

(English version)

**Question for written answer E-001555/25
to the Commission
Fernando Navarrete Rojas (PPE), Dolors Montserrat (PPE)
(16 April 2025)**

Subject: Sustainability of the pension system

Milestone 409 of Spain's recovery and resilience plan makes fiscal sustainability a condition for pension reform. On 31 March 2025, the Independent Authority for Financial Responsibility (IAFR) published its report on the pension expenditure rule — a rule that was agreed upon with the Commission and designed to assess the need for corrective action. The IAFR has also published its independent report on sustainability.

The conclusions are alarming:

- (a) The expenditure rule agreed upon does not guarantee the system's sustainability.
- (b) Pension expenditure pressure has increased by 0.4 points of GDP.
- (c) Transfers from the state will need to be increased by 2.4 points of GDP, which will add to debt.
- (d) Without changes to the current policy, the deficit would hit 7% and debt would reach 129% of GDP in 2050.

In view of the above:

- 1. Does the Commission believe that the pension reform is still in line with the principle of fiscal sustainability?
- 2. Can Spain amend, through Royal Decree 100/2025, the content of milestone 409, which includes an independent assessment of pension sustainability?
- 3. Will the Commission take the conclusions in the IAFR's independent report into account when assessing Spain's request for the fifth disbursement?

Submitted: 16.4.2025

**Answer given by Mr Dombrovskis on behalf of the European Commission
(16 July 2025)**

The Commission preliminary assessment of the fourth payment request ⁽¹⁾ considered the fiscal sustainability requirements of the pension reform as satisfactorily fulfilled ⁽²⁾, noting that 'the closure clause legislated as part of Milestone 409 ensures that corrective measures enter into force as soon as necessary so that the long-term fiscal sustainability of the pension reforms [...] is preserved even under less favourable developments than assumed.'

The Commission has taken note of the decision by the Council of Ministers to amend Royal Decree 100/2025, which is relevant to the application of the closure clause, since it provides further specification to guide its calculation by the independent fiscal council Independent Authority for Fiscal Responsibility (AIReF). The Commission is currently assessing the impact of the proposed amendments to Royal Decree 100/2025.

⁽¹⁾ https://commission.europa.eu/document/download/e8b93743-5a80-4c10-9caa-4dabedc95728_en?filename=C_2024_4171_1_EN_annexe_acte_autonome_nlw_part1_v2_1.pdf.

⁽²⁾ These requirements are set out in the Council Implementing Decision: <https://data.consilium.europa.eu/doc/document/ST-10150-2021-ADD-1-REV-2/en/pdf>.