

Many people in the industry will know you as Irish Association of Pension Funds (IAPF) CEO, but you've also been involved with PensionsEurope for many years. Can you tell us about your work there and how you came to be elected as chair of the association in November last year?

■ I joined the board of PensionsEurope in 2012, at the time that it changed from being the European Federation of Retirement Provision to PensionsEurope. The IAPF has been a member of PensionsEurope for quite some time – I think it was one of the founding members. PensionsEurope is an association of pensions associations based in Brussels. We have 24 member associations from 18 EU countries and three other European countries.

In total those associations look after pensions for 90 million people covering about €5 trillion in assets. Primarily, the function is to advocate on behalf of those member associations in

Brussels, and recently in Frankfurt as well, with both the European institutions and the European Insurance and Occupational Pensions Authority (EIOPA).

For small countries like Ireland, where so much of our legislation comes from Brussels, it's important that we can lobby on that and be involved in it at its preparation stage. In terms of how I got elected, I'm not quite sure how that happened, but I've been on

the board for some time. It is quite a privilege to chair the board.

What does your role as chair entail?

■ When you've been on the board of something for quite some time, stepping up to be the chairperson isn't hugely different. There's a lot more in terms of pulling things together, in terms of dealing with PensionsEurope CEO, Matti Leppälä. We touch base a lot in terms of preparing for board meetings or being a sounding board for Matti and the other directors. The role of the board is working on the strategy of the organisation and ensuring that strategy is implemented. We also feed in a lot to the policy positions that the organisation is taking. There is a lot going on in Europe at the moment so it's quite demanding in that way.

What are the key areas you would like PensionsEurope to focus on during your tenure?

■ A lot of the key issues are issues that are out there anyway and that we do need to look at. We do a lot of thinking about shaping the future of pensions. Particularly with ageing populations across Europe and the role that funded pensions can play in making sure that as we deal with ageing populations people can have good retirements.

Ageing populations put a lot of stress and pressure on the traditional pay-as-you-go systems for most social security systems and so we're finding increasingly that people need supplementary savings.

We're also doing a lot of work in the defined

PODCAST

Stepping up to the challenge

In the latest *European Pensions* podcast, editor Natalie Tuck talks to PensionsEurope chair, Jerry Moriarty, about his new role and the European pension policy agenda



contribution (DC) space because we're seeing a lot of transition to DC, or particularly in a lot of the newer Eastern European countries that are newer members to PensionsEurope. There are also some other issues, such as the IORP II review and EIOPA has provided its advice to the European Commission on that.

The Capital Markets Union is going to be a huge focus and there's a lot of stuff going on around sustainable finance and then you've got things like the Digital Operational Resilience Act (DORA) or the Financial Data Access (FiDA) framework, looking at open data, which may or may not involve pension funds.

You listed some of the legislation and the consultations that are coming out of Europe currently. What do you think are the key ones that pension funds really need to be thinking about?

■ I think DORA is a big one. That is looking at how pension funds protect their financial data, ensuring systems are adequate. One of the issues we are finding is that as well as the pension legislation (such as the IORP II Directive, which is geared towards pension funds, and is appropriate and proportionate), a lot of other legislation, which is aimed at financial institutions is also now including pension funds.

Pension funds vary in that – well, they have a financial aspect to them. However, many of them are social institutions that have been set up by social partners in many countries, by employers to provide provision for their employees, so they're not the same as financial organisations that are marketing products to clients, but a lot of the time the same rules are being applied and that is becoming a problem. A lot of legislation that is intended to deal with a large financial institution can also catch up in it a relatively small pension fund. We need to try and ensure there's proportionality around that.

It comes into effect in January next year, but a lot of the details and requirements aren't going to be published until the summer, so there's going to be a timeline aspect to that. Then there's a review of the Sustainable Finance Disclosure Regulations (SFDR) and the IORP II review is going to be important as well. However, because we're at a changeover point, as the European elections will take place in June, it will take time for the new commission of parliament to get up and running.

You mentioned the upcoming European elections – what does the association want to see from a new European Commission. Is it more thoughtfulness towards pension funds when developing legislation that affects them?

■ I think we do want to see that. We do understand there's going to be a lot of focus on funded pensions. Like I said earlier, we're seeing ageing populations, we're seeing a lot of pressure on the traditional social security systems. If they operated on a pay-as-you-go basis, where you now have a big shift in the balance between the number of pensioners and the number of workers you have in the economy, that impacts how those can be funded over the long term, so a lot of countries do see more funded pensions as part of that solution.

I think we need regulation that balances proper protection of people's retirement savings but also encouraging pension provision and making it easier for people to do. I do think there needs to be a bit of focus on financial literacy, making sure people understand the need to save for retirement and the need to have a good framework within which they can do that. There are huge issues about gender gap. That's probably more a labour market issue but it does also feed into pension savings as well and women do tend to have much lower pensions than men.

Fixing the labour market issue will address that but there are probably good practices and good things that pension funds can do as well so I think there will be quite a bit of focus on that. Probably that bigger issue is just making sure you deal with the ageing populations and the role that funded pensions can play within that.

How important is that collaboration for the development of pensions policy?

■ I think it's important because our systems are very different and even how they link in with social security systems is very different. However, everybody is trying to achieve the same thing – to ensure that people can have good retirements. I think what we can learn from each other is important but also coming together and understanding the differences we have and working towards that common objective, is a way of achieving the things we want to achieve. Ultimately, to make sure that people can have good retirements, which is important to all of us.