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There had been 170,155 applications to leave the second pension pillar submitted by the end of March, meaning that 1.3 billion euros of pension savings as at 31.03.2021 will be withdrawn from pension funds in September. The applications were received and the data were processed on time and without any major interruptions.

“For the withdrawals to be paid out in the autumn without interruption, at least two conditions will need to be met. The funds will have to have sufficient liquidity to cover the operation, and the institutional IT systems running the processes will have to be able to cope with the load. Finantsinspeksioon is monitoring the IT developments at institutions affected by the reform of the second pillar and analysing the liquidity of funds”, said chair of the management board of Finantsinspeksioon, Kilvar Kessler.

Pensionikeskus, which maintains the pension register, presented an action plan for IT development to Finantsinspeksioon, and this will help the various stages of the reform to be achieved smoothly. “It is important that the IT development plans and schedules be adhered to and that systems be properly tested before they are launched”, said Mr Kessler.

Market participants affected by the pension reform have confirmed to Finantsinspeksioon that a large part of the IT solutions needed for the pension reform are already in place. The Pensionikeskus self-service portal is able to accept applications to leave the second pension. The network of bank links and of data exchange between institutions has also been extended and several stress and functionality tests of IT systems have been carried out. The IT solutions needed to handle the large-scale payments that will be made in the autumn are in their final stages of readiness.

Finantsinspeksioon carried out stress tests of funds in autumn last year to assess the resilience of mandatory pension funds to the exit of pension holders. Comparison of data received from Pensionikeskus with the results of the stress tests show the funds to be able to cover withdrawals that are many times larger than those they will have to pay in the autumn. The number of applications received to exit the second pillar is larger than the number of applicants, as people wanting to leave the pillar have to submit a separate application to each fund where they have money. One person can have more than one second pillar fund. As the applications to leave can be withdrawn until the end of July, not everybody who has submitted an application will necessarily leave the second pillar.

