

# Pensions&Investments

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## EU rules need adjusting for 'gig economy workers' – panelists

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Rules around accruing retirement benefits and access to them for flexible workers should be adjusted across the European Union, attendees heard Tuesday at the annual conference of Cross Border Benefits Alliance-Europe in Brussels.

Supplementary occupational and personal retirement plans could provide such a framework for these workers, which now constitute around 40% of the total working population in the EU, speakers said.

"Accrual rules that non-standard workers need to fulfill to claim pension rights are not designed for them," Valdis Zagorskis, pensions team leader at the Directorate General - Employment Social Affairs and Inclusion of the European Commission,

said during a panel discussion.

Due to retirement plans for these mobile workers becoming fragmented not only by country, but also by pillar — state provided, employer sponsored and individual accounts — retirement accounts need to be tracked, Mr. Zagorskis said.

"Half of European countries have set up pension-tracking systems for occupational plans," he said. "We (at the European Commission) are now exploring a possibility for cross-border plan tracking."

During the same panel discussion, Vital Schwander, head of innovation and solutions at Swiss Life global solutions, said costs are a key to plan design for the future workforce, adding that reducing annual costs by 50 basis points could mean a plan participant could withdraw an additional 3% for 14 more years.

Mr. Schwander proposed using cross-border plans to reduce "layers of costs."

Speaking about costs associated with existing investment management offerings, Mr. Schwander said: "there is a fund in a fund with a lifecycle (strategy) on top."

"It's an illusion if we think that a single manager can outperform the market ... (and) 20 to 50 basis points (in fees) is a lot," Mr. Schwander said.

Marie Briere, head of investor research center at Amundi, said during the same discussion that customization of decumulation strategies is also needed. "Allowing (participants) to continue to be invested in risky assets as well as (in-plan) liquidity and flexible annuitization is needed in decumulation," she said.

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