



## Global Employer Services Pensions

### Harmonisation of supplementary pensions: 1st status update on industry progress

*On 7 June 2016, the National Labour Council published a first status update on the progress made in all joint labour committees (JLCs) in view of the harmonisation of industrial supplementary pension schemes for blue- and white-collar workers.*

*The status update shows that several JLCs have already started the harmonisation process together with their equivalent blue- or white-collar JLC. Difficulties arise in industries where no equivalent JLC is present or hard to identify.*

#### Industries to take harmonisation initiative

Following an amendment in May 2014, the Supplementary Pensions Act (the Act) states that all differences in treatment between blue- and white-collar workers in relation to supplementary pensions should be abolished by 1 January 2025.

The Act provides for a gradual process towards full harmonisation in 2025. In Belgium, supplementary pension schemes at industry and company level are closely connected, which is why the industries are the first to take initiative and initiate the harmonisation process. The objective is for equivalent JLC's to conclude "protocol agreements" on how

their schemes will be harmonised to allow employers to correctly anticipate the additional efforts required at company level. These protocol agreements should lead to collective bargaining agreements by 2023. The National Labour Council will follow-up on the progress made at industry level based on bi-annual reports submitted by all equivalent JLC's. The National Labour Council will subsequently evaluate the initiatives taken by the industries.

A first status update has now been published.

## Difficulties to identify harmonisation partner

The status update shows that many JLCs are having difficulties in identifying their equivalent JLC, with whom they must consult, as not all JLCs for blue-collars have an equivalent for white-collars and vice versa. Many JLCs have a mixed scope of application and overlap with multiple JLCs (e.g. the construction industry has a specific JLC for blue-collar workers (JLC 124), whereas for white-collar workers, it is the general JLC for white-collar workers (JLC 200) which is competent).

To help JLCs identify their partner(s), an overview of JLC's with overlapping activities has been prepared by the Minister of Labour's administration<sup>1</sup>.

The National Labour Council's report also provides an overview of all activities already pursued at industry level<sup>2</sup>.

It is now up to all JLCs, who have not yet done so, to reach out to their harmonisation partner(s), begin discussions on how to eliminate discriminations at industry level and conclude a protocol agreement in the short term.

All JLCs must submit a new status update on their activities by 1 January 2018.

## Specific situation of JLC 200

JLC 200 reunites white-collar employees from various industries, meaning that it will have to consult with many blue-collar worker JLC's to organise its complex process.

Since the conclusion of one general pension plan for all JLC 200 employees will not be effective in view of harmonisation, the National Labour Council suggests for separate plans to be implemented in each field of professional activities covered by JLC 200 (e.g. one plan for all white-collar workers in the construction industry, where blue collar JLC 124 is competent for employers as well).

## What can employers do in the meantime?

Although the initiative is with the industries, employers cannot passively await the outcome at industry level.

The Act provides that employers should "engage in a harmonisation track" for existing inequalities to be further accepted as non-discriminatory (until the cut-off date of 31 December 2024). This means that they should be able to demonstrate that they are "dealing" with the harmonisation

process and that all their actions and initiatives related to supplementary pension schemes promote harmonisation, as everything they do should fit into this harmonisation track.

Employers are therefore advised to already map their situation (existing schemes, differences, causes of differences, etc.), think of ways to remedy differences, estimate costs involved and undertake internal discussions (management board, social bodies, employees, etc.) and consult with external providers (insurance company, benefits consultant, lawyer, etc.).

This is especially relevant for employers subject to equivalent JLCs who have already established that there is no difference in treatment between their blue- and white-collar industry schemes. Companies operating within these JLCs can already start harmonising their company supplementary pension schemes (if relevant).

## Conclusion

Little progress is made at industry level but this should not withhold employers from starting up their own harmonisation track at company level.

### ***Status update for some JLC's***

	<b>JLC</b>	<b>STATUS</b>	<b>OUTCOME</b>
<b>111</b>	Blue-collar workers metal, mechanical and electric construction	Ongoing	/
<b>116</b>	Blue-collar workers chemical industry	Finalised	No difference in treatment
<b>124</b>	Blue-collar workers construction	Ongoing	/
<b>140</b>	Blue-collar workers transport and logistics	Ongoing	/
<b>200</b>	White-collar workers	Not yet started	/
<b>201</b>	White-collar workers independent retail	Ongoing	/
<b>207</b>	White-collar workers chemical industry	Finalised	No difference in treatment
<b>209</b>	White-collar workers metal and technology	Ongoing	/
<b>330</b>	Health care	Finalised	No difference in treatment

## Contacts

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