

IN BRIEF

#IORPS #OCCUPATIONALPENSIONS #RETIREMENT

IORPS OVERVIEW 2024

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 to supplement their retirement income. 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 2023, unless indicated otherwise. This year's factsheet does not include information on IORPs in Cyprus, Greece and Ireland.

SIZE OF THE IORP SECTOR

1 419

IORPs

71.6 m

members and beneficiaries

€2 720 bn

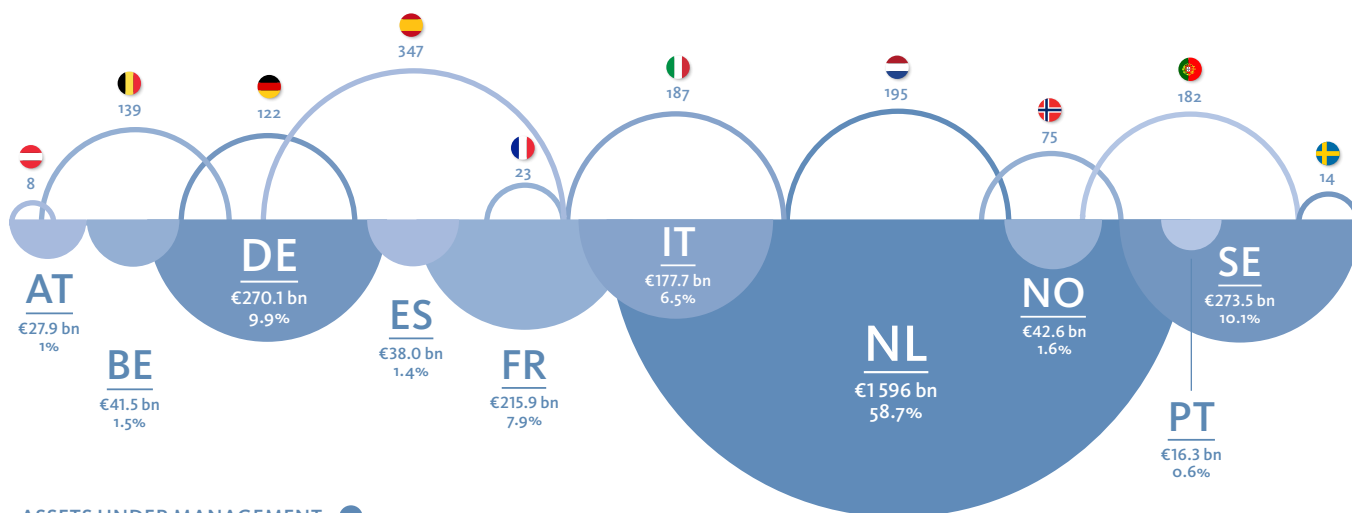
in assets

TOP 10 EEA COUNTRIES IN TERMS OF IORPs' ASSETS

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

In terms of assets under management, the largest IORPs are located in the Netherlands, Sweden, Germany and France. Dutch IORPs stand out with almost €1.6 trillion in assets under management, which accounts for more than half of the entire market.

NUMBER OF IORPS ○



ASSETS UNDER MANAGEMENT ●

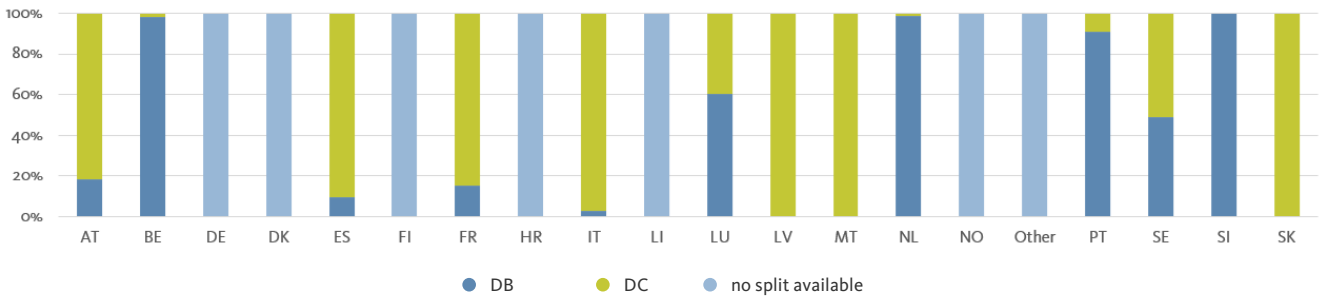
DEFINED BENEFIT OR DEFINED CONTRIBUTION?

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.

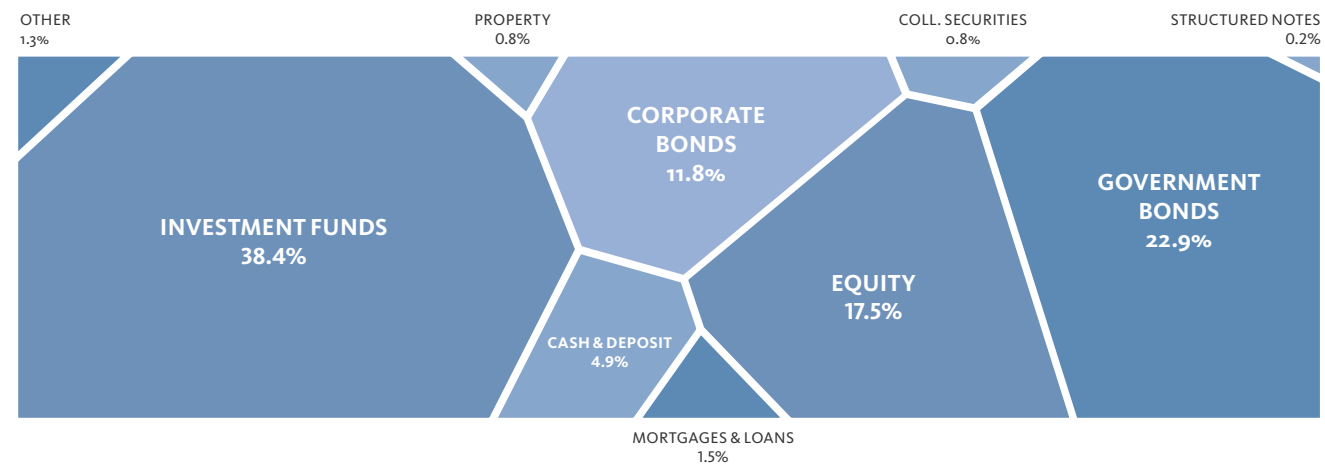
SPLIT OF POLICIES BASED ON AUM PER MEMBER STATE



WHAT ARE SOME RECENT TRENDS?

DB vs DC	over the past years, more and more IORPs have embraced defined contribution schemes	31% in 2013 → 59% in 2023 of active members
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 → 703 IORPs in 2023
CROSS-BORDER	the number of IORPs operating across different member states remains low and has even decreased recently (from 31 IORPs with ca. €13 billion in assets in 2021)	28 IORPs ≈ €11 bn in assets in 2023

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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