

Report of the High-Level Conference on the Gender Pension Gap & Pension Adequacy organised by the Belgian Presidency

Tackling Gender inequality after retirement



The Gender pension gap and the adequacy of pension entitlements is encompassed by the 15th principle of the European Pillar of Social Rights: “Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights. Everyone in old age has the right to resources that ensure living in dignity.”

In the context of the Belgian Presidency, Belgian Ministers of Pensions and for the Self-Employed aspire to further reflect those elements in the La Hulpe interinstitutional Declaration on the Future of Social Europe which aims to reconfirm our commitment to the European Pillar of Social Rights and to strengthen our commitment to further implement its principles.

Following the High-Level Conference on the Gender Pension Gap & Adequacy of Pensions organised by the Belgian Presidency of the Council of the European Union, the Belgian Ministers of Pension and for the Self-Employed would like to draw attention to the following conclusions: :

Innovative and effective multidisciplinary solutions to tackle the Gender pension gap at the national and EU levels

According to the Belgian Ministers of Pensions and for Self-Employed, the European Union and member states can address the gender pension gap at their level by focusing on the roots of the gap, namely gender inequality in the labour market, such as the gender pay gap, as well as on the design of pension systems.

On the causal link between gender inequality in the labour market and post-retirement, the Belgian Ministers of Pensions and for the Self-Employed would like to highlight a number of good measures:

- At the EU and international levels, the directive 2023/970 aiming to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms, as well as the UN 2030 Sustainable Development Goal 8 aiming to reach full employment that also targets women, are good practices to reduce and close the gender pay and employment gaps.
- On the long-term, the directive 2019/1158 on work-life balance for parents and carers, could have an impact on the promotion of balanced care activities between men and women. In this regard, the Belgian Ministers of Pensions and for the Self-Employed urge the European Commission to evaluate the implementation of the directive by its member states in 2027 and, if necessary, to take additional measures to further promote gender balance in care activities.

- In the same vein, the EU could take measures to tackle gender segregation in the labour market and improve access to care facilities.
- On gender segregation, the Finnish strategy to combat this phenomenon seems to be a good practice according to the the Belgian Ministers of Pensions and for the Self-Employed. The Finnish toolbox developed to combat gender segregation is based on operational cultures and practices, especially in segregated sectors and workplaces, while creating a new kind of regional cooperation between working life, educational authorities and education providers. Finland also promotes more gender-sensitive and gender-equal communication, in order to break down gender stereotypes regarding occupations, workers and jobs in segregated sectors; and it develops operational models and compiling tools to dismantle segregation.
- Furthermore, digital tools simulating the impact of parental leave on the career and pensions entitlements of carers, such as those developed in Finland have proven effective in making citizens aware of the consequences of the choices made during their working lives. By showing the advantages of the parental leave on pension rights, men will be more likely to take parental leave, which would allow for a better sharing of care work within couples.

The Belgian Ministers of Pensions and for the Self-Employed would like to highlight the importance of the design of pension systems to tackle the Gender pension gap phenomenon. Indeed, by designing pension systems that consider the unbalanced share of care work between men and women, it is possible to reduce the consequences of gender inequality in the labour market on women's pension benefits.

The Belgian Ministers of Pensions and for the Self-Employed would like to highlight the following national good practices aimed at reducing the Gender pension gap at the national level:

- Most member states' pension systems take into account periods of unpaid care when calculating pension entitlements using so-called care credits. These aim to equalise pension entitlements and take part-time work into account when determining pension entitlements. According to the Belgian Ministers of Pensions and for the Self-Employed, this is a very good practice to maintain and to promote further.
- Regarding intra-family solidarity, the Belgian Ministers of Pensions and for the Self-Employed believe it is important to recognise unpaid care work, more specifically in a socio-affective relationship in case of break-up. In Germany, for example, consequences on pension rights related to unpaid care work are directly supported at the family level and neither at the individual level of a family member nor at the system level. In the case of divorce, an equalisation of pension rights occurs thanks to an equal distribution of pension rights acquired during the marriage between the spouses.
- The phenomenon of non-take-up of social security benefits is also a major issue regarding the adequacy of income after retirement. Based on the Greek example, the Belgian Ministers of Pensions and for the Self-Employed believe that education and awareness-raising on wage and pension equality is crucial. In the same vein, strategies to reduce non-take-up, such as automatic assessment and payment of benefits, should be promoted.

- Minimum schemes are also essential to ensure adequate pensions for women. To reduce the gender pension gap, Belgium recently reformed its minimum pension scheme. It increased the amount of the minimum pension and widened access for categories such as assisting spouses or childcare workers.
- As for recent retirees with only self-employed careers, we find that women are more likely to have low-length careers, preventing them from accessing the minimum pension. The specific situation of assisting spouses largely explains these shorter careers. In order to improve their situation, in 2003, a specific status was created for this group. Nevertheless, when this status was created, it was not possible for women to aggregate those pension entitlements with their previous entitlements. The recent reform adjusted this by making the conditions for entitlement to the minimum pension more flexible for this category of self-employed workers. For example, the condition of 2/3 of a career will now be determined on the basis of a shorter reference period starting from the date the status was created.
- When looking at solutions to tackle the gender pension gap, the Belgian Ministers of Pensions and for the Self-Employed recall the necessity to take into account the financial sustainability of those measures as well as the overall sustainability of the pension system.
- The Belgian Ministers of Pensions and for the Self-Employed invite the Social Protection Committee's (SPC) to set up a working group on pensions and the gender pension gap (GPGNET, in analogy with the existing MINET dedicated to minimum incomes) in order to continue exchanging experiences and good practices in the field of pensions and the gender pension gap and to facilitate mutual learning and cooperation between Member States' experts in this field. The creation of this group will have to be correlated with a strengthening of the SPC's resources, particularly in terms of human resources.

Current and future monitoring of the Gender pension gap phenomenon at the EU & Belgian levels

According to the Belgian Ministers of Pensions and for the Self-Employed, both the gender gap in pensions and the gender gap in pension coverage are important indicators that measure a dimension not covered by other indicators. It is therefore important that both Eurostat and the Pension Adequacy Report monitor them .

The Belgian Ministers of Pensions and for the Self-Employed propose the following:

- The Belgian Ministers of Pensions and for the Self-Employed propose that the Gender pension gap and the Gender coverage gap are permanently monitored and analysed in the triannual Pension Adequacy Report of the Social Protection Committee.
- As the monitoring of both the financial and social sustainability of pension systems remains essential. The Belgian Ministers of Pensions and for the Self-Employed propose to make the triannual Working group on Pension Adequacy Report (WGPAR) structural for the purpose of the release of the Pension Adequacy Report, each three years. The Belgian Ministers of Pensions and for the Self-Employed call for a joint agenda and discussions with the Ageing working group (AWG) as this would increase the quality of the relations and collaboration between the two working groups.
- It is important to further reflect on possible improvements in the overall quality of the above-mentioned indicators, in particular their consistency, and to consider the potential of additional indicators based on register data, as well as satellite indicators that could be used to monitor and interpret (changes) in the gender gap in pensions and the gender gap in pension coverage. The Belgian Ministers of Pensions and for the Self-Employed invite the Social Protection Committee's (SPC) Indicators Subgroup (ISG) to include this task in their 2024-2025 work programme.

- For those countries that have suitable administrative data, we recommend exploring the additional use of administrative data to monitor the gender pension (coverage) gap, for its robustness and potential to better understand the position of vulnerable groups particularly affected by gender inequality.
- Since future gender inequality after retirement is largely the result of current gender inequality in the labour market as well as the design of pension schemes, the Belgian Ministers of Pensions and for the Self-Employed recommend proactive monitoring.