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## U.S. Retirement Success Can Aid in EU Pension Modernization

By ICI Strategic Communications

Understanding the successes of the U.S. retirement savings framework can aid European regulators as they consider reform of pension systems in the European Union, ICI said in [a comment letter](#). Our letter came in response to a [European Commission "Green Paper"](#) on how best to modernize pensions.

"The US [defined contribution] system of 401(k) and similar plans has been a huge success," said our letter, which addressed several specific issues raised by the Commission.

Among those issues: Ensuring adequate income and long-term sustainability of pensions. We pointed the Commission to ICI research showing how DC plans can play a critical role in supplementing retirement income from other sources and [how DC plans can provide significant retirement income](#).

We also flagged ICI [testimony](#) discussing how the U.S. defined contribution system (DC) stands on solid footing and can withstand financial shock. "We firmly believe it would be a mistake to use recent market events as a reason to discourage the development of DC schemes."

- Read [ICI's letter](#).
- Visit the [European Commission's website](#) to find the Green Paper and background.
- Learn more about ICI's work on [retirement issues](#).
- Learn more about ICI's work on [international issues](#).