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OF EUROPE

Pension Tracking Systems

Interesting or important?

ECA 2024, Rome

6 June 2024

Content

- Definitions
- A little history
- Current situation on PTS's
- The future of PTS's
- The role of the actuary

Definitions

- Pension tracking service = pension tracking system
- Pension Tracking System (PTS) is an online tool for providing citizens with overview of all their pensions' entitlements in one place, in an accessible and understandable way.
- The scope - all pensions sources (statutory and supplementary) are included:
 - **1st Pillar** = state pension
 - **2nd Pillar** = occupational pension
 - **3rd Pillar** = personal pension

Definitions

- **Pension Dashboard:** an online visual tool that enables users to view and interact with different indicators through the same platform. The dashboard provides a comparable, transparent and up-to-date view of the adequacy and sustainability of national pension systems.

Main role of PTS

- **Information – Awareness – Decision making**
- Action 9 from Capital market Action plan 2020 of EC “Support people in their retirement”
- PTS should help citizens:
 - To obtain all pensions entitlements in one place.
 - To understand what income they could expect.
 - To assess if this will be sufficient.
 - To raise awareness for the needed additional time of service which to increase their future pensions benefits

A little history: PTS developments

- First mentioning pension tracking services in White paper on pensions (**European Commission**, 16 February 2011)
- **AAE**: report on four existing pension tracking services (October 2013)
- The European Commission commissioned **TTYPE (Track and Trace Your Pension in Europe)** in 2013: high level design ETS including recommendations for implementation (published in 2016)
- **AAE**: report on developments in six EU countries on PTS's (February 2015)
- Call for proposals on establishing a **European Tracking Service on Pensions** (2018). In 2022 the ETS Project Consortium reported how they have set up an ETS
- **EIOPA**: published technical advice on pension tracking services (30 November 2021) with a purpose to develop good practices for setting-up pension tracking systems on a **national level**.
- **IORP II review**: pension tracking services in relation to the Pension Benefit Statement (28 September 2023)

AAE research on the existing PTS

- **Report on key issues from the review of national tracking services (October 2013)**
 - Survey on four countries: Denmark, Finland, Sweden, The Netherlands
 - Description of pension system and existing pension tracking service
 - Looking at (amongst others): tooling, refreshing information, supervision, costs, what benefits are covered, actuarial techniques

AAE report on challenges for setting up national PTS

- **Report on key issues for setting up national pension tracking services in six EU-countries (February 2015)**
 - Survey on six countries: Belgium, France, Germany, Hungary, Ireland, United Kingdom
 - Is it possible to set up a PTS in other countries?
 - Number of occupational pension plans and differences in the retirement benefits can be a challenge, importance of state pensions in terms of the replacement ratio, digital literacy, unique identifier
 - Available information
 - State and occupational pension Personal Benefit Statements, information on request, accrued and projected benefits, no legal obligation to inform on financial risks, different calculation rules (annuitization, projected capital)

EIOPA-report 2021

Technical advice on the development of pension tracking systems, 1 December 2021

“The main goal of the PTS is to provide an overview of accrued entitlements and projected retirement income provided by all possible pension sources in a simple, understandable and meaningful manner to citizens within Member States”

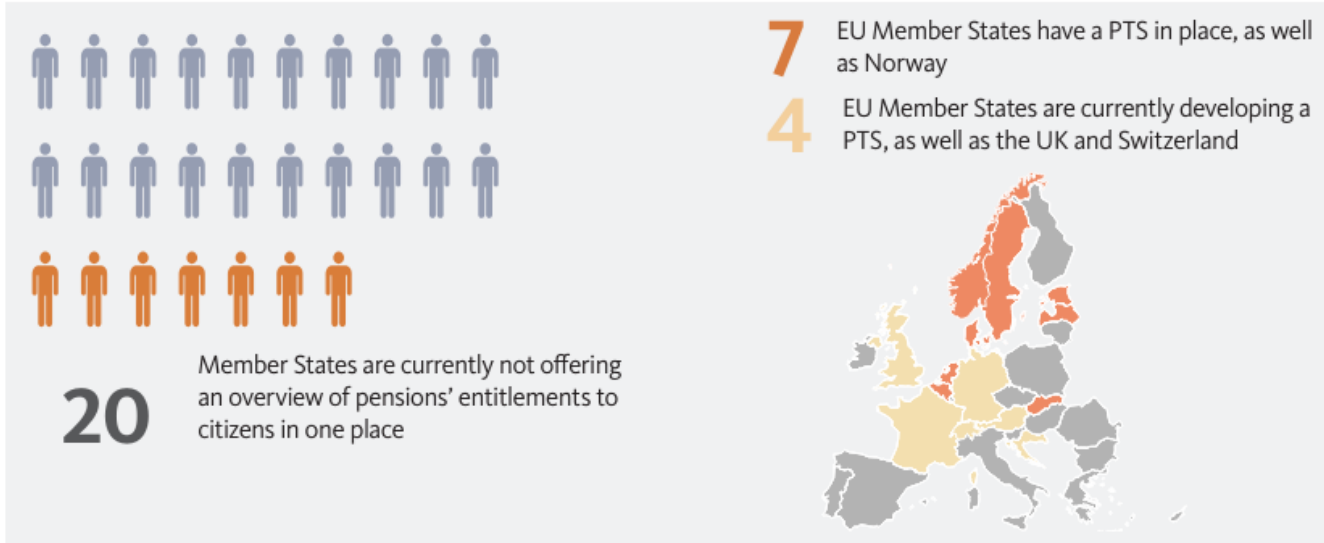
EIOPA-report 2021

WHY IT MATTERS TO EU CITIZENS?

- › It allows citizens in a Member State to obtain an overview of **all their pensions' entitlements in one place**, in an accessible and understandable way.
- › It helps citizens understand **what income they can expect** in retirement and **raise their awareness on whether this will be sufficient**.
- › It helps **to engage citizens and increase knowledge of their pension situation**

Current PTS's in Europe

PENSION TRACKING SYSTEMS (PTS) IN EUROPE



Source - EIOPA-report 2021

Examples of existing PTS's

PensionsInfo

 Demo Da | En [Log ind](#)

Et samlet overblik over alle dine pensioner og forsikringer

[Log ind med](#) 



Uw online pensioendossier

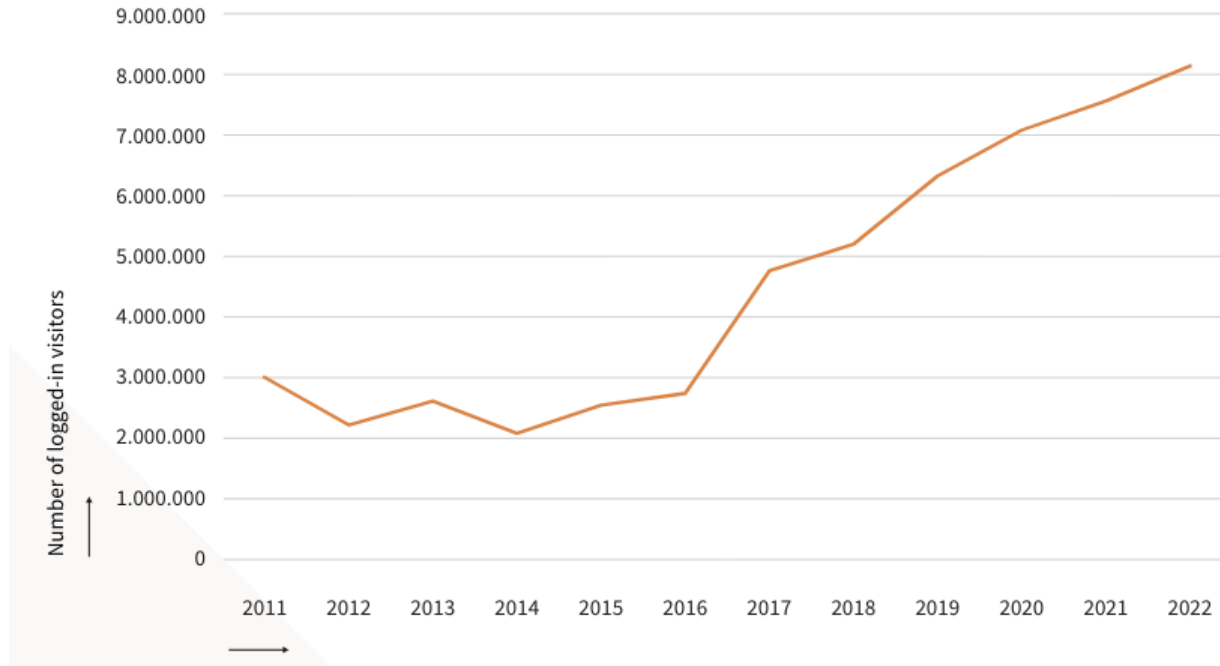
[AANMELDEN](#)
[Identificatiesleutel](#)

Problemen bij het aanmelden?



The future of PTS's

FIGURE 1: MIJNPENSIENOVERZICHT.NL IN THE NETHERLANDS



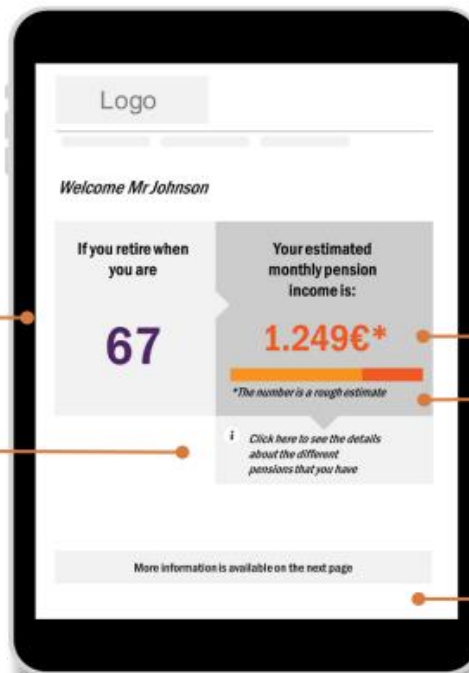


The future of PTS's (2).

Mobile first as
design method
keep the
information
simple &
understandable

DEFAULT
RETIREMENT AGE

Signpost to see the break-
down by pension source



ESTIMATED INCOME AT
RETIREMENT*

Disclaimer that projections
are only estimates

Possibility to download the
information

The future of PTS's

- Goal is to achieve adequate financial situation at retirement by:
 - Offering a technical solution for simplifying the access to pension information
 - Increasing pension awareness
 - Simplifying pension information
- Challenges
 - What information do people need?
 - How to be able to compare pensions?

Connectivity to the European Tracking Service (ETS)

- Set-up national PTS is a prerequisite
- Compatibility of **national data standards** and solutions with the standards set by the ETS - recommended not required
- Removal of legal obstacles for **data transfer** between national PTS and ETS?

Role of Actuaries in developing national PTS's

- to define products;
- to propose common assumptions;
- to define data needed.



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Pension Tracking Systems:

not only nice-to-have
but
need-to-have



Thank you!

Its purpose is to provide advice and opinions to the various organisations of the European Union – the Commission, the Council of Ministers, the European Parliament, EIOPA and their various committees – on actuarial issues in European legislation.

Who is Tatiana Bitunska?

Working in the pension industry for more than 20 years.

Chairperson of the AAE Pensions Committee and a member of the Social Security sub Committee.

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Currently actuarial consultant in Life Insurance and Pensions area.



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Who is Jeroen van den Bosch?

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