# Joint report by the Commission and the Council on adequate and sustainable pensions

2003/2040(INI) - 07/03/2003 - Document attached to the procedure

The Council endorsed the joint Council-Commission report on adequate and sustainable pensions and decided to forward it to the European Spring Council. It is recalled that the "Employment Social Policy Council" (EPSCO) also endorsed this report on 6 March. The report shows that Member States are moving towards financially sustainable pension systems that will be able to provide adequate pensions in the future. All of them have started reform processes and a large number of countries sees the need for further reforms in order to safeguard the long-term sustainability of their pension systems as well as sound public finances. The report stresses the need for Member States to improve incentives for older workers to remain longer on the labour market and to strengthen the financial basis of pension systems through increased public and private funding. In view of the fact that ageing will start to produce its effects on pension systems within the next ten years it calls upon Member States to put in place credible and effective strategies and to give clear signals to citizens about what they can expect and what they have to do to achieve an adequate living standard in retirement. It is recalled that several European Council, from Lisbon to Barcelona, have highlighted the challenge of an ageing population and its implications for the maintenance of adequate and sustainable pensions. This challenge was underlined in the conclusions of the Stockholm European Council in March 2001, which laid the ground for the open method of co-ordination on pensions. This process was finally launched by the Laeken European Council in December 2001 on the basis of eleven common objectives under the three headings: safeguarding the capacity of systems to meet their social objectives, maintaining their financial sustainability and meeting changing societal needs.