

**Comments Template on
CP-15-011**

**Good Practices on Communication Tools and Channels for communicating
to occupational pension scheme members**

**Deadline
22 March 2016
23:59 CET**

Name of Entity:	German Institute of Pension Actuaries	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments on this CP should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Please insert the name of your entity in the box next to "Name of Entity". Please also specify the sector of your entity in brackets (Consumer Associations, Training/Eductaion bodies, Industry), as well as your Country. ⇒ Please fill in your comment in the relevant row, giving reference to the page/Good Practice/Question to stakeholder number where given. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Do not change the page numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool. ⇒ Leave the last column <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, <u>in Word format</u>, to CP-15-011@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the pages/Good Practices/Questions to stakeholders refers to the Consultation Paper on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members.</p>		

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Reference	Comment	
General Comment	<p>The German Institute of Pension Actuaries (IVS - Institut der Versicherungsmathematischen Sachverständigen für Altersversorgung e.V.) welcomes the opportunity to comment on EIOPA's Consultation Paper on Good Practices on Communication Tools and Channels for communicating to occupational pension scheme members. The Consultation Paper provides an overview of some of the content and communication of information in different Member States.</p> <p>While the IVS supports good communication on pension issues, and the approach of attempting documentation of "Best Practices" we strongly suggest that – as EIOPA states itself – the good practices identified should neither be legally binding nor subject to the "comply or explain" principle. There are many different pension schemes in the EU and, in some cases, the use of particular tools or channels is prescribed by national law. EIOPA's laudable actions on this topic should not impose additional burdens on European pension arrangements.</p> <p>We suggest EIOPA to re-consider the delineation between its statutory scope of duties as supervisory authority for IORPs, and thus for regulated IORPs, as opposed to retirement arrangements outside of this scope. We feel that that EIOPA's position on this issue should be made clear in the document i.e. whether EIOPA intends this document to include out-of-scope arrangements, or not.</p>	
Page 4	As mentioned in the general comment, we consider it appropriate for EIOPA to make it clear that its paper of Good Practices is directed to IORPs and not towards other out-of-scope arrangements (e.g. paragraph three also mentions employers and other relevant entities). The requirements an employer has are typically mandated by national labour law.	
Page 5		
Page 6	We agree with EIOPA that useful and complete information is a necessary basis for prudential decisions. As mentioned in the general comment, however, we consider it appropriate for EIOPA to make it clear that its paper of Good Practices is directed to IORPs and not towards other out-	

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	of-scope arrangements.	
Page 7 – 8		
Page 9	As mentioned in the general comment, we consider it appropriate for EIOPA to make it clear that its paper of Good Practices is directed to IORPs and not towards other out-of-scope arrangements. We commend the principles-based approach taken by EIOPA	
Page 10 - 24		
Page 25	While we agree with the criteria listed, we would suggest adding an important additional one. Usefulness: information should be appropriately tailored to the information needs of the members. In some arrangements members have options (i.e. asset allocation, pay-out-options), in this schemes interactive communications tools are helpful. But this need for engagement of members does not necessarily apply to all retirement arrangements. Spurious or irrelevant information should be avoided.	
Good Practice 1	We agree with the statement that appropriate communication cannot be pressed into a ‘one size fits all’ boiler plate approach. Apart from responsible IORPs and in some cases employers, there are other stakeholders involved in the communication of occupational pension rights. These include the legislature and supervisory authorities. As such, it would be welcome if in some countries, the communication processes can be streamlined in particular by a cross-border IORP, even if for example this contravenes the local law or supervisory guidance in the approach taken to communication – e.g. waiving a requirement to provide communication material in paper form if it can be ensured that electronic delivery also meets “receipt” requirements.	
Good Practice 2	We mostly support storing all relevant communication for a given retirement arrangement in a central depository dedicated to that arrangements. This should not be mandatory or a goal to be followed blindly, since there may be legitimate reasons for not doing so, such as cost-benefit considerations. Also, data protection rules should be adhered to, not everything that can be stored should be.	

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Good Practice 3	<p>At first sight, the aim at combining information in order to improve its accessibility appears to be a good goal to have. However, there may be aspects suggesting otherwise:</p> <ul style="list-style-type: none"> - Possibly intractable issues in special cases e.g. for multi-employer arrangements. - Cost-benefit considerations and usefulness - Data protection and security issues. - As mentioned in the general comment the Good Practices should only apply for IORPs and not for employers, since the requirements an employer has are typically mandated by national labour law. 	
Good Practice 4	<p>Conceptually, a pension calculator can indeed be a useful tool to assist members assessing their future retirement income. Here too, there may be aspects suggesting otherwise:</p> <ul style="list-style-type: none"> - Legal liability consideration e.g. in the case of a member drawing conclusions from such tools that, in retrospect turn out to be poor or even wrong - Cost-benefit considerations in particular regarding the cost of maintenance of such tools. - Usefulness, depending on promised benefits. In some arrangements, for example, the employer may bear all risks from asset allocation and the member has no options regarding asset allocation or pay-out-options. 	
Good Practice 5	<p>We note that the TTYPE Consortium is working on an EU-wide tracking service. Tracking services can be a good information tool, but can be potentially costly and complex. A tracking system is easier to achieve in some Member States than in others. We therefore trust that any such initiative is not mandatory and should be voluntary for each Member State to subscribe to (in Germany, such a tracking system does not yet exist and we doubt, given the heterogeneity and fragmentation of pension arrangements in Germany alone, that such a global system can be implemented in the near future).</p>	
Good Practice 6	<p>An evaluation of the effectiveness of any communication strategy is normally worthwhile. The key in this regard is the level of participation of members to read the information and to take action appropriate for them. As mentioned in our response to good practice 4, legal liability issues upon providing advice and cost-benefit considerations are important here too.</p>	
Good Practice 7	<p>In principle, a multi-channel strategy seems to be a good approach. However, there may be issues</p>	

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	<p>suggesting limitation of this approach:</p> <ul style="list-style-type: none"> - Cost-benefit considerations - Care to avoid excessive communication that can confuse recipients - As mentioned in the general comment the Good Practices should only apply for IORPs and not for employers, since the requirements an employer has are typically mandated by national labour law. 	
Question 1 to stakeholders	We consider the criteria to be appropriate.	
Question 2 to stakeholders	<ul style="list-style-type: none"> - Usefulness: information should be appropriately tailored to the information needs of the beneficiaries; spurious or irrelevant information should be avoided - Data protection considerations - Cost-benefit aspects; we consider that these should be more prominently and more specifically mentioned. 	
Question 3 to stakeholders	Please see our comments made on good practices above.	
Question 4 to stakeholders	The principle of proportionality is a central one. It should always apply with respect to the nature, scale and complexity of the pension fund.	
Question 5 to stakeholders	This is a very subjective matter. Some will contend that only a very small minority of members will ever really understand pension information in its entirety. Understanding is also almost always clouded over the space of long periods. Documentation of information provided is thus central.	
Question 6 to stakeholders	This is normally achieved by open and regular two-way communication between the IORP/employer and the member. Registering the level of activity in a tool or separate surveys can also help.	
Question 7 to stakeholders	There is no universal practice in Germany regarding the layering of information in the area of occupation pensions due to the diversity of arrangements.	
Question 8 to stakeholders	Internet solutions may become the main communication medium in future, However, traditional information and communication channels still work and should not be abandoned completely.	
Question 9 to stakeholders	As mentioned in the general comments, there are many different pension schemes in the EU and, in some cases, the use of particular tools or communication channels are prescribed by national	

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	law. EIOPA's laudable actions on this topic should not impose additional burdens on IORPs or employers since findings that work in one Member State might not necessarily work in another.	
Page 30 onwards		