



PensionsEurope's answer to the EC's consultation on supplementary pensions

August 2025

www.pensionseurope.eu

1.	PENSION TRACKING SYSTEMS	3
2.	PENSION DASHBOARDS.....	6
3.	AUTO-ENROLMENT.....	8
4.	REVIEW OF THE PEPP REGULATION.....	13
	Basic PEPP	14
	Sub-accounts	16
	Fee cap	18
	Risk-mitigation techniques	19
	Use in a workplace context	20
	Registration and supervision	22
	Investment rules and diversification	23
	Level playing field across personal pension providers and rules on distribution	24
	Individual transfers	25
	Transparency, information and pension tracking systems	26
	Tax treatment	29
	Other aspects	30
5.	REVIEW OF THE IORP II DIRECTIVE	31
	Investment rules and diversification	32
	Scale	38
	Collective transfers	39
	Cross-border operations	40
	Scope	41
	Minimum standards	43
	Supervision	44
	Transparency, information and pension tracking systems	45
	Tax treatment	48
	Scope of prudential regulation	49
	Other aspects	49

1. PENSION TRACKING SYSTEMS

Pension tracking systems are digital platforms that allow citizens to obtain an overview of pension entitlements held in different schemes in one place. In addition, they may provide an estimate of the future pension benefits. By providing a complete picture of their entitlements from the various types of pension schemes, they enable citizens to take informed decisions about their career, retirement planning and saving needs.

Currently, pension tracking systems in some form exist in several Member States, however, most of them do not cover all pillars of the pension system. EIOPA¹ and OECD² have analysed pension tracking systems with a view to identifying good practices. The Commission seeks views on the coverage and design features of pension tracking systems.

Stakeholders' views are sought on the following:

- 1 Do you consider that the pension tracking system in your Member State functions well?
 - a. Yes
 - b. No, it should be extended/improved
 - c. No, my country doesn't have a tracking system
 - d. **Don't know / no opinion / not applicable**

Please elaborate on your answer. In case you are not satisfied, please indicate which features should be improved or added.

PensionsEurope believes that the structure and use of PTS should remain an issue for the Member States. PTS should also adapt to the information needs of members and beneficiaries in a Member State. In countries with well-developed pension systems, we observe that PTS provide information on statutory and supplementary pensions.

In the Netherlands, the national PTS contains first and second pillar pensions from all potential providers where relevant. We believe that it should be extended to include all parts of the Dutch pension system.

Moreover, evolving over time, other useful functions, such as exporting the data and viewing the partner's pension online, might also be introduced if there is a need in the special national context.

In Sweden, there is a continued development of the tools to improve the user experience, enhancing quality, and making the services more friendly. Furthermore, adaptations to new societal conditions (the introduction of the target retirement age and supporting the growing group of working retirees) and enhancing efficiency through new tools are constantly developing. In other countries like Germany, the creation of PTS started more recently, but overall, the situation is developing smoothly. The German PTS covers pension entitlements in all three pillars for which mandatory regular information requirements are already in place. Belgium has a well-developed pension tracking system, MyPension, covering both the first

¹ EIOPA (2021), [Technical advice on the development of pension tracking systems](#)

² OECD (2024), [OECD Pensions Outlook 2024: Improving Asset-backed Pensions for Better Retirement Outcomes and More Resilient Pension Systems](#), OECD Publishing, Paris, <https://doi.org/10.1787/51510909-en>.

and second pillar. Although the system functions well, it is still being further developed. It has become the prime source of information on pensions in Belgium.

PensionsEurope believes that there is no one-size-fits-all solution concerning the extent and the level of the information that is covered by a pension tracking system. The information needs are primarily determined by the features of the pension scheme in question: DB or DC (as the determining factor for the extent of the investment risk), options relating to retirement (early retirement, decumulation options), existence or non-existence of investment choices of a member, etc. Member States should have flexibility in the type of information included apart from the structure.

Finally, in countries with less developed PTS such as in Central and Eastern Europe, the main remaining challenge is that parts of the pension system are not included. However, the Member States concerned are best placed to address these issues, considering the specificities of national pension systems.

- 2 What do you consider will make a pension tracking system a useful tool to increase citizens' awareness of their future pension entitlements and to enable them to plan for retirement? **(please rank options according to their importance)**
- a. access to the system and the information provided is simple and secure 1 2 **3** 4 5
 - b. users can be sure that the information is objective, i.e. not influenced by the interest of those that provide the information 1 2 **3** 4 5
 - c. the system covers all pillars of the pension system 1 2 3 4 **5**
 - d. the system is cost-effective 1 2 3 4 **5**
 - e. No opinion

Please elaborate your answer.

All of the factors mentioned are important. A lower ranking does not imply that we consider this factor to be negligible.

A PTS must provide information on statutory and supplementary pensions. The added value of a PTS comes from consolidating pension information. A PBS only shows information from one provider and usually only the second (occupational) pillar. Most people make their pension/investment decisions considering entitlements of all parts of the pension system. If an employee is entitled to a high statutory social security pension, he/she will more probably refrain from investing in a private pension. On the contrary, self-employed individuals tend to save more in private pensions. Only by bringing accruals and entitlements of all pensions together, a PTS provides people with the necessary overview to make lasting investment decisions.

Moreover, information should be comparable and additive. Objective and standardized information remain a key element. People expect to receive objective information because investment decisions in pensions are long-lasting, and disinvestments are at least difficult and sometimes costly.

In most countries, people do not need pension information daily. Therefore, simple access to the system is of less importance. Simplicity may contradict security, and a trade-off has to be established. However, establishing a PTS help desk can help less digitally skilled people to acquire access to their data.

Finally, PensionsEurope believes that PTS should be free for users. The cost to pension schemes should be kept low. Overall, creating and maintaining a PTS should be as cost-effective as possible.

- 3 Which of the following elements should a pension tracking system cover (**please rank options according to their importance**)
- a. Information from all schemes about past contributions and accrued entitlements 1 2 3 4 5
 - b. Projected pension benefits at a set retirement age based on standard career assumptions 1 2 3 4 5
 - c. Possibility to simulate pension entitlements under different scenarios of individual contributions, retirement age, investment allocations, and financial market developments (where relevant) 1 2 3 4 5
 - d. Information about the options and the pay-out (net of taxes) a citizen can expect in case of early withdrawal 1 2 3 4 5
 - e. Other

Please elaborate your answer.

Please see also the questions on transparency in sections 4 and 5.

The ranking of the importance of the elements mentioned above depends on the specificities of the pension system in the different Member States.

The scope and content of the necessary information requirements of a new PTS can use PBS information already available as a basis and provide the path to a quick and cost-efficient implementation if the national data standards allow for aggregation.

PensionsEurope believes that information should be prioritized for the purpose of retirement planning. The most important elements are therefore the ones that could prompt people with a pension gap to react and make efforts to close the gap. For this reason, the “projected pension benefits at a set retirement age” (b) should be the key feature of a PTS. However, this should not be considered by the public as a promise. Information from all schemes about accrued entitlements(a) is also essential. The PTS should not focus on contributions paid in. Communicating contributions would lead to additional complexity by adding non-actionable information, which may not be understood by all users.

The “possibility to simulate pension entitlements under different scenarios” (c) and “information about the options and the pay-out (net of taxes) a person can expect in case of early withdrawal” (d) can also have some relevance. However, making them a necessary part of the PTS functionality in the design phase would contradict the quick and cost-efficient path for establishing a PTS. Moreover, pension funds are responsible for communication with their members and beneficiaries and in some Member States for guidance around choices in the pension scheme, which can differ significantly. Considering the differences in choice between pension schemes, it seems difficult for the pension tracking scheme to give a comprehensive and standardized overview of various choices. Developing this functionality might be too costly. As regards d), we point out that, especially in Member States with systems using progressive tax rates, the pension provider would need to know the entire family and income situation of its members to make more or less predictable predictions on tax deductions. This, however, is typically not the case.

- 4 What do you consider are the most difficult challenges in setting up a pension tracking system (**please rank in the order of importance**)
- a. Data protection 1 2 3 4 5 **6**
 - b. Accuracy and impartiality of data **1** 2 3 4 5 6
 - c. Access to the platform and presentation of the information 1 2 **3** 4 5 6
 - d. Maintenance and governance of the platform 1 2 3 **4** 5 6
 - e. Inter-operability with pension tracking systems across Member States 1 2 3 4 **5** 6
 - f. Other (please elaborate) **1** 2 3 4 5 6
 - g. No opinion

Please elaborate your answer.

Data impartiality and reliability are essential. Using the data that is already accessible in the PBS at the initial stages of PTS can ensure those elements. Furthermore, easy access to the platform and a straightforward method of information presentation are also crucial components. Users should participate in testing during development in order to accomplish these goals.

PTS costs are also very important. The key elements of establishing and managing a PTS are sponsoring the system, developing and implementing the essential features and obtaining the information that is available without deviating from that which is supplied by the primary sources (employers, pension funds, and insurance firms).

Maintenance and governance of the platform do not represent a major difficulty if the PTS is operated professionally. The European Tracking Service on Pensions will make pension tracking services across Member States interoperable. For mobile and cross-border workers, this is vital. The integration of the national pension tracking service with the European Tracking Service should be supported and encouraged by Member States.

2. PENSION DASHBOARDS

Pension dashboards show country-wide information on pensions with the objective to highlight gaps in sustainability and their adequacy at aggregate level, and to enable Member States to deploy necessary policy intervention. These can be a tool to create a political setting that allows for appropriate peer pressure to be exercised, so that Member States identify and address shortcomings at their level and are incentivised to learn from best practices.

The Commission and Member States are jointly producing and publishing data on

pensions adequacy and their sustainability in the [Pension Adequacy Report](#)³ and in the [Ageing Report](#)⁴. EIOPA analysed data gaps and advised on steps to set up pension dashboards.

Stakeholders' views are sought on the following:

- 5 Which elements do you consider useful to make pension dashboards an effective tool to monitor the performance of a Member States' pension system? **(please rank the options according to their importance)**
- a. Detailed data about occupational and personal pensions, in addition to statutory pension 1 2 **3** 4 5
 - b. Breakdown of pension data by different cohorts of the population (e.g. by gender, age, type of employment, economic sector, income, etc.) 1 2 3 4 **5**
 - c. A forward-looking projection of pension adequacy and sustainability, based on transparent and robust assumptions **1** 2 3 4 5
 - d. Consistent data and methodology across Member States to allow for comparisons 1 2 3 **4** 5
 - e. Other elements, please list 1 2 3 4 5 (*an attractive presentation and for verification*)

Please elaborate your answer.

It is difficult to provide a definitive answer to the question posed, as the precise structure, purpose and intended use of the pension dashboard is unclear. Without clarity, there is a risk of misuse, for example, through the creation of cross-country rankings or benchmarks that ignore the diversity of MS's pension systems. Pension dashboards can be valuable national policy support tools if grounded in subsidiarity, built on existing data (the Ageing Report and Pension Adequacy report, above all), and designed to enhance transparency and informed debate, rather than to harmonize or compare.

All of the factors mentioned are important. A lower ranking does not imply that we would consider this factor to be negligible.

The dashboard must offer a forward-looking perspective on the development of pensions across parts of the pension system during the following decades. Future action will be more challenging the longer it is delayed. An unbiased public discussion should also be possible with a visible dashboard. For this reason, it must be presented as an eye-catching infographic.

If the Member States want an EU pension dashboard, then a format similar to the "macroeconomic imbalance procedure scoreboard" and a presentation using the colours red, orange, and green could be a good option. In addition, it might then be possible to become more granular to consider national specificities. Incorporating procedural safeguards to ensure the accuracy of the information provided would

³ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Social Protection Committee (SPC), [The 2024 pension adequacy report – Current and future income adequacy in old age in the EU. Volume I](#), Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2767/909323>

⁴ European Commission: Directorate-General for Economic and Financial Affairs, [2024 Ageing Report. Economic and Budgetary Projections for the EU Member States \(2022-2070\)](#).

also be beneficial. Additionally, it is crucial that the presentation cannot be altered on a regular basis. If it is possible to see trends over time, dashboards may become more effective. The dashboard should first use the information that is already available today and should not impose additional reporting or disclosure requirements to IORPs or other pension providers.

- 6 Which dimensions of a pension system's performance do you find most meaningful (**please provide a ranking**)?
- a. Income replacement, i.e. the level of retirement income relative to work income now or in the future 1 2 3 4 **5**
 - b. Pension sustainability, i.e. measured by its capacity to deliver a decent level of retirement income in the next decades in face of a declining working age population 1 2 **3** 4 5
 - c. Contribution to poverty reduction and equality 1 2 3 **4** 5
 - d. Fiscal costs now and in the future 1 **2** 3 4 5
 - e. Other, please list 1 2 3 4 5 (**European Pillar of Social Rights**)

Please elaborate your answer.

All the factors mentioned are important. The EU Member States have different pension cultures. Hence, their respective pension systems prioritize the mentioned aspects differently – while some Member States emphasize income replacement, others focus more strongly on preventing old-age poverty.

PensionsEurope believes that principle 15 of the European Pillar of Social Rights should serve as the foundation for pension policy to create a more social and competitive Europe. In real terms, choices a, b, and c are included in Principle 15. This aim must be attained in the future as well, which underlines the importance of 'b'. This goes in parallel with fiscal costs. It is also clear that the EU has only limited competences in pensions, and that Member States decide their own pension policies.

It seems reasonable to require that this is done in such a transparent way that people can have a clear insight into the pension system which can work as a basis for a broad societal pension debate. Lastly, it is critical to remember that if Member States are unable to manage pensions and ageing, it could result in unsustainable national budget policies and/or public pension schemes that might hurt other Member States' public finances and the competitiveness of the economy.

3. **AUTO-ENROLMENT**

The consultation explores the role of auto-enrolment in the Union's strategy on supplementary pensions. The Commission commissioned a [study on best practices and](#)

[performance of auto-enrolment mechanisms for pension savings](#)⁵.

In particular, a question arises on whether Member States should encourage the use of auto-enrolment to nudge future pensioners in allocating part of their income (or savings) into a supplementary pension scheme.

The consultation also enquires about the approach that Member States could adopt to incentivise enrolment into supplementary pensions, to possibly identify best practices about factors that determine the effectiveness of auto-enrolment. This may involve examining various factors that can influence the success of auto-enrolment, such as the availability of default options, the cost-effectiveness of starting at earlier ages, the design of pay-in or pay-out phases, incentives for employers to facilitate the enrolment of their employees and the type of pension schemes used for auto-enrolment, including existing occupational pension schemes and other pension products used in the workplace context.

The initiative may also consider best practices as regards practical aspects such as the eligibility of schemes for auto-enrolment, the eligibility of workers/employees, the duties of employers or professional workers, the enrolment process, the opt-out, transparency, portability and safeguards for beneficiaries. The role of taxation could also be explored.

Stakeholders' views are sought on the following:

7. What are in your views the key features for an auto-enrolment mechanism to be successful? **(please rank the options according to their importance)**
 - a. Provision of auto-enrolment administration facilities by the State 1, 2, 3, **4**, 5, 6, 7, 8
 - b. Starting with low contribution rates for participants with their gradual escalation over time 1, 2, 3, 4, **5**, 6, 7, 8
 - c. Duration and recurrence of opt-out windows and options for re-enrolment 1, 2, 3, 4, 5, **6**, 7, 8
 - d. State incentives (e.g. tax or subsidies), with calibration based on income categories 1, 2, **3**, 4, 5, 6, 7, 8
 - e. Preservation of statutory pension benefits and sustainability 1, **2**, 3, 4, 5, 6, 7, 8
 - f. Full or partial early withdrawal of pension benefits (subject to penalty, where relevant) 1, 2, 3, 4, 5, 6, **7**, 8
 - g. Involvement of social partners in its design **1**, 2, 3, 4, 5, 6, 7, 8
 - h. Other 1, 2, 3, 4, 5, 6, 7, **8** (please specify)

Please elaborate your answer.

⁵ European Commission: Directorate-General for Financial Stability, Financial Services and Capital Markets Union, LE Europe, Redington, Spark, Devnani, S. et al., [Best practices and performance of auto-enrolment mechanisms for pension savings – Final report](#), Publications Office, 2021, <https://data.europa.eu/doi/10.2874/03565>

All of the factors mentioned are important. A lower ranking does not imply that we would consider this factor to be negligible.

Our response refers to possible recommendations for the introduction of automatic enrolment explicitly in the second pillar.

Auto-enrolment has proven effective in expanding pension coverage in some countries. However, successful auto-enrolment must not only achieve broad participation but also ensure that contribution levels are sufficient to provide adequate pensions. Auto-enrolment has significant potential to address Europe's retirement challenges, but it should not aim to replace effective mandatory or quasi mandatory pension systems. Consequently, the present prevalence of occupational pensions determines whether auto-enrolment is appropriate and desirable. We believe that implementing auto-enrolment could be advantageous in countries where occupational pensions are optional and not common. In some Member States, auto-enrolment is already in place, and possible measures to improve its effectiveness should be tailored at the national level instead of being based on solutions drawn from comparable frameworks. The upcoming EU recommendations should not suggest or promote a one-size-fits-all solution. Member States need flexibility to evaluate whether to introduce and how to organise auto-enrolment.

PensionsEurope recommends the inclusion of social partners in establishing supplementary pensions where possible, as this improves stability and trust. However, government intervention may be necessary in countries where the social dialogue is underdeveloped. Low earners whose contributions do not ensure a sufficient pension at the end of their working life could receive specific state incentives and tax benefits. Depending on political support at the national level, other design elements could need to be modified, such as starting with smaller contributions but to avoid becoming trapped at a contribution level that does not result in adequate replacement rates. Employees should not be given a false sense of security if their occupational pension will not provide a decent retirement income.

8. In your opinion, what should be the features that the default pension plan(s) should have to be successful? **(please rank the options according to their importance)**
- a. Life-cycle asset allocation (more prudent as the retirement date approaches) 1, 2, 3, 4, 5, 6
 - b. Option to shift pension plan and risk profile at a later stage (in addition to opt out) 1, 2, 3, 4, 5, 6
 - c. Minimum contribution, with the option to increase it at later stage 1, 2, 3, 4, 5, 6
 - d. Capital guarantee, despite expected lower return compared to solutions without that guarantee 1, 2, 3, 4, 5, 6
 - e. Sufficient scope of target population, to ensure cost effectiveness and investment diversification capability of the default fund(s) 1, 2, 3, 4, 5, 6
 - f. Other 1, 2, 3, 4, 5, 6

Our response refers to possible recommendations for the introduction of automatic enrolment explicitly in the second pillar.

Generally, in Member States where employers are ultimately liable for the promised pension we hold that automatic enrolment requirements into occupational pension system can only take place in DC systems. However, it should be kept in mind that in a number of Member States, DB systems are still

the norm and DC pension systems can only be set up under specific circumstances.

The default scheme should be adapted to national circumstances, such as the social security pensions and the characteristics of existing workplace pensions. PensionsEurope believes that its primary characteristics should be like those of current pension schemes. Depending on the national context, they may include no withdrawal during the accumulation phase, decumulation as mandatory (variable or fixed) annuity, lump sums or other decumulation option, comparable information requirements, inclusion in the pension tracking system, etc. If the plan is set up as a pure individual DC arrangement, we also strongly recommend a lifecycle approach to investing as a starting point.

The decumulation phase has a significant impact on how risk-mitigation strategies are designed. When using an external provider for fixed annuitization, a life-cycle strategy could lower the risks in the years leading up to retirement. Additionally, we think it could be cost-effective for pension funds to offer their beneficiaries' variable annuities directly and use a buffer fund to mitigate negative shocks, allowing for slightly higher allocations to return-seeking assets (such as equity). Good returns are difficult to reach with a true capital guarantee.

It's critical to start by setting contributions at the appropriate level. Auto-enrolment's use of inertia can make it effective, as people do not opt out. However, it can also mean that most people will not proactively choose to increase their contribution levels.

|TYPE YOUR TEXT HERE |

9. In your opinion, who should have the responsibility to establish the default pension plan that eligible participants should enroll in?

- a. The legislator
- b. **The social partners, where applicable**
- c. The employer
- d. Other
- e. No opinion

Please elaborate your answer.

Our response refers to possible recommendations for the introduction of automatic enrolment explicitly in the second pillar.

This depends on the national context. We would strongly support the involvement of social partners in countries where social dialogue is effective. This could be achieved by a social partnership agreement at the national level. However, if social partners fail to present such a plan, legislators should offer an appropriate solution.

A second question is who sets up the scheme and manages it. Social partners may be useful in this situation. They contribute to a more collective approach for funded pensions (rather than for many expensive individual products). Social partners have the benefit of managing the plan independently of the government, leading to a reduced risk of nationalization of funds or other types of government intervention and bringing more stability to the pension system.

10. In your opinion, what measures shall be adopted to ensure equal opportunities for self-employed and employees not covered by auto-enrolment?
- Granting of equivalent tax incentives or other subsidies to participate in private pension plans**
 - Granting of equivalent tax incentives or other subsidies to participate in general default occupational pension plans only
 - Other
 - Don't know / no opinion / not applicable

Please elaborate your answer.

Option a currently makes more sense if there is no government or collective scheme for self-employed workers. Nonetheless, compared to personal pension products, collective pension schemes offer several advantages, including:

- Lower costs: due to scale and mandatory enrolment in some countries, pension schemes operate at relatively low-cost levels, in particular considering that these costs include getting access to “more expensive” asset classes such as private equity, hedge funds and infrastructure. Requiring a national default scheme avoids costs for enrolment and advice.
- Broader diversification and illiquidity premia. Due to scale, occupational schemes are able to access more asset classes. It also becomes possible to invest in illiquid assets. In personal pensions, it is more difficult to offer these assets because consumers can switch investment profiles or providers.

Therefore, when designing a new system from the ground up, it could be considered whether it is best to fiscally stimulate self-employed with inadequate existing systems for old-age provision and employees not covered by auto-enrolment to join a national default fund.

11. What is in your view the task of the public authorities in enabling the use of auto-enrolment (**please rank the options**)
- To set the relevant legal framework1, 2, 3, 4, 5, 6, 7
 - To provide detailed guidance to employers and other bodies 1, 2, **3**, 4, 5, 6, 7
 - To provide tax incentives or public subsidies to the target population1, **2**, 3, 4, 5, 6, 7
 - To provide tax incentives or compensation for employers or other bodies that administer enrolment, contributions and pay-outs1, 2, 3, 4, **5**, 6, 7
 - To provide administrative support1, 2, 3, **4**, 5, 6, 7
 - To provide comprehensive and impartial information to the target population1, 2, 3, 4, 5, **6**, 7
 - Others (please specify)1, 2, 3, 4, 5, 6, **7**

Please see also the question on PEPP in a workplace context below.

The rank of the options depends on Member States' specificities and on the pillar in which auto-enrolment is implemented. There is no one-size-fits-all solution.

The primary role of the public authorities is to set the relevant legal framework.

The primary role of the public authorities is to set the relevant legal framework including the provision of tax incentives or compensation for employers or other bodies that administer enrolment, contributions and pay-outs.

Finally, it is important to provide clear and detailed information on the functioning of pension fund enrolment mechanisms and the role and operation of auto-enrolment to the target population, employers, and other relevant bodies. The consultation splits the information tasks into two items, but they are equally relevant.

4. REVIEW OF THE PEPP REGULATION

Since its launch, the PEPP has not experienced material uptake across the EU. According to an [EIOPA staff paper](#)⁶ published in 2024, several issues were identified to justify the poor uptake: the level and structure of the fee cap on PEPP distribution, as well as Member States inaction on implementing national provisions, and the less advantageous tax regimes of PEPP vis-à-vis other national personal pension products. EIOPA also made suggestions on ways to improve PEPP uptake, including combining occupational and personal PEPP in a single pension product, reducing administrative burdens, and introducing auto-enrolment in the PEPP.

This consultation aims to collect information on whether the PEPP Regulation shall be reviewed to introduce a streamlined and accessible default option (the "Basic PEPP") to complement existing Member States' pay-as-you-go and occupational pension systems. In particular, it explores whether the appeal and usability of the PEPP could be improved by simplifying product features, facilitating digital onboarding, ensuring cost-effectiveness, and removing barriers to participation across the European Union. Views are also sought on whether additional investment options shall continue to be offered in addition to the Basic PEPP.

The current PEPP requires distribution to be subject to an individual suitability test. While the Basic PEPP can include life-cycling strategies – which entail a dynamic asset allocation for different age cohorts of pension members as a function of the distance to the retirement date (i.e. becoming more prudent as the retirement age approaches) –, these strategies are not necessarily required by the Regulation, which allows for alternative risk mitigation techniques. The consultation explores whether the Basic PEPP can be designed as a non-complex lifecycle product that incorporates suitability factors, such as risk appetite and investment horizon, directly into its structure, easy to

⁶ EIOPA (2024), [Staff Paper on the future of the pan-European Personal Pension Product](#).

understand and therefore to be offered also without investment advice, enabling distribution on an execution-only basis with lower costs.

The consultation also explores PEPP's potential role as a default option for workplace auto-enrolment schemes. The aim will be to ensure that the Basic PEPP could be distributed through any channel, including auto-enrolment and digital channels.

This consultation also invites views on the adequacy of information and comparability requirements and the impact of the [2017 Commission recommendations on the tax treatment of personal pension products](#), including the PEPP.

Stakeholders are also encouraged to raise any additional issues that could contribute to the successful scale-up of the PEPP.

Basic PEPP

Under the PEPP Regulation, advice should be given to prospective PEPP savers by PEPP providers or PEPP distributors prior to the conclusion of the PEPP contract, including for the Basic PEPP. This requirement aims to ensure consumer protection but also adds to the costs of the product. In addition, according to the [OECD recommendation for the good design of defined contribution pension plans](#)⁷, *"life cycle investment strategies can be well suited to encourage members to take on some investment risk when young, and to mitigate the impact of extreme negative outcomes when close to retirement"*.

Stakeholders' views are sought on the following:

12. In your view, does the current structure of the Basic PEPP allow for wide uptake by savers across the European Union, helping to ensure adequate income in retirement while also contributing meaningfully to the objectives of the savings and investments union?
 - a. Yes
 - b. **No**
 - c. Don't know / no opinion / not applicable

Please elaborate your answer. What changes, if any, would be necessary to enhance the attractiveness of the Basic PEPP for both providers and savers?

PensionsEurope strongly supports the objective of the European Commission to increase funded pensions in the EU, given the demographic challenges. A personal third-pillar pension may play a role in complementing the occupational second-pillar pension, especially in Member States with less developed occupational pension systems. However, to achieve social policy goals and be in demand, third pillar pension products need to be adjusted to the respective national pension landscape. One-size-fits-all products typically do not achieve this. Having a good and trustworthy third pillar pension product is therefore necessary to fit into this reality. Thus, what is most important is that Europeans get access to

⁷ OECD (2022), [Recommendation of the Council for the Good Design of Defined Contribution Pension Plans](#), OECD/LEGAL/0467

good pension products, not the success of PEPP.

In some Member States, employees already have access to well-managed occupational pension plans that often include lifelong or long-term pension payments with employers paying contributions. Securing supplementary pensions through occupational pension providers should be properly taken into consideration, given that those providers are often not-for-profit organisations, established by social partners and with low or no distribution costs, unlike the PEPP, which implies distribution costs.

Clearly, the Basic PEPP's current structure is not fit for purpose and too complex to ensure an uptake of the product, both for providers, as there are only two in the market, but also for savers. Supply-side issues need to be properly considered to enhance the attractiveness of the PEPP. Demand-side issues, for such cross-border product, need to be assessed to better understand the low uptake of the PEPP. Thus, greater flexibility on the supply side is needed, as indicated in our answers to question 18 about the fee cap and question 14 about the requirement to have mandatory advice.

13. Do you consider that the Basic PEPP should necessarily be designed with a built-in lifecycle investment strategy, as a standard feature of the product?
- a. **Yes**
 - b. No
 - c. Don't know / no opinion / not applicable

Please elaborate your answer. Please consider whether other risk mitigation techniques should also be considered as a standard feature of the Basic PEPP and why.

PensionsEurope believes that having a built-in lifecycle investment strategy for the basic PEPP can be an appropriate solution if correctly implemented, as a lifecycle approach is a common practice for a pension product, as we can see with the Plan D'Epargne Retraite (Savings Retirement Product) in France. Thus, adapting the investment allocation strategy from a risky to a less risky profile to consider the remaining time before retirement begins could enhance the attractiveness of the Basic PEPP.

Furthermore, in the current PEPP regulation, the Basic PEPP requires that any PEPP provider must offer either a risk-mitigation technique allowing the PEPP saver to recoup the capital or a guarantee on the capital invested. We believe that the aim of recouping the money is not the purpose of a lifecycle. A lifecycle is linked to a specific goal upon expiry (an annuity, a lump sum payment, or a drawdown product) and aims to limit the impact of adverse financial shocks just before conversion to the decumulation phase. Moreover, the investment approach that would be required from having a capital guarantee would not be compatible with the types of investments envisaged by the SIU policy agenda.

Finally, we would like to emphasize that the availability of alternative investments in addition to the Basic PEPP should be preserved, as indicated in our answer to question 15, to take into account properly the diversity of savers' risk appetite and needs.

14. Do you consider that the Basic PEPP should be designed in a way that it can be

offered also on an execution-only basis (i.e. without requiring investment advice)?

- a. **Yes**
- b. No
- c. Don't know / no opinion / not applicable

Please elaborate your answer. If yes, what additional design features could support or facilitate the distribution of the Basic PEPP on an execution-only basis? Additionally, do you consider that there would be value in linking such distribution to a condition that contributions remain within the nationally applicable tax-deductible limits?

The current requirement for mandatory advice increases the costs of PEPPs and restricts providers' ability to cover distribution expenses. This burden is put on PEPP providers, who need specialised training for their sales team and have an impact on the cost of the product. Since the Basic PEPP has been designed to be a simple and safe product, the attractiveness of the PEPP could be enhanced by simplifying the obligations of providing personalized advice before subscribing to a PEPP and leveraging digital distribution channels. Furthermore, we believe that there is a certain value in linking such distribution to a condition that contributions remain within the nationally applicable tax-deductible limits.

However, the impact on cost is not the only element to consider. Other factors, such as ensuring sufficient investor protection and maintaining product suitability, must also be taken into account when assessing the consequences of lightening the mandatory advice requirement.

15. Do you consider it is useful to maintain the availability of alternative investment options, in addition to the Basic PEPP?

- a. **Yes**
- b. No
- c. Don't know / no opinion / not applicable

Please elaborate your answer. If yes, should such options be defined and if yes, what should be such additional investment options and what should their purpose be (e.g., making the PEPP more aligned with an employer matching scheme, offering a broader PEPP investment portfolio, etc.), while ensuring they remain consistent with the PEPP's objectives?

Maintaining and improving alternative investment options alongside the Basic PEPP can help enhance the product's attractiveness. The possibility for PEPP providers to provide up to 6 investment options seems appropriate. Savers have diverse risk profiles and investment targets. Therefore, the availability of alternative investment options allows them to match their individual strategies and investment horizons. The flexibility of having different investment options is an important added value.

Sub-accounts

Under the PEPP Regulation, PEPP providers should offer national sub-accounts, each of

them accommodating personal pension product features allowing that contributions to the PEPP or out-payments qualify for incentives if available in the Member States in relation to which a sub-account is made available by the PEPP provider. Importantly, PEPP providers are required to offer sub-accounts for at least two Member States upon request.

Stakeholders' views are sought on the following:

16. In your view, does the sub-account structure align effectively with the specificities inherent in a cross-border product, including how Member States grant tax or other relevant incentives for personal pension products?
- a. **Yes**
 - b. No
 - c. Don't know/ no opinion/ not applicable

Please elaborate your answer. If no, what alternative structure would better serve the objectives of the PEPP?

We believe that the sub-account structure effectively aligns with the specificities inherent in a cross-border product, including how Member States grant tax or other relevant incentives for personal pension products. The sub-account structure should be retained and remain the basis for the cross-border provision of PEPPs as indicated in our answer to question 17. The sub-account structure is necessary to reflect the different pension systems across the EU and their respective national and social laws, in particular, tax laws.

Furthermore, we are concerned about the provision at Article 20(5)b of the PEPP regulation that allows savers to continue contributing to the last sub-account opened in case the PEPP provider cannot ensure the opening of a new sub-account corresponding to the PEPP saver's new Member State of residence. This provision creates uncertainty regarding the fiscal treatment of contributions paid by the savers in such cases and undermines the uptake of PEPPs. The review of the PEPP regulation should tackle this issue.

17. Do you consider the requirement for PEPP providers to offer sub-accounts for at least two Member States is necessary to foster cross-border provision of PEPPs?
- a. **Yes**
 - b. No
 - c. Don't know/ no opinion/ not applicable

Please elaborate your answer.

The EU added value in the PEPP lies in the cross-border dimension generated, among others, by the sub-account requirements. Therefore, removing national compartment requirements would alter the concept of the proposal, from a European product to a more national one.

This would also call into question the need for the EU to legislate on such products because the subsidiarity

principle could be jeopardised. The benefit of creating a new product operating on a national basis is also questionable, given that there already exist a great many personal pension products at the national level.

17.1. Should the Regulation ensure that savers have access to a PEPP from any PEPP provider, regardless of their Member State of residence and without requiring a sub-account to be available in that Member State?

- a. Yes
- b. No**
- c. Don't know/ no opinion/ not applicable

Please elaborate your answer.

While we fully support cross-border portability and consumer choice, such choice must remain consistent with national frameworks, particularly in terms of taxation, social protection policies, and regulatory oversight.

Cross-border access to PEPPs is important, but it must be done consistently with national legal systems. Allowing universal access to PEPPs without considering the Member State of residence and the availability of the national sub-account would hinder the PEPP as a European pension product, limiting its uptake due to legal ambiguity on taxation matters.

Fee cap

Under the PEPP Regulation, the Basic PEPP is subject to a fee cap set at 1% of the accumulated capital per year, covering most of the costs and fees. This cap is intended to ensure affordability and comparability across the EU market while safeguarding consumer interests. However, it also raises questions about the ability of PEPP providers to deliver long-term value and innovate within this constraint, particularly in light of differing cost structures and market conditions across Member States.

Stakeholders' views are sought on the following:

18. Do you consider that the Basic PEPP should continue to be subject to a 1% fee cap?
- a. Yes
 - b. No**
 - c. Don't know/ no opinion/ not applicable

Please elaborate your answer. If no, what alternative measures would you propose to keep the cost of the Basic PEPP at affordable levels?

PensionsEurope believes that the cost cap for the Basic PEPP is acting as a barrier to the development and market uptake of PEPP across the EU. While the 1% fee cap was designed for consumer protection purposes, we believed it was not sufficiently balanced with the objective of developing a new market for pension

products. Indeed, the providers must deal with advice and distribution costs, which is hardly feasible with a strict limit of 1% as we indicated in our [answer](#) to the 2019 EIOPA consultation on PEPP level 2 measures. Instead of a fee cap, we think that full transparency on cost can give consumers the right information to make a decision.

We do note that second pillar pension plans can operate well below the 1% fee cap, due to the much lower distribution costs and economies of scale in asset management and pension administration.

19. If the fee cap for the Basic PEPP were to be maintained, do you think certain cost components (e.g. taxes, specific distribution costs) should be excluded from the cap, or that other adjustments to the cap should be considered?
- a. Yes
 - b. **No**
 - c. Don't know/ no opinion/ not applicable

Please elaborate your answer. If yes, please specify which types of costs you believe should be excluded or what adjustments should be considered, and explain why:

We believe that the fee cap should be removed, as indicated in our answer to question 18, to ensure full transparency regarding costs. However, if the fee cap for the Basic PEPP were to be maintained, we believe that removing certain costs could be difficult.

It could distort the comparison between personal pension products and pension schemes if the latter were not subject to certain cost exclusions when calculating the total cost of such a scheme. Therefore, we are cautious and call for certain cost components to be excluded from the fee cap only if the cost calculation framework is the same for all pension providers.

Risk-mitigation techniques

Under the PEPP Regulation, all investment options shall be designed by PEPP providers on the basis of a guarantee or risk-mitigation technique which shall ensure sufficient protection for PEPP savers. Risk-mitigation techniques are techniques for a systematic reduction in the extent of exposure to a risk and/or the likelihood of its occurrence. These risk-mitigation techniques have been specified by [Commission Delegated Regulation \(EU\) 2021/473](#).

Stakeholders' views are sought on the following:

20. In your view, do the existing risk-mitigation requirements strike an appropriate balance between ensuring consumer protection and maintaining sufficient flexibility and incentive for PEPP providers to offer the PEPP?
- a. Yes
 - b. **No**

- c. Don't know/ no opinion/ not applicable

Please elaborate your answer. If no, which aspects do you find problematic, and how might they be improved?

While we believe that consumer protection should be taken very seriously, the risk mitigation requirement as established in the PEPP RTS, which mandates a 92.5% probability of capital preservation at the start and throughout the decumulation phase, is not fit for purpose and too conservative. The PEPP framework should be reconsidered to allow greater flexibility for PEPP providers. As indicated in our response to question 13, capital guarantee requirements do not permit the type of investment approach suggested by the SIU policy agenda.

Use in a workplace context

The [EIOPA staff paper on the future of the PEPP](#) suggests considering a PEPP that would combine occupational and personal pensions, noting that a single product may ensure scale and attract more providers, thus increasing offer for consumers. Stakeholders⁸ have also discussed this option. As a different option, stakeholders⁹ have also highlighted the possibility of adjusting specific requirements in the PEPP Regulation to allow its use as an employment benefit, while preserving its nature as a personal pension product.

Stakeholders' views are sought on the following:

21. Do you consider that the Basic PEPP should be explicitly open to use in a workplace context?
- a. Yes
 - b. **No**
 - c. Don't know/ no opinion/ not applicable

⁸ EIOPA OPSG (2024), [Own-Initiative EIOPA OPSG Discussion Paper on introducing the pan-European Occupational Pension Product](#).

⁹ EIOPA OPSG (2024), [Own-Initiative EIOPA OPSG Discussion Paper on the pan-European Pension Product](#), p. 26-27.

Please elaborate your answer. If yes, should this involve just explicitly allowing employer contributions or offering the Basic PEPP as an employee benefit while retaining its character as a personal pension product, or should it be adapted to function also as an occupational pension scheme? What regulatory changes would be necessary to enable either of such options, if any?

First of all, the [PEPP regulation](#) at Article 2(1) defines the PEPP as a “*personal pension product*” and “*based on a contract between an individual saver and an entity on a voluntary basis*” as well as “*neither a statutory nor an occupational pension product*”. Therefore, having a workplace Basic PEPP product would have huge implications. We are also aware that one of the two PEPP providers distributes its PEPP through an employer, which pays contributions without requiring a matching by the employee. In that case, we can argue that this is no longer a voluntary product. Moreover, at Article 6(1)c of the PEPP regulation, IORPs are one of the financial entities allowed to sell PEPPs, to the extent that the national law in which the IORP operates allows it to sell PPPs. So far, no IORPs are selling PEPPs, while Article 36(1)e of the PEPP regulation allows savers to receive contributions from “*any third party*” with employers that can be part of this large definition. In addition, at the national level, tax incentives can be given for those contributions.

Furthermore, in Member States with well-developed pension systems, the suggested approach, which combines occupational and personal pension, risks interfering with the operation of established or emerging schemes. The need for such a PEPP workplace product is absent, given that the establishment of pension schemes is often rooted in collective bargaining systems and a solid triangular relationship between the employee, the employer, and the pension provider. These systems can rely on compulsory participation of employers in certain sectors, which can be undermined by the PEPP’s voluntary nature (for the employer). Thus, introducing such a workplace product would risk destabilising those pension schemes whose success depends on the pension policy that is decided at the national level and not at the EU level. We also do not think that having a workplace PEPP product would help to gain scale through the combination of different PEPP products across Member States. Indeed, as we can see in the IORP debate and in our answer to question 42, the rules governing pension schemes are still very national, which explains the low number of cross-border IORPs. Therefore, we believe that the same issue would happen if a workplace PEPP product were introduced.

Given that occupational pension schemes' rules are governed by national social, labor, and tax laws, adding another layer of PEPP rules on top would risk creating legal uncertainty, especially in countries where sectoral pension funds are obligatory for all employees of the given sector. We would need to be certain that the ability for employers to offer a PEPP based on EU legislation, which supersedes national legislation, does not undermine the requirement to join the sectoral fund under national law. Disruption of other national social, labor, and tax laws requirements should be avoided, such as compulsory affiliation requirements, non-discrimination provisions, sponsor guarantees, and solidarity provisions.

Legal uncertainty would also arise for the disclosure requirements of the IORPs currently governed by the IORP II Directive through the pension benefit statement. Having a workplace PEPP product would mean that information rules risk being governed by the PEPP regulation, not by national IORP rules, thus leading to incomparability of data and ultimately to issues in the integration of PEPPs into pension tracking systems. It is also a possibility that investment rules of IORPs can be governed by the PEPP regulation, not by the IORP II directive, if a workplace PEPP product is to be introduced.

Thus, offering a workplace PEPP product would lead to a contradiction between pension schemes governed by minimum harmonisation rules under the sectoral IORP II directive and the PEPP regulation, which is a horizontal maximum harmonisation framework with RTSs and ITSs. The IORP II directive and its different rules must continue to apply in full, as it is the system best suited to taking national specificities into account. The introduction of PEPP in the workplace context would make the second pillar even more complex in most Member States and the framework conditions for IORPs even more complicated.

In conclusion, we believe that the PEPP should not be explicitly intended for use in a workplace context. Should it be introduced as a possibility, Member States should have the option to prevent the PEPP from functioning as a second pillar (or workplace) product.

Registration and supervision

The PEPP Regulation establishes uniform rules governing the registration and supervision of PEPPs.

Stakeholders' views are sought on the following:

22. In your view, should the current rules on the registration of PEPP be revised?
- a. Yes
 - b. **No**
 - c. Don't know/ no opinion/ not applicable

Please elaborate your answer. If yes, please specify which aspects of the registration process you believe should be modified.

The National Competent Authority of the provider should continue to process the approval of the PEPP, with EIOPA maintaining a central register. This is because the provider's NCA has the expertise and the local knowledge to properly assess any application for registration of a PEPP.

23. Do you consider that the current rules for the supervision of PEPP should be revised?
- a. Yes
 - b. **No**
 - c. Don't know/ no opinion/ not applicable

Please elaborate your answer. If yes, please specify which aspects of the supervisory framework you believe should be modified.

PensionsEurope believes that current rules for the supervision of PEPP need to remain at the national level, as NCAs have the necessary expertise to do so. Doing it at the level of EIOPA would not provide added value.

We emphasize that supervision should always be implemented at the national level. In its Staff Paper “*A simple and long-term European savings product: the future Pan-European Pension Product*”, EIOPA suggests that providers of cross-border PEPPs should have an opt-in system of only registering their PEPP with EIOPA and be only subject to EIOPA’s direct supervision. We oppose this idea, as it could potentially circumvent national prudential legislation and lead to serious conflicts between provisions stemming from the EU and national levels, as well as raise questions concerning subsidiarity – especially if PEPP, as discussed, should be extended to the second pillar.

Investment rules and diversification

Article 41 of the PEPP Regulation sets the investment rules that apply to PEPP providers, including the prudent person rule, as a minimum to the extent that there is no more stringent provision in the relevant sectorial law applicable to the PEPP provider.

Stakeholders’ views are sought on the following question:

24. Do you consider the investment rules in the PEPP Regulation appropriate to support the achievement of adequate long-term returns?
- a. Yes
 - b. **No**
 - c. Don’t know/ no opinion/ not applicable

Please elaborate your answer.

As a principle, we believe that the 'prudent person' rule should remain a guiding principle for the investment of PEPP providers, given potential interlinks between sectorial legislation such as the IORP II directive and the PEPP regulation. This is particularly important if a workplace PEPP product is to be introduced, as we indicated in our answer to question 21.

Nevertheless, capital protection requirements in the basic PEPP limit the possibilities for the PEPP provider to maximise performance as it limits the choices for an asset allocation strategy. We believe that an appropriate level of investment freedom should be allowed for PEPP providers, without any investment limitations.

Level playing field across personal pension providers and rules on distribution

The lack of uptake of the PEPP is often explained by reference to existing national products that benefit from incentives. The EIOPA Staff Paper on the future of the PEPP has stressed the importance of considering the interaction of the PEPP with other competing pension products in order to address the underlying reasons for the low uptake of the PEPP. In addition, stakeholders¹⁰ have also raised specific concerns regarding the distribution rules applicable to PEPP, particularly with respect to misalignment with distribution rules applicable to insurance intermediaries .

Stakeholders' views are sought on the following:

25. Do you consider that PEPP's limited uptake is due to the existence of competing personal pension products across the Member States?
- a. Yes
 - b. **No**
 - c. No opinion

Please elaborate your answer. If yes, what key features do you think give existing national products a competitive advantage over the PEPP? Please provide examples. Should the European Commission adjust the PEPP to allow it to be more competitive with national products? If so, what kind of adjustments should be considered **and how could the framework be improved?**

PEPP was designed in particular for EU-wide mobile workers, while personal pension products are sold on a national basis. Thus, PEPP should not be a substitute for already existing personal products, which fit in a national context, as tax incentives are, by definition, granted at the national level, and because pension systems of the Member States are very diverse. However, PEPP may complement existing personal pension products.

Commercial strategies of providers of personal pension products are reflecting the heterogeneity of the pension frameworks across the EU.

26. To your knowledge, does the existing framework create any obstacles or barriers to the distribution of PEPP, including across providers and Member States?

¹⁰ EIOPA OPSG (2024), [Own-Initiative Discussion Paper on the pan-European Pension Product](#), p. 24-26.

- a. **Yes**
- b. No
- c. Don't know/ no opinion/ not applicable

Please elaborate your answer. If no, what are the main factors that create such obstacles and barriers in distribution, and how could these be addressed?

Please see also the questions on transparency and tax treatment below.

As a general principle, we believe that distribution rules applicable to PEPP providers should be similar with the removal of potential barriers. If, however, in spite of our reservations, the PEPP should be opened to use in a workplace context, we believe that IORPs, due to their specificities (e.g. usually not operating for-profit and generally not selling products) should not be subject to distribution rules. Moreover, as indicated in our answer to question 14, we believe that the mandatory advice requirement could be simplified, which would help to enhance the attractiveness of the PEPP.

Individual transfers

Greater competition in the private pension products market could enhance the development of the third pension pillar and help citizens build trust therein. The [EIOPA Staff Paper on the future of the PEPP](#) notes that allowing the individual transfer of accumulated amounts from other personal pension products into the PEPP could contribute to broader uptake.

Stakeholders' views are sought on the following:

27. Should the PEPP Regulation ensure that savers can make individual transfers between existing personal pension products and the PEPP?
- a. Yes
 - b. **No**
 - c. Don't know/ no opinion/ not applicable

Please elaborate your answer.

Enabling transfers from existing national personal pension products into the PEPP is a sensitive issue, as the PEPP should first aim to complement national products, not to be a substitute, as indicated in our answer to question 25. Furthermore, ceteris paribus, allowing the uptake of PEPP at the expense of declining personal pension products will not help to reach the objective of increasing supplementary pension savings.

Nevertheless, the transferability between existing pension products of different Member States is an important challenge, as it is technically difficult due to different national tax and social security frameworks.

Given the lack of comparability between PEPP and PPPs across the EU, this option would not be a reasonable choice. Indeed, allowing transferability without full comparability may undermine trust in the

supplementary pension system and widen the pension gap. Ensuring full comparability between PPPs and PEPP by an EU initiative is neither achievable nor desirable, as it would undermine the goals of the SIU strategy by being an impediment to long-term investments by PEPP providers.

Transparency, information and pension tracking systems

Transparency, clear disclosure and effective pension tracking are key to building trust and helping savers make informed decisions.

Stakeholders' views are sought on the following:

28.1 Are the transparency requirements envisaged by the PEPP Regulation adequate?

- a. **Yes**
- b. No
- c. Don't know/No opinion/not applicable

Please elaborate your answer. If no, please clarify in what respects the PEPP Regulation does not ensure adequate transparency requirements

The disclosure requirements of the PEPP are suitable for the product, and no further improvements are necessary. They provide a comprehensive overview of the product's characteristics.

28.2 Are the transparency requirements envisaged by the PEPP Regulation comparable to those applicable to other personal pension products under national law (e.g. in terms of cost disclosure, performance information, risk indicators and benefit projections)?

- a. Yes
- b. **No**
- c. Don't know/No opinion/not applicable

Please elaborate your answer. If no, please clarify where the PEPP Regulation and national frameworks governing competing personal pension products differ.

The situation is very heterogeneous across the EU. For instance, in Italy, the transparency requirements envisaged by the PEPP regulation are not comparable to those applicable to other personal pension products. The most significant differences relate to templates, benefit projections, risk representation, and online communication. Concerning PPPs, all these aspects have been regulated by the National Competent Authority, taking into account the specific characteristics of the national supplementary pensions market. Disclosure requirements depend on the type of supplementary pension product and the structure of the national markets for supplementary pension products.

However, this is the case for Bulgaria, as the transparency requirements envisaged by the PEPP regulation are comparable to personal pension products under the national law.

28.3 How could the EU regulatory framework be improved.

TYPE YOUR TEXT HERE

28.4 Are you aware of any best practices at Member State level that could be reflected in the PEPP Regulation.

- a. Yes
- b. No
- c. **Don't know/No opinion/not applicable**

TYPE YOUR TEXT HERE

29. In your view, could the inclusion of the PEPP along with other personal pension products in national pension tracking systems improve transparency for savers?

- a. **Yes**
- b. No
- c. Don't know / no opinion / not applicable

Please elaborate your answer to question 29.

This would be helpful because a national pension tracking system helps to raise awareness in personal pension situations and aims to consolidate pension information, as indicated in our answer to question 2. There is no reason why PEPP should be treated differently from other third pillar products offered in a given jurisdiction. Generally, including personal pension products and the PEPP would provide a more comprehensive overview.

However, PensionsEurope believes that the structure and use of PTS should remain an issue for the Member States, as stated in our answer to question 1. National specificities should be properly taken into consideration, as we believe that there is no one-size-fits-all solution concerning the extent and the level of the information that is covered by a pension tracking system.

29.1 If yes to previous answer, do you believe the PEPP Regulation should require Member States to ensure such inclusion?

- a. Yes
- b. **No**

- c. Don't know / no opinion / not applicable

PensionsEurope believes that the structure and use of PTS should remain an issue for the Member States as indicated above. We also would like to reiterate that no one-size-fits-all approach would work, and any addition to PTSs needs to take into consideration the national specificities.

Nevertheless, it could be useful to include the PEPP with other PPPs in national PTSs, especially in Member States with a well-developed PEPP sector where the costs of setting up and maintaining the PTS are proportionate to the benefits of transparency.

30. In your view, could pension tracking systems be considered a suitable means to fulfil certain disclosure requirements under the PEPP Regulation for members and beneficiaries who interact via digital tools?
- a. Yes
 - b. No
 - c. **No opinion**

Please elaborate your answer.

PensionsEurope believes that the role of the pension tracking system should be enhanced because it provides comprehensibility, aggregation, and comparability of information to members, as indicated in our answer to question 51.

However, it is important to highlight that no one-size-fits-all approach would work, and any solution regarding the potential enhancement of the pension tracking system needs to take into consideration the national specificities and provide the necessary flexibility to Member States while respecting the principle of subsidiarity. Member States should have the freedom to determine whether and how to use synergies between the PTS and the PEPP Benefit Statement.

- 30.1 If yes to the previous answer, how should the pension tracking system and the PEPP Benefit Statement interact or coexist in practice? In particular, how could dual reporting be avoided while ensuring that all relevant information requirements under the Directive are fulfilled?

TYPE YOUR TEXT HERE

Tax treatment

[Commission Recommendation of 29 June 2017 on the tax treatment of personal pension products, including the pan-European Personal Pension Product](#)¹¹ encouraged Member States to grant PEPPs the same tax relief as the one granted to national personal pension products. Where Member States have more than one type of personal pension product, they were encouraged to give PEPPs the most favourable tax treatment available to their personal pension products.

31. To your knowledge, has the Commission Recommendation of 29 June 2017 led to the PEPP and other personal pension products being placed on a level playing field in terms of tax treatment?
- a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer, providing relevant examples where possible.

Without being exhaustive, in many EU Member States, the tax treatment of the PEPP has been aligned with other personal pension products. As collected by PensionsEurope through its membership, in France, for instance, a law was passed in March 2023 to align the tax treatment of PEPPs with French personal retirement savings plans. In Italy, the PEPP benefits from the same tax treatment as other personal pension products and IORPs, while in Spain, the tax treatment of PEPP is equivalent to that received by pension plans.

In Bulgaria as well, PEPP has been given the same tax relief as the one granted to national personal pension products. Furthermore, in Croatia, PEPPs are subject to the same tax treatment as Croatian voluntary pension. As regards Sweden, the national tax authority has issued legal guidelines on the tax treatment of PEPPs, which are treated in the same way as an endowment insurance.

That being said, tax policy is a prerogative of the Member States, as indicated in our answer to question 32, and any preferential tax treatment regarding personal pension products should be assessed against the background of specific pension policy objectives.

32. Would further action at the level of the European Union be necessary to ensure a level playing field in terms of tax treatment between the pan-European Personal Pension Product and other competing personal pension products?
- a. Yes

¹¹ [C\(2017\)4393 final](#)

- b. **No**
- c. No opinion

Please elaborate your answer. If yes, what type of action would you consider most appropriate?

We would like to emphasize that pension policy and tax policy are not EU competencies but national competencies. Furthermore, the tax framework is often related to social and economic goals, as tax incentives are often used for pension savings, given the urgent demographic challenges that the EU is facing. Any new EU initiative regarding the tax treatment of PEPP should not lead to discrimination against national products nor to substitution effects between different parts of the pension system, to avoid disrupting successful pension systems.

When comparing the tax treatment of PEPP and national personal pension products, it is important to assess the relationship between each Member State's specific pension policy goals and the tax treatment of pension products and pension plans.

For instance, starting in the early 2000s, Germany introduced reforms that reduced the adequacy of its statutory pension. To compensate for the resulting decline in retirement benefits, a reform package known as the "Riester framework" was introduced. This introduced a limited EET system and subsidies for pension products that meet certain criteria—such as providing lifelong benefits. In contrast, general long-term savings products are typically not subsidized. Therefore, to avoid overly broad generalizations, it is essential to assess how each specific PEPP aligns with the subsidy framework of a given Member State before making justified claims about an uneven playing field.

Other aspects

Stakeholders' views are sought on the following:

33. Are there any additional issues that you believe should be considered in the review of the PEPP Regulation?
- a. Yes
 - b. **No**
 - c. No opinion

Please elaborate your answer. If yes, please describe these issues and explain why they should be addressed.

TYPE YOUR TEXT HERE

5. REVIEW OF THE IORP II DIRECTIVE

The main aim of this consultation is to explore how streamlining the framework for supplementary pension provision can increase trust, advance better investor returns (including by way of gaining exposure to a broader range of asset classes) while increasing the risk management capacity for doing so, and create more transparency on cost and returns.

On 28 September 2023 [EIOPA presented its technical advice to the European Commission](#)¹² on possible changes to the IORP II Directive which will also be taken into consideration in the context of the review of that Directive.

This consultation also invites reflection on whether some or all the rules of the Directive, including its envisaged improvements, might be relevant for supplementary pension providers beyond those falling within the current scope of the Directive and not covered by any other piece of secondary legislation at the level of the European Union. Expanding the scope of the Directive could help ensure greater consistency in the level of protection afforded to members and beneficiaries, in particular for employment-related schemes, across different types of providers.

The prudent person rule, set out in Article 19 of the IORP II Directive, is a cornerstone of supplementary pensions' investment policies. It requires pension providers to invest their assets in the best long-term interests of members and beneficiaries as a whole. Investments must be diversified to avoid excessive dependence on any single asset or class. The IORP II Directive uses the prudent person principle as a framework for ensuring that IORPs invest their assets in a responsible and well-managed manner, with the ultimate goal of providing secure and adequate retirement benefits to their members.

In light of the limited cross-border provision, the consultation also explores whether the current framework allows IORPs to operate smoothly across borders. It looks at the functioning of cross-border notification procedures and the adequacy of cooperation between home and host supervisors, as well as whether supervisory powers are sufficiently clear and aligned.

Additional questions focus on the level playing field across providers, the adequacy of information requirements for members and beneficiaries, and the potential inclusion of institutions for retirement provision in national pension tracking systems to improve transparency. Finally, the consultation invites feedback on whether tax obstacles continue to hinder cross-border provision of occupational pensions and whether further EU action is needed to address these barriers.

Stakeholders are also encouraged to raise any other issues relevant to the review.

¹² EIOPA (2023), [Technical advice for the review of the IORP II Directive](#).

Investment rules and diversification

A recent stocktake¹³ indicates that, over the past decade, the median performance of second pillar pensions was approximately 0.9% when adjusted for inflation.

Under appropriate risk management frameworks, exposure to a diversified portfolio, including certain alternative asset classes, can help enhance long-term returns for scheme members and beneficiaries.

The IORP II Directive requires diversification of investments under the prudent person rule enshrined in Article 19 of the Directive. The rule aims at making sure pension providers invest their assets in the best long-term interests of members and beneficiaries as a whole. However, the IORP II Directive also allows Member States to introduce concentration limits or other rules limiting investments by IORPs, provided that they are prudentially justified, which in certain cases may prevent IORPs from having access to certain asset classes.

To further strengthen the protection of members and beneficiaries and ensure that every IORP acts fairly and in accordance with the best interests of members and beneficiaries, and supports prospective members, members and beneficiaries to properly assess the choices or options, EIOPA, in its advice, has recommended introducing a new provision in the IORP II Directive establishing a duty of care principle.

Stakeholders' views are sought on the following:

34. Do you consider that a diversified portfolio of assets, including also investments in unlisted securities or alternative assets classes (with proper management and adequate risk safeguards) could enhance long-term returns for scheme members and beneficiaries?

- a. **Yes**
- b. **No**
- c. **No opinion**

Please elaborate your answer. Please justify your answer based on data, if available. Furthermore, please elaborate what are in your view the risks and benefits associated with a share of IORPs assets being allocated to alternative assets, and which alternative asset classes would be more suitable and how would hereto related risks be best managed.

The prudent person principle and the fiduciary duty, as expressed in Article 19 of the IORP Directive, are sufficient and allow for proper diversification of portfolios. Our experience demonstrates that adding private and alternative investments enhances risk diversification and raises overall returns over time. From their experience with ALM studies in some Member States and putting these into practice, IORPs are convinced that alternative and private assets offer value to the portfolio because of their diversification benefits and overall better (expected) returns. Higher Sharpe ratio—the ratio of return above cash to risk—is the result of these advantages. Consistent government policies, including investors' protection, will

¹³ Better Finance (2024), [The Real Return of Long-term and Pension Savings](#).

reduce risk and improve the Sharpe ratio of private and alternative investments.

Additionally, granting foreign investors the same access as domestic investors will increase the pool of capital and investors, thereby lower risk and enhancing liquidity. Furthermore, private assets represent a significant and growing portion of the investable universe. Private equity can provide access to high-growth companies before they go public. As many companies today choose to stay private for longer or not go public at all, excluding the possibility of investing in private companies from a diversified investment portfolio reduces investments in the real economy. Similarly, other private market investments can provide access to assets or investment themes that are unavailable to the public market.

Since alternative assets have no link to the public markets, adding them to a portfolio can lower overall volatility. It is anticipated that this will stabilize returns during market volatility. PensionsEurope considers the possibility of supplementary national quantitative requirements and restrictions on diversification to be sensible only if the basic national regulatory framework and its implementation by national supervisory authorities do not stand as an obstacle to a long-term investment strategy.

PensionsEurope emphasizes that the IORP II Directive should not prescribe detailed rules or limits on asset allocation. Investment decisions must remain the responsibility of the IORP's governing body, acting under the prudent person rule as already set out in the Directive. This approach ensures that IORPs can tailor their investment strategies to their characteristics and objectives, considering their liabilities, especially in the DB schemes. Strict or universal requirements on the composition of a portfolio could hinder creativity, reduce flexibility, and possibly hurt long-term returns. Therefore, any revisions to the IORP II framework should continue to uphold the principles-based, flexible investment environment that respects the diversity of IORPs across the EU and their fiduciary duty to beneficiaries.

In many Member States, IORPs provide mainly DB schemes. Here, the funding requirements have an impact on investments, particularly for illiquid investments. More consideration should be given to the long-term nature of liabilities and investment in illiquid investments be expanded. PensionsEurope proposes to delete the words "at all times" in Art. 14 (1) of the IORP II Directive (current form: "The home Member State shall require every IORP to have at all times sufficient and appropriate assets to cover the technical provisions in respect of the total range of pension schemes operated.").

35. Are there in your knowledge any national quantitative or other type of investment rules imposing overly restrictive limits on investments in alternative assets?

- a. Yes
- b. **No**
- c. No opinion

Please elaborate your answer. If yes, what is the rationale for such limits and should Member States continue to be allowed to impose such limits, despite the reliance on a risk-based supervisory approach? If investment limitation rules continue to be allowed under the IORP Directive, do you consider it important to place limits on overly restrictive national rules in certain asset classes, including unlisted assets? Please also indicate which types of restrictions you consider most problematic and how they could be addressed without undermining appropriate risk control.

PensionsEurope believes that the existing quantitative restrictions imposed by regulators or supervisors on alternative assets do not pose a major problem for the allocation desired by IORPs. For instance, in some countries, there are quantitative restrictions in the form of absolute maximum quotas for some asset classes. If they pose a problem to IORPs in practice, then a vast majority of IORPs would hold assets from restricted asset classes in their portfolio to the maximum extent possible under the restrictions. However, that is not the case.

In some countries, the prudent person principle is treated as an “open norm” in national law, including the rule that investments in non-regulated markets are to be kept at prudent levels. In case quantitative limits are in place, PensionsEurope believes that Member States are in a better position to assess whether they are overly restrictive, taking into account the national specificities of IORPs. Extensive ALM studies work as a basis for IORP investment strategies, which are overseen by internal or external risk-management and control departments.

The open norm stipulates that the risk-management system of the IORP should be proportionate to the complexity of the portfolio, even though there are no quantitative restrictions on specific assets. This process is supervised by the NCAs. The review of the IORP directive should not impose new restrictions but leave the management of the IORP the flexibility to invest in different types of assets, in the best interest of the members and beneficiaries. As already stated, existing quantitative requirements for capital investment in Member States are not an obstacle to a long-term and diversified investment strategy.

36. Do you consider that other factors, such as limited IORPs’ expertise with unlisted asset classes, may contribute to the low level of diffusion of these investments among IORPs?

- a. Yes
- b. **No**
- c. No opinion

Please elaborate your answer. If yes, please indicate which other factors you consider most relevant and whether and how they could be addressed in the context of the review of the IORP II Directive.

Lack of expertise is not a problem for IORPs in the majority of countries because they either have this expertise in-house or can acquire it through a fiduciary manager. Smaller IORPs can invest in unlisted assets because they usually rely on the experience of outside investment managers to handle their investments daily. The risk profile of IORPs and related costs of several asset types are the main causes of their limited use.

Although it is not a problem for most IORPs, in certain countries, as part of the open norm on the prudent person rule, the board of trustees must be able to demonstrate to the supervisor that the board is in charge and must always provide a clear mandate and control framework to its (fiduciary) external manager(s). One additional issue with alternative assets is that, despite our experience showing that the net returns (after costs) are attractive over the long term (due to e.g. their illiquidity premia), the public may view them as costly because of their high fees (such as management fees and carried interest). This perception of the

costs can create pressure not to invest in these asset classes.

Another challenge is that in some countries, IORPs subjected to a risk-based solvency regime (like the Solvency II framework, such as in Sweden) have capital requirements for infrastructure investments which differ depending on whether the investment is deemed qualified or not. The criteria to constitute a qualified investment may, in practice, lead to restrictions for these types of investments.

For many pension funds, due to the specialized nature and scale required to manage unlisted investments effectively, Alternative Investment Funds (AIFs) and other regulated vehicles (such as ELTIFs) play a crucial role. These vehicles are specifically designed to manage unlisted exposures, pooling capital from multiple investors and deploying it through teams with sector-specific expertise, dedicated due diligence processes, and adequate governance frameworks. By investing through AIFs, pension funds can gain access to diversified portfolios of unlisted assets while leaving operational, legal, and valuation complexities to asset managers with the required expertise. Furthermore, regulated investment funds are subject to external audit, depository oversight, and regulatory supervision, which strengthens investor protection and improves transparency. In this context, the regulatory framework must recognize and promote the use of specialized alternative investment funds as an effective and prudent way for pension schemes to access unlisted asset classes.

37. Do you consider that the current provisions on risk management in the IORP II Directive and the intervention capacity of supervisory authorities could be further enhanced to strengthen trust in institutions under the scope of the Directive?
- a. Yes
 - b. **No**
 - c. No opinion

Please elaborate your answer. If yes, please specify in what ways these aspects could be improved. In particular, do you consider that the existing framework provides adequate transparency on IORPs' use of derivatives, as well as the use of investment vehicles and private credit transactions? If no, please elaborate how any existing gaps should be addressed.

The current framework (prudent person rule and Own Risk Assessment (ORA)) is sufficiently elaborated and allows the NSAs to fulfil their supervisory duties. In several countries, the concept of joint management by employers and employees has an essential role in proper risk management and by nature it can provide sufficient protection and control. The heterogeneity of pension funds across Member States requires the IORP II framework to follow a minimum harmonization approach. National competent authorities should remain independent in their supervisory approach for IORPs as they can best understand risks, vulnerabilities and threats to these entities, and whether targeted action should be taken.

Due to heterogeneity, supervisory convergence in the risk management approach for IORPs across the EU would not be an effective way forward. Additionally, NCAs must have enough flexibility to implement supervisory strategies while taking national labour and social regulations into account. Stricter supervision or further regulation would mostly result in increased expenses and, hence, reduced pension benefits without enhancing risk management.

Only in a very limited number of Member States (like the Netherlands) do IORPs use derivatives in their risk management to a significant extent. Therefore, regulating the use of derivatives in the IORP II Directive is neither required nor suitable. In those few countries, the introduction of the EMIR Regulation has led to additional investments in risk management and treasury capacity to execute, report/monitor and (risk) manage derivatives. And this has also led to additional reporting and monitoring by the supervisors. In the wake of the UK gilt crisis, the supervisory authorities in the Netherlands have conducted studies into IORPs' ability to deal with variation margin calls in a scenario with rapidly rising interest rates. They found that the sector has sufficient liquid assets to do so and did not report issues surrounding access to data. ([source](#)).

38. Do you consider that the introduction of an explicit duty of care provision could further strengthen the level of protection of members and beneficiaries?
- a. Yes
 - b. **No**
 - c. No opinion

Please elaborate your answer. If such a duty were to be made explicit in the Directive, what elements should it cover?

The protection of members and beneficiaries is currently assured by existing governance structures and legal frameworks; therefore, the addition of an explicit duty of care provision is not required and would not materially improve that protection.

Additionally, the paritarian governance model guarantees that all decision-making procedures prioritise the interests of members and beneficiaries. The mutual oversight and balanced representation offer a built-in fiduciary duty and social responsibility that already go beyond what a formal “duty of care” clause could impose. IORPs across the EU operate under the IORP II Directive and well-established national laws, including additional prudential supervision, which already require sound governance, risk management, and the prudent person requirement. These frameworks are robust and are actively implemented and enforced at the national level. Under the IORP II Directive, nothing prevents Member States from adopting the duty of care-oriented provisions where necessary, and some countries have already introduced such measures. The introduction of an “explicit duty of care” clause at the EU level has the danger of causing legal uncertainty or duplication with national governance frameworks and fiduciary responsibility rules. For IORPs, particularly those that operate in Member States with developed and efficient pension systems, this could make compliance more difficult. Moreover, many elements in the pension scheme are up to the social partners and sponsors and not the IORP. It would not be correct if IORP had a duty of care for those matters, as a general duty of care would suggest. Finally, an explicit duty of care at the EU level is likely to trigger additional documentation and reporting requirements in order to enable supervisory oversight, resulting in an extra administrative burden and increased costs.

In some countries, there are duties of care only in matters where the IORP is in charge, on topics such as pension information, choice guidance, investment choices and risk preference research. In these instances, the duty of care acts as an open norm, under which pension providers should explain how chosen approaches are effective rather than require a compulsory approach. PensionsEurope believes that only this approach is effective and would strictly oppose an alternative approach at the European level.

39. Do you consider that national competent authorities are adequately equipped under the Directive to oversee that assets are invested in the best long-term interests of members and beneficiaries as a whole?
- a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer. Do you believe that national competent authorities should have an explicit mandate to oversee and, where appropriate, intervene in order to help ensure that supplementary pension schemes deliver adequate investment returns for members and beneficiaries? If yes, what tools or powers should supervisors be equipped with to address situations where schemes systematically fail to deliver good outcomes?

Under the IORP II Directive and relevant national laws, national competent authorities already have sufficient mandates and resources to oversee that IORPs make investments in the members' and beneficiaries' best long-term interests.

Apart from ensuring solvency, PensionsEurope is against any idea that NCAs should have the authority to intervene in IORP's investment choices. PensionsEurope believes that current supervision by NCAs already provides sufficient implicit tools to address situations where returns are not adequate, as the profitability of the portfolio is a core component of the prudent person rule. It is the role of the Board to monitor the investment returns and see whether they are in line with the selected benchmarks and established risk preferences of the participants.

Moreover, “adequateness” of investment returns is a very vague concept, and it is unclear how this would be operationalized. It can only be assessed over longer periods; otherwise, it might lead to short-termism. Finally, intervention can also lead to unintended consequences. For example, the pension fund could be forced to switch to a more defensive investment strategy following negative returns due to a market crash, leading the pension fund to miss the subsequent upswing. Intervention by the NCA in the IORP's investment choices also raises serious concerns about accountability and responsibility.

Scale

In the European Union, supplementary pension funds operate at a smaller scale compared to their global peers. This may limit their ability to diversify portfolios, invest in long-term assets, and achieve better risk-adjusted returns, as well as offer competitive costs.

Stakeholders' views are sought on the following:

40. Do you consider that the scale of many IORPs may affect their overall investment capacity, for example by reducing their ability to build a diversified portfolio, hindering the performance of the schemes due to cost inefficiencies, or by creating other inefficiencies?
- a. Yes
 - b. **No**
 - c. No opinion

Please elaborate your answer. If yes, are you aware of any best practices which can facilitate the build-up of scale in the IORPs sector (e.g. asset pooling, fiduciary management, outsourced chief investment officer, multi-employer schemes, master trust arrangements) In particular, are you aware of any obstacles or difficulties (including but not limited to cross-border issues) preventing scale-up or any of the above-mentioned practices? Please indicate if and how the review of the IORP II Directive can foster the take up of such practices or otherwise contribute to the potential scale-up of workplace pension schemes.

The consolidation of pension funds in European countries has already been happening in the pension fund industry for years. This trend is mainly driven by increasing governance requirements, regulatory costs, and the complexity of running a pension scheme. Very small IORPs may have higher administration costs (but

not asset management costs).

Because of this, social partners of small schemes periodically may reevaluate whether consolidation is in the best interests of participants or whether the scheme is still cost-effective. It can also be the case that the sponsor of a single-sponsor scheme carries the costs of pension administration, as it wants its own scheme as part of the HR offering to its employees. As a result, smaller IORPs can still benefit their participants.

Even though consolidation could have some advantages, there are ways in which smaller IORPs can access expertise or benefit from economies of scale. These include the fiduciary management model, collective investment pools for multiple IORPs (for example, used by multinationals in managing different national schemes, or offered by asset managers), as well as outsourced CIO structures, as mentioned in the question.

To some extent, the scale of the IORP is not significant. IORPs in the EU have a well-diversified asset allocation. Eventually, the board of the pension fund determines the strategic asset allocation. In most IORPs, this board has both employee and employer representatives who act in the best interest of members and beneficiaries.

Nevertheless, we would like to highlight that there are potential measures that could support smaller IORPs in achieving economies of scale, thereby enabling them to operate more efficiently. These measures include establishing framework conditions that facilitate cooperation among IORPs (which typically do not compete with one another), as well as implementing a supervisory framework that places greater emphasis on the overall efficiency of occupational pension schemes rather than solely focusing on the protection of individual members. It should be carefully assessed whether these objectives are best pursued at the EU level or nationally.

Collective transfers

Article 12 of the Directive regulates cross-border collective transfers of a pension scheme's liabilities, technical provisions, and other obligations and rights, along with the corresponding assets or their cash equivalents, between IORPs. Furthermore, simple and clear rules on domestic transfers are also necessary to enable scale at the level of the Member States.

Stakeholders' views are sought on the following:

41. Do you consider that the current framework for cross-border collective transfers between IORPs has managed to achieve the objectives that justified its introduction, namely facilitate the organisation of occupational retirement provision on a Union scale?
 - a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer. If no, should it be simplified and how (e.g. a uniform EU definition of the majority of members and beneficiaries or their representatives needed to approve a cross-border transfer)? In addition, have you experienced or are you aware of any difficulties with domestic collective transfers? In particular, are you aware of any Member State not having in place clear and simple rules for such transfers?

PensionsEurope believes that cross-border activity of IORPs should not be an objective by itself. Increasing adequate and sustainable pension provisions for the people in the EU should be the primary objective of the European Commission's pension policies. The majority of IORPs are run by social partners, whose goal is to offer pensions to those involved in their industry rather than to expand into cross-border activities. Nonetheless, multinational corporations may find cross-border activities helpful in streamlining their processes. The current framework is almost completely adequate and sufficient to support responsible collective transfers.

There are several other factors and situations besides the Directive's structure that contribute to the comparatively low frequency of collective transfers. Most significantly, social and labour laws and taxes are still national in nature, necessitating national expertise for pension administration. Moreover, elements of prudential regulation may still be linked to social and labour law, as well as taxation, and vice versa.

A uniform EU definition of the majority for cross-border transfers can be helpful in addressing this issue of collective transfers, provided that this definition does not alter existing rules and regulations for domestic transfers and does not introduce majorities that are difficult to reach, thereby introducing new hurdles for cross-border transfers. PensionsEurope believes that the approval should be related to the majority of votes cast. A majority of votes cast higher than 50% may de facto be easier to meet than a majority of 50% of all members. That being said, concerning collective systems, we generally do not think that conducting queries among individual members is always a sensible approach. In some Member States, the approval of a cross-border transfer could be given by the relevant administrative bodies in which the IORP's operators, such as social partners, are represented.

Furthermore, the need to always be fully funded is one extra obstacle to cross-border activity and transfers. This requirement also puts an additional burden on the development of cross-border IORPs. Specifically in volatile markets, the requirement can be challenging. Cross-border plans should also be able to use recovery plans, sponsor guarantees, or support funds in order to comply with the fully funded requirements.

Cross-border operations

The IORP II Directive intended to reduce regulatory divergences, overlapping requirements and excessively burdensome cross-border procedures.

Stakeholders' views are sought on the following:

42. In your view, does the current EU legislative framework effectively ensure that cross-border activities of IORPs can be carried out in practice, in a proper and timely manner?
- a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer. If no, please describe any practical barriers or delays you have encountered or are aware of, and suggest how the framework could be improved to facilitate smoother cross-border operations, including in areas not currently covered by the Directive. In particular, to what extent could a simplification of the existing cross-border notification procedures (e.g. the period of up to six weeks for the competent authority of

the host Member State to inform the competent authority of the home Member State of the requirements of social and labour law relevant to the field of occupational pension schemes) help facilitate such operations?

The current IORP II framework ensures that IORPs can conduct cross-border operations effectively. The limited cross-border activity is largely due to the significant differences between national tax laws and social and labour legislation, as well as the cultural characteristics of the Member State.

PensionsEurope believes that the process needs to be less complicated for the notification file. Today, a cross-border IORP has to submit a new notice file every time there is a new sponsoring company, even if it concerns the same Host Member State, the same pension plan, etc. This makes it administratively very burdensome for cross-border multi-employer pension funds, but also for cross-border company's pension funds that want to add a new company to the existing pension plan.

43. In your view, are the current supervisory powers for cross-border activities under the IORP II Directive adequate to ensure trust and prevent regulatory arbitrage?
- a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer. Is there room for improvement in the current rules governing the cooperation and division of responsibilities between home and host Member States in the supervision of institutions for occupational retirement provision?

The issue of regulatory arbitrage has already been raised with the introduction of IORP II. The very low number of new cross-border IORPs demonstrates that the problem of regulatory arbitrage has not manifested itself. The current cross-border IORP II supervisory powers uphold confidence and aim to prevent regulatory arbitrage.

Therefore, we see no reason to amend the rules on the registration or authorisation process. Theoretically, regulatory arbitrage might only occur when IORPs only offer pension plans in Member States other than their own state. In these circumstances, there may be a risk of regulatory arbitrage and/or avoiding the function of social partners, especially trade unions. EIOPA mentions 12% of cross-border IORPs are not managing domestic IORPs. These 12 % equals 4 IORPs that together represent less than 0,00001% of IORP assets in Europe.

Scope

The scope of the IORP Directive was defined in 2003 and has remained unchanged since. In several Member States, especially those that have joined the European Union in 2004 or later, IORPs are much less common or even absent. Instead, supplementary pensions are often provided through other institutions that also operate on a funded basis and at their

own risk. These institutions serve similar purposes and typically offer schemes whose membership is often linked to employment. However, they usually fall outside the scope of any EU prudential legislation.

In 2016, the OECD replaced its previous recommendation on core principles of Occupational Pension Regulation¹⁴ with the Recommendation on Core Principles of Private Pension Regulation¹⁵, which expanded the scope of the principles. Additionally, Regulation (EU) 2018/231 of the European Central Bank of 26 January 2018 on statistical reporting requirements for pension funds¹⁶, defines a scope which is not always aligned with that of the IORP II Directive.

Stakeholders' views are sought on the following:

44. In your view, could the current scope of the IORP II Directive be adjusted to better capture the diversity of the supplementary pension landscape and the organisation of the different pension systems across all Member States, to ensure a minimum level of protection for all supplementary pension savers across the European Union?
- a. Yes
 - b. **No**
 - c. No opinion

Please elaborate your answer. If yes, how could the scope of the Directive be adjusted to better reflect the diversity of systems and ensure effective protection for all supplementary pension savers? In particular, please elaborate your views on whether other institutions for retirement provision that serve similar purposes but are currently not covered by any EU prudential legislation (e.g. institutions covered by Regulation (EU) 2018/231 but not falling under the scope of the Directive) should be fully or partially brought within the scope of the Directive. If no, please describe how the current scope of the Directive ensures adequate prudential protection for supplementary pension savers across all Member States.

PensionsEurope believes that the scope of the IORP directive should remain unchanged and hence limited to those IORPs, which are defined in Article. 6 (1) of the current IORP Directive. Expansion of the scope could fundamentally alter the IORP Directive's content and structure and make it difficult to consider their specific characteristics and risks.

PensionsEurope does not believe that expanding the scope would increase investments and make occupational pensions more accessible in EU Member States. IORPs have been subject to horizontal regulation (e.g., DORA, SFDR) for the past ten years. The interests and unique characteristics of our industry were frequently disregarded by EU policymakers, who instead concentrated on banks, insurance firms, and asset managers.

¹⁴ OECD (2009), [Recommendation of the Council on Core Principles of Occupational Pension Regulation](#), OECD/LEGAL/0373.

¹⁵ OECD (2016), [Recommendation of the Council on Core Principles of Private Pension Regulation](#), OECD/LEGAL/0429.

¹⁶ [Regulation \(EU\) 2018/231 of the European Central Bank of 26 January 2018 on statistical reporting requirements pension funds](#) <http://data.europa.eu/eli/reg/2018/231/oj>

PensionsEurope believes that a disproportionate burden has been imposed on IORPs in recent years due to horizontal financial market regulation. Therefore, we suggest that proper emphasis should be given to proportionality and subsidiarity to lower this burden.

In general, the heterogeneity of IORPs requires proportionality, and together with the minimum harmonisation principle of the IORP II directive, the proportionality principle should allow NSAs and national legislation to judge to what extent certain regulatory provisions within a given Member State apply to a particular type of IORP. Adopting the IORP II Directive came with a substantial cost and needed much effort for small and mid-sized IORPs. EIOPA's role in promoting supervisory convergence through opinions and/or additional national requirements further increased this cost. Furthermore, several IORPs—especially small and medium-sized ones—have frequently been subjected to onerous EU horizontal regulations, and NCAs have failed to adequately account for the variety of the size, type, scale, and complexity of their operations.

Given these factors, PensionsEurope does not think that the discussion on scope will be beneficial.

Minimum standards

[Special report 14/2025 of the European Court of Auditors](#) recommends that, when revising the IORP II Directive, the Commission should address the need to strengthen the supervisory framework, in particular by increasing the minimum standards, as well as introducing explicit safeguards against the risk of regulatory arbitrage.

Stakeholders' views are sought on the following:

45. In your view, does the existing framework ensure a level playing field for all providers under the scope of the Directive across the European Union?
- a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer. If no, what are the main sources of imbalance or fragmentation, and how could the review of the IORP II Directive be improved to support regulatory and supervisory consistency across providers and Member States?

As far as we can observe, the existing IORP II framework is not imposing any issue in the level playing field between providers. Additional rules and regulations risk harming this balance. Therefore, supervisory convergence is neither necessary nor desirable. The pension sector, particularly occupational pension schemes, operates under unique national social, labour, and tax laws that are deeply embedded in each country's socio-economic framework. Given their familiarity with the national legal and social environment in which IORPs function, we believe national competent authorities (NCAs) are in the best position to supervise these institutions. IORPs typically do not engage in cross-border product distribution or commercial competition, and their members are affiliated through employment contracts, not consumer choice. Hence, IORPs generally do not compete with each other.

The focus should not be on increasing supervisory convergence, but rather on respecting subsidiarity, reinforcing the proportionality principle, and ensuring that NCAs have sufficient discretion to apply the IORP II framework in a manner tailored to their national contexts. This is very important due to the high

cost imposed on IORPs by horizontal legislation in recent years.

PensionsEurope sees a potential risk only in a situation with IORPs that only provide pension schemes in other Member States than their home state. In that case, there is a risk of regulatory arbitrage and/or bypassing the role of social partners. It should therefore be considered to provide for a host Member State the option not to allow the provision of pension schemes by such IORPs. This adjustment would ensure that IORPs remain trustworthy managers of pension schemes and, therefore, preferred organizations to manage such schemes.

Supervision

[Special report 14/2025 of the European Court of Auditors](#) recommends that, when revising the IORP II Directive, the Commission should address the need to strengthen the supervisory framework, in particular by increasing the quality of supervision.

Stakeholders' views are requested on the following:

46. In your view, has a satisfactory degree of supervisory convergence been achieved among national competent authorities in the implementation and application of the IORP II Directive?

- a. **Yes**
- b. No
- c. No opinion

Please elaborate your answer. If no, what areas of supervision do you consider to be most affected by divergences, and what further steps could be taken at the level of the European Union to promote more consistent supervisory practices across Member States?

IORP II has achieved a reasonable level of convergence. On the one hand, IORP II provides for solid minimum standards, and on the other hand, IORP II - as being a minimum harmonization directive - provides the Member States with sufficient flexibility to accommodate the specificities in their diverging national pension systems.

Supervisory convergence is neither necessary nor desirable. The pension sector, particularly occupational pension schemes, operates under unique national social, labour, and tax laws that are deeply embedded in each country's socio-economic framework. The European institutions should limit themselves to those areas of regulation that fall within their competence. Attempts at harmonization in other areas are against the EU treaties, counterproductive, undermine confidence in European institutions, and are finally inefficient.

47. In your view, does the IORP II Directive sufficiently guarantee that national competent authorities in all Member States are equipped with all the necessary powers to effectively carry out their supervisory responsibilities?

- a. **Yes**
- b. No
- c. No opinion

Please elaborate your answer.

See also the specific questions in relation to investment policies and cross-border operations.

IORP II provides NCAs with sufficient and adequate powers to carry out their tasks. We are not aware of any problematic situation in any Member State.

If additional supervisory powers would be deemed necessary in a revised IORP II directive, these should only be proposed if they can be based on an adequate analysis of shortcomings in the current supervisory powers as regulated in IORP II. It is essential to maintain the necessary flexibility in supervision to accommodate the specific nature of the pension landscape.

Transparency, information and pension tracking systems

Transparency, clear disclosure, and effective pension tracking are essential to building trust and supporting informed choices. Disclosure requirements currently vary depending on the type of provider, which can lead to inconsistencies in the information savers receive and impact the overall quality of communication across the supplementary pension sector.

Stakeholders' views are sought on the following:

48. In your view, are the current rules in the IORP II Directive sufficient to ensure that all members and beneficiaries receive clear and effective information (e.g. on cost disclosure, performance, risk indicators and benefit projections)?
- a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer. If no, which aspects of the information requirements are most lacking, and how could the regulatory framework be improved?

PensionsEurope believes in a principle-based communication approach, setting open norms to ensure effective communication. Open norms provide a uniformity of goals, intended results and principles, rather than prescribing communication formats, tools or channels. In applying open norms, pension providers should explain how chosen communication approaches are effective rather than execute a compulsory communication approach. However, Member States are best placed to define the communication approach IORPs must follow regarding disclosure to members, taking into account the specificities of the national supplementary pension systems.

In general, the PBS was a best practice in pension communication when it was incorporated into EU legislation. By bringing coherence to definitions, retirement savings could be aggregated, and by bringing uniformity in how those data were presented, it brought a degree of comparability between pension schemes. As a result, it provided the opportunity to get an overview of retirement income, enhancing pension adequacy and simplifying retirement planning. The goal of the PBS is to provide an overview of

retirement income provided by IORPs in order to improve the adequacy of savings. PensionsEurope believes that the PBS is already unnecessarily extended in many countries, and its content is, in some cases, not easily understandable.

Pension Tracking Services have been developed in some Member States, and they fulfil a similar function. Moreover, PTS aggregate pension benefits from different IORPs and pension pillars. They, therefore, promote comparability between pension benefits and they are designed with the aim of comprehensibility, presenting only key information as a first layer. PensionsEurope believes that enough flexibility should be given to the MS to choose between PBS and PTS. We note that Recital 63 already states that Member States can choose the information to be provided through pension tracking services. The state of play with regard to the PBS is very different in Member States. In some cases, the PTS fulfils the goals of the PBS better than the PBS, effectively making the PBS redundant. In others, IORPs are considering making the PBS available exclusively through the PTS. In general, PensionsEurope believes that many differences in terms of structure and layout between the pension benefit statements from different providers do not necessarily hinder an adequate understanding of the mandatory contents of these documents. It should be recognized that the most expensive change to implement is one that changes the format and content of the Pension Benefit Statement (PBS). Furthermore, a pension benefit statement's characteristic that might affect its design and layout goes beyond the distinction between DB and DC. Depending on whether they are covered or not, coverage of biometric risks such as disability or death also affects the contents and layout of a pension benefit statement. PensionsEurope promotes an approach to the PBS that reflects the diversity between Member States. According to the principles of minimum harmonization and subsidiarity, Member States should be able to determine their own pace and direction of change. That is especially important considering the high operational costs of change, which are often borne by members and beneficiaries. Overall, we support the idea that there should be more freedom for IORPs to layer and target information. IORPs should be able to decide how to share information. The NCA should then supervise whether the communication objectives are being met and that the required information is indeed available. We also believe that for pension funds that have the means to develop them, online portals provided by pension providers are a more suitable way to communicate with members. Online portals can offer tailor-made information and personal choice guidance for members. It can also incorporate member state-specific rules on taxation and include other related benefits and national social and labour law specificities.

PensionsEurope believes that transparency of costs and performance in DC schemes can be crucial because of the potential effect on pension outcomes. However, the relevance of such information varies depending on, for example, the pension scheme type (DB or DC). In a context of limited or no choice for members and beneficiaries in compulsory pension schemes, it is more important to provide overall transparency and report to supervisors than to inform members and beneficiaries. Providing this information to individual members and beneficiaries in much detail beyond the level of choice or options they have, is likely to lead to an information overload and it can also be misleading regarding the effects for the individual recipient. It could also lead to less investments in private assets as those investments typically imply a higher cost (potentially compensated by a higher return). Where relevant, a detailed provision can be offered to interested members, for example, on the website or in a personal pension portal. |

49. Do you consider that all supplementary pension savers should have the right to receive certain general information about their supplementary pension scheme, regardless of the institution providing it?
- a. Yes
 - b. **No**

c. **No opinion**

Please elaborate your answer. If yes, should the Commission pursue greater alignment of pension information for supplementary pension savers, irrespective of the provider?

EU supplementary pension legislation should respect the diversity of pension schemes and providers within and between EU Member States. Given the variety of pension systems in the EU, supplementary pensions play a different role in each Member State. Harmonizing the information requirements for supplementary pension providers will be suboptimal.

PensionsEurope believes that it is positive for people to have comprehensive and uniform key information about their supplementary pensions through a PTS. That should, however, not necessarily include all general information as currently defined in Article 37 of the IORP II Directive. PensionsEurope believes that a bottom-up approach concerning information led by the IORPs is preferable to EU top-down information standards set by the EU institutions.

50. In your view, could the inclusion of institutions under the scope of the Directive in national pension tracking systems improve transparency for savers?

- a. Yes
- b. No
- c. **No opinion**

Please elaborate your answer. If yes, do you believe the IORP Directive should require Member States to ensure such inclusion?

PensionsEurope believes that PTS can play an essential and beneficial role in pension communication. The role of PTS varies from country to country. If the national PTS are established, they can provide a more comprehensive benefit communication because they may include information about all the different pillars

However, in general, the core task of the PTS is to provide transparency on pension benefits to enable people to identify potential pension gaps early and act accordingly. If a national pension system does not require 2nd pillar savings there is no need to provide this information via a PTS. PTS' information should not focus on transparency of, for example, cost disclosure, performance information or risk indicators. |

51. In your view, could pension tracking systems be considered a suitable means to fulfil certain disclosure requirements under the IORP II Directive for members and beneficiaries who interact via digital tools?

- a. Yes
- b. No
- c. **No opinion**

Please elaborate your answer. If yes, how should the pension tracking system and the Pension Benefit Statement interact or coexist in practice? In particular, how could dual reporting be avoided while ensuring that all relevant information requirements under the Directive are fulfilled?

In general, the PBS was the best practice in pension communication when it was incorporated into EU legislation.

Pension trackers can provide comprehensibility, aggregation and comparability of information to members. PensionsEurope believes that any EU initiative targeting the PTS should be principle-based to provide the necessary flexibility to Member States.

Considering the principles of minimum harmonization and subsidiarity, Member States should have the freedom to determine whether and how to use synergies between the PTS and the PBS and the IORP II directive should provide this freedom. PensionsEurope thinks IORPs should be allowed to provide benefit communication through the PTS and, as such, replace other communication requirements.

Tax treatment

The [2001 Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions](#)¹⁷ identified the elimination of such obstacles as a means of enabling pension institutions to operate with greater efficiency in meeting the needs of workers and employers, while also enhancing their role as more efficient suppliers of capital to business in their capacity as investors in the economy.

Stakeholders' views are sought on the following:

52. To your knowledge, do tax obstacles continue to hinder the cross-border provision of occupational pensions?
- a. **Yes**
 - b. No
 - c. No opinion

Please elaborate your answer. If yes, please indicate which specific tax-related barriers you consider most relevant today, as well as whether, in your view, should further action be taken at the level of the European Union to address these barriers.

There are major differences between the national tax systems of the Member States, and the necessity to follow the national tax regulations can be considered an obstacle for the cross-border provision of pensions. Tax obstacles regarding the transferability of pension capital and the taxation of cross-border pension payments/benefits are barriers that can have negative effects on the cross-border activities of IORPs.

PensionsEurope recognizes that European harmonization of national tax systems would not be feasible because taxes are a national competence of the Member States or require unanimity in the Council. However, a central data point at the EU level with information about national tax systems concerning pensions could perhaps help to a certain degree.

In the context of attracting more investment to the EU, we stress that foreign and domestic IORPs should have the same tax treatment as IORPs based in a Member State. In many cases, pension funds face higher

¹⁷ [COM\(2001\)214 final](#)

taxation and/or longer withholding periods for tax reclaims when investing in other EU countries compared with domestic IORPs in those countries. This has a negative effect on the EU investment climate. In the implementation of the FASTER Directive, Member States should grant foreign IORPs access to fast-track withholding tax procedures equivalent to domestic IORPs. Moreover, foreign IORPs should have equivalent access to corporate income tax exemptions to domestic IORPs.

Scope of prudential regulation

The IORP II Directive intended to clarify areas that are considered to be part of prudential regulation, in order to ensure legal certainty for the cross-border activities of IORPs.

Stakeholders' views are sought on the following:

53. In your view, has the IORP II Directive achieved a sufficiently clear and workable definition of prudential regulation?

- a. Yes
- b. **No**
- c. No opinion

Please elaborate your answer. If no, please indicate which aspects of the distinction between prudential regulation and social and labour law continue to give rise to uncertainty or diverging interpretations, and how should these be addressed.

In some Member States, particularly in Sweden, the role of the social partners is not captured sufficiently by the IORP II directive. In that case, there is not only a triangular relationship between the employee, the employer and the IORP, but in reality, a four-party relationship that also includes social partners. A consequence of this is that the IORP II Directive, designed for a triangular relationship, is at times difficult to apply. Despite the references in the recital about the role of social partners (recital 5), the addition of a new article on the directive recognizing the role of social partners could be beneficial.

Other aspects

Stakeholders' views are sought on the following:

54. Are there any additional issues that you believe should be considered in the review of the IORP II Directive?

- a. **Yes**
- b. No
- c. No opinion

Please elaborate your answer. If yes, please describe these issues and explain why and how they should be addressed.

There are several additional issues that PensionsEurope would like to address:

1. A critical additional issue that should be considered in the review of the IORP II Directive is the enhancement of the proportionality principle across the entire framework. The IORP landscape across the EU is inherently diverse in terms of institutional size, structure, legal frameworks, and socio-economic contexts. Many IORPs, particularly small and medium-sized ones, operate with limited administrative capacities and are embedded within national social and labour law. A one-size-fits-all regulatory approach, therefore, imposes disproportionate costs and compliance burdens, undermining both efficiency and affordability. The application of proportionality should take into account the size, nature, scale, and complexity of IORP's activities as well as the size of the IORP. Without this consideration, excessive governance, transparency, or reporting requirements risk eroding the viability of these institutions, discouraging the establishment of new IORPs, and ultimately harming pension adequacy for members and beneficiaries.
2. Changes to the IORP II Directive should aim to reduce costs and reduce reporting requirements. Therefore, PensionsEurope finds it difficult to support additional disclosure requirements that will inevitably increase costs for reporting and supervision and most likely at the same time will also reduce the efficiency of the entity. Any cost increase is especially burdensome for small and mid-sized IORPs. Therefore, due consideration should be given to the cost increase of the proposed changes to IORP II, not only for each individual change but also on an aggregate basis for all proposed changes.
3. We believe that the IORP II Directive could provide more clarity about the obligation of IORPs to maintain regulatory own funds in cases where their members and beneficiaries fully carry biometric risks themselves (as collectively), rather than the IORP itself. More specifically, we would like to point to the current pension reform in the Netherlands, after which IORPs will be providing annuities. These annuities will be (mostly) variable and depend on financial and biometric results, and the IORP neither provides guarantees nor, in our opinion, underwrites the liability to cover against biometric risks. PensionsEurope is satisfied with the current interpretation in other Member States, and the clarification should not lead to additional regulatory own funds requirements. Therefore, PensionsEurope requests further clarification in a revised IORP II Directive - either in Article 15 itself or in a recital - whether and when in these situations IORPs are considered to underwrite the liability to cover against biometric risks as prescribed in Article 15, par. 1 and, as a result, will be obliged to maintain its regulatory own funds.
4. The rules on borrowing are inconsistent in the IORP II Directive, an issue that has been recognised by EIOPA. On the one hand, according to Article 16(3), the available solvency margin may comprise subordinated loan capital under certain conditions, including a long maturity requirement. On the other hand, according to Article 19 (3), borrowing is forbidden except for liquidity purposes on a temporary basis. The relationship between the provisions is unclear, which has led to restrictions on IORPs' ability to raise subordinated loans to strengthen their solvency margin and create an additional buffer to protect members and beneficiaries. Therefore, for example, an exception for subordinate loans could be introduced in Article 19(3).
5. On Article 19(3), IORPs should be allowed to act as a guarantor on behalf of subsidiaries and for clearing purposes. It can be to the benefit of the IORP if it can provide a guarantee, e.g., a subsidiary's real estate investments. This is necessary for IORPs to be able to own investments indirectly through wholly owned subsidiaries or other entities such as partly owned companies acquired in connection with a third party (including a sponsor of an IORP), e.g., joint venture investments. For example, if an IORP enters into a joint venture with other investors to purchase a real estate or infrastructure asset, an increasingly important asset class for larger IORPs, it is customary that the seller of such asset or a financing bank will require the IORP and the other investors to guarantee certain obligations of the joint venture since the joint venture would often be a newly formed vehicle fully dependent on receiving future funding by its owners. Another example is where an IORP owns a real estate asset through a subsidiary, and the IORP is required to provide a guarantee for the subsidiary to be able to engage a construction company for a

construction project on the real estate.

6. The Swedish legislator has made the assessment that Swedish pension foundations (in Swedish “Pensionsstiftelser”) are within the scope of IORP II, which is a form of national gold-plating. Including pension foundations in the scope of IORP II leads to increased costs and administrative and regulatory burdens with very questionable benefits. Swedish pension foundations should not be included in the scope of the IORP II directive.]
7. To promote investments in pension products, Member States should not be allowed to include restrictions on contributions to pension plans regardless of the application of the relevant tax deduction limits. Contribution limits are in contradiction to the aim to foster savings for retirement. For example, the European Commission has initiated an infringement procedure over Spanish national rules on this subject. The Commission alleges that Spain's restrictions on contributions to pension schemes beyond tax-deductible limits may violate the EU's principle of free movement of workers, services, and capital, and the right of establishment.

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes.

PensionsEurope has **25 member associations** in 19 EU Member States and 3 other European countries¹⁸.

PensionsEurope member organisations cover different types of workplace pensions for approximately over **100 million people**. Through its Member Associations PensionsEurope represents over **€ 6 trillion of assets**

¹⁸ EU Member States: Austria, Belgium, Bulgaria, Croatia, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden. Non-EU Member States: Iceland, Norway, Switzerland.

managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **14 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership.
- Ensure that more and more Europeans can benefit from an adequate income in retirement.
- Policies which will enable sufficient contributions and good returns.

Our members offer

- Economies of scale in governance, administration and asset management.
- Risk pooling and often intergenerational risk-sharing.
- Often “not-for-profit” and some/all of the costs are borne by the employer.
- Members of workplace pension schemes often benefit from a contribution paid by the employer.
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment.
- Good governance and alignment of interest due to participation of the main stakeholders.

Contact :

PensionsEurope

Montoyerstraat 23 rue Montoyer – 1000 Brussels

Belgium

Tel: +32 495 21 62 61

info@pensionseurope.eu