

EIOPA Survey on the Pension Benefit Statement Designs

Fields marked with * are mandatory.



Survey on the IORP II Pension Benefit Statement (PBS) Designs

EIOPA has developed several statements to help people better understand their pension pots.

EIOPA is proposing two types of statements: a short statement and a long statement.

The short statement comprises all the mandatory elements of IORP II Art. 39 and Art. 40 and a small call to action section that encourages the member to better plan for retirement. The total length is 2 pages.

The long statement - in addition to the short statement - provides a more detailed overview of the contributions and an extended call to action section, which gives some options for the member to improve the retirement prospect. The total length is 3 pages.

The statements are presented using two different styles.

At the beginning of each section, you will be invited to download/print each statement. You can save your answers before submission, so that the survey can be completed in stages.

Thank you for responding by 24 June 2019.

* Name:

Mefop (Italy - Aeip member)

* Surname:

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* Email

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* You reply on behalf of:

- ☐ National Competent Authority (NCA)
☐ Occupational Pensions Stakeholder Group (OPSG)
☒ Other Institution
☐ Individual response

* Provide details of NCA/Institution or representation:

Mefop act in the field of pension funds to provide schemes with institutional support and services. The main shareholder of Mefop is the Italian Ministry of Economy and Finance. More than 90 pension funds (occupational and personal) are also shareholders of Mefop. Mefop is member of Aeip

Part 1: Statement 1

Please download and read statement 1 short before answering these questions

[PBS-Statement-1-short-draft-June.pdf](#)

To what extent do you agree with the following statements?

between 1 and 6 answered rows

	Strongly agree	Agree	Disagree	Strongly disagree
* Grouping the information in different sections makes the document easy to understand	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Presenting the information in a question and answer format makes the document easy to understand	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* This document is something that I would want to read	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* This document is easy to navigate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Providing you with key information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* It is easy to find the key information in this document	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

* How do you like the colours used in statement 1?

- ☐ Like a lot
☒ Like
☐ Dislike
☐ Dislike a lot

Comments:

* How do you like the icons used in statement 1?

- ☐ Like a lot
☒ Like
☐ Dislike
☐ Dislike a lot

Comments:

How easy did you find it to understand the information in the following sections?

between 1 and 7 answered rows

	Extremely easy	Very easy	Slightly easy	Not at all easy
* Your details	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* How much money do you already have in your pension pot?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* What could you receive when you retire?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* How your pension pot has changed in 2018	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Your pension plan at a glance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* What can you do to plan better for retirement?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Other important information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have suggestions for improvements to each of these sections (e.g. order of sections, completeness of information, length of the statement, etc.)?

As regard the section 3: "What could you receive when you retire" we suggest Eiopa to change the label used for the three scenarios. The label "most likely scenario" risks to mislead the members because they could think the corresponding amount is the pension they will receive with a high probability. Instead, this amount will only reflect the sum the member could receive if the hypothesis used for the projections, and fixed by NCA, will occur. For this reason we suggest to change the label "most likely scenario" in "baseline or central scenario".

As regard the note, we suggest to substitute the phrase "... these amounts are estimates only..." with "... these amounts are projections only and are based on the rules defined by NCA/PF" as the first stance seems more appropriate. It is also important to stress the subject who determine the rules for the projections.

As regard the section 5: "Your pension at a glance" some privacy concerns rise for the disclosure of the names of the beneficiaries of the member. The disclosure could be linked to a specific authorization of the member.

As regard the section 6: "What can you do to plan better for retirement" please refer to the reply of the question "What are the practical challenges IORPs will face when implementing such a form of PBS, regardless if Statement 1 or 2?" in the Part 4:Closing.

Please download and read statement 1 long before answering these questions

[PBS-Statement-1-long-draft-June.pdf](#)

Please look at section 4:

4. HOW YOUR PENSION POT HAS CHANGED IN 2018			
Month of contribution	Your contribution	Employer's contribution	Total
January	EUR 50	EUR 75	EUR 125
February	EUR 50	EUR 75	EUR 125
March	EUR 50	EUR 75	EUR 125
April	EUR 50	EUR 75	EUR 125
May	EUR 50	EUR 75	EUR 125
June	EUR 50	EUR 75	EUR 125
July	EUR 50	EUR 75	EUR 125
August	EUR 50	EUR 75	EUR 125
September	EUR 50	EUR 75	EUR 125
October	EUR 50	EUR 75	EUR 125
November	EUR 50	EUR 75	EUR 125
December	EUR 50	EUR 75	EUR 125
TOTAL contribution in 2018			EUR 1 500

* How useful is it to include a breakdown by month of your contributions in the statement:

- ☐ Extremely useful
- ☒ Very useful
- ☐ Slightly useful
- ☐ Not at all useful

Please look at section 6:

6. WHAT CAN YOU DO TO PLAN BETTER FOR RETIREMENT?

- Take a look at your spending to see if you can save more.
- Take the opportunity to review your other savings and investments.
- Find more information about your state pension and other pension plans on the pension dashboard www.Mypension.eu
- In a few steps, explore how to reach the target income you'd like in retirement through our pension calculator tool www.europensionfund.eu/calculator
- Use the European pension tracker if you have saved into a pension in another country in the EU. www.ttype.eu
- Contact us if you need help.

HOW TO INCREASE THE MONEY YOU RECEIVE AT RETIREMENT?

Depending on your personal situation, you may be able to:



Increase your contribution



Choose a higher retirement age



Consider a different investment strategy



Keep your pot invested after retirement

Contact us to discuss any of these options.

* In your view, how useful is it to include a section on planning for your retirement:

- ☐ Extremely useful
☒ Very useful
☐ Slightly useful
☐ Not at all useful

How likely is it you would use the following elements:

between 1 and 6 answered rows

	Extremely likely	Very likely	Slightly likely	Not at all likely
* Reviewing spending and savings/investments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Link to a pension dashboard that gives an overview of all your pensions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Link to a pension calculator tool	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Link to the EU tracking system	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Prompt to contact the pension fund	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Information on ways to increase your income in retirement	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have suggestions for improvements to each of these sections?

Part 2: Statement 2

Please download and read statement 2 short before answering these questions

[PBS-Statement-2-short-draft-June.pdf](#)

To what extent do you agree with the following statements?

between 1 and 6 answered rows

	Strongly agree	Agree	Disagree	Strongly disagree
* Grouping the information in different sections makes the document easy to understand	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Presenting the information in a question and answer format makes the document easy to understand	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* This document is something that I would want to read	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* This document is easy to navigate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Providing you with key information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* It is easy to find the key information in this document	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

* How do you like the colours used in statement 2?

- ☐ Like a lot
- ☒ Like
- ☐ Dislike
- ☐ Dislike a lot

Comment:

While the use of colours may end up in an helpful usability of the document when watching on the video, in case of printing the positive effect risks to vanish. We recommend to use colours or other graphical tools to maintain the usability of the statement by the members.

* How do you like the icons used in statement 2?

- ☐ Like a lot
- ☒ Like
- ☐ Dislike
- ☐ Dislike a lot

Comment:

How easy did you find it to understand the information in the following sections?
between 1 and 7 answered rows

	Extremely easy	Very easy	Slightly easy	Not at all easy
* Your data	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* How much money do you already have in your pension pot?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* How much money could you get when you retire?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* How your pension pot has changed over the past year	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Your pension plan at a glance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* What can you do to plan better for retirement	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Other important information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have suggestions for improvements to each of these sections (e.g. order of sections, completeness of information, length of the statement, etc.)?

As regard the section 2: "How much money could you get when you retire?" we suggest Eiopa to change the label used for the three scenarios. The label "neutral scenario" which is also framed with a red broken line and defined as the "most likely scenario" risks to mislead the members because they could think the corresponding amount is the pension they will be entitled to with a high probability. Instead, this amount will only reflect the sum the members could receive if the rules used for the projections, as defined by NCA, will occur. For this reason we suggest to change the label "neutral scenario" in "baseline or central scenario" and to delete the description "most likely scenario".

As regard the note, we suggest to substitute the phrase "... these amounts are estimates only..." with "... these amounts are projections only and are based on the rules fixed by NCA/PF" as the first stance seems more appropriate. It is also important to stress the subject who determine the rules for the projections.

As regard the section 3: " How your pension pot has changed over the past year" is not friendly and easy to understand.

As regard the section 4: "Your pension at a glance" we are concerned by the risk profile representation. As for the mutual funds (regulation 1286/2014) it takes into account only the profile of the underlying assets of the investments of the member and does not consider the years to retirement. However PFs are long term investments and the latter should not be avoided in the evaluation of the risk profile, following a life cycle logic. For this reason we suggest Eiopa to delete this approach and to endorse a risk profile representation that takes into account both the years to retirement of the member and the assets underlying his investment. Graphically, this solution could be supported by a matrix which, as retirement approaches, shows the change in the risk profile of the member, taking into account his investments.

It is not clear in our view the meaning of the labels "conservative, hybrid and growth" funds. It seems more appropriate to us to substitute these labels with the names of the funds in which the member is invested in, with the representation of the risk profile of the funds based on the rules adopted at national level to classify the risk profile of the investments.

Some privacy concerns rise for the disclosure of the names of the beneficiaries of the member in case of death before retirement. The disclosure could be linked to a specific authorization of the member.

As regard the section 5: "What can you do to plan better for retirement" please refer to the reply of the question "What are the practical challenges IORPs will face when implementing such a form of PBS, regardless if Statement 1 or 2?" in the Part 4:Closing.

Please download and read statement 2 long before answering these questions

[PBS-Statement-2-long-draft-June.pdf](#)

Please pay attention the following table in section 3:

3. Evolution of your pension pot

From 01/01/2018 to 31/12/2018

Your pension pot on 01/01/2018				16,138 EUR
		by you	by your employer	
Amount saved during 2018	January	+50 euros	+75 euros	
	February	+50 euros	+75 euros	
	March	+50 euros	+75 euros	
	April	+50 euros	+75 euros	
	May	+50 euros	+75 euros	
	June	+50 euros	+75 euros	
	July	+50 euros	+75 euros	
	August	+50 euros	+75 euros	
	September	+50 euros	+75 euros	
	November	+50 euros	+75 euros	
December	+50 euros	+75 euros		
Return on investments 2018	+204 EUR			Total return + 204 EUR
Taxes, costs, and other charges	Withheld from your contribution	- 59 EUR		Total taxes, costs and other charges - 132 EUR
	Withheld from assets in your pension account	- 73 EUR		
Your pension pot on 31/12/2018				= 17,710 EUR

* How important is it to you to receive additional information on the breakdown of your contributions in the statement?

- ☐ Extremely important
- ☒ Very important
- ☐ Slightly important
- ☐ Not at all important

Please look at section 5:

5. What can you do to plan better your retirement

Take a look at your spending to see if you can save more.

Take the opportunity to review your other savings and investments.

Find more information about your state pension and other pension plans on the pension dashboard

www.Mypension.eu

Use the European pension tracker if you have saved into a pension in another country in the EU.

www.ttype.eu

In a few steps, explore how to reach the target income you'd like in retirement through our pension calculator tool

www.europensionfund.eu/calculator

And contact us if you need help.

If you would like to increase your income in retirement, there may be things that you can do, take a look at these options:



Increasing your contribution



Choose a higher retirement age



Consider a different investment strategy



Keep your pot invested after you retire

* Having read this section, how likely are you to look into one or more of the options suggested?

- ☐ Extremely likely
- ☒ Very likely
- ☐ Slightly likely
- ☐ Not at all likely

Do you have concrete suggestions for any of the two sections?

Part 3: Comparing statements

Please have at hand the short Statements 1 and 2

* Looking section 3 'What could you receive when you retire?' of Statement 1 and section 2 'How much money you could get when you retire?' of Statement 2, which version makes it easier for you to understand the amount of income you could receive when you retire?

- ☒ Statement 1
- ☐ Statement 2

* Having looked at the content of these sections, which of the following statements do you agree with (tick all that apply)

between 1 and 6 choices

- ☐ On retirement, I will receive between EUR 800 and EUR 1200 per month
- ☐ On retirement, I could receive between EUR 800 and EUR 1200 per month
- ☐ On retirement, the income that I will most probably receive is EUR 1000 per month
- ☒ The amounts are only estimates and could be different when I actually retire
- ☒ I might have to pay tax on these amounts when I retire
- ☒ I assume that the amounts shown are in today's money

Having looked at the three scenarios, how much do you agree with the following statements:

between 1 and 3 answered rows

	Strongly agree	Agree	Disagree	Strongly disagree
* The three scenarios have helped me to understand the range of my potential retirement income	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* The scenarios have helped me understand whether I am close to my target retirement income	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* The scenarios have made me think that I need to save more for retirement	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have suggestions to improve this section?

As regard the section 3 of Statement 1: "What could you receive when you retire" we suggest Eiopa to change the label used for the three scenarios. The label "most likely scenario" risks to mislead the members because they could think the corresponding amount is the pension they will receive with a high probability. Instead, that amount will only reflect the sum the members could receive if the hypothesis used for the projections, as defined by NCA, will occur. For this reason we suggest to change the label "most likely scenario" in "baseline or central scenario".

As regard the note, we suggest to substitute the phrase "... these amounts are estimates only..." with "... these amounts are projections only and are based on the rules defined by NCA/PF" as the first stance seems more adequate. It is also important to stress the subject who determine the rules for the projections.

As regard the section 2 of Statement 2: "How much money could you get when you retire?" we suggest Eiopa to change the label used for the three scenarios. The label "neutral scenario" which is also framed with a red broken line and defined as the "most likely scenario" risks to mislead the members because they could think the corresponding amount is the pension they will receive with a high probability. Instead that amount will only reflect the sum the members could receive if the hypothesis used for the projections, and fixed by NCA, will occur. For this reason we suggest to change the label "neutral scenario" in "baseline or central scenario" and to delete the description "most likely scenario".

As regard the note, we suggest to substitute the phrase "... these amounts are estimates only..." with "... these amounts are projections only and are based on the rules defined by NCA/PF" as the first stance refers to a probabilistic approach. It is also important to stress the subject in charge to determine the rules for the projections.

* Looking at section 4 'How your pension pot has changed in 2018' of Statement 1 and Section 3 'How your pension pot has changed over the past year' of Statement 2, which version makes it easier for you to understand the changes that have occurred in the past year?

- ☒ Statement 1
☐ Statement 2

Is there any section or any information in the statements that you do not understand or find it difficult to understand?

The section 3 "How your pension pot has changed over the past year" is not friendly and easy to understand

Part 4: Closing

Please rank the PBS statements, from the most preferred (1) to the least preferred (4).

between 1 and 4 answered rows

	1	2	3	4
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* Statement 1 - short	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Statement 1 - long	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Statement 2 - short	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Statement 2 - long	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Do you have any comments/suggestions on any of the statements?

First of all we are concerned by the way to proceed of Eiopa on a so sensitive issue. In our view the relevance of the topic needs a transparent, broad and long debate among stakeholders. Instead, Eiopa decided to restrict the time available to a week and to "hide" the consultation, which is not available on the web site of the Authority. For the future we hope a different approach will be adopted (like in the past), more transparent and participated.

Another concern is the risk profile representation of Statement 2 (section 4: Your pension at a glance). As for the Priips (regulation 1286/2014) it takes into account only the profile of the underlying assets of the investments of the member and does not consider his years to retirement. However PFs are long term investments and the latter should not be avoided in the evaluation of the risk profile, following a life cycle logic.

For this reason we suggest Eiopa to delete this approach and to endorse a risk profile representation that takes into account both the years to retirement of the member and the assets underlying his investment. Graphically, this solution could be supported by a matrix which, as retirement approaches, shows the change in the risk profile of the member, taking into account his investments.

Alternatively we suggest Eiopa to consider the solution envisaged in Statement 1 (section 5 "Your pension at a glance) where no reference to the risk profile is made.

It is not clear in our view the meaning of the labels "conservative, hybrid and growth" funds used in the sections "Your pension at a glance". It seems more appropriate to us to substitute these labels with the names of the funds in which the member is invested in, with the representation of the risk profile of the funds based on the rules adopted at national level to classify the risk profile of the investments.

What are the practical challenges IORPs will face when implementing such a form of PBS, regardless if Statement 1 or 2?

As regard Italian pension funds the main challenges are related to the differences between the current PBS and the statements on which Eiopa is currently working. If, as regard the contents, the current PBS almost reflects the Eiopa proposals, differences could arise as regard the style of the communication.

Other challenges are related to the sections 6 (statement 1) and 5 (statement 2). As regard the pension calculator tools, currently they are provided on a voluntary basis and the forecast of the calculator in the Eiopa PBS scheme could result in a sort of "mandatory" provision, not in line with national regulation. Other concerns could arise with the information on the first pillar. Italian agency for social security (Inps) already provides employees with a forecast of the state pension they will get and of the retirement age. However this tool is not linked to the second pillar and no agreements are in place between Inps and PFs to share information. For each member could be difficult to match information from Inps and from his PF.

If you have any information relating to consumer preferences that you can share, please provide details below:

Contact

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