

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

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The committee adopted the report by Othmar KARAS (EPP-ED, A) amending the Council's common position under the 2nd reading of the codecision procedure. The main amendments were as follows: - there should be a transitional period of five years for those Member States which do not currently operate the "prudent person" principle; - there is a need to strike a balance between making such schemes attractive to the pension funds and at the same time ensuring social benefits, with due respect for subsidiarity and benefits offered by state pension schemes. One amendment therefore sought to ensure that the option of disability cover and benefits for widows (the so-called "biometric risks") is offered if requested by the social partners; - on the contentious issue of a retirement benefit in the form of a lump sum, the committee stipulated that this should be used "with the aim of ensuring financial security in retirement", whereas the common position had not placed any stipulations on such a benefit; - a coordination committee should be set up to foster cooperation between the various national authorities and ensure a uniform application of the legislation. Finally, other amendments sought to clarify the text, strengthen supervision of the pension funds through the establishment of national registers and improve information provisions by obliging the fund to provide members annually with details on the value of the fund and the current level of individual entitlements.