

ERA Steering Group for Human Resources and Mobility and the Setting up of pan- European pension funds for researchers

European Commission
Research & Innovation

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ERA Steering Group on Human Resources and Mobility (SGHRM)

Article 179(1) TFEU:

- *"strengthening the scientific and technological bases of the Union by achieving a European research area in which researchers, knowledge and technology circulate freely"*

Article 179(2) TFEU:

- *"- permitting researchers to cooperate freely across borders..."*

Article 180 TFEU lists among the activities which the Union shall carry out ... *stimulation of training and mobility of researchers...* as a complement to *"the activities carried out in the Member States"*.



- During its first 2 years of activity, the SGHRM provided a forum for exchange of views and best practices on policy areas related to researchers' recruitment, careers, working conditions, training and skills.
- Efficient and effective mutual learning exercise, by which common solutions are identified for common problems, recognising the specificity of research systems in MS & AC.



- Support the implementation and monitoring of progress of the Innovation Union Flagship (IU)
- The development of the ERA Framework
- Researchers' career, training and mobility as well as the attractiveness of Europe to researchers
- SGHRM members: overall strategies devised at national level for the implementation of the areas of the IU and the ERA Framework
SGHRM is working towards the implementation of the European Partnership for Researchers (EPR).



- Composed of one representative and one alternate delegate per country
- Both designated by national research ministries from Member States and from countries associated to the Framework Programme
- Each country administration to internally organise itself to present its agreed views to the SGHRM
- The nominated delegates can be accompanied by relevant colleagues or stakeholders as judged appropriate



EU 2020 - Innovation Union

- IU aims to improve conditions and access to finance for research and innovation in Europe
- One of the commitments: to propose an „ERA Framework“
- Can include legislative measures
- Aim: to remove obstacles to mobility and cross-border cooperation
- To be in force by end 2014
- Will include an public consultation: launch foreseen for September 2011
- Commitment 4 calls for supplementary pension funds for researchers



Feasibility Study on Creating pan-European pension funds for researchers (2010)

- Concluded that there is a demand for a cross-border pension fund for researchers and that
- with some country specific limitations, it is now possible to establish such an arrangement.
- http://ec.europa.eu/research/era/areas/researchers/researchers_en.htm



Positive outcome

- The study concludes that the preferable legal framework would be the EU Directive on the Institutions for Occupational Retirement Provisions (IORP).
- Survey was carried out among employers to measure the interest in providing a pan-European pension solution to employees.
- It concluded that the opportunity to establish cross-border arrangements is relevant and valuable to a large number of organisations.



Setting up pan-European pension funds

- Consequently, the European Commission is taking a pragmatic approach, and is prepared to facilitate the setting up of pan-European Pension Funds.
- The funds will not be run by the European Commission itself but by, or on behalf of the consortium of employers.
- *Aon Hewitt*, the contractor working with the European Commission on this project, will guide preparations of the fund in 2012 and its first operations in 2013.
- In the run-up to the preparations, three workshops will be organised in 2011 for interested employers.



Timeline

- At the end of 2011, participating employers can decide whether they wish to join a consortium that will prepare the creation of the fund in 2012 and 2013
- Other employers can join the fund in due course
- Membership of the fund should be as large as possible
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- Eligibility requirements, taxation issues, implementation, legal and financial constraints, etc. will all be examined during the workshops so that employers can make an informed decision about whether or not to join a pan-European pension fund and under which conditions.



Information on what?

- Providing information about the possibilities for setting up pan-European pension funds
- Common understanding of what occupational pension arrangements mean (2nd pillar and employers!)
- Explanation in detail of: occupational pension regime which entails: an employer providing employees or a group of employees with a supplementary pension.



How will it work? IORP

- Pension plan financing is done through IORP:
- „Pension trust” in the UK and Ireland
- „Pensionskasse” and „pensionsfond” in Germany
- „Organisation for financing pensions” in Belgium

- IORP: self-administered. Meaning that the employer decides to set up the vehicle for employees (could be a group of employers!)
- IORP governs financial legal vehicle.
- Taxation, labour and social law remain country specific. (The labour law of the country applies where the employment relation is.)
- Advantage of IORP: 1 financial vehicle for multiple plans.



Will need to be determined:

- Conditions of affiliation
- Contributions
- Location of choice: Belgium, Ireland, UK, NL?
- Obstacles: membership to the plan might be restricted by MS.



What's in it for employers?

- **Political language**
- The mobility of researchers
- European Research Area
- Attraction and retention of talented researchers in Europe
- Removal of obstacles to researchers' mobility related to pension entitlements
- **Simply**
- Talent attraction and retention is a top HR challenge
- Occupational pension benefits will become even more important in the future



Germany

- **Employment Status of Researchers**
- Researchers are often employed as private employees. However, in some cases researchers can be public-sector employees.
- There is a pension plan for public-sector employees to which they are assigned if their employer (e.g., a university) participates in this plan (*VBL—Versorgungswerk des Bundes und der Laender*)
- Once in the VBL it is not possible to opt out.
- Other public sector bodies operate their own similar pension funds.
- **Implications for Design of Researchers' IORP**
- An IORP should be able to provide German approved pension benefits. Numerous implications in German legislation.



Next steps

- Next workshop: October 2011 (date tbc) in Brussels
- Apart from selected employers, representatives of other interested parties, notably Member States representatives, employers associations and university networks can also express their interest to attend the workshops for information purposes.
- Employers' willingness to set up a consortium will be assessed.



Thank you Contact

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European Research Area