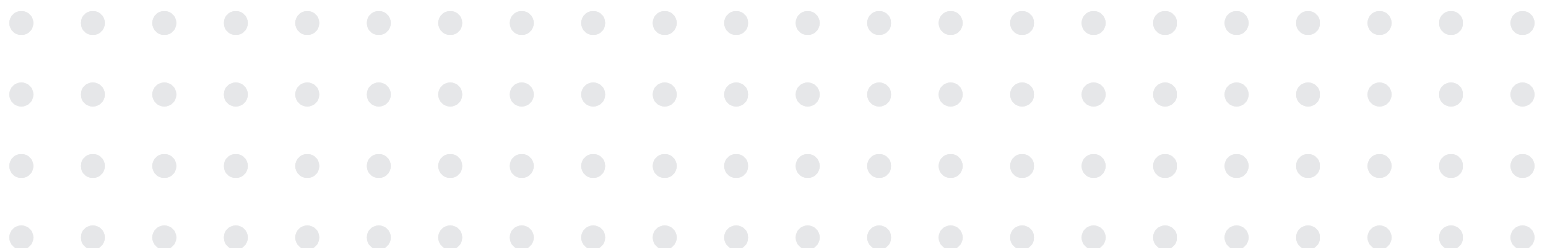


TTYPE

Track and Trace
your pension
in Europe

Towards a European Tracking Service for Pensions

Intermediate results of the TTYPE project - results from
a survey, desk research and interviews



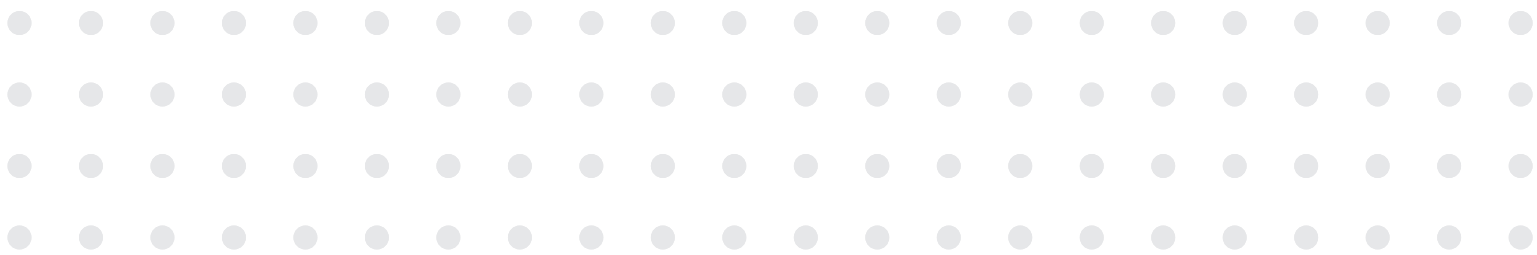
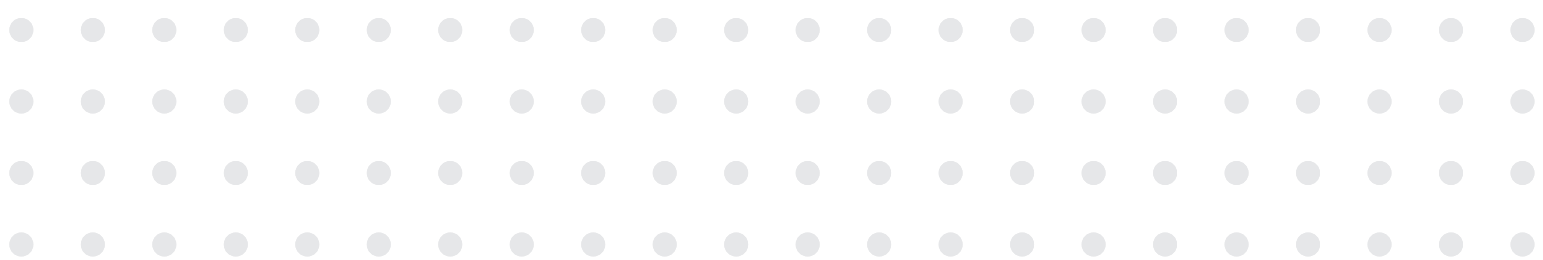


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Foreword

In 2012 the European Commission launched a comprehensive agenda on creating adequate, safe and sustainable pensions. Within this agenda there is a clear focus on tracking and tracing pension entitlements for cross-border workers within the EU. This is becoming increasingly important as there are a large number of internationally mobile European citizens navigating the European labour market and working in different European countries. According to EuroStat and the European Commission the number of cross-border workers in the EU increased from 4,7 million in 2005 to 8 million in 2013¹. As a consequence, pension entitlements of cross-border workers are often scattered over various countries and different schemes. As a result, cross-border workers may lose sight of their pension entitlements.

In this agenda the European Commission promotes the development of a cross-border pension tracking service allowing citizens to keep track of their pension entitlements acquired in different jobs across different European countries. The service should give them a better insight in their pension situation and help them make better decisions e.g. on the possible need for private pension provisions.

To this end the TTYPE² project was set up in June 2013. Its goal is to create a proposal for a high level design for a tracking service including recommendations for its implementation, by the end of February 2015. TTYPE was established as a project partnership between six experienced pension institutions from the EU: four Dutch (PGGM, MN, Syntrus Achmea and APG), one Finnish (ETK) and one Danish (PKA). TTYPE is commissioned by the EC.

From the outset of the project TTYPE has put much effort into finding and using knowledge and experience already available in the EU. It conducted a survey and did a series of interviews with experts from across Europe to determine the state of affairs on pension communication and to collect ideas for a European pension tracking solution. Also, in March 2014, the findings of the survey and the first ideas on the design were presented to a large number of European experts, many of which work with national tracking systems. The experts supported the feasibility of the solution, but also emphasized the complexity of the task. They also provided valuable comments and ideas for the road towards a European Tracking Service.

TTYPE has already had a lot of support from experts across Europe. They helped us by completing the survey, answering our questions, providing information and by taking part in discussions. We are really thankful for their input, without their efforts making a feasible design for a European Tracking Service that has the potential of being successful, would not be possible.

In the second part of this year, TTYPE will focus on design issues, legal topics and on the implementation strategies of the European Tracking service. As ever the opinions, ideas and suggestions of other organizations and experts, are invaluable to the project. Therefore, we will keep on seeking their support actively. For example, on May 28 2014, the interim results will be shared with the EU pension community at the project's interim event in Brussels.

If you would like to share your ideas, suggestions, remarks or other information with us. Please contact us through our email address ttype@mn.nl. We will be happy to discuss them with you.

Eric van Elburg
Project manager TTYPE

1 Speech about Labour Mobility in the European Union - The Inconvenient Truth by Mr. L. Andor, European Commissioner Employment, Social Affairs and Inclusion, 2014
2 Track and Trace your Pension in Europe



1 Introduction

This intermediate report provides a general insight into the world of pension communication and tracking services in Europe. In order to gain understanding of the various models advantages and limitations of tracking systems in Europe and other related topics, TTYPE conducted a survey that included all European countries. Additional desk research was done on existing national tracking systems in Europe and interviews were held with experts. These results were combined and resulted in a broader understanding of the current situation with regard to pension communication and national tracking services in Europe as well as the implications for the development of a European pension tracking system in the future.

This report focuses on the results of the survey rather than on the design of the European Tracking Service. So it could be relevant for pension experts or other professionals that are interested in the status and the results of TTYPE, but also for those that are interested in the current situation regarding pension communication and pension tracking services in Europe.

2 Intermediate results

Our research on pension communication and national tracking systems in Europe focused on four themes. These themes also formed the basis of the survey we conducted. The themes are:

1. Overview of national tracking systems within the EU

This part of the survey focused on the maturity levels of the national tracking systems within the EU, the coverage (% of providers represented) and the most important features.

2. Pension communication

This part of the survey focused on standardization in pension communication, the obligation to inform participants and ways of communicating about pensions with participants.

3. Identification and authentication

This part of the survey involved questions on national identification and authentication possibilities, identification methods and their varying forms. Also their suitability for identification and authentication in future European pension tracking systems was addressed.

4. Legal issues concerning pension tracking systems in the EU

This part of the survey dealt with issues like the legal restrictions concerning information exchange, privacy laws when sharing data within the EU and legal issues like data storage.

In order to gain relevant information on these four themes the survey was sent out to pension providers, governmental institutions and insurance companies in all 28 countries in the EU. In total, the response was 84 completed surveys from 24 countries (see fig. 1).

The response came mainly from governmental institutions and pension providers. The insurance companies are underrepresented. In order to improve the quality of the information, a large part of the survey results was verified by national experts.



1. The countries we received responses from

Also additional desk research was done by the project and interviews with experts on national tracking services, relevant stakeholders and other national and European experts were conducted. However it should be noted that the main focus was on getting enough information to be able to create a design for a tracking system rather than having complete up-to-date and accurate pension information on all of the European countries.

2.1 National tracking systems

EU-citizens that want to obtain a detailed overview of their accrued pension rights within a single country can, in some countries, resort to a national pension tracking system. In such a system it is possible to log in and get a summary of accrued pension entitlements within that country. From the survey it can be concluded that 16 countries within Europe reported to have such a national pension tracking system in place. These national pension tracking systems differ in complexity, functionalities and pillar coverage (see fig. 2).

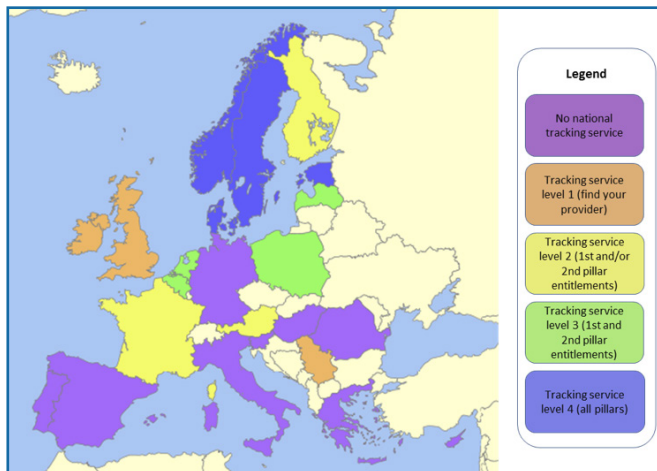
The main findings of the survey, desk research and interviews were:

- In total 16 countries within the EU reported having a national pension tracking service.
- The maturity level of the present national pension tracking services differs and ranges from basic systems to complex high end solutions (e.g. Denmark and Sweden).
- The national pension tracking services differ in pillar coverage, varying from all pillar entitlements to only first and/or second pillar entitlements.
- The survey showed that Denmark, Latvia and Sweden cover all pillars in their national tracking system.
- Furthermore, there are three countries (Great Britain, Ireland and Serbia) that provide pension tracking primarily in the form of a service that helps citizens in finding their pension institutions.
- We found one cross-border tracking system that aims at a specific profession rather than a specific country. This is the Find Your Pension portal for public sector researchers which was established by the VBL (public sector pension provider in Germany). This portal helps the target group in tracking their pension providers across many countries in Europe and gives general information on pensions per country. It does not give personal information on pension entitlements.

These findings have implications for the design and implementation of a cross-border European pension tracking system. It can be concluded that connecting the present national pension tracking systems to a future ETS (=European Tracking System) has great advantages.

However if there are many pension providers and institutions in one country, which are not centralized in a national tracking system, the connection to an ETS is more complex (aligning providers and institutions, setting standards, cooperation, division of costs) and time consuming.

Nevertheless the relatively large number of existing national tracking services in Europe will enhance the implementation speed of an ETS. Which means that a future ETS can tap into existing knowledge of national tracking systems and related issues.

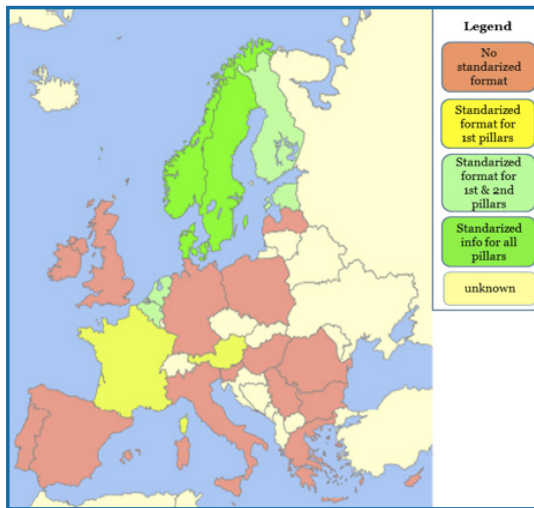


2. Countries with national pension tracking services

2.2 Pension communication

Countries in Europe differ greatly in the maturity of their digital pension communication. Effective pension communication is crucial for providing citizens with an overview of their pension situation and allowing them to take action if their pensions are insufficient. The survey shows that pension providers in many countries in Europe are obliged to inform their participants of their entitlements. It also became evident that, in most countries, this obligation does not apply to 3rd pillar pensions. Usually, the information is sent every year, but especially for 3rd pillar pensions it is often only sent by request of the participant. In almost all countries pension information is still provided on paper, but the respondents from 16 countries stated that pension information is also provided electronically (internet).

The situation with respect to the standardization of the content and form of the pension communication is varied (see fig. 3). In total 9 countries report they have a national format for providing pension data. Another 14 respondents say in their country there is no national format. In a few countries there is a format on pension communication, but it is not used consistently (yet).



3. Countries with formats on pension communication

Furthermore, respondents in 6 countries state their organization uses social media to keep in contact with their members. Facebook and Twitter are most commonly used. Respondents in 8 countries said they would keep on using or start using social media in the future.

The web survey did not have any explicit questions on the content of the information that was provided. From discussions with experts and from desk research differences in this area were found as well (e.g. prognoses). In the Dutch tracking service and on the Dutch benefit statements a prognosis of the entitlements is shown. Other countries like e.g. France show this prognosis as well, but only for members/participants over 55 years of age.

The main results from the web survey, desk research and interviews are:

- Respondents from 24 countries stated that they are obliged by law to inform their participants on their accrued pension entitlements. This is mainly the case for first and second pillar pension entitlements, not for the third pillar.
- Standardization of the content and form of the pension communication differs throughout the researched countries. In total 10 countries reported to have a national format, 14 countries said they didn't have national formats.
- The content of the information that is provided to participants varies e.g. projections. In some countries projections are not shown before a certain age.
- Differences also occur in the way entitlements are shown. E.g. in the benefit statement that is used in France (RIS) for persons younger than 55 years of age, a system of (pension) credit points is used. These points then have to be converted into entitlements in euro's.
- In a few countries there are services and information on pensions available in multiple (or at least more than one) language(s).

These findings have implications for the design and implementation of a European pension tracking service. To have a countrywide standard on pension communication can be very helpful in understanding the information that is provided, especially if the participant has entitlements at different pension providers. It also helps in establishing a national tracking system because the information from different providers can be accrued and summarized. The same argument applies when gathering entitlements on a European level. So it is important to have some form of standardization of pension communication. The variety of pension products and pension communication in Europe poses difficulties, especially on summarizing and adding up accrued pensions throughout Europe.



2.3 Identification & authentication

Identification and authentication methods for logging in on national pension tracking systems or personal web environments of the pension providers, take many different forms. They range from IDs that are used on national level for many applications to commonly used bank IDs. Respondents in 17 countries report that there is a national method of identification in their country. However, in many countries (like the Netherlands, Finland, Belgium) the use of this identification within the pension sector is restricted to 1st and 2nd pillars only. Only respondents from 5 countries (Belgium, Netherlands, Spain, Norway, Greece) report that there also is a national system for authentication that can be used with their (national) ID³.

A substantial part of European countries participate in the so-called STORK project. The aim of the STORK project is to establish a European Interoperability Platform that will allow citizens to establish new e-relations across borders, just by presenting a national eID⁴. With regard to simplifying identification for a future ETS, this is an interesting development.

These findings also have implications for the design and implementation of a cross-border European pension tracking service. Some countries have a central identification functionality in place. This provides opportunities for ETS that will also need identification and authentication mechanisms to be able to provide personal pension information. Having a national identification and authentication mechanism (that the pension sector can use), makes the establishment of a national tracking service a lot less complex. It means participants can log in through a mechanism (e.g. user ID/password, smartcard, etc.) that they already know, trust and use for other purposes.

2.4 Legal issues

The TTYPE project is interested in legal boundaries with respect to the communication of pension information (across borders). Establishing a European Tracking Service shall mainly involve citizens retrieving information on their personal pension situation through a web portal, which in turn gets its information from the (1st, 2nd or 3rd pillar) pension providers across Europe. Apart from the fact that this requires high levels of security, the survey also gave insight into the legal boundaries faced when developing a European tracking system.

The main results from the survey, desk research and interviews are:

- Respondents in 20 countries report there are legal boundaries (most commonly on privacy legislation) with respect to supplying pension information to a tracking service either inside or outside their country.
- Respondents in 5 countries say there are no legal boundaries in supplying information to a tracking service. Some say that pension legislation enables (or requires) them to do this.
- Having so many legal boundaries, it was also important to know if having explicit user's consent would make a difference for providers being able to send information to a tracking service. That is the case. Most countries allow this, although the answers suggest that in some countries the permission does not apply to pension data, only to other personal data.

³ The national ID is mostly the social security number

⁴ <https://www.eid-stork.eu/>

There are a few countries (for example Germany) that, according to the respondents, have such strict laws on data protection that they do not allow pension providers to share personal information with others irrespective of the user's consent. Of course, there are many more legal issues to deal with when establishing a European Tracking Service. Having permission to send data to the ETS does not mean providers will actually provide this information. In many cases they are not (legally) obliged to do so. Moreover, there are also questions on accountability and liability when the ETS is showing entitlements and when it is (temporarily) storing pension data. All these factors have to be taken into account in the design and development of an ETS.

3 Conclusions

The intermediate results suggest that there is already a vast body of knowledge on national tracking systems within most European countries. However pension communication throughout Europe is not aligned, and most countries use their own standards and formats. There are also varying methods of identification and authentication between European countries. Finally, legal restrictions have far-reaching implications for a future ETS. One of the consequences is that providing information to the ETS should only be done with the user's consent.

The survey, the desk research and the interviews proved to be very important sources of information, these were invaluable for the TTYPE project. With all these insights the development of a design for a European pension tracking service is getting nearer. Based on the information gathered to date, we think the establishment of a European Tracking Service is complex but feasible. The research shows that many issues still need to be addressed and will need further research by TTYPE before we can draw up a final conclusion.



