

**E A P S P I**

**Pensions for the Public Sector**

# FUTURE IN BALANCE

EAPSPI AT A GLANCE





# FOREWORD

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Europe is growing closer together, not only at a political and economical level, but also in the pensions field. It used to be that, public sector pension organisations managed their daily business with only the national legislator or social partners but challenges are now becoming the same for them all, no matter how they began or if they belong to the first or second pillar (pension type). European legislation now fosters harmonisation in the field of pensions either by the open method of coordination or secondary law which has a direct influence for supplementary schemes. Hence, public sector pension organisations need to get together and learn from each other to solve current and any future problems enabling them to improve customer service.

EAPSPI, the European Association of Public Sector Pension Institutions, provides a common platform for all European public sector pension organisations regardless of any pillar classification. It offers a large scale of services for its members in order to fulfil their tasks and challenges. They have a mission to point out the particular features of public sector pension schemes in the ongoing discussion towards the European institutions as well as towards international and other organisations. Thus, EAPSPI helps to ensure that the specific position of its members will be preserved and developed in the future.

July 2010



Wolf R. Thiel  
The Chairman



Hagen Hügelschäffer  
The Secretary General

# ABOUT EAPSPI

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## **EAPSPI – PENSIONS FOR THE PUBLIC SECTOR**

EAPSPI is an association of 24 public sector pension schemes, out of 16 European countries, who are responsible for more than 28 million active members and pensioners. The connecting factor of EAPSPI's members is the public sector in Europe: they cover either the special basic pension schemes for civil servants or the supplementary schemes for public employees.

## **PRESERVING A SOCIAL EUROPE – OUR PURPOSES**

EAPSPI's main purpose is to enable its members to improve the mutual knowledge of their organisations and that of the social system of their respective countries. They actively take part in the construction of a social Europe. Therefore, EAPSPI's members look at ways and means of improving the services offered to their clients (pensioners, active members and employers) by learning best practices from other institutions and by studying the impact of EU-law on national pension schemes. To achieve this, EAPSPI encourages exchanges of expertise and information through working groups, conferences, seminars, information letters and direct contact between its members.

## **WE ARE EXPERTS – NO MORE, NO LESS**

The role of EAPSPI is not limited to an information exchange. As the importance of EU-law in pensions is steadily increasing they also offer a common platform for public sector pension towards the European organisations, such as the Commission, the Parliament and other stakeholders at EU-level. However, EAPSPI is not a pressure group, it merely aims to position itself as a pension expert in order to demonstrate the effects, especially of new legislative projects. Hence, EAPSPI develops relations and interacts with European and other international organisations.

## **BEGINNING AND SETTLEMENTS**

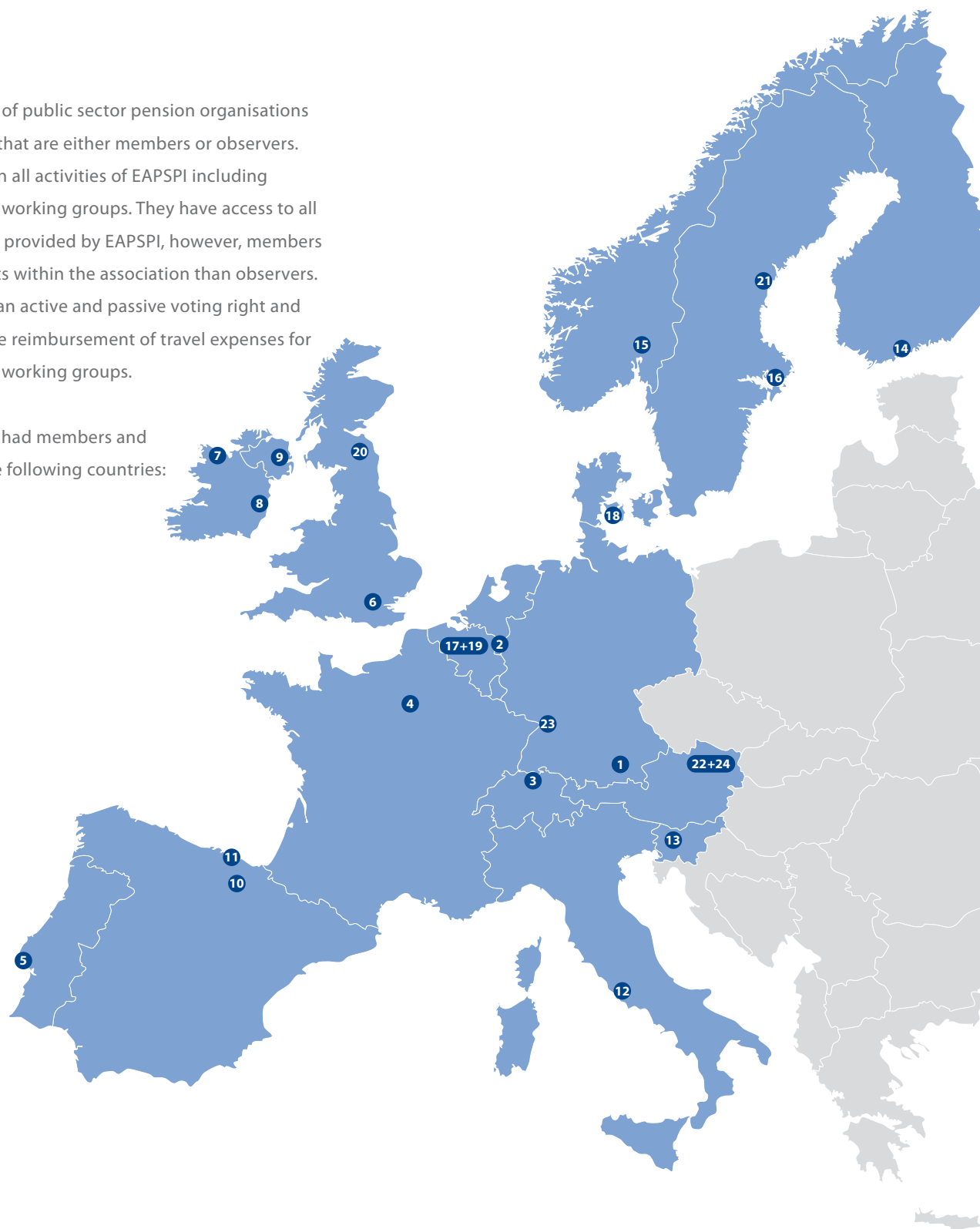
The history of EAPSPI goes back to the beginning of the 1990's when the French organisation CDC created an information platform of six pension organisations dedicated to local government employees. In 1997 it was officially transformed into an association with 13 members. The Secretariat General was initially located in Bordeaux and transferred to Munich in 2006.



# MEMBERS OF EAPSPI

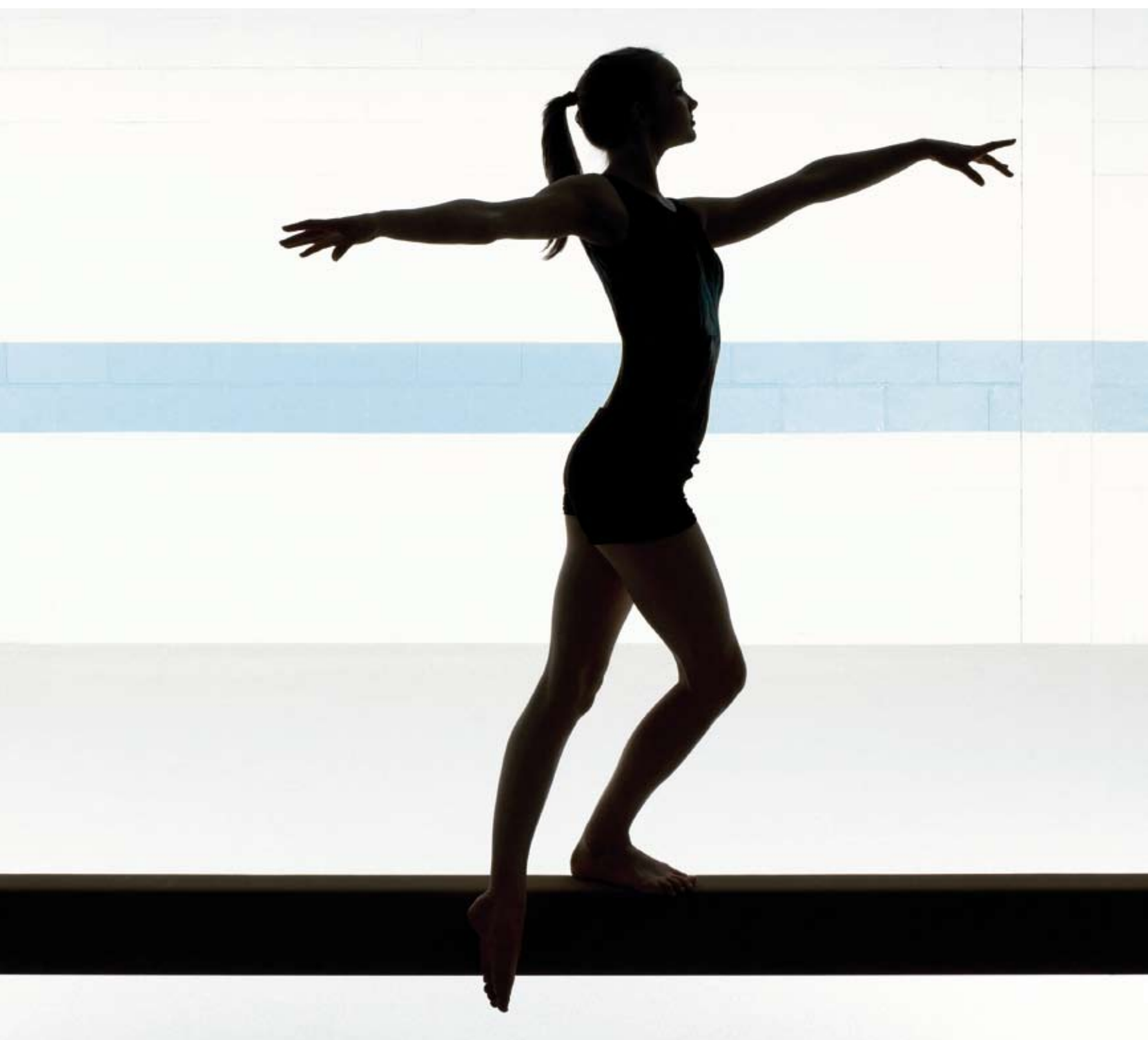
EAPSPI consists of public sector pension organisations or associations that are either members or observers. Both take part in all activities of EAPSPI including participating in working groups. They have access to all the information provided by EAPSPI, however, members have more rights within the association than observers. Members have an active and passive voting right and can claim for the reimbursement of travel expenses for participating in working groups.

In 2010, EAPSPI had members and observers in the following countries:



## LIST OF MEMBERS

- 1 AKA**  
Arbeitsgemeinschaft kommunale und kirchliche Altersversorgung  
Munich, Germany
- 2 APG**  
Supplementary scheme for Dutch public employees  
Heerlen, Netherlands
- 3 ASIP**  
Association Intercantonale Suisse de Prévoyance Professionnelle  
Zurich, Switzerland
- 4 CDC**  
Caisse des Dépôts  
Paris, France
- 5 CGA**  
Caixa Geral de Aposentações  
Lisbon, Portugal
- 6 CLG**  
Communities and Local Government  
London, England and Wales
- 7 DEHLG**  
Department of the Environment, Heritage and Local Government  
Ballina, Ireland
- 8 Department of Finance**  
Dublin, Ireland
- 9 DOE**  
Department of the Environment  
Belfast, Northern Ireland
- 10 Elkarkidetza**  
Supplementary scheme for the Basque County and Local public sector  
Vitoria, Spain
- 11 E.P.S.V.**  
Bilbao, Spain
- 12 INPDAP**  
Istituto Nazionale di Previdenza per i Dipendenti dell'Amministrazione Pubblica  
Rome, Italy
- 13 Kapitalska družba**  
Ljubljana, Slovenia
- 14 KEVA**  
The Local Government Pensions Institution  
Helsinki, Finland
- 15 KLP**  
Kommunal Landspensjonskasse  
Oslo, Norway
- 16 KPA Pension**  
Stockholm, Sweden
- 17 ONSSAPL**  
Office national de sécurité sociale des administrations provinciales et locales  
Brussels, Belgium
- 18 SAMPENSION KP LIVSFORSIKRING A/S**  
Hellerup, Denmark
- 19 SdPSP**  
Service des Pensions du Secteur Public  
Brussels, Belgium
- 20 SPPA**  
Scottish Public Pensions Agency  
Galashiels, United Kingdom
- 21 SPV**  
Statens Pensionsverk  
Sundsvall, Sweden
- 22 Valida Pension AG**  
Vienna, Austria
- 23 VBL**  
Versorgungsanstalt des Bundes und der Länder  
Karlsruhe, Germany
- 24 VBV-Pensionskasse AG**  
Vienna, Austria





# EAPSPI'S BODIES

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## **GENERAL ASSEMBLY**

The General Assembly is the highest authority of the association taking decisions on all important subjects, such as on the nomination of the Secretary General, the election of the Board of Directors or the approval of the yearly budget. This takes place at least once a year. The right to vote is reserved for members but observers may take part in the General Assembly, submit proposals and participate in discussions.

## **BOARD OF DIRECTORS**

EAPSPI's Board of Directors is composed of five members who are elected for two years by the General Assembly. In order to ensure an even representation of the different countries and geographical regions and the basic and supplementary pension schemes, the Board members are chosen from different "EAPSPI member states". The Board proposes the guidelines of the association along with the annual working programme and the resulting budget that is later approved by the General Assembly. They also determine the common positions of the association, especially regarding papers or similar communications, and coordinate the future direction of EAPSPI.

## **SECRETARY GENERAL**

The Secretary General, who is elected for a five year period, represents EAPSPI in the daily management as well as in relationship with other stakeholders, European bodies and other international organisations. The Secretary General regularly reports to the Board of Directors guaranteeing a continuous flow of information.

## **ACCOUNTING INSPECTOR**

The Accounting Inspector, like board members, is elected every two years, but he can also be a representative of an observer institution. He keeps the accounts of the association and at the end of each year produces a report which has to be approved by the General Assembly.

# THE WORKING GROUPS

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## TIME FOR DISCUSSION

Providing pensions is becoming more and more complicated, even in times of global communication via internet, it helps to work face to face on key issues and to talk and exchange knowledge.

EAPSPI's working groups look at all pension related issues which make them paramount to the work and communication within the association. At the moment EAPSPI have four working groups dealing with the following subjects:

- Legal affairs
- Portability of supplementary pensions, feasibility of cross-border transfers
- Questions of taxation and
- Asset management

## OPEN DISCUSSION AND FINDING OF COMMON POSITIONS

The working groups are open to all EAPSPI members and observers. They usually meet twice a year and discuss any developments within their countries or at international or EU-level as well any impact on their organisation. Their work is not limited to an information exchange. If necessary, the working groups draft position papers, especially on European topics that concern all EAPSPI-members. Thus, EAPSPI is not only able to formulate the common position of the public sector pension organisations towards the European organisations, but also towards national authorities and other entities.

## PRESENTING THE CONCLUSIONS TO ALL MEMBERS

The working groups also organise the joint open information meeting, which takes place immediately before EAPSPI's annual general meeting each autumn. This session provides a summary of the most important results especially for those members not taking part in the working group meetings.

The participants in the working groups may claim for the reimbursement of travel expenses for the participation in the meetings once a year. The association is keen to reward the participants for their commitment and additional work spent on behalf of EAPSPI. The amount is based on a flat rate basis as determined in Internal Regulation.



### THE LEGAL EXPERT COMMISSION (LEC)

Pensions for public employees are influenced by different rules and regulations. Some schemes are based on collective agreements. National laws will usually set additional provisions and requirements to meet these. National legislation is more and more affected by EU regulations and studies of international organisations.

The Legal Expert Commission (LEC) studies the legal impact of pension related documents issued by European and other institutions, e.g. World Bank, OECD and other (inter)national think-tanks, on EAPSPI's members. When indicated, the LEC prepares position papers to certain topics with an overall interest for EAPSPI's members. The LEC may

also cooperate with other working groups in setting up position papers to be sent to the European institutions (Commission, Parliament) and to other stakeholders at national and EU-level.

At the request of an EAPSPI member, the LEC elaborates questionnaires on specific questions which are distributed among EAPSPI's members. The LEC can also be asked to analyse problems raised by the transposition or the implementation of EU-law. Members of the LEC represent both first pillar and supplementary pension schemes of the public sector.

# THE WORKING GROUPS

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## THE PORTABILITY WORKING GROUP

Flexibility is a fundamental need. Mobile employees need flexible pensions and should not lose their rights after moving into another European Member State, but pension schemes in Europe differ widely.

The mission of the Portability working group is to look at the feasibility of the cross-border transfers of supplementary pension rights and to help the European Commission and other interested institutions and stakeholders in this field. Another task is to enable the transfer and thus the free movement of workers within Europe. Accordingly, the Portability working group consists of representatives of only supplementary pension schemes.

In order to achieve its aims, the Portability working group first looked at the existing legal situation on transferring in various European countries. The next step will be to set up basic principles that are valid both for pay-as-you-go and funded supplementary pension schemes. At a further stage, they will look at trying to establish practical solutions for transferring between different countries.

## THE TAXATION WORKING GROUP

The taxation of contributions and benefits in the European Member States varies. The fiscal treatment is an important aspect of old-age provision. For example, tax incentives may encourage people to make additional provisions for their future pensions and that becomes increasingly important with a view to the demographic evolutions in Europe.

The Taxation working group looks at developments concerning European and national tax legislation. Furthermore, the Taxation working group examines the jurisdiction of the European Court of Justice in the field of taxation and analyses the impact of these developments on EAPSPI's members. They also consider how taxation policies affect pension schemes for public employees. Taxation in the wider sense encompasses not only tax relief, but also, for example, any limits on contributions and accrual, the opportunity to commute pension for lump sums and the flexibility to "wind down" towards retirement.

Against this background, the Taxation working group offers EAPSPI an informed opinion on taxation matters as and when required. They also provide EAPSPI with information on the effect of taxation policies on member schemes as well as group members the opportunity to benchmark practice among EAPSPI members and provide reports.

### ASSET MANAGEMENT WORKING GROUP

“Money makes the world go round.” Pension organisations are handling large amounts of money for their employers and employees. The financial turmoil in 2008 showed the responsibility pension providers are facing every day.

All public sector pension organisations share a common mission to provide a high level of pensions for its participants. Therefore, the question of asset management is of high importance for EAPSPI’s members. Hence, the working group and its activities are particularly important for funded schemes. The Asset Management working group’s work also concerns those pay-as-you-go schemes that are accumulating reserves as financial buffers or intend to move to a funded system in the medium or long-term.

Against this background, the working group is a forum of experts for an in-depth exchange of best practise in order to help members to improve their asset management and to learn about the challenges and solutions for other organisations. The initiative was based on a proposal of the Board of Directors at the beginning of 2008, after the subprime crisis burst but some time before the financial crisis worsened. The scope of the working group’s activities is not restricted to the sole issue of assets even if the name of this working group might lead to this conclusion. Along with the LEC, the discussion about new solvency and supervisory rules will also have to be observed and analysed thoroughly by the group.



## **ORGANISING CONFERENCES, SEMINARS AND WORKSHOPS**

EAPSPI regularly organises conferences, seminars and workshops for its members that are also open to external participants. Every autumn, the general meeting is followed either by a conference or a half-day seminar. Apart from these regular events, EAPSPI organises specific seminars or workshops on selected subjects either alone or in cooperation with other members or organisations. The documentation for these events can be downloaded from EAPSPI's website, section "Conferences".

## **GETTING IN TOUCH WITH OTHER ORGANISATIONS**

EAPSPI is a member of the Pensions Forum of the European Commission. The Pensions Forum is an information platform for all EU Member States and relevant stakeholders in the field of supplementary pensions, under the chairmanship of the Directorate General Employment, Social Affairs and Equal Opportunities (EMPL). In the meetings, the different Directorates General of the Commission and representatives from EU Member States provide information about current developments in the pensions field.

EAPSPI's representatives are regularly invited as speakers to other conferences, to hearings at the European Parliament as well as to national parliaments and to meetings of other organisations.

## **INFORMATION SERVICES OF EAPSPI**

One of EAPSPI's priority targets is to regularly circulate information among its members. Apart from the regular conferences and the working group meetings, members are informed, through circulars, about external and internal developments. Additionally, EAPSPI has established a protected member domain on its website accessible only to EAPSPI's members and observers.

## **EURO PENSION BULLETIN (EPB)**

EAPSPI also publishes its information letter Euro Pension Bulletin (EPB) three times a year. It is published in English, French and German and is provided via e-mail and as a download from EAPSPI's website, section "EPB". The EPB reports on current developments at EU-level and within EAPSPI's member organisations.

## **EAPSpedia**

All users of the website may use the database EAPSpedia. EAPSpedia helps to gather information about different pension organisations within the public sector in Europe and the schemes which are provided. The information covers managing organisations, decision making boards and governance. EAPSpedia also provides information about scheme features like financing methods, benefits and their calculation or information about asset allocation and taxation. All EAPSPI members present the pension schemes of their respective countries.



**E A P S P I**

**Pensions for the Public Sector**

European Association of Public  
Sector Pension Institutions

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des institutions de retraite  
du secteur public

Europäischer Verband  
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des öffentlichen Dienstes

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