PensionsEurope's answer to the EC’s call for evidence - Recommendation on savings and investment accounts

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PensionsEurope welcomes the European Commission's initiative to encourage greater retail participation in capital markets through the development of a Blueprint for Savings and Investment accounts (SIAs). We generally support the overall goal of turning savers into investors. However, we think it is important to distinguish properly between SIAs and retirement vehicles.

We also support the soft law approach being used with a recommendation, as we think that a bottom-up approach is preferable on that issue, given the lack of success of the PEPP.

The impact on supplementary pensions should be taken into consideration

While SIAs can be used to foster retail participation in capital markets, they could in Member States also risk undermining the existing well-functioning occupational pension systems that collectively manage long-term savings, as well as already available third pillar pension products such as individual pension plans. Introducing SIAs could, in Member States, weaken individual funded retirement products and reduce trust in supplementary pensions.

Tax incentives should focus on retirement savings

Given the demographic challenges with a decline in the working-age population in the EU[1], offering preferential tax treatment to SIAs that are not long-term products could jeopardise the objective of providing sufficient income replacement in old age.

In this regard, the suggested five-year investment horizon in the "Finance Europe" label proposal[2] could be considered to be shorter than that needed to ensure adequate retirement income. The proposed five-year horizon is also too short to make a substantial contribution to providing EU capital markets with more long-term capital, as suggested, e.g., by the Draghi-Report.

[1] See PensionsEurope report 2024, Annexe 2, May 2025

[2] See Setting common principles for the Label "Finance Europe", 5 June 2025

Investment restrictions should be avoided

We also think that mandating a minimum percentage of investment in the EU as required by the above-mentioned label would be strongly against the key principle of diversification and could be counterproductive in limiting returns to savers.

A cautious approach is needed for the design of the SIAs

We are concerned that this EC initiative would place unwarranted confidence in competition and digital accessibility as drivers of the success of the SIAs, as the level of financial literacy is modest among individuals in some Member States[3]. Retail investors in several Member States could have problems assessing financial products, especially if they lack digital skills. Furthermore, we also want to point out that encouraging alternative investments through SIAs may increase costs, as such assets often involve high fees.

Finally, we would like to emphasise that the Commission should carefully consider the interaction between SIAs, occupational and personal pensions to avoid jeopardising the objective of providing good retirement outcomes for EU citizens, and if there is a risk of undermining the development of the supplementary pensions[4].

[3] See The state of financial knowledge in the European Union, Bruegel, February 2024

[4] See the EC communication on SIU, March 2025

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 countries[5].

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** 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.

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