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NOTE

From: General Secretariat of the Council
to: Delegations

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Subject: Equal income opportunities for women and men: Closing the gender gap in pensions
- Council Conclusions

Delegations will find attached the final version of the conclusions as adopted by EPSCO on 18 June 2015.

**Equal income opportunities for women and men:
Closing the gender gap in pensions**

Council Conclusions

WHEREAS

1. Equality between women and men is one of the common and fundamental principles enshrined in Articles 2 and 3(3) of the Treaty on European Union, Article 8 of the Treaty on the Functioning of the European Union and Article 23 of the Charter of Fundamental Rights of the European Union. Gender equality should be mainstreamed in all Union activities.
2. Since the founding of the European Economic Community, respect for equal pay for equal work and work of equal value for male and female workers has been guaranteed by the Treaty.¹
3. The principle of equal treatment of women and men in the matters of employment and occupation and social security, as well as in the area of access to goods and services, including financial services, is enshrined in Union legislation, which prohibits discrimination on grounds of sex in these fields. The principle of equal treatment of women and men should also be implemented in matters of education.
4. In the European Pact for Gender Equality (2011-2020), the Council reaffirmed its commitment to fulfil the Union's ambitions in the field of gender equality, including closing the gender gaps in employment, education and social protection.

¹ Article 119 EEC (today, Article 157).

5. Equal economic independence is one of the priority areas listed in the Commission's "Strategy for equality between women and men 2010-2015," which also specifically identifies the gender pension gap as one of the problems that need to be addressed.
6. In the Pension Adequacy Report, the Commission and the Social Protection Committee recognised that an important dimension of the pension adequacy challenge is gender-specific.
7. The Member States have acknowledged the importance of gender equality evaluation and monitoring as an integral tool for policy improvement. The European Institute for Gender Equality (EIGE) was established with the task of, *inter alia*, developing methods to improve the comparability and reliability of data related to gender equality. A Gender Equality Index has been developed by EIGE as one instrument for gauging the level of gender equality in specific domains and to measure where the Member States stand in their efforts to achieve comprehensive gender equality. One of the core domains of the Index is "Money" which focuses on inequalities in the financial resources and economic situation of women and men.
8. While the Member States remain responsible for the design and operation of their social protection systems, the Union may provide valuable contributions to the activities of the Member States in relevant fields.
9. This set of Conclusions builds on the political commitments voiced by the Council and on previous work by different actors, including the documents listed in the Annex.

EMPHASISING THAT:

10. Promoting equal economic independence for women and men, including by closing income gaps, is crucial for ensuring de facto gender equality. A comprehensive set of policy measures is needed to ensure gender equality in terms of access to financial resources throughout the life course.

11. The gender gap in pensions is a very broad and multifaceted issue that needs to be placed in the context of a number of policy efforts aimed at improving gender equality, which might include efforts to increase the employment rate of women, to reduce the gender pay gap, to tackle gender segregation in education and employment, to improve the reconciliation of work, family and private life, to improve entitlements to old age pensions by mitigating career interruptions, and to address gender equality in social inclusion while considering the impact of population ageing and migration.
12. According to the latest figures published by the Commission,² the average gender gap in pensions in the EU is 38.5%. However, the specific situations differ greatly between the Member States and the actions that need to be taken in order to address this complex issue will vary accordingly.
13. The gender gap in pensions has hitherto received less attention than the gender pay gap (EU average 16.5% in 2012). Yet the gender gap in pensions is one of the obstacles to the economic independence of women in old age, when women also face a higher risk of poverty than men. Various actions are required, including research, monitoring and the implementation of policies that can help to reduce the factors underlying the gender gap in pensions in the fields of employment, working conditions, education, reconciliation of work, family and private life, the social protection system and access to goods and services.
14. Women's and men's pension outcomes may reflect gender inequalities in economically active years, in the labour market and in care responsibilities and the extent to which pension systems manifest those inequalities. The triple gender gap in activity rate, working hours and pay may have a direct impact on the gender gap in pensions. Thus, measures aiming to reduce the gender gap in pensions should be taken concerning the entire course of working life.

² Report on equality between women and men, 2014

15. The gender gap in pensions mirrors the fact that the working lives of women continue to be much more affected by care responsibilities than those of men. Thus women experience more frequent career interruptions, more limited career and earnings progression and a stronger prevalence of part-time work than men. Hence, women may find themselves at a disadvantage if employment-related contributions are the main determinant of the pension entitlements, especially if mitigating measures are lacking.

THE COUNCIL OF THE EUROPEAN UNION

CALLS ON THE MEMBER STATES AND THE EUROPEAN COMMISSION, in accordance with their respective competences, to:

16. Take the necessary steps to deepen the understanding of the gender gap in pensions as follows:
 - a) Promote research into *the causes* of the gender gap in pensions, focusing on all relevant issues, including access to work and training, gender segregation in education affecting career choices, gender segregation in employment, the gender pay gap, part-time work, new forms of employment, length of working life, unequal sharing of care responsibilities and household tasks by women and men, and gender stereotypes, as well as research analysing the impacts of tax and benefits systems on the incomes of women and men in old age and the role of policies for reconciling work, family and private life.
 - b) Promote research into *the effects* of the gender gap in pensions, including on women's economic independence, taking into account such issues as population ageing, gender differences in health conditions and life expectancy, changing family structures and the rise in the number of single-person households.
 - c) Promote research into effective strategies to eliminate the gender gap in pensions.

17. Ensure that closing the gender gap in pensions remains high on the political agenda at both Union and Member State levels, including by:
- a) Developing an indicator within the framework of the Social Protection Committee, to be used together with other relevant indicators, including the gender pay gap, for regularly measuring and monitoring the gender gap in pensions, and also by continuing to involve all relevant actors in monitoring the gender gap in pensions, using all available tools and resources such as the Open Method of Coordination and making full use of national and EU statistical offices and the European Institute for Gender Equality (EIGE).
 - b) Encouraging all relevant stakeholders, including the social partners, while respecting their autonomy, to address the causes of the gender gap in pensions through appropriate measures.
 - c) Strengthen the gender mainstreaming approach throughout the life-course and in all relevant areas, including demographic policies and social protection systems and national and EU policies to boost economic growth and social inclusion.
18. Work towards and pursue a comprehensive set of measures to tackle the full range of causes of the gender gap in pensions, including in the context of the implementation of the Europe 2020 Strategy. Policies in this field should be cross-cutting throughout the life-course and combine preventive measures focused on employment patterns with mitigating measures seeking to ensure adequate and gender-neutral outcomes in old age for both women and men. Appropriate measures could include:
- a) Increasing the employment rate of women, including for older women, by ensuring quality of jobs and equal pay and by supporting the reconciliation of work, family and private life, through measures such as offering flexible working time arrangements to both women and men and the provision of accessible and affordable quality care for children (including after school care) and for other dependants.

- b) Addressing financial disincentives for both parents (and single parents) to participate in paid work, including by encouraging a more equal sharing of unpaid work between women and men, as well as their more equal participation in the labour market, and by supporting smoother transitions for women and men between part-time work and full-time employment, and between care-related leave periods and employment.
- c) Combating gender segregation in education affecting career choices and gender segregation in employment, including by promoting the presence of more women in decision-making positions and by enhancing access to lifelong learning programmes for women, and by combating gender stereotypes and encouraging girls and boys/women and men to choose educational fields and occupations freely, in accordance with their abilities and skills, and in particular by promoting women's access to educational fields and occupations in science, technology, engineering and mathematics ("STEM").

INVITES THE MEMBER STATES to:

- 19. Address the gender gap in pensions for both present and future cohorts of pensioners, thus promoting equal economic independence of women and men, and helping to reduce gender differences in the at-risk-of poverty rate in old age.
- 20. Address the situation of women's higher prevalence of part-time work and relatively low earnings progression, as these can have a detrimental effect on pension entitlements.
- 21. Eliminate potential gender bias in pension systems, in particular by performing ex-ante gender impact assessment of pension policies prior to implementing reforms.
- 22. Where necessary, promote social protection measures which mitigate the negative impacts of care-related career interruptions, part-time work and low earning progression on pension entitlements.

23. Promote awareness-raising in the field of pension entitlements, including by highlighting existing gender inequalities, by making information available to women about the consequences of their career choices, by using tools such as pension calculators and by providing differentiated up to date data on the existing gender pension gap.

INVITES THE EUROPEAN COMMISSION to:

24. Address the problem of the gender gap in pensions in its new strategy for gender equality after 2015, in annual reports on equality between women and men and within the Europe 2020 Strategy governance framework, including the Annual Growth Survey and the draft Joint Employment Report.
25. Promote the exchange of good practice concerning measures to close the gender gap in pensions.

References:**EU legislation**

Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security. (OJ L 6, 10.1.1979, p. 24-25.)

Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006, p. 23.)

Directive 2010/18/EU of 8 March 2010 implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC and repealing Directive 96/34/EC (OJ L 68, 18.3.2010, p. 13.)

Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC. (OJ L 180, 15.7.2010, p. 1.)

Council Conclusions

All relevant Council Conclusions, including Conclusions adopted on the review of the Beijing Platform for Action³, and in particular the following:

"Gender equality in the EU: The way forward after 2015. Taking Stock of 20 years of implementation of the Beijing Platform for Action. Conclusions of the Council of the European Union and the representatives of the governments of the Member States, meeting within the Council on the review of the implementation of the Beijing Platform for Action by the Member States and the EU institutions" (16891/14)

Council Conclusions on Women and the economy: Economic independence from the perspective of part-time work and self-employment (11050/14)

³ http://ec.europa.eu/justice/gender-equality/tools/statistics-indicators/platform-action/index_en.htm

Council Conclusions on the European Pact for Gender Equality (2011- 2020) (OJ C 155, 25.5.2011, p. 10.)

Council Conclusions on Strengthening the commitment and stepping up action to close the gender pay gap, and the review of the implementation of the Beijing Platform for Action (18121/10)
Council Conclusions on Eliminating Gender Stereotypes in Society (9671/08)

SPC

Report on Pension Adequacy in the European Union 2010-2050 (2012). (10488/12 ADD 1)

<http://ec.europa.eu/social/keyDocuments.jsp?policyArea=&type=0&country=0&year=0&advSearchKey=pensionadequacy&mode=advancedSubmit&langId=en>

European Parliament

European Parliament resolution of 12 March 2013 on the impact of the economic crisis on gender equality and women's rights (2012/2301(INI))

European Parliament resolution of 24 May 2012 with recommendations to the Commission on application of the principle of equal pay for male and female workers for equal work or work of equal value (2011/2285(INI))

European Parliament resolution of 13 March 2012 on equality between women and men in the European Union - 2011 (2011/2244(INI))

European Parliament resolution of 28 January 2015 on progress on equality between women and men in the European Union in 2013 (2014/2217(INI))

European Parliament resolution of 26 October 2011 on the Agenda for New Skills and Jobs (2011/2067(INI))

European Commission

Report on equality between women and men, 2014, European Commission, DG Justice.

http://ec.europa.eu/justice/gender-equality/files/annual_reports/150304_annual_report_2014_web_en.pdf

Opinion of the Advisory Committee on Equal Opportunities for Women and Men on reducing the gender gap in pensions (2014)

Men, Women and Pensions, by Platon Tinios, Francesco Bettio and Gianni Betti, in collaboration with Thomas Georgiadis. Report financed by and prepared for the use of the European Commission, DG Justice and Consumers, 2015.

The gender gap in pensions in the EU, 2013. (Report financed by and prepared for the use of the European Commission, DG Justice.)

http://ec.europa.eu/justice/gender-equality/files/documents/130530_pensions_en.pdf

An Agenda for Adequate, Safe and Sustainable Pensions (White Paper), 2012

<http://ec.europa.eu/social/BlobServlet?docId=7341&langId=en>

The 2012 Ageing Report: Economic and budgetary projections for the EU27 Member States (2010-2060), Joint Report prepared by the European Commission (DG ECFIN) and the Economic Policy Committee (AWG)

http://ec.europa.eu/economy_finance/publications/european_economy/2012/pdf/ee-2012-2_en.pdf

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Strategy for equality between women and men 2010 - 2015 (13767/10)

EIGE

Gender gap in Pensions in the EU: Research note to the Latvian Presidency, 2015

<http://eige.europa.eu/content/document/gender-gap-in-pensions-in-the-eu-research-note-to-the-latvian-presidency>