

Debating the future of Pension schemes in Europe

BPW Europe¹ wishes to participate in the updating of the Position Paper of the European Women's Lobby² by making the voice of its members heard.

European BPW members are women working in all professions in 30 European countries. They can contribute by giving their opinion, telling their story or that of fellow workers. They can bring to the debate their personal expertise. They have experience in balancing a busy professional life and an active family life. They are interested in making things change to build a better society for women of all walks of life.

Pensions are a concern for all working women. You do not need to be a specialist to participate in this debate.

It is of the utmost importance that all upcoming reforms to pension schemes take into consideration the real issues and difficulties of working women to achieve systems which do not penalise women who, in addition to their profession, generally support the largest share of domestic work, child raising and care for the elderly.

Make your voice heard and answer the attached questionnaire. It is a variation on a questionnaire proposed by the European Women's Lobby.

We have tried to put questions in such a way that most of the time you can just answer Yes/No, but also have the possibility to have your say at each stage of the process if you wish to. It will only take you about 10 minutes to answer the basic questions.

You will find below a short introduction from the EWL.

It important to read it and answer the questionnaire!

You can send your answer to: retraite2010@bpw-europe.org before 30 September 2010

¹ To know more about BPW Europe and BPW International www.bpw-europe.org www.bpw-international.org

² www.womenlobby.org

Updating the EWL's Position Paper on pensions – Issues to consider and questions to answer

Background

The EWL position paper on pensions entitled “*The reform of pension systems must ensure greater gender equality in the European Union*” was adopted in 2001³. While the issues raised in this document form a good basis relating to the principles on pension rights for women and are still relevant, the last decade has brought the issue of pension to the forefront in political debate particularly in light of the financial sustainability of pensions throughout Europe in the context of a declining demographic framework.

The working population, which is the main source of pension funding, will drop considerably over the next decade, leaving huge holes in pension systems, particularly state pensions. The recession is also an additional factor that is putting strain on state pension provisions.

It is expected that 2012 will be designated **European Year for Active Ageing and solidarity between the generations**, in which key issues such as

- sustainability of public pension systems,
- removal of the official age of retirement and
- shifts from collective public funded systems to more individual pension systems

will be on the agenda. It is therefore urgent to update the EWL position taking into consideration the changing socio-economic and demographic environment.

However, it should be noted that over and above this changing context, pensions have always reflected the male-cycle as **entitlement to a full pension is based on an uninterrupted career spanning between 40 to 45 years in most countries**. Because of women's disproportionate share of care and breaks in employment, for many women, work patterns have rarely corresponded to this requirement, with the consequence that they have either continued to depend on their partner (derived rights) and/or have to live on a small pension, increasing their risk of poverty as they age.

Furthermore, the persistent gender pay gap throughout their working lives means that they have not been able to accumulate savings to finance their retirement and/or fund private pension schemes throughout their working lives. The gender pension pay gap should also be placed within the context of the gender pay gap.

Policies and provisions that govern pensions are complex.

They encompass contributory (employment-related) and non contributory factors as well as group contributions (according to the sector of employment) and private individual contributions through private insurances.

These forms are divided into three pillars: **first pillar** – state/public pension in which equality between women and men is guaranteed; **second pillar** – work related complementary pensions, often paid in a group/collective way according to the sector of the economy; equality between women and men is not an objective of these schemes and therefore direct and indirect discrimination can be detected. Finally, **third pillar** pension relate to private individualised private insurance schemes.