

OCCUPATIONAL PENSIONS IN EUROPE

Institutions for occupational retirement provision (IORPs) provide occupational retirement schemes offered by employers to their employees. Occupational pension schemes are often considered the second pillar of a country's pension system, on which many citizens rely for income in retirement. To ensure the proper functioning of the internal market and safeguard the protection

of members and beneficiaries, IORPs are subject to regulation and oversight. EIOPA plays a key role in this regard. One of our main tasks is to contribute to the sound, effective and consistent regulation and supervision of IORPs in the European Economic Area (EEA). The data presented in this factsheet is as of the end of 2021, unless indicated otherwise.

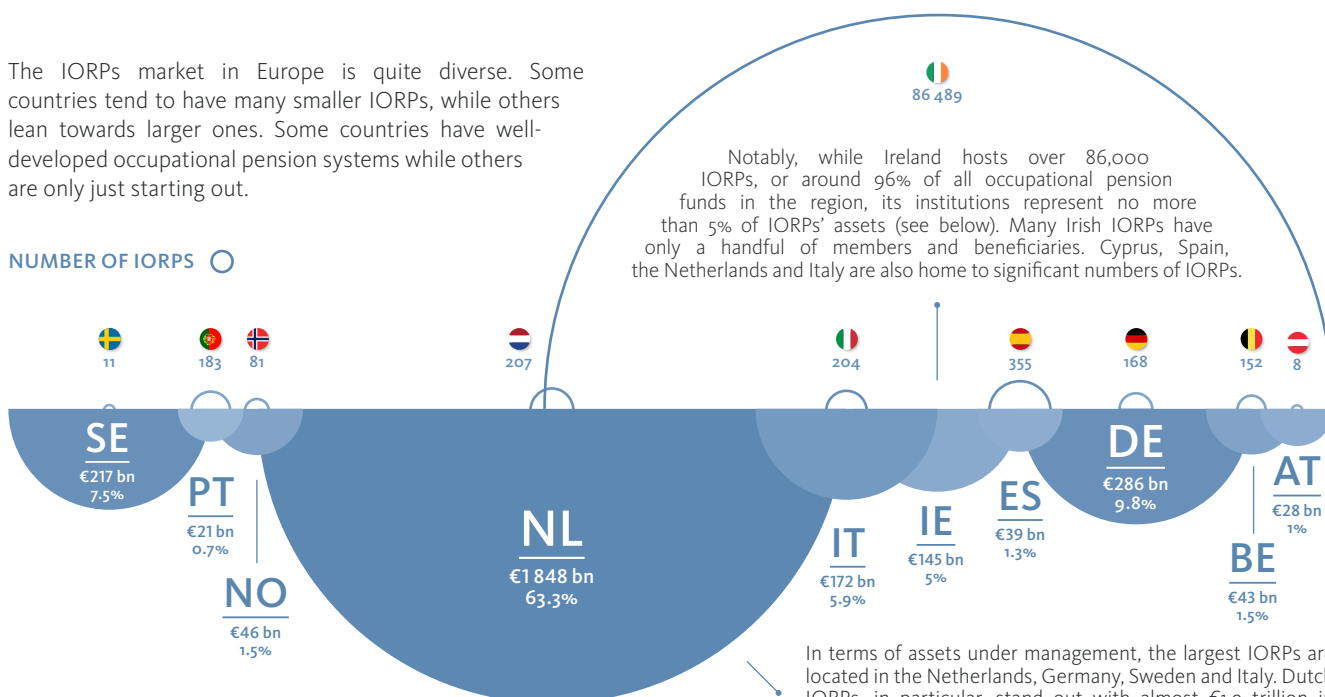
SIZE OF THE IORP SECTOR



TOP 10 EEA COUNTRIES IN TERMS OF IORPs ASSETS

The IORPs market in Europe is quite diverse. Some countries tend to have many smaller IORPs, while others lean towards larger ones. Some countries have well-developed occupational pension systems while others are only just starting out.

NUMBER OF IORPs



ASSETS UNDER MANAGEMENT

In terms of assets under management, the largest IORPs are located in the Netherlands, Germany, Sweden and Italy. Dutch IORPs, in particular, stand out with almost €1.9 trillion in assets under management. They account for nearly two thirds of the occupational pensions market in Europe.

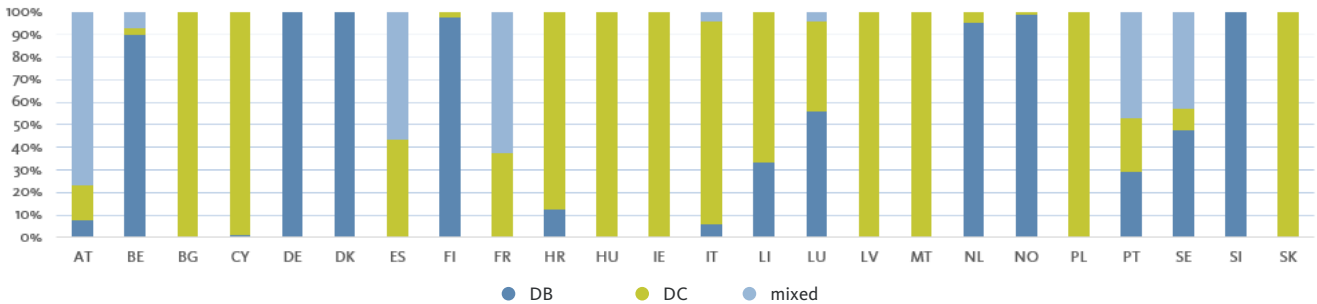
DEFINED BENEFIT OR DEFINED CONTRIBUTION?

Member states show great variety also in terms of what type of IORP dominates their market. While defined benefit schemes are still the most widespread in some countries, others now primarily run defined contribution schemes. There is a general shift towards defined contribution schemes across Europe.

DEFINED BENEFIT (DB) schemes usually provide a pre-defined monthly income at retirement, based on the years of contribution and the member's salary. Employers are often responsible for the funding of the DB plan, assuming the investment risk.

DEFINED CONTRIBUTION (DC) schemes build up capital from the fixed contributions paid by employers and employees and the return on investments. Employees bear the risks as the eventual pension benefit depends on the performance of the investment assets.

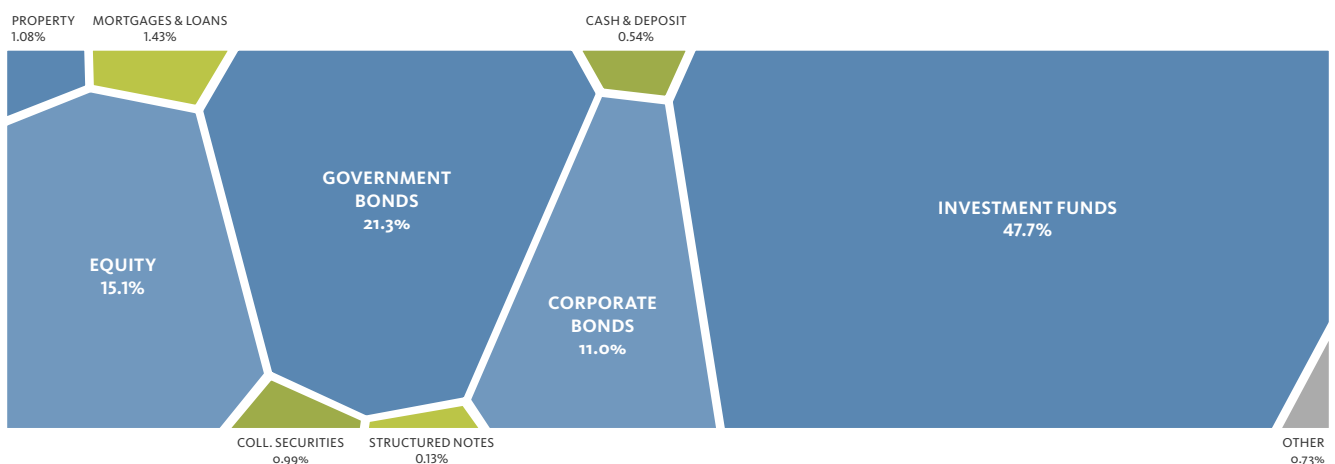
TYPES OF IORPs BY MEMBER STATE



WHAT ARE SOME RECENT TRENDS?

DB vs DC	over the past years, more and more IORPs have embraced defined contribution schemes	31% in 2013 → 43% in 2021 <small>of active members</small>
MULTISPONSOR	another trend is the rise of multisponsor IORPs, of which almost 40% are IORPs with unrelated sponsors established by commercial service providers	659 IORPs in 2020 → 718 IORPs in 2021
CROSS-BORDER	the number of IORPs operating across different member states remains low and is not expected to grow substantially in the near future	31 IORPs ≈ €13 bn in assets in 2021

WHAT ASSETS DO IORPS INVEST IN?



LEARN MORE



Visit the dedicated webpage:
https://www.eiopa.europa.eu/tools-and-data/occupational-pensions-statistics_en

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