

INPRS

INTERNATIONAL NETWORK OF PENSIONS REGULATORS AND SUPERVISORS

In cooperation with

Organisation for Economic Co-operation and Development



Organisation de Coopération et de Développement Économiques
Under the aegis of the Center for Co-operation with Non-Members

and the Partners for Financial Stability Program

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QUESTIONNAIRE ON PERSONAL PENSION PLANS

OECD Secretariat

REGIONAL MEETING FOR THE EASTERN AND
CENTRAL EUROPEAN COUNTRIES

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I. Questionnaire on Personal Pension Plans

1. Introduction and Statement of Objective

The Working Party on Private Pensions has launched a comprehensive data collection project covering the regulatory and supervisory practices in all its Member countries. The first stage of this project is the development of a common methodology for collecting this information. Currently, the Working Party is discussing a taxonomy for private pension systems. This taxonomy exercise is focusing on various criteria that can be used in a cross-country classification of pension plans and pension funds.

This questionnaire on personal pension plans has been prepared by the Secretariat with the objective to complete most adequately this analytical work and data collection.

II. Definition of Personal pension plans (PPP)

Personal Pension plans (PPP) are products that meet all the five following criteria:

Criterion	Definition
Retirement Objective	<p>Personal arrangements primarily designed to provide a source of income either</p> <ul style="list-style-type: none"> • as financial market products that have an explicit retirement objective, or • through benefits that - in order to satisfy tax related conditions or contract provisions - can not be paid at all or without a penalty unless the beneficiary is older than a legally defined retirement age.
Financing Method	Funded in marketable assets and financial instruments derived from individual and / or employer contributions.
Eligibility	Access does not depend on an employment relationship. That is, except for possible contributions from the employer, individuals independently purchase and determine material aspects of the arrangements without regard to their particular employers or their membership in particular employment-based associations.
Enrolment	<p>Can be either</p> <ul style="list-style-type: none"> • voluntary, or • mandatory.
Type of plan	Individual.

III. Data collection

1. Product regulation

1.1. Are personal pension products governed by a specific statutory or regulatory framework?

1.2. Please name the main types of personal pension plans currently available.

Reference number	Name of product (type of personal pension plan)
1)	
2)	
3)	
4)	
5)	
6)	

*

(add more lines if necessary)

1.3. Specify the relevant laws and regulations governing personal pension plans and identify their originator.

Reference number	Laws and regulations and originator)
1)	
2)	
3)	
4)	
5)	
6)	

1.4. Is the pension product required to offer any kind of guarantees (i.e. against investment / longevity risk)? If they are not required, are they allowed to offer them?

Reference number	Guarantee requirement
1)	
2)	
3)	
4)	
5)	
6)	

1.5. Is it possible to transfer the accumulated amount from one tax-free form to another? If so, under what conditions?

Reference number	Possibility to transfer accumulated amount
1)	

* In all the questions please follow these same reference numbers.

2)	
3)	
4)	
5)	
6)	

1.6. Describe any regulations on the form of entry fees and on-going management charges, and specify the maximum value under the legislation. If relevant, please differentiate single-premium and regular premium products.

Reference number	Entry fees and management charges
1)	
2)	
3)	
4)	
5)	
6)	

1.7. Specify the category of eligible persons for the particular product. (Example: “only for individuals who are not already members of an occupational pension scheme”)

Reference number	Categories of eligible persons
1)	
2)	
3)	
4)	
5)	
6)	

1.8. Are personal pension products usually given tax incentives? If relevant, please describe in detail the tax treatment of contributions, investment returns and benefits.

Reference number	Tax incentives
1)	
2)	
3)	
4)	
5)	
6)	

1.9. Do the regulations allow opt-out, at least partially, of public and/or occupational schemes in order to join a personal pension plan? What conditions must the personal pension plan satisfy in order to be acceptable for opt-out?

Reference number	Conditions to be eligible for opt-out
1)	
2)	
3)	
4)	
5)	
6)	

1.10. Specify the type of underlying asset(s) allowed by regulation. Please make a special note of a product based on a single asset-type (e.g. company's own stock) vs. a product based on a diversified portfolio (indicating the relevant portfolio limits).

Reference number	Type of underlying asset(s)
1)	
2)	
3)	
4)	
5)	
6)	

1.11. Specify whether the employer must or may contribute, and any limits on the employer's contribution.

Reference number	Employer contributions
1)	
2)	
3)	
4)	
5)	
6)	

1.12. Describe the permitted and/or required method and periodicity of contribution payment, if any. Indicate whether a minimum threshold of contributions and/or a ceiling on contributions exists, specify how the floors/ ceilings are fixed (as a fixed amount or as a percentage).

Reference number	Contribution payment
1)	
2)	
3)	
4)	
5)	
6)	

1.13. Specify whether it is possible to obtain pre-retirement distributions (e.g.: loans to members). Describe the circumstances of this (e.g.: leaving the plan).

Reference number	Possibility for partial withdrawal
1)	
2)	
3)	
4)	
5)	
6)	

1.14. Do some products allow the beneficiary to retire earlier than allowed under the general public system? If so, how earlier is it allowed? In such a case, what are the penalties, if any?

Reference number	Possibility of early retirement
1)	
2)	
3)	
4)	
5)	
6)	

1.15. What form of distributions are allowed (ex. lump sum payments, annuities)?

Reference number	Allowed distributions
1)	
2)	
3)	
4)	
5)	
6)	

1.15.1. Where relevant please describe the type of annuities that can be offered in more detail. Note any cases where one or more forms of annuities are required.

Reference number	Description of annuity
1)	
2)	
3)	
4)	

5)	
6)	

1.15.2. If a certain form of distribution is prohibited, please specify it and the underlying reason for its prohibition.

Reference number	Reason for prohibition
1)	
2)	
3)	
4)	
5)	
6)	

1.16. What is the maximum age when distributions must commence?

Reference number	Maximum age
1)	
2)	
3)	
4)	
5)	
6)	

1.17. Describe the rules regarding the disclosure to customers. Indicate the type of information to be disclosed and the required frequency. Differentiate what information needs to be disclosed during establishment of membership and what needs to be disclosed throughout membership.

Reference number	Disclosure to customers
1)	
2)	
3)	
4)	
5)	
6)	

2. Provider regulation

2.1. Which financial institutions are authorised to “sell” personal pension products?

2.2. Does a specific statutory or regulatory framework govern personal pension product providers?

2.3. Are providers of personal pension products subject to a different regulatory framework than the one to which they would be subject if they only provided other (non-pension) products?

2.3.1. Are providers subject to differential regulatory treatment depending on whether they are banks, insurance companies, investment companies or specialised pension providers?

2.4. Specify the type of manager / institution for each product category. If more than one type of institution may manage the product, please list in order of importance. Please indicate the measure used for this ordering.

Reference number	Manager / institution
1)	
2)	
3)	
4)	
5)	
6)	

2.5. Have any problems stemming from the distribution of personal pensions (mis-selling of pension products, etc.) been encountered? Please give a brief description when relevant.

2.6. Are equivalent fit and proper standards required in respect of all sales agents allowed to sell pension products, whatever their legal status and the type of institution to which they may be tied? If different standards apply to different products and/or institutions, please elaborate.

2.7. Are there any educational institutions offering cross-disciplinary training (in actuarial techniques, finance, taxation, etc.) specifically tailored to the sale of pension products? In such a case, is this diploma required for selling pension products?

2.8. What is the proportion of sales agents in different distribution channels (e.g. independent, tied, direct salesforce)?

2.9. How are sales agents' commissions determined?

2.10. What are the current requirements in terms of transparency and disclosure of information on sales agents?

2.10.1. Are sales agents required to inform their customers about their ties to particular institutions and about their commissions? How is this information to be communicated to customers (e.g.: in writing or verbally)?

2.10.2. Are they required to give the prospect a standardised simulation (with a definite number of years, return rate on investment...)?

2.10.3. What are the rules concerning disclosure of information about the past performance of the particular pension product being offered?

2.11. What are the legal responsibilities of sales agents that sell personal pension plans?

2.11.1. What kind of professional indemnity insurance is required of intermediaries who sell pensions?

2.11.2. What are the penalties for mis-selling personal pension products?

3. Economic Importance, Reforms in progress and outlook *

3.1. What is the amount of assets under management for personal pension plans?

Amount of assets	Currency
As % of GDP	

3.1.1. How has this changed in recent years?

Year						
19__	19__					2000
Amount of assets						

3.2. What proportion (as a percentage) of aggregate pension benefits do the personal pension plans represent in a given year?

Aggregate pension benefits	Personal pension plans	Percentage

3.2.1. How has this changed in recent years?

Year						
19__	19__					2000
Percentage						

3.3. What is the number of members affiliated to personal private pension plans? Make a distinction, if possible, between those participating in a single PPP scheme and those participating in several schemes.

Number of members affiliated	Members in a single PPP	Members in multiple PPP

3.3.1. How has it changed in recent years?

Year						
19__	19__					2000
Number of members affiliated						

* In all the questions in the section, if exact data is not available please provide your best estimate.

Members in a single PPP	Members in multiple PPP																		

3.4. What proportion (as a percentage) of the labour force is affiliated to one or more personal pension plan(s)?

Labour force	Members in PPP	Percentage

3.4.1. How has this changed in recent years?

Year	19__	19__					2000
Percentage of labour force							

3.4.2. If possible, make a distinction on the basis of socio-professional category (salaried or self-employed, branch of industry, etc.) and income level.

3.4.3. Have other significant distinctions (on the basis of gender, age, place of residence - capital or large city versus rural area - home ownership, etc.) been identified/quantified?

3.5. What proportion (as a percentage) of old-age pensioners is affiliated (as contributor or as party entitled to benefits) to one or more personal pension plan(s)?

Old-age pensioners	Members in PPP	Percentage

3.5.1. How has this changed in recent years?

Year						
19__	19__					2000
Percentage of old-age pensioners						

3.5.2. If possible, make a distinction on the basis of socio-professional category (salaried or self-employed, branch of industry, etc.) and income level.

3.5.3. Have other significant distinctions (on the basis of gender, age, place of residence - capital or large city versus rural area - home ownership, etc.) been identified/quantified?

3.6. What is the proportion of persons affiliated to personal pension plans who do not participate in an occupational scheme?

Members in PPP	Members in PPP who do not participate in an occupational scheme	Percentage

3.6.1. Do they not have access to an occupational scheme or is it a matter of choice (e.g. for reasons of flexibility, portability or transparency)?

3.7. How has the fiscal treatment of personal pension products evolved over the recent years?

3.8. What are the recent, current and planned reforms regarding the personal pension market?

3.9. Are there significant new trends regarding new products (e.g.: increased flexibility - for the periodicity of payments or for withdrawals -, more possibilities to participate in the management of funds, or at least to choose the type of management and the level of risk, etc.)?

3.10. What is the outlook for this type of pension product?

3.10.1. Is the pension market considered to be emerging, mature or maturing?

3.10.2. What are the main drivers for change?

IV. Statistics *

4.1. Please indicate the approximate investment mix for the pension product.

Reference number	Investment mix
1)	
2)	
3)	
4)	
5)	
6)	

4.2. Specify the average return on investment, please indicate the reference period for this data (e.g.: quarterly data, average of last 5 years, etc.), and a brief description of its definition (i.e. net of taxes and/or charges, etc.). If average figures are not available please provide the spread of returns.

Reference number	Average (or spread of) investment return
1)	
2)	
3)	
4)	
5)	
6)	

4.3. For which type of benefit (annuity or lump sum) do the majority of savers opt for?

Reference number	Type of benefit chosen
1)	
2)	
3)	
4)	
5)	
6)	

* In all the questions in the section, if exact data is not available please provide your best estimate.

4.4. Which types of personal pension products currently enjoy the largest market shares?

Please indicate the measure used for this ordering.

Reference number	Approximate market share
1)	
2)	
3)	
4)	
5)	
6)	

4.5. What is the amount of assets managed for the personal pension plans by each of the main categories of providers (insurance companies, banks, investment companies, specialised pension providers)?

Amount of assets managed by....	Value
...insurance companies	
...banks	
...investment companies	
...specialised pension providers	

4.5.1. How has this changed in recent years?

Year						
19__	19__					2000
Share of banks						
Share of insurance companies						
Share of investment companies						
Share of specialised pension providers						

4.5.2. If no exact data is available, please give an estimate of the share of the personal pension market covered by each of the main type of providers.

V. Contact details

Name of the person(s) who completed this questionnaire	
Position	
Agency	
Email	
Telephone	
Fax	

Please comment on the overall questionnaire.
