



## Resolution 1882 (2012)<sup>1</sup>

Final version

# Decent pensions for all

Parliamentary Assembly

1. European pension systems are faced with challenges from demographic developments which are threatening the stability of the “intergenerational contract” that has been in place since the early 20th century. The ageing of the population, life expectancy that extends well beyond retirement age and the imbalance between the number of pensioners and the number of contributors of working age are just some examples of these challenges. In the current context of economic and financial crisis, the national austerity programmes adopted by many member States also have repercussions on pension systems, which lead to new social inequalities between pensioners.

2. The Parliamentary Assembly, conscious of the efforts made by the governments of numerous member States to enhance the viability of their pension systems, is concerned about the guarantee of adequate pension levels that offer pensioners a decent standard of living.

3. It therefore considers that pensioners require special protection in accordance with Article 23 of the revised European Social Charter (ETS No. 163), which provides that parties must, among other things, undertake to make available to elderly persons “adequate resources enabling them to lead a decent life and play an active part in public, social and cultural life”.

4. To take up the dual challenge of current demographic trends in Europe and the financial and economic crisis, European pension systems should not be geared exclusively to a funded approach. While such methods of financing pensions may represent a solution to the problem of demographic trends, they are less effective in absorbing financial and economic shocks. The predominance of funded components would heighten the vulnerability of pension systems, which would become less resilient to the risks of the financial markets. To ensure the viability and sustainability of pension systems, a balance must therefore be struck between funded and pay-as-you-go components.

5. Given the ongoing financial and economic crisis, the complexity of pension systems and the multitude of possible choices, it will be vital to resolve the problem of State budget deficits in general and, in particular, the deficits of public pension funds, in order to be able to maintain the principle of intergenerational solidarity. In this connection, a real revitalisation of the economy, which should also benefit households, will be the decisive factor in promoting positive developments for pensions in Europe.

6. The Assembly calls on the member States of the Council of Europe to apply the following principles in their national policies:

6.1. on a general level:

6.1.1. implement pension systems which reflect the complexity of today’s work situations and lifestyles;

6.1.2. continue to combat the persistent inequalities in pension systems, especially between women and men;

---

1. Assembly debate on 27 April 2012 (18th Sitting) (see [Doc. 12896](#), report of the Committee on Social Affairs, Health and Sustainable Development, rapporteur: Mr Jacquat). Text adopted by the Assembly on 27 April 2012 (18th Sitting). See also [Recommendation 2000 \(2012\)](#).



- 6.1.3. initiate or complete pension reforms that maintain both the long-term viability of systems (including when facing future financial and economic crises) and pension adequacy;
- 6.1.4. provide clear information which everyone can understand on the effects of reforms on current pension schemes, particularly in order to enlist sufficient support for them;
- 6.2. with regard to the sustainability of systems:
  - 6.2.1. adapt the retirement age and the level and period of contributions to take account of increased life expectancy;
  - 6.2.2. design national pension systems based on several pillars and a “mix” of sources of pension income (with funded and pay-as-you-go components), while preserving and consolidating intra- and intergenerational solidarity, which confirms the State’s central role and State pensions as the bedrock of pension systems;
  - 6.2.3. promote international co-operation on pensions, given that pensions are increasingly becoming a transnational matter, extending beyond the European Union (migrant professionals, international pension funds, pensioners living out of the country, etc.);
  - 6.2.4. where possible, restrict access to early retirement schemes and other possibilities of early withdrawal from the labour market;
- 6.3. with regard to pension adequacy:
  - 6.3.1. ensure an appropriate standard of living for pensioners by providing them, via the pay-as-you-go public pension system, with a minimum income at least equal to the national poverty threshold;
  - 6.3.2. pursue policies promoting the creation of jobs with sufficient pay to increase the capacity of individuals in work to make their own retirement provisions and promote such supplementary provision;
  - 6.3.3. take account of the new lifestyles of families and the increase in average life expectancy in the resources allocated to public pension funds;
  - 6.3.4. find appropriate solutions for people with periods in their career in which they have made no pension contributions (such as those, mainly women, with family responsibilities, in low-paid or precarious jobs, or the long-term unemployed who are unable to contribute or save enough for a decent pension);
  - 6.3.5. provide financial assistance for parents with dependent children to enable them to bring up and support their children and, at the same time, save enough for their own retirement;
  - 6.3.6. provide specific solutions for categories of people who require special protection and who are less able to prepare for their retirement (people with disabilities, migrants, etc.);
  - 6.3.7. make it easier for older workers to continue working on a gradually decreasing basis and allow them to combine a pension with a part-time salary;
  - 6.3.8. take into account the problems of dependence;
- 6.4. as a complement to measures concerning pension systems and as part of general policy for the elderly, promote innovatory approaches, such as services for the elderly (based, for example, on mutual assistance schemes), which could supplement measures taken in respect of pensions.