



Swedish pensions body calls for smaller-scale EU stress tests for IORPs

24 June 2014 By [Rachel Fixsen \(URL=/rachel-fixsen/2480.bio\)](#)

Early stress tests for institutions for occupational retirement provision (IORPs) in the EU – now likely to happen next year – must be designed in a limited format in order to keep costs down for pension funds, the Swedish Occupational Pension Fund Association has said.

Peter Hansson, chairman of the association (Tjänstepensionsförbundet), told IPE: “If we are to have stress tests, the exercise needs to be very limited, and the cost of producing the stress tests needs to be very low.”

He said that, at 170 pages in small print, the stress tests conducted last year were impossible for many IORPs to handle, and the outcomes were hardly representative of the European pension industry.

He said it was unreasonable for pension funds, purpose-built to provide workplace pensions, to be burdened with huge additional costs as a result of the tests.

“I’m rather afraid the people who want the stress tests conducted would like to test as many angles as possible and are not taking into account the additional costs that in the end pensioners have to bear,” Hansson said.

Although he said EU pensions oversight was necessary, he said the new IORP law could not be the same for the whole of Europe because pensions in each EU member state were based on local social law.

“If you had an IORP law that was the same for all of Europe, that would be a problem because there are so many different conditions in different areas,” he said.

“Pensions are member-based contracts based on labour law, negotiated by employers and unions, and they are different across Europe.”

Last week, IPE reported that Patrick Darlap, chairman of EIOPA’s Financial Stability Committee, said the European Insurance and Occupational Pensions Authority was [preparing stress tests for IORPs for some time in 2015 \(URL=http://www.ipe.com/eiopa-committee-chairman-confirms-2015-stress-tests-for-iorps/10002172.article\)](#) .