

Institutions for occupational retirement, pension funds: laws, regulations and administrative provisions

2000/0260(COD) - 19/06/2001

The committee adopted the report by Othmar KARAS (EPP-ED, A) amending the proposal under the codecision procedure (1st reading). The MEPs agreed to a series of compromise amendments to reconcile differences between those on the one hand who were anxious to guarantee the security of pensions and others who supported opening up national markets and offering consumers more freedom of choice. The committee endorsed the 'prudent person' principle, i.e. that the pension fund should balance its investments between income and capital growth according to the age structure of the members and the need for income of those retiring. One amendment emphasised that the proposal did not question the right of the Member States to retain full responsibility for the organisation of social security arrangements, including pensions, while another amendment sought to provide for a transitional period of five years to allow those countries not familiar with private schemes to adjust to the new arrangements. Further amendments were aimed at involving the social partners in new cross-border arrangements and supported the idea of pension contributions being exempt from taxation with the final benefits subject to tax according to national rules. Other amendments took up the question of supervision.