

#5

NEWSLETTER

FLEXIBILITY FOR THE FUTURE

PENSIONS ACROSS BOARDERS

RESAVER
THE LATEST UPDATES

JUNE 2019

IN THIS ISSUE

UPDATE FROM THE EDITOR	3
DRIVING EXCELLENCE	4
MEMBERSHIP UPDATES	5
RESAVER TESTIMONIALS	6
RESAVER INSIGHT INVESTMENT PERFORMANCE UPDATE	7
RESAVER INSIGHT INTERVIEW WITH BLACKROCK	8
RESAVER INSIGHT GIVING YOU MORE DETAIL . . .	
DIFFERENCES BETWEEN PEPPS AND RESAVER :	10
SUMMARY ABOUT IORP II:	10
HOW TO JOIN RESAVER	11
INTRODUCING YOU TO THE DIRECTORS OF THE IORP	12
HAVE YOU SEEN OUR PROMOTIONAL VIDEO?	14

FOR RESAVER UPDATES

Visit our website

www.resaver.eu/news/

UPDATE

FROM THE EDITOR

Welcome to the latest edition of the RESAVER Newsletter. In this issue we will bring you up-to-date with the latest information about RESAVER and the RESAVER Pension Fund.

RESAVER Pension Fund has been fully operational for almost two years. The management of the pension fund runs well with the help of external providers whose activities are monitored closely by the Board of Directors.

RESAVER operates on a cross-border basis. The Hungarian country section was the first one that was opened, followed by the Austrian section early 2019. Many European countries have experience in cross-border IORP activities and the fact that these funds have been operating smoothly since their inception is reassuring for RESAVER.

Several academic and research institutions flagged interest to join RESAVER as they set eyes on the benefits of a cross-border, multi-employer pension fund which is operating on a defined contribution basis. Both employers and employees are starting to realise the advantages of being members of RESAVER which offers consistent communication and investment solutions across Europe at competitive rates, good investment performance, flexibility and mobility to the researcher communities.

We hope you find the information covered in this newsletter useful and informative. You can always find out more information about RESAVER on our website at: www.resaver.eu

#5

NEWSLETTER

JUNE 2019

THE EDITOR

DRIVING EXCELLENCE

IN RESEARCH THROUGH RESEARCHER MOBILITY

One of the main drivers of excellence in research is the mobility of researchers, in both academic and other entrepreneurial environments.

To this end, the Commission decided to support a consortium of employers through Horizon 2020, to create RESAVER Pension Fund, a single European pension fund tailor-made for research organisations and all their employees.

RESAVER stands for **R**etirement **S**avings **V**ehicle for **E**uropean **R**esearch Institutions and it is a momentous step forward in establishing the European Research Area (ERA).

After obtaining approval from the Belgian regulator, Financial Services and Markets Authority (FSMA), RESAVER Pension became operational in June 2017.

The European Commission is supporting RESAVER to help mobile researchers throughout the EEA to tackle the obstacles related to supplementary pension benefits, when moving between countries and institutions.

Already five EU countries are either enjoying the benefits of this initiative or are in the process of implementation. For most of the other EEA countries, RESAVER is expected to be operational in a timeframe of 6-9 months, with clear advantages for both institutions and all their employees.

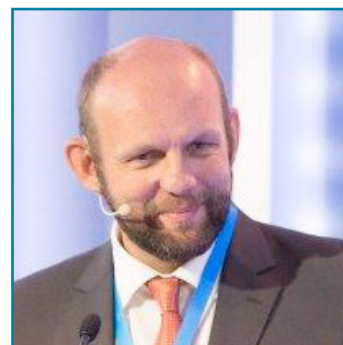
Inadequate pensions are leading to fragmentation of the European labour market for our researchers. The solution to overcome these difficulties is the first and only Pan-European occupational pension fund for research organisations, called RESAVER.

We are working hand in hand with European research performing organisations to increase their attractiveness and offer their main asset, the researchers, a seamless flow of mobility.

We can now proudly say:

*“ Go cross-border?
Take your RESAVER pension rights with you! ”*

Jean-David



Jean-David Malo

*Director of Open
Innovation & Open Science
at Directorate-General
for Research and Innovation
(European Commission)*

MEMBERSHIP UPDATE

NEW INSTITUTIONS IN THE CONSORTIUM AND IN THE PENSION FUND

FROM AUSTRIA

When BBMRI-ERIC, the European research infrastructure for biobanking, joined the RESAVER Consortium at the end of 2017, they immediately expressed their devotion to join the RESAVER Pension Fund as well. On 1 January 2019 this became reality and with BBMRI, RESAVER Pension Fund had its first Austrian member institution. An ERIC (European Research Infrastructure Consortium) joining RESAVER Pension Fund is a milestone that was long awaited. Other ERICs are expected to join RESAVER in the course of 2019.

FROM ITALY

There have been developments in Italy too. A new collective bargaining agreement has been signed in Trento region covering two institutions: Fondazione Edmund Mach (FEM) and Fondazione Bruno Kessler (FBK). RESAVER is indicated in this agreement as a second pillar option. This is a clear sign of support from the trade unions which traditionally play an important role in decision making on employee benefits in Italy. Following this news, FEM and FBK – already members of the RESAVER Consortium – expressed their commitment to join the Pension Fund.



FOCUS ON OTHER COUNTRIES

Netherlands – Some pension funds in Belgium have already a cross-border activity with the Netherlands. The contribution is usually age-related to comply with local regulations. RESAVER can offer a wide range of investment solutions as there is no capital guarantee. Annuity payments from RESAVER are guaranteed or variable.

Luxembourg – A new pensions' law has recently been introduced in Luxembourg. Employees from the public sector with an income below the social security ceiling can now also benefit from a 2nd pillar pension. It is market practice in Luxembourg to offer a supplementary pension plan on top of the generous state pension. Employees are usually receiving investment choices because of the absence of capital guarantee. A lump sum is usually paid at retirement.

RESAVER

TESTIMONIALS



Luca Visentini

(General Secretary)
European Trade Union Confederation
(ETUC)

*“ ETUC follows with interest the development of **RESAVER** which can be a useful tool to facilitate the mobility of employees of organizations engaged in research activities in Europe.*

*I hope that the contact between **RESAVER** and the Trade Union Organizations will continue both at European and national level, so that together we can collaborate for the success of the project. ”*



Carmen Cristea

(Finance Manager)
BBMRI-ERIC

*“ We are very excited as we now start this new phase of our collaboration with **RESAVER**. All the support we have received in preparing for January 2019 (go-live date in the pension fund) has made our journey remarkably smooth and the feedback we have received from our members is incredibly positive. Being a member of **RESAVER** has given us the upper hand in meeting the needs of our existing staff and a valuable tool in our recruitment efforts.*

We're also very proud to be both the first ERIC and the first organisation in Austria to join the pension fund and truly hope that after we have opened this door many more organisations will follow. ”

RESAVER INSIGHT

INVESTMENT PERFORMANCE UPDATE

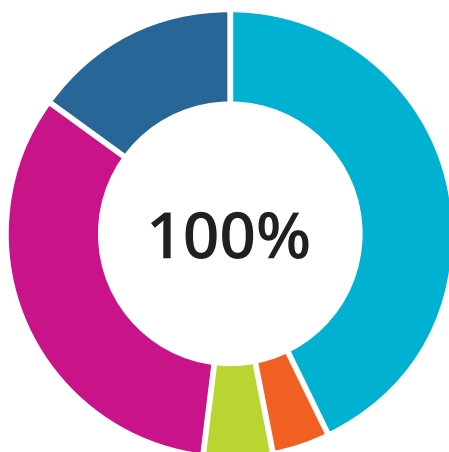
2018 INVESTMENT UPDATE

At the beginning of last year market expectations were positive. The poor performance in 2018 is market related and not specific to RESAVER. Assets of RESAVER are invested passively and therefore aligned with the market performance.

It is important to note that pension assets are typically invested for the longer term. For this reason investment performance data will only give a realistic picture if we look at a longer period. A negative return in a given year is expected to be balanced out by years when assets perform above average.

The chart below shows the asset allocation of investment funds that RESAVER holds. Most funds are managed passively and as a result their performance closely follows the benchmarks.

Assets allocated as 31 December 2018



World Equity	43%
Europe Equity	4%
Emerging Markets Equity	5%
Euro Aggregate Bond	33%
Euro Government Bond	15%
Other	0%

ESG INVESTMENTS

More and more pension funds start to consider integrating ESG benchmarks into their investment decisions. ESG refers to three factors (Environmental, Social and Governance) in measuring the sustainability and ethical impact of an investment in a company. Currently RESAVER's assets are not invested following ESG guidelines, however, the RESAVER Pension Fund is looking into options as soon as there is real demand coming from the member organisations.

The European Commission is an advocate of ESG investments. They proposed that the European Supervisory Authorities start to consider sustainability in supervisory activities. One of the Authorities is EIOPA (European Insurance and Occupational Pensions Authority) who analyse occupational pension schemes and insurers across the EU and will carry out a sustainability stress-test over the course of 2019.

RESAVER INSIGHT

INTERVIEW WITH BLACKROCK

As the investment provider for RESAVER, can you answer a few questions for us?



Danilo Zelinski

*Institutional Sales
Vice-President at BlackRock*

How long have you been working with multinationals on their pension investment?

In 2018, BlackRock celebrated its 30 year anniversary. Over the years our clients – and especially many multinational corporates and organisations – have designed and improved their pension plans for their participants. Learning from early developments, best practices have evolved in plan design, communications, administration and investments.

Who are your other big clients?

As the largest asset manager in the world, BlackRock is proud to work with a wide range of clients, from international corporate pension funds to governmental bodies, to wealth managers. Pension plan design and investment strategy are at the core parts of our business and client base. Especially their international aspect demands for innovation and efficiency, as all participants should benefit from a strong pension set-up, regardless of their physical location. This aspect is especially true at RESAVER.

Are you seeing any big changes in the way people are investing their pension funds?

Indeed, we see changes from various angles. First, the socio-economic landscape is changing for pension plan participants. We see the shift from defined benefit to defined contribution picking up pace in many parts of the world, we also see uncertainty around the level of state provision of retirement income.

In addition, many corporates have switched to defined contribution plans as they are eager to remove pension liabilities from their balance sheets. Linked to this is the realisation that individual savings (e.g. through a defined contribution scheme) will become an increasingly important source of retirement income – this requires individuals to pay greater attention to how they save and spend in retirement.

Finally, in several countries we see greater 'pension freedoms' as we hit retirement. This has led to less reliance on annuities and more focus on the right investment strategy to hold through retirement. The result has led to new innovations in plan design, but also to more awareness in terms of long term returns and investment risks over both the accumulation and the crucial 'decumulation phase'.

What do you see as the biggest advantage of RESAVER?

To achieve the goals for its participants, RESAVER's design is innovative as it allows the participant maximum flexibility to live and work internationally while maintaining a consistent investment strategy. It has been designed with the international participant in mind.

Furthermore, the BlackRock 'glidepath' offers a well-balanced mix of asset categories for every individual age of the participant, and is recalculated frequently to adapt to changes in assumptions for risk and return across markets.

What do you see as the biggest challenges for RESAVER?

RESAVER's participants could be spoiled for choice! The available underlying RESAVER investment strategies such as Life Style Defensive and Dynamic, and Free Style, offer many alternatives.

Do you predict any changes to the way people will manage their retirement savings in the future?

Retirement savings are increasingly in the hearts and minds of everybody, irrespective of pension plans or governmental 'pillars'. A long term (investment) horizon and financial stability are crucial, also on a participant's personal level.

At BlackRock we strongly believe in acting according to a 'purpose': we believe that people of all ages and regions will benefit from more awareness of their financial future.



RESAVER INSIGHT

GIVING YOU MORE DETAIL

DIFFERENCES BETWEEN PEPPS AND RESAVER

The RESAVER Pension Fund is an employer-sponsored pension plan and is therefore only accessible to employees of member organisations.

Individuals cannot join RESAVER Pension Fund on an individual basis.

The Consortium realizes that this creates issues for some companies and individuals. In some cases, researchers are unable to join RESAVER Pension Fund because they are not working under a typical employment contract, such as a grant-based contract. Researchers working under these types of arrangements are strictly seen as not employees and therefore cannot benefit from an employer-sponsored pension plan.

Pan-European Personal Pensions (or PEPPs) is a new initiative being worked on by the European Commission. It is expected that once this regulation is finalised, RESAVER could offer a solution directly to individuals who are not able to participate in RESAVER Pension Fund via their employer.

PEPPs would be a new class of voluntary personal pension schemes. Personal pensions are based on individual contracts between the individual and the provider. The individual has complete choice of their pension provider and what and when they contribute. The PEPP legislation would aim to standardise the minimum requirements in terms of design and investment choice across Europe. RESAVER is planning to offer the same investment solutions at competitive rates that are currently only available through the employer-sponsored pension plan.

SUMMARY ABOUT IORP II, WHAT CHANGES COMPARED TO IORP I

On 13 January 2019 the Institutions for Occupational Retirement Provision II (or IORP II) will come into effect. The regulation builds on IORP I and facilitates more sustainable occupational retirement benefits to employees working in Europe. The new Provision is not a simple revised version of IORP I as extensive new requirements have been added to it – especially around governance and communication.

The EU clearly aims to further support cross-border activities, protect pension scheme members and their beneficiaries and improve the transparency of the operation of pension funds by introducing common standards in the following areas:

- Additional governance requirements
- Risk Management
- Rules for cross-border activities and transfers
- Funding and investment principles

IORP II also specifies minimum requirements for member communications, which concerns both current and prospective members. The main areas of communication are: changes of plan rules, investment principles and performance, costs, accrued and projected benefits, pay-out options.

In terms of the implementation of the regulation, IORP II provides freedom to pension schemes around the key functions: risk management, actuary and internal audit.

HOW TO JOIN RESAVER

AN ORGANISATION NEEDS TO BE A MEMBER OF THE **RESAVER** CONSORTIUM BEFORE IT CAN JOIN THE **RESAVER** PENSION FUND.

You should consider joining the **RESAVER** Consortium if:

- You are interested in joining the **RESAVER** Pension Fund now or in the future,
- You want to help shape the future of the **RESAVER** Pension Fund, and/or
- You want to help remove pension barriers that affect the mobility of researchers in Europe.

FOR MORE INFORMATION ABOUT JOINING

Visit our website:

www.resaver.eu/resaver/consortium/how-to-join/

You can also download the **Application Form** from our website.

THE IORP BOARD

INTRODUCING THE IORP BOARD OF DIRECTORS

The Board of Directors is responsible for the operational activities of the RESAVER Pension Fund. According to the IORP II directive, all key function holders should be fit and proper and subject to notification requirements of the competent authorities.

The following individuals are currently on the Board:



Gabriella Kemény

Gabi is Director of Human Resources at Central European University (CEU) and has been involved with RESAVER since 2011. She acts as the Chair of the Board.

She spearheaded the introduction and implementation of the CEU Supplementary Pension Plan. Before joining CEU, Gabi served as the Director of Tempus Public Foundation (TPF) for 10 years. The Foundation managed grant schemes funded by the European Union with the aim of releasing the barriers of international mobility, just as monitoring and analysing its benefits and challenges. During these years she became passionate about international cooperation and fair treatment e.g. offering a competitive pension plan to employees.

Gabi earned her MA in English and French Philology at the University of Szeged in Hungary. She also holds an MA in management with a specialization in Human Resources Management from the Budapest University of Technology and Economics.



Indi Seehra

Indi is Director of Human Resources at the London School of Economics and Political Science.

He held a number of significant private and public sector UK appointments, including HR Director of the Crown Prosecution Service and subsequently the National Crime Agency. Over recent years Indi has been involved with respective European Union task groups looking to overcome the barriers to mobility for researchers. He has been an employer-side trustee in DB, DC and hybrid pension schemes.

Indi has strong interests in leadership and change management. He is a visiting lecturer at several universities and is a regular speaker at international conferences.



Liviu Matei

Liviu is Provost of Central European University and a Professor of Higher Education Policy.

For over 25 years he has taught, consulted and conducted applied policy research projects in the area of higher education policy for the World Bank, UNESCO, OSCE, the Council of Europe, the European Commission, and other international organisations and national authorities and universities from Europe and Asia. He is a member of the Board of Trustees of the American University of Central Asia.

Liviu is a long-distance runner.



Filip Hemeryck

Filip is Global Head of Benefits at Syngenta, a multinational company based in Switzerland.

He is a trained actuary with more than 20 years of experience within the international pension and benefits domain both in the corporate world and in advisory roles. During this period Filip managed pension funds (including RESAVER OFF) and held positions on pension fund boards within different countries across Europe.

In his private life Filip loves spending time with his family, following his 2 children in their favourite sport field hockey, coaching his son's team and going for a run.



Johan Huysse

Johan is Senior Policy Adviser at the Association of Universities in the Netherlands (VSNU), with responsibilities for national collective labour agreements and for international labour mobility and labour conditions for all research universities in the Netherlands.

Before joining the VSNU Johan worked at 3 different Dutch universities across the country in the fields of labour relations, social security and pensions. Johan graduated in Dutch & commercial law (MA Law) and commercial economy (BA).

At European level Johan has been active in the last 10 years in the HR Excellence in research logo and the international pension fund initiative that resulted in the RESAVER Pension Fund. He was involved in the implementation from the start and therefore built the required experience to participate in the management of the Fund. His expertise in the Dutch public sector market is critical in the future development of RESAVER in the Netherlands.

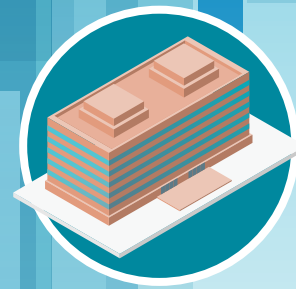
HAVE YOU SEEN OUR PROMOTIONAL VIDEO?

Researchers face difficulties in continuing their employer-sponsored pension savings when moving between countries or organisations. **RESAVER** solves this challenge and makes life easier for researchers by building a network of member institutions across Europe and within the European Economic Area (EEA).

A recently produced **RESAVER** video demonstrates the advantages of this network.

The distinctive features of **RESAVER** highlighted in the video are:

- **FLEXIBILITY:** **RESAVER** aims to support a researcher's career journey, by allowing them to build up pension savings into a common account, no matter where they are employed. A wide range of investment options also contributes to the flexibility of the participants who can choose between these based on their preferences.
- **INCLUSIVITY:** **RESAVER** is for all types of organisations that employ researchers. Employee eligibility is not limited to researchers.
- **MOBILITY:** While **RESAVER** is targeting research organisations to join the RESAVER Pension Fund, at its core this initiative of the European Commission is about the mobility of individuals and their ability to move from location to location, whilst building up savings in a single pension account.



This animation is available on the our website:
www.resaver.eu/media-library/videos/