



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 in long-term 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 stocktaking exercise of the **implementation and effectiveness of the IORP II Directive**.

EIOPA’s technical advice

On 28 September 2023, EIOPA published its technical advice after having consulted on it – a consultation to which BIPAR responded. Its 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’s “IORPs in Focus” report

On 11 February 2025, EIOPA published its 2024 “IORPs in Focus” report (and a Factsheet) on the latest developments in Europe’s occupational pension fund market (both domestic and cross-border IORPs this time – the previous years, EIOPA focused on cross-border IORPs only). The main findings of the report are:

- a continued shift from defined benefit to defined contribution plans;
- a rebound in assets under management (AuM);
- a continuing decrease in the number of IORPs (by 1.7%, illustrating ongoing consolidation).

In terms of investment strategies, IORPs continue to rely on **investment funds**, especially on those invested in **equities and debt**. There are significant differences in the investment approaches across Member States, which illustrates the relevance of local factors in shaping investment decisions.

Despite the IORP II Directive’s aim to deepen market integration, **cross-border IORPs** operate in only 8 Member States, with the total number declining to 28, following stagnation in the growth of the number of IORPs since 2010. There is also an increasing number of **multi-employer IORPs**, now making up the majority in most Member States.

There are currently **1419 IORPs**, with **71,6 million members and beneficiaries** (this represents a 30 % increase over the past 3 years, largely driven by growth in France) and **€2720 bn in assets**, with the largest IORPs located in the Netherlands, Sweden, Germany and France.



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Commission's SIU Communication

In its SIU Communication ("*Savings and Investments Union - A Strategy to Foster Citizens' Wealth and Economic Competitiveness in the EU*") published on 19 March 2025, the Commission announced that by Q4 2025 it would review the existing EU framework for Institutions for Occupational Retirement Provision (and also PEPPs) with the aim of increasing participation in supplementary pensions to ensure adequate income in retirement and improving the capacity of pension funds to direct households' savings into productive and innovative investment.

■ 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

As mentioned above, a legislative proposal on IORP is expected to be published by the Commission by Q4 2025.

■ Links

- [IORP II Directive](#)
- [EIOPA's technical advice](#)
- [EIOPA's 2024 "IORPs in Focus" report - Factsheet](#)
- [Commission's Communication on a SIU](#)

