comparison between the current pension systems in the EU in terms of sustainability and impact. Member States are asked to give priority to gender equality in their pensions systems, which includes the individualisation of pension, social security and taxation systems, while ensuring that existing pension and derived rights under the current systems are not lost or devalued; it also includes an adjustment of pension systems, whereby pension contributions are accumulated by people who are temporarily providing care in the family.