



Institutions for Occupational Retirement Provision Directive (IORP II)

■ Why does it matter to intermediaries?

In December 2016, the Directive on the activities and supervision of Institutions for Occupational Retirement Provision (IORP II) was adopted. It entered into force in January 2017 and Member States had until 13 January 2019 to transpose it into national law. Many Member States were late in their transposition.

Occupational pension funds or IORPs are financial institutions which manage collective retirement schemes for employers in order to provide retirement benefits to their employees. Occupational pensions, which include an employer contribution, are known as the “second pillar” of pension systems.

The IORP II Directive aims to ensure the soundness of occupational pensions, to better inform pension scheme members and beneficiaries with a standardised “Pension Benefit Statement” at EU level, to promote cross-border activity and to help long-term investment by encouraging occupational pension funds to invest long-term in growth-, environment- and employment-enhancing economic activities. It does not concern issues of national social, labour, tax or contract law, or the adequacy of pension provision in Member States.

■ State of play

The European Commission started the **review procedure** for this Directive and asked technical advice from **EIOPA** in the form of a stock taking exercise of the **implementation and effectiveness of the IORP II Directive**. On 28 September 2023, EIOPA published its technical advice after having consulted on it – a consultation to which BIPAR responded.

EIOPA’s advice:

- proposes changes to keep the regulatory framework for IORPs relevant bearing in mind the ongoing shift from defined benefit to defined contribution pensions, and in relation to the environmental and socio-economic challenges facing society;
- recognises the need for existing Defined Benefit IORPs to be properly regulated and supervised;
- proposes ways to enhance the proportionality measures of the existing Regulation and to reflect it in new standards. EIOPA proposes to increase the threshold for small IORPs to give Member States more flexibility in applying proportionality.

EIOPA also published a **factsheet** that gives an overview of the presence/assets of IORPs in the different Member States.

■ BIPAR’s position / key messages

BIPAR responded to EIOPA’s consultation in May 2023. In its input, BIPAR focused, amongst others, on the need for a reviewed IORP Directive to take into account proportionality (also regarding the size of the IORP – something EIOPA took into account in its final advice) and for aligned rules in IORP regarding sustainability.

■ Next steps

EIOPA submitted its technical advice to the Commission and BIPAR understands that the Commission started preliminary work on the review and that a proposal will be published during the new Commission mandate (2024-2029).

■ Links

- [IORP II Directive](#)
- [EIOPA’s technical advice](#)
- [EIOPA’s factsheet](#)