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Subject: Poland Confiscates Half Of Private Pension Funds To "Cut" Sovereign Debt Load

Posted by [CyberkNight](#) on Wed, 18 Sep 2013 13:58:16 GMT

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While the world was glued to the developments in the Mediterranean in the past week, Poland took a page straight out of Rahm Emanuel's playbook and in order to not let a crisis go to waste, announced quietly that it would transfer to the state - i.e., confiscate - the bulk of assets owned by the country's private pension funds (many of them owned by such foreign firms as PIMCO parent Allianz, AXA, Generali, ING and Aviva), without offering any compensation. In effect, the state just nationalized roughly half of the private sector pension fund assets, although it had a more politically correct name for it: pension overhaul.

By way of background, Poland has a hybrid pension system: as Reuters explains, mandatory contributions are made into both the state pension vehicle, known as ZUS, and the private funds, which are collectively known by the Polish acronym OFE. Bonds make up roughly half the private funds' portfolios, with the rest company stocks.

And while a change to state-pension funds was long awaited - an overhaul if you will - nobody expected that this would entail a literal pillage of private sector assets.

Full article: <http://www.zerohedge.com/news/2013-09-06/poland-confiscates-half-private-pension-funds-cut-sovereign-debt-load>

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