Supplementary pensions: towards a single market, consultations on the Green Paper

1999/2131(COS) - 13/04/2000 - Text adopted by Parliament, single reading

The Parliament adopted its resolution drafted by Mr Wilfried Kuckelkorn (PES, Germany) on the Commission's Communication on supplementary pensions. The resolution emphasises the Parliament's commitment to the European social model and the importance of maintaining and strengthening the first pillar of pension schemes. It broadly welcomes the Commission's Communication on occupational schemes and makes the following points: - prudential rules must be differentiated according to whether a scheme is internal or external to the enterprise, and only an internal financing (book reserve) scheme should provide a guarantee against insolvency, with the proviso that exernal financing schemes (insurance companies or pension funds) already provide a guarantee in case of the employers' bankruptcy. - pensions that cover biometric risks, i.e. that guarantees payment of a pension until the ned of the insured persons life, play an important role in supplementing the first pillar and, in the great majority of Member States, are already taxed during the payout period. Cross-border memberships within the Community are therefore the most readily achievable in this product group, as loss of revenue in the Member State would be within acceptable limits. - Parliament opposes the proposals concerning insolvency insurance since they restrict competition between pension schemes and life insurance companies. - The position of women who take time off to look after children or family members is emphasised in the resolution. The Commission is required to take women's earning patterns into account as regards vesting periods. The Communication is criticised for not paying sufficient attention to women's circumstances, especially with regard to problems with transfers, qualifying periods, the entitlements of divorced spouses,and survivors. Periods taken off work should be credited for the purposes of calculating pensions, and voluntary additional provision or the right to top up pensions are appropriate under some circumstances. - The best solution to the taxation problem is the model that relies on the taxation of the pension payout while exempting from tax contributions to the fund and returns within the fund (EET-model).