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Labour Law Department

DEVELOPMENTS IN THE LAW ON PENSION PLANS AND FUNDS
FOLLOWING THE PUBLICATION OF LAW 12/2022

[Law 12/2022, of 30 June, on the Regulations for Promoting Occupational Pension Plans](#), amending [Law 1/2002 on Pension Plans and Funds](#), has been published in the Official State Gazette on 1 July 2022. The regulation incorporates two novelties (i) open public promotion occupational pension funds ("**Funds**"), and (ii) simplified occupational pension plans ("**Plans**").

Among the major features of the Funds are the following:

- The Promotion and Monitoring Committee shall act as a public promoter and collegiate body.
- Defined contribution employment system pension plans for retirement with a statement to that effect in their specifications and simplified occupational pension plans may be integrated into it.
- A single Special Audit Board is set up for all publicly promoted open pension funds.
- The funds' assets shall be invested exclusively in the interests of its participants and beneficiaries.
- An open procedure is established in the selection processes for managing and depository entities, the use of a common digital platform being implemented for their operation.

On the new concept of the Plan, it should be highlighted that it may be:

- Promoted by companies covered by collective agreements of a sectoral nature which implement pension commitments in favour of their workers, with special attention paid to promoting their implementation in small and medium-sized enterprises.
- Used by the public sector, promoted by the public administrations, including Local Corporations, and the entities and bodies dependent on them, which implement pension commitments in favour of the personnel providing their services.
- Used by self-employed workers or workers employed on their own account, promoted by the associations, federations, confederations, or unions of associations of self-employed or own account workers, by trade unions, by professional associations or by social security friendly societies, in which the participants are exclusively self-employed or employed on their own account.
- Used by the worker members and partners of cooperative and employee-owned companies, promoted by cooperative and employee-owned companies and their representative organisations.

Likewise, it should be noted that for the contingency of retirement, a Plan must be based on defined contributions, without prejudice to the fact that the defined benefits that are envisaged for the death, permanent disability and dependence of the participant or the beneficiaries for any contingency must be enabled in their entirety through the insurance contracts provided for by the Plan.