



RESAVER

Retirement
Savings
Vehicle For
European
Research Institutions

What is RESAVER?

The mobility of researchers is a driver of excellence in research. However, researchers face many difficulties in preserving their supplementary pension benefits when moving between different countries. To overcome this problem, the European Commission is supporting a consortium of employers, through Horizon 2020, in creating a single European pension arrangement (RESAVER) that will offer a defined contribution plan, tailor-made for research organisations and their employees.

RESAVER will be a state of the art retirement savings product that will enable mobile and non-mobile employees to remain affiliated to the same pension vehicle when moving between different countries and changing jobs. At the same time RESAVER will lower asset management charges and provide better access to high quality investments.

In 2014 the employer consortium will prepare the ground for the effective establishment of RESAVER with the aim of transferring the first contributions as of 2015. The initiative should remove pensions as a barrier to researchers' mobility and contributes to the realisation of the European Research Area.



What is RESAVER offering?

RESAVER will offer a mosaic approach that includes three uniquely designed vehicles to administer pension contributions and provide individual insurance coverage. RESAVER will be comprised of the following components:

- A tailor-made IORP run by research institutions, managing 2nd pillar occupational pension plans, will offer physical pooling of assets and liabilities.
- A complementary pan-European network of country-specific insurance arrangements will be offered to employers registered in countries not yet part of the IORP.
- A 3rd pillar insurance solution will be provided for professionals without employment.

The end result will be a highly dynamic retirement savings product that corresponds with the specific needs of both research institutions and their employees.

Who should consider participating?

RESAVER is open to all public and private organisations within the European Economic Area that employ researchers. This may include Universities, research institutions, SMEs and funders; collectively referred to as research institutions. Enrolment is not restricted to researchers but open to all employees (subject to local legislation) of research institutions.

The following employers may participate in RESAVER:

- Employers that wish to offer their staff a cross border pension solution,
- Employers of mobile staff with insufficient pension coverage,
- Employers with insufficient or inadequate retirement benefits for researchers,
- Employers of researchers without a regular employment contract,



What are the advantages?

By participating in RESAVER, employers will be able to sponsor a single European pension arrangement capable of delivering:

- Cross-border pooling of pension plans;
- Continuity of the accumulation of pension benefits as professionals move between different organisations and countries during their career;
- Lower overhead costs (and therefore improving member benefits) through economies of scale;
- Access to high quality investments independent of the country where the employee is based (where legally possible), and therefore improving overall member benefits;
- A pan-European risk pooling solution covering death benefits.



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What are the challenges?

The European pension landscape is very fragmented with different levels of benefits and design in each country. Setting up a single pension arrangement shared by a number of different organisations is consequently not straightforward. For instance, early adopters may face higher initial costs due to lag time reaching critical mass. To address this challenge the European Commission has committed itself to cover costs associated with the set up of RESAVER under Horizon 2020.



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What needs to be done to participate?

In order to join RESAVER interested employers should first join the employer consortium. Subsequent steps will be coordinated within the framework of the employer consortium, which will establish a specific committee for each country. Being a member will help the employer to become fully informed about the future development of RESAVER. No membership fee will apply for institutions joining the employer consortium before the plan becomes operational in 2015.

For more information regarding membership issues please contact the RESAVER secretariat:

RTD-PENSION-FUND@ec.europa.eu

Next steps

In June 2014 the European Commission will organise a call for tender to find a contractor able to provide technical assistance and expertise in the creation of the cross-border 2nd pillar IORP and the complementary country-specific insurance arrangement. The four year framework contract is expected to be awarded during the autumn of 2014.

In September 2014 an ad hoc employer consortium will be registered as an international non-profit organisation in Belgium. The employer consortium will promote the concept and prepare the ground for the establishment of RESAVER in 2015.

The European Commission will organise a series of seminars to inform employers on the possibilities and benefits offered by RESAVER. Interested employers are welcome to participate in one of the three events that will be held across Europe in 2014. The events will be held in The Hague on 27 June 2014 and Vienna on 29 October 2014. The location and date of the third and final event has not been fixed but is expected to take place during the fourth quarter of 2014.

For more information regarding the mutual learning seminars and other events please contact the RESAVER secretariat: RTD-PENSION-FUND@ec.europa.eu



FAQ

What is the definition of professionals?

For the purpose of this project a professional can be an employee or a contractual agent of an institution whose primary activity shall include research.

Will my organisation be liable for future pension contributions?

RESAVER is a defined contribution plan which means that employers and employees make contributions on a regular basis. Individual savings accounts are set up for participants and benefits are based on the amounts credited to these accounts (through employer contributions and, if applicable, employee contributions) plus any investment earnings on the money in the account. The employer will subsequently not be liable for any future contributions in respect of past periods of service. (subject to local regulations)

Who will decide which employees will be included in RESAVER?

Each organisation decides which groups should join or not. This can be either all staff members, all research staff members or only mobile researchers, provided that local social and labour law does not prohibit such a distinction.

What are the cost considerations concerning joining RESAVER?

As the European Commission will cover the set up costs of RESAVER the annual costs per employer will be in line with local market rates. This includes both a one-off implementation fee charged for joining RESAVER and subsequent on-going plan and membership management fees.

Who decides contribution levels?

Contribution levels are normally decided through the collective bargaining agreement. However, the Consortium may provide a suggested contribution level, but organisations are free to use an alternative rate if permitted under local regulations.

Can my organisation join RESAVER from the start?

Any research institution registered in the EEA can join RESAVER from the start. The employer consortium will establish a roll-out plan for the IORP that includes initially a minimum of 5 research institutions in at least 3 different EU Member States. Additional research institutions and countries will be added gradually until all countries in the EEA are covered. In the meantime, the retirement savings insurance product will be open to all employers within the EEA from day one (subject to local regulations).

Which organisations have participated to date?

The following organisations are currently affiliated with the project:

Vienna University of Technology, CERN, Association of Universities in the Netherlands (VSNU), Elettra Sincrotrone Trieste S.C.p.A, Italian National Research Council (CNR), Central European University, Flemish Inter-University Council (VLIR) and University of Cambridge.

The following representative organisations have endorsed the project:

LERU, Russell Group, CESAER and EUA as observers.

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Key definitions

- 2nd pillar pension – supplementary occupational pension usually financed through contributions by employer and employee
- 3rd pillar pension – private pension plan
- IORP – employer sponsored funded pension plans
- IORP Directive – A European prudential framework for Institutions for Occupational Retirement Provision (IORPs) or pension funds. The IORP Directive enables the establishment of pan-European pension funds that manage the pension schemes of employees in different Member States
- Asset pooling – managing assets collectively, across borders, using a single platform.
- EEA – EU plus Liechtenstein, Iceland and Norway
- Insured arrangement – fully bundled services, including administration, investment and communications, from a single provider
- Risk pooling – managing risks collectively, across borders, using a single platform
- RSV – Retirement Savings Vehicle

Further reading:

Document repository:

<http://tiny.cc/pensionfunddocuments>

Final report by the Task Force and Aon Hewitt on the establishment of a pan-European retirement savings vehicle for research professionals

<http://tiny.cc/RESAVER>

Feasibility Study for creating an EU Pension Fund for Researchers

<http://tiny.cc/studypensionfund>

