## Basic information

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|---|---|
| **2001/2003(COS)**<br>COS - Procedure on a strategy paper (historic) | Procedure completed |
| Social protection: long-term evolution of pensions<br>**Subject**<br>2.50.05 Insurance, pension funds<br>4.10.11 Retirement, pensions | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| EMPL Employment and Social Affairs | CERCAS Alejandro (PSE) | 16/11/2000 |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| ECON Economic and Monetary Affairs | RANDZIO-PLATH Christa (PSE) | 25/10/2000 |
| JURI Legal Affairs and Internal Market | The committee decided not to give an opinion. | |
| FEMM Women's Rights and Equal Opportunities | SCHMIDT Olle (ELDR) | 23/01/2001 |

### Council of the European Union

| Council configuration | Meetings | Date |
|---|---|---|
| Employment, Social Policy, Health and Consumer Affairs | 2357 | 2001-06-11 |
| Employment, Social Policy, Health and Consumer Affairs | 2333 | 2001-03-06 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| Employment, Social Affairs and Inclusion | |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 11/10/2000 | Non-legislative basic document published | COM(2000)0622 | Summary |
| 18/01/2001 | Committee referral announced in Parliament | | |

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|---|---|---|---|
| 06/03/2001 | Debate in Council | | Summary |
| 25/04/2001 | Vote in committee | | Summary |
| 25/04/2001 | Committee report tabled for plenary | A5-0147/2001 | |
| 16/05/2001 | Debate in Parliament | | |
| 17/05/2001 | Decision by Parliament | T5-0275/2001 | Summary |
| 17/05/2001 | End of procedure in Parliament | | |
| 11/06/2001 | Debate in Council | | Summary |
| 07/02/2002 | Final act published in Official Journal | | |

| Technical information | |
|---|---|
| **Procedure reference** | 2001/2003(COS) |
| **Procedure type** | COS - Procedure on a strategy paper (historic) |
| **Procedure subtype** | Commission strategy paper |
| **Legal basis** | Rules of Procedure EP 148 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | EMPL/5/13858 |

Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee report tabled for plenary, single reading | | A5-0147/2001 | 25/04/2001 | |
| Text adopted by Parliament, single reading | | T5-0275/2001<br>OJ C 034 07.02.2002, p. 0256-0362 E | 17/05/2001 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Non-legislative basic document | COM(2000)0622 | 11/10/2000 | Summary |

# Social protection: long-term evolution of pensions

2001/2003(COS) - 17/05/2001 - Text adopted by Parliament, single reading

The European Parliament approved the report by Mr Alejandro CERCAS ALONSO (PES, E) on the long term reform of pension systems in light of demographic change. The House takes the view that financial questions should not be the only concern. Social issues, such as social harmony and solidarity within and between the generations, must not be overlooked either. The resolution highlights the importance of increasing the employment rate and maintaining a financial balance in pension schemes if Member States are to secure safe and sustainable pensions. Nevertheless, some increase in pension expenditure as a proportion of GDP seems inevitable. Comprehensive reform strategies should be drawn up before acute financing problems arise. The reform measures to be taken must only address the structure of the pension schemes but must also introduce a successful growth strategy and active employment policy. In this way the pressure on public finances could be reduced. In order to achieve public consensus on the

organisation and financing of social protection, the Commission should launch information campaigns on the importance of solidarity between generations and solidarity with dependent persons. The House believes that pension funds and private, funded schemes could play a role in supplementing public pension schemes, although they are more in favour of capitalisation based pension funds collectively agreed by social partners and accessible for all employees than individual private pension arrangements. They stress that public pay-as-you-go schemes (PAYG) must not be weakened. They call on Member States, however, to sort out their tax-and-spend policies to make sure the funding PAYG aspirations is realistic. Lastly, Parliament stresses that the European Parliament should be fully involved in the process of European social convergence.

# Social protection: long-term evolution of pensions

2001/2003(COS) - 11/06/2001

The Council took note of the report by the Social Protection Committee on the sustainability of pension systems. This report is a follow-up to the preliminary study on the long-term viability of pensions. The report analyses what will be needed to ensure that pension systems provide retired people with a securely financed, adequate income that does not destabilise public finances or impose an excessive burden on future generations, while maintaining fairness and solidarity. It emphasises the following: - safeguard the capacity of pension systems to meet their social aims of providing safe and adequate incomes to retired persons. - maintain the financial sustainability of pension systems. - enhance the ability of the systems to deal with the changing needs of society and individuals. The main chapters of the report deal with the following: - challenges, including demography and sustainability, new employment patterns, evolution of family structures; - meeting the challenges, including safeguarding the financial stability of the systems, maintaining social cohesion, adapting pension systems to a changing society; - national reform processes and the role of the Union.

# Social protection: long-term evolution of pensions

2001/2003(COS) - 06/03/2001

The Council held an open debate transmitted live by TV to the press and the wider public on safe and sustainable pensions and pension systems and future European co-operation in this field. The topic had been chosen against the background of mainly three factors: 1) the ongoing reform process to modernise and improve social protection in most of the Member States, 2) the demographic challenges faced by all Member States and 3) the need to find added value in an enhanced co-operation and co-ordination at European level. In the debate, Member States made reference to the Commission's Communication on the future evolution of social protection from October 2000 and the ten principles identified by the Commission. Ministers also referred to the preliminary study of the Social Protection Committee on the long-term viability of pensions, of which the main findings were presented orally to the Council. There was broad agreement in the Council on the basic principles underlying safe and sustainable pension systems. Ministers in particular mentioned the following points: - guarantee pensions that provide adequate and secure incomes to the retired population; - pension systems should also continue to meet social objectives and thus counteract poverty and social exclusion; - the need for sound public finances without, however, narrowing the debate to the financial aspects; - maintain solidarity between and within generations; - raise the quality of pension systems; - increase the employment rate, in particular of women and older people, was seen as an important element to cope with the expected demographic imbalances; - promote equality between women and men as far as the recognition of periods of work in the context of pension systems is concerned. Ministers also addressed the issue of how to further enhance European co-operation in this area. There was broad agreement on building on the work done so far by the Social Protection Committee and on the usefulness of exchanging information and best practice between Member States. Most Member States were in favour of applying the open method of co-ordination to this area while respecting national competence. The President, Mrs Ingela THALEN, concluded that the Social Protection Committee would pursue its work in view of presenting the report requested to the Gothenburg European Council in June 2001. The issue would be taken up in the framework of the strategy on sustainable development to be adopted in Gothenburg. Gothenburg would also establish a framework for continued co-operation at European level on the subject of pensions.

# Social protection: long-term evolution of pensions

2001/2003(COS) - 11/10/2000 - Non-legislative basic document

PURPOSE: to present a Commission Communication on the future evolution of social protection from a long-term point of view: safe and sustainable pensions. CONTENT: Pension systems comprise both public and private schemes and are ususally built on three pillars: basic public schemes, occupational schemes and individual pension plans. However, in all Member States, the largest share of older people's income is provided through public pension schemes. Against this background however, population ageing and the retirement of the "baby boomer'generation represents a major challenge to this historic achievement. At the EU level, the promotion of a high level of social protection is one of the fundamental objectives defined in Article 2 of the founding Treaty. This is why the European Council has called for a cooperative exchange on the future sustainability of pension systems. The present Communication proposes a framework for taking this work forward. Furthermore, the Communication is intended to inform the work of the High Level Working Party on Social Protection on the long-term evolution of pensions. The main guiding principles and objectives for pension reforms are the following: - maintain the adequacy of pensions - ensure intergenerational fairness - strengthen solidarity in pension systems - maintain a balance between rights and obligations - ensure that pension systems support equality between men and women - ensure transparency and predictability - make pension systems more flexible in the face of societal change - facilitate labour market adaptability - ensure consistency of pension schemes within the overall pension scheme. In addition to the framework presented in this Communication, the Commission will undertake the following initiatives to underpin this cooperative exchange on pension sustainability: - in order to gauge public awareness and expectation regarding the modernisation of social protection schemes, it will carry out in the year 2001, a Eurobarometer survey on pensions and pension reform; - examine the relevant Community-wide statistical surveys with a view to ensuring that social protection issues in general and pension issues in particular are adequately covered; - propose an exchange of information on issues covered in this Communication with the accession countries and, in the framework of its bilateral cooperation, the United States and Japan. The Commission will also pursue its efforts to contribute to a better functioning of supplementary schemes. Finaly, the Commission will take further initiatives on the future evolution of social protection with a view to supporting the cooperative effort on all objectives for the modernisation and strengthening of social protection as approved by the Council on 17 December 1999.