

**CMFB opinion on  
Unbalanced transfers of pension obligations to the government under ESA10**

1. At Eurostat's request, I as the CMFB Chairman, with the assistance of the CMFB Executive Body, asked CMFB Members on 18 October 2013 to express their opinion on the recording in government accounts of unbalanced transfers to government of pension obligations. The deadline for replies was 4 November 2013. Twenty-four (24) national statistical institutes, twenty-two (22) national central banks and the ECB returned the questionnaire within the specified time. A total of forty-seven (47) institutions provided their opinion.
2. In this consultation, the respondents were provided with two alternative recording options for the value of the AF 89 liability, as follows (A): the estimated value of the transferred pension liabilities, according to the agreed actuarial calculations, together with government expenditure - capital transfer - at the time of the transaction corresponding to the value of the under-funding, or: (B) the value of the assets effectively transferred by the corporation to the government (ignoring the value of the under-funding).
3. Both recording options received exactly the same number of expressions of support from the respondents. The respondents who supported option A mainly argued that it is the best reflection of the economic substance of such transactions. As the corporation transferring its pension obligations has an improved financial position after the transaction, a capital transfer from government should be recorded at the time of the transfer for the value of the under-funding. Those who supported option B mainly did so for reasons of equal treatment between the transferred liabilities and the liabilities already in the social security system and of ease of recording. They furthermore argued that the actuarial calculation could pose problems.
4. Based on the balanced outcome of the consultation, the CMFB cannot express a firm opinion on this issue.
5. In addition to this opinion, all of the anonymised answers from CMFB Members have been transmitted to Eurostat and will be kept in the records of the CMFB secretariat.

*(Signed)*

Joe Grice  
CMFB Chairman

Newport, 18 November 2013