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Targeted consultation on supplementary pensions

Fields marked with * are mandatory.

Introduction

What is this consultation about?

The organisation of pension systems is primarily the responsibility of Member States. Policies at Union level can and should support Member States' efforts to increase pension sustainability, pension adequacy and the welfare for European citizens when they retire. With this consultation, the Commission aims to present options on a series of interrelated initiatives on how to further develop supplementary pensions across the European Union. These Union-level initiatives on supplementary pensions would aim to support the initiatives of Member States.

The emphasis of any potential Union initiatives on supplementary pensions will be on individual citizens' welfare. Union initiatives on supplementary pensions will be respectful of what has been achieved at the level of the Member States, and respecting the autonomy and prerogatives of social partners, where applicable. The individual pension savers' and social partners' choices on how and by what means they wish to provide for their retirement will also be respected. Respect for such choices does not exclude Union-level efforts aiming to build awareness about the advantages that investing part of retirements savings in the capital market can bring in terms of enhanced investment return and contribute to financial security in retirement.

The guiding principle for any initiative on supplementary pensions is to increase uptake in supplementary pensions, with a view above all to increase financial security in retirement, and also to reinforce the supplementary pension sector as a long-term investor.

Why are we consulting?

In its communication of 19 March 2025 on the savings and investments union (SIU strategy), the Commission envisages several actions to increase the take-up of supplementary pensions across Europe, improve their return and facilitate pension funds' long-term investments into the economy, including in innovation. Since national competence and the design of the overall pension system do not allow for one-size-fits-all policy proposals in several areas, Commission's recommendations to Member States appear to be the most suitable tool to provide guidance on auto-enrolment, pension tracking systems, pension dashboards, and the implementation of the prudent person principle by pension funds. Such policy recommendations would benefit from being as targeted as possible and highlight best practices that Member States can apply. Other policy goals might require targeted changes to the EU regulatory framework for supplementary pension provision, namely the Directive (EU) 2016/2341 on the activities and supervision of institutions for occupational retirement provision (IORPs) (the IORP II Directive) and Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP) (the PEPP Regulation). The aim of any changes would be to ensure availability of solid occupational and personal pension products, possibly suitable for auto-enrolment.

The present consultation will complement the technical advice provided by EIOPA, along with other work on the main topics covered. EIOPA technical advice is as follows:

- Technical advice on the development of pension tracking systems (2021)
- Technical advice on pensions dashboard (2021)
- Technical advice for the review of the IORP II Directive (2023)
- Staff Paper on the future of the pan-European Personal Pension Product (PEPP) (2024)

The consultation will inform Commission's policy measures aimed at achieving the objectives set out in the SIU strategy and at addressing the findings of the European Court of Auditors contained in the recently published special report on developing supplementary pensions in the EU.

Who should respond to this consultation?

This consultation forms part of an outreach strategy that will also comprise workshops with relevant stakeholders, including social partners, civil society, consumers and their organisations, businesses, including SMEs, financial intermediaries, including IORPs, other occupational and personal pension providers and their representative organisations, and the institutions and authorities of the Member States. The consultation specifically aims to identify best practices and useful ideas in this area.

What type of input is the Commission seeking through this consultation?

The Commission is seeking input that is as specific and detailed as possible. In addition to identifying challenges, stakeholders are encouraged to put forward concrete suggestions or specific proposals for how these could be addressed. Stakeholders are also invited to provide practical examples or case studies, as well as, where relevant, quantitative or qualitative data that can help illustrate key issues or shed light on potential impacts. Where data or evidence is submitted, the source should be clearly indicated and, if applicable, the methodology explained.

Input from a broad range of stakeholders is essential to ensure that the consultation reflects a wide diversity of perspectives and realities. This input will inform the preparation of policy proposals and the accompanying Staff Working Document, helping to ensure that future measures are appropriately calibrated.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-supplementary-pensions@ec.europa.eu.

More information on

- this consultation
- the consultation document
- occupational pension funds
- personal pension products
- the protection of personal data regime for this consultation

About you

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*Language of my contribution

- ( ) Bulgarian
- ( ) Croatian
- ( ) Czech
- ( ) Danish
- ( ) Dutch
- (•) English
- ( ) Estonian
- ( ) Finnish
- ( ) French
- ( ) German
- ( ) Greek
- ( ) Hungarian
- ( ) Irish
- ( ) Italian
- ( ) Latvian
- ( ) Lithuanian
- ( ) Maltese
- ( ) Polish
- ( ) Portuguese
- ( ) Romanian

- Slovak
- Slovenian
- Spanish
- Swedish

*I am giving my contribution as

- Academic/research institution
- Business association
- Company/business
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

*First name

Alin

*Surname

Iacob

*Email (this won't be published)

alin.iacob@aursf.ro

*Organisation name

255 character(s) maximum

FINANCIAL SERVICES USER GROUP (FSUG)

*Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](). It's a voluntary database for organisations seeking to influence EU decision-making.

*Country of origin

Please add your country of origin, or that of your organisation.

Afghanistan	Djibouti	Libya	Saint Martin
Åland Islands	Dominica	Liechtenstein	Saint Pierre and Miquelon
Albania	Dominican Republic	Lithuania	Saint Vincent and the Grenadines
Algeria	Ecuador	Luxembourg	Samoa
American Samoa	Egypt	Macau	San Marino
Andorra	El Salvador	Madagascar	São Tomé and Príncipe
Angola	Equatorial Guinea	Malawi	Saudi Arabia
Anguilla	Eritrea	Malaysia	Senegal
Antarctica	Estonia	Maldives	Serbia
Antigua and Barbuda	Eswatini	Mali	Seychelles
Argentina	Ethiopia	Malta	Sierra Leone
Armenia	Falkland Islands	Marshall Islands	Singapore
Aruba	Faroe Islands	Martinique	Sint Maarten
Australia	Fiji	Mauritania	Slovakia
Austria	Finland	Mauritius	Slovenia

Azerbaijan	France	Mayotte	Solomon Islands
Bahamas	French Guiana	Mexico	Somalia
Bahrain	French Polynesia	Micronesia	South Africa
Bangladesh	French Southern and Antarctic Lands	Moldova	South Georgia and the South Sandwich Islands
Barbados	Gabon	Monaco	South Korea
Belarus	Georgia	Mongolia	South Sudan
Belgium	Germany	Montenegro	Spain
Belize	Ghana	Montserrat	Sri Lanka
Benin	Gibraltar	Morocco	Sudan
Bermuda	Greece	Mozambique	Suriname
Bhutan	Greenland	Myanmar/Burma	Svalbard and Jan Mayen
Bolivia	Grenada	Namibia	Sweden
Bonaire Saint Eustatius and Saba	Guadeloupe	Nauru	Switzerland
Bosnia and Herzegovina	Guam	Nepal	Syria
Botswana	Guatemala	Netherlands	Taiwan
Bouvet Island	Guernsey	New Caledonia	Tajikistan
Brazil	Guinea	New Zealand	Tanzania
British Indian Ocean Territory	Guinea-Bissau	Nicaragua	Thailand
British Virgin Islands	Guyana	Niger	The Gambia
Brunei	Haiti	Nigeria	Timor-Leste
Bulgaria	Heard Island and McDonald Islands	Niue	Togo
Burkina Faso	Honduras	Norfolk Island	Tokelau

- Burundi
- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d’Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Isle of Man
- Israel
- Italy
- Jamaica
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
- Palau
- Palestine
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States
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- Vatican City
- Venezuela
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Czechia	Lebanon	Saint Helena Ascension and Tristan da Cunha	Zambia
Democratic Republic of the Congo	Lesotho	Saint Kitts and Nevis	Zimbabwe
Denmark	Liberia	Saint Lucia	

* Field of activity or sector (if applicable)

- [ ] Accounting
- [ ] Auditing
- [ ] Banking
- [ ] Credit rating agencies
- [ ] Insurance
- [ ] Pension provision
- [ ] Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- [ ] Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- [ ] Social entrepreneurship
- [ ] Other
- [x] Not applicable

The Commission will publish all contributions to this targeted consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') is always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

- **Anonymous**
  Only the organisation type is published: The type of respondent that you responded to this consultation as, your field of activity and your contribution will be published as received. The name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.
- (x) **Public**
  Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

[x] I agree with the personal data protection provisions

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. EIOPA (Technical advice on the development of pension tracking systems - 2021) and OECD (OECD Pensions Outlook 2024: Improving Asset-backed Pensions for Better Retirement Outcomes and More Resilient Pension Systems) 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.

Question 1. Do you consider that the pension tracking system in your Member State functions well?

- Yes
- (x) No, it should be extended/improved
- No, my country doesn’t have a tracking system
- Don’t know / no opinion / not applicable

Please elaborate your answer to question 1 and indicate which features should be improved or added:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Pension tracking systems (PTS) primarily serve to raise public awareness of future benefits and financial planning for retirement. Their role is to provide citizens with reliable information about their accrued entitlements in various pension systems and to encourage them to increase their contributions where possible so that they can secure a stable income in old age. In functional terms, PTS should primarily provide clear and accurate information about the status of accumulated pension rights and the history of their acquisition. In the case of supplementary schemes, it is particularly important to present clearly: the value of savings, the costs and fees associated with their management, as well as net investment returns – both in nominal and real terms (after taking inflation into account). In addition, the platform should warn users about the consequences of decisions that may adversely affect their future income. It is also important to provide information about the right to transfer accumulated pension funds. Thanks to such data, insured persons can consciously plan their finances – e.g. increase their contributions or change their savings plan to a more favorable one. In order to achieve this goal, it is necessary for insured persons to have a complete picture of all the systems to which they contribute. Unfortunately, many existing or emerging PTS platforms provide only fragmentary information, often covering only one or two of the three main pension pillars. Although collecting data on rights acquired in various, often complex systems is a major challenge, this should not be a reason to omit certain elements of the national pension system. Tools that forecast future pension income are a useful solution, provided they meet two conditions: they enable the assessment of the effects of potential career or financial decisions (e.g. changes in pension products, career breaks) and clearly present the assumptions made, especially regarding rates of return and inflation. From a practical point of view, it is extremely important that the platform is easy to access while maintaining high data security standards. A negative example is the German pension monitoring system, which requires users to have an e-ID, a special application and a tax identification number. Another negative example is the Polish portal www.zus.pl, where access is only available to the first, mandatory pillar, and the data is incomplete. Belgium has introduced a much more convenient solution – its MyPension.be portal uses the same login tools as public administration and online banking, which can be considered best practice.

Question 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, 1 being the most important, and 5 being the less important:

	1	2	3	4	5
Access to the system and the information provided is simple and secure			●		
Users can be sure that the information is objective, i.e. not influenced by the interest of those that provide the information		●			
The system covers all pillars of the pension system	●				

The system is cost-effective				x	
Other					

Please elaborate your answer to question 2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our opinion, it is crucial that pension tracking systems (PTS) cover all pillars of the pension system. Moreover, combining information on both public pay-as-you-go benefits and funded pensions allows citizens to better estimate their total pension income and thus assess what steps they should take to achieve the desired level of financial security. Assuming that the main purpose of PTS is to support citizens in their pension planning, this requires a complete picture of all the systems to which their contributions go. Therefore, the development of PTS should include not only first and second pillar benefits, but also third pillar products and long-term investment instruments which, although not formally pension products, serve this purpose in practice. Instead of being guided solely by the legal definition of a given product as a "pension" product, the systems could, following the example of German solutions, include all investment programs in which payments can only begin after reaching the statutory retirement age or just before it. In the case of individual defined contribution plans, the scope of information made available in the PTS should at least correspond to the standards applicable in the EU to retail providers of investment products. This means that data on costs, risks and nominal and real rates of return must be provided in a standardised manner for all long-term investment products, regardless of their formal classification. The second condition for the effectiveness of the PTS is the reliability and accuracy of the data presented. Users must be assured that information on accumulated pension rights and, in the case of supplementary pillars, on the costs and performance of plans is based on actual data and not on forecasts or information modified by entities involved in the system, whether public or private. Equally important are the simplicity of use, security and low cost of access to PTS. Overly complicated login procedures, high fees or data protection concerns can effectively discourage citizens from using these tools, even if they offer significant benefits.

Question 3. Which of the following elements should a pension tracking system cover?

Please rank options according to their importance, 1 being the most important, and 5 being the less important:

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

	1	2	3	4	5
Information from all schemes about past contributions and accrued entitlements	x				
Projected pension benefits at a set retirement age based on standard career assumptions					x

Possibility to simulate pension entitlements under different scenarios of individual contributions, retirement age, investment allocations, and financial market developments (where relevant)	○	○	○	●	○
Information about the options and the pay-out (net of taxes) a citizen can expect in case of early withdrawal	○	○	●	○	○
Other	○	●	○	○	○

Please specify to what other element(s) you refer in your answer to question 3:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other: Information about cost and past performance (in real terms)

Please elaborate your answer to question 3:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Information on contributions paid and entitlements acquired is a key element of PTS. In the case of supplementary pensions, however, it is equally important to take into account data on costs and net investment returns – both after deducting costs and after adjusting for inflation. It turns out that a significant proportion of supplementary pension schemes lead to a loss of real value of accumulated funds in the long term. Providing participants with data on the costs and historical performance of their savings could therefore raise awareness not only of the need to save more, but also of the need to choose more cost-effective products. For this reason, we believe that PTSs should provide the same information about individual pension products (PPPs) that EU regulations require to be disclosed to holders of short-term investment products not related to pensions. Another area of importance to users is information on the available methods of withdrawal and the tax implications of each option. This information should be provided both at retirement age and in the case of early withdrawals, so that decision-makers can assess whether it is advantageous for them to withdraw their funds before the due date. When it comes to forecasts, we emphasise the need for caution. Pension plans cover a very long time horizon, so any forecasts must take inflation into account and assume a specific level of inflation in the future, which is becoming increasingly difficult in the face of changing economic conditions. Income projections also require clear assumptions: for public pensions, these are usually based on current legislation, which, however, is regularly amended to ensure the financial stability of the system; for supplementary schemes, they depend on future rates of return, costs and inflation – all of which are uncertain. Therefore, interactive tools that allow users to check the effects of their decisions – regarding contribution levels, changes to their savings program or the timing of their retirement – are the preferred solution. At the same time, these tools should clearly signal that the future level of benefits is subject to considerable uncertainty, as it depends both on external factors and on the individual choices of the saver.

Question 4. What do you consider are the most difficult challenges in setting up a pension tracking system?

Please rank options according to their importance, 1 being the most important, and 6 being the less important:

	1	2	3	4	5	6
Data protection	○	○	○	○	○	○
Accuracy and impartiality of data	○	○	○	○	○	○
Access to the platform and presentation of the information	○	○	○	○	○	○
Maintenance and governance of the platform	○	○	○	○	○	○
Inter-operability with pension tracking systems across Member States	○	○	○	○	○	○
Other	○	○	○	○	○	○

Please elaborate your answer to question 4:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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 and in the Ageing report. EIOPA analysed data gaps and advised on steps to set up pension dashboards.

Question 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 options according to their importance, 1 being the most important, and 5 being the less important:

	1	2	3	4	5
Detailed data about occupational and personal pensions, in addition to statutory pension	◉	○	○	○	○
Breakdown of pension data by different cohorts of the population (e.g. by gender, age, type of employment, economic sector, income, etc.)	○	◉	○	○	○
A forward-looking projection of pension adequacy and sustainability, based on transparent and robust assumptions.	○	○	◉	○	○
Consistent data and methodology across Member States to allow for comparisons	○	○	○	◉	○
Other elements	○	○	○	○	◉

Please specify to what other element(s) you refer in your answer to question 5:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please elaborate your answer to question 5:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As in the case of individual pension monitoring systems, pension tables should also cover all three pillars of the system. Only a complete picture allows politicians and citizens to reliably assess the condition of the system and its ability to provide adequate benefits in the future. Presenting only partial data can lead to misleading conclusions about the real stability and effectiveness of the pension system. It is worth noting that in many Member States, occupational and individual pension plans benefit from public incentives, most often in the form of tax relief, which is intended to encourage citizens to systematically save for old age. Since public funds support this goal, both governments and the public have the right to verify whether this policy is actually delivering the expected results. Therefore, the responsibility for compiling pension tables should rest with public institutions (ministries or specialised agencies), and the tables themselves – containing data on the costs and performance of occupational and personal pension schemes – should be made available to the public. Making such tables available (e.g. in the form of a website or annual reports) would enable citizens to compare their own financial situation with the average in society and in their age group. This would make it easier for them to assess whether they are on track to achieve an adequate level of pension security or whether they should take additional measures, such as increasing their contributions, changing their investment strategy or choosing a cheaper scheme. Although it may be difficult to obtain and aggregate detailed data on individual pension products (IPP) and other long-term investment instruments, this information is particularly important. If analyses of public and occupational pensions indicate that they are insufficient, policymakers should be able to assess whether the third pillar can effectively fill the gaps. Evidence of high efficiency and a favorable cost-performance ratio would justify further promotion of individual forms of saving. On the other hand, systemic problems with the profitability of this pillar should prompt regulators and supervisory institutions to introduce reforms. In order for pension tables to fulfil their role, it is also necessary to present data broken down by age group. A long-term savings perspective means that the legal, economic and political environment may undergo significant changes over the course of 40 or more years of professional activity. Forecasts should therefore take into account, among other things, inflation, possible financial market performance and changes in government policy on taxation, indexation rules, benefit calculation methods and retirement age. These decisions, taken in the name of public system stability, may reduce the value of future pensions and affect the effectiveness of additional forms of saving. Breaking down the results by age group will allow for a better assessment of the extent to which individual generations – burdened with different types of risk – are prepared to receive adequate benefits. For policy makers, this would be a source of knowledge necessary to take appropriate corrective and preventive measures.

Question 6. Which dimensions of a pension system's performance do you find most meaningful?

Please rank options according to their importance, 1 being the most important, and 5 being the less important:

	1	2	3	4	5
Income replacement, i.e. the level of retirement income relative to work income now or in the future	◉	○	○	○	○
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	○	◉	○	○	○

Contribution to poverty reduction and equality	○	○	●	○	○
Fiscal costs now and in the future	○	○	○	●	○
Other	○	○	○	○	●

Please specify to what other dimension(s) you refer in your answer to question 6:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please elaborate your answer to question 6:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The four key dimensions of the pension system are closely interlinked. An efficient system should guarantee citizens an adequate level of income in old age, even in a situation where the number of economically active people is declining. "Adequate retirement income" means a replacement rate of earnings from the working period that allows the current standard of living to be maintained. A system that provides a decent level of benefits reduces or completely prevents the risk of poverty among older people by offering an income sufficient to cover basic needs and enable active participation in social life. In order to achieve this goal while limiting the burden on the state budget, a certain level of redistribution within the pension system is necessary. This avoids additional financing from the budget beyond the contributions allocated directly to social security. Several issues are worth noting here. Firstly, the amount of pension income necessary to maintain a standard of living depends on the extent to which the state offers goods and services free of charge or in a subsidised form. For example, rail discounts for people over 65 or access to free public transport and sports facilities mean that transport and recreational needs place less of a burden on private budgets. The wider the range of services offered by the state at reduced prices, the lower the requirement for a high replacement income. Therefore, when assessing the effectiveness of a country's pension system, the broader context of public benefits should also be taken into account. Secondly, although the design of individual pension systems should be the result of national democratic debate, it is important to distinguish between social policy and regulatory policy. The aim of social policy is to provide all citizens with a minimum decent pension, which involves redistribution mechanisms, compulsory taxes or contributions, and social transfers. This task rests primarily with the state and relates to the first pillar of the system. Regulatory policy, on the other hand, concerns the proper management of savings in the additional pillars. Its role is to ensure that the accumulated funds are invested in a way that enables the pension objectives of the system's participants to be achieved – i.e. that they offer an appropriate cost-to-value ratio and guarantee at least a positive real net return (taking into account both costs and inflation). This requires effective supervision of pension plan management institutions, as well as high standards of transparency, performance reporting and participant protection. The diversity of savings forms should be treated as an asset of the system – the structure of funded pensions (second and third pillars) should promote a wide range of solutions, rather than limiting their choice. At the same time, all programs must be subject to rigorous supervision and provide participants with reliable information on costs, risks and financial results.

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.

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.

Question 7. What are in your views the key features for an auto-enrolment mechanism to be successful?

Please rank options according to their importance, 1 being the most important, and 8 being the less important:

	1	2	3	4	5	6	7	8
Provision of auto-enrolment administration facilities by the State			●					
Starting with low contribution rates for participants with their gradual escalation over time						●		
Duration and recurrence of opt-out windows and options for re-enrolment		●						
State incentives (e.g. tax or subsidies), with calibration based on income categories							●	
Preservation of statutory pension benefits and sustainability					●			
Full or partial early withdrawal of pension benefits (subject to penalty, where relevant)								●
Involvement of social partners in its design				●				
Other	●							

Please specify to what other key feature(s) you refer in your answer to question 7:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other: A high-performing, cost-efficient default pension scheme

Please elaborate your answer to question 7:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Automatically enrolling employees in occupational pension schemes is one of the most effective tools for expanding their coverage. Research shows that this mechanism can even double the percentage of new participants, especially among young people and those with lower incomes – i.e. groups that tend to have the lowest awareness of pensions. In a voluntary system, inactivity works to the employee's disadvantage, whereas in an automatic enrolment system, the same passivity can be used positively – to steer them onto the path of saving. However, for this mechanism to actually serve future pensioners, certain legal and financial conditions must be met. The most important of these is the availability of programs offering real, positive net returns – i.e. those that, after taking into account costs, taxes and inflation, still ensure an increase in the value of savings. Only such products should be eligible to serve as default plans within the automatic enrolment system. The second key condition is to guarantee participants the right to opt out or change their plan. New employees should be informed immediately about their enrolment in the program, and the information provided to them must clearly present the available options: remaining in the default plan, choosing another program or opting out of the system altogether. Given that enrolment is automatic, these individuals need time to obtain information and make an informed choice. It therefore seems reasonable to establish a period of at least three months during which participation can be withdrawn without financial consequences. It is equally important to provide a regular, e.g. annual, opportunity to withdraw or change the program free of charge, preferably when the statement of accumulated benefits is received. A public institution, preferably a state agency, should be responsible for the entire automatic enrolment system, with the active participation of social partners in its design. Equally important is the enhanced supervision by national regulatory authorities of the quality of programs that may be offered under automatic enrolment. Citizens' trust in the system depends on its transparency and credibility. However, the issue of default contribution rates is problematic. On the one hand, it facilitates the process of onboarding new members, but on the other hand, behavioral mechanisms such as inertia or anchoring may lead participants to remain at base rates, even if they are not optimal. The most promising solution seems to be the introduction of automatic contribution escalation mechanisms: initially, contributions would be relatively low, which would limit the burden on net wages, and then they would gradually increase in subsequent years. This solution gives young employees and low-income individuals time to "get used" to the program before deciding whether to continue or opt out. At the same time, the example of Poland shows that a lack of appropriate regulations can lead to distortions in the system. In the first quarter of 2025, participants in Employee Capital Plans withdrew over PLN 600 million, exploiting a legal loophole that allowed them to achieve higher returns than on bank deposits. Although this meant easy profits for participants, it posed a threat to the system itself, as the program lost its basic purpose, which is long-term saving for retirement.

Question 8. In your opinion, what should be the features that the default pension plan(s) should have to be successful?

Please rank options according to their importance, 1 being the most important, and 6 being the less important:

	1	2	3	4	5	6
Life-cycle asset allocation (more prudent as the retirement date approaches)	○	○	○	○	●	○
Option to shift pension plan and risk profile at a later stage (in addition to opt out)	○	●	○	○	○	○

Minimum contribution, with the option to increase it at later stage	●	○	○	○	○	○
Capital guarantee, despite expected lower return compared to solutions without that guarantee	○	○	○	●	○	○
Sufficient scope of target population, to ensure cost effectiveness and investment diversification capability of the default fund(s)	○	○	●	○	○	○
Other	○	○	○	○	○	○

Please elaborate your answer to question 8:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our opinion, the key element determining the effectiveness of the automatic enrolment system is the appropriate design of the default plan. Only a well-designed program can attract a wide group of participants, ensure profitability and enable the expected level of retirement income to be achieved. One factor that could increase participation would be the introduction of a low minimum contribution at the start of the program, with the possibility of increasing it later, preferably through an automatic, flexible mechanism of gradual increases in contributions. This solution would reduce dropouts among young people and those with lower incomes, as the initial burden on their budget would be small. Importantly, experience shows that many participants who remain in the program for several years later decide to increase their contributions on their own. Broader participation would also mean economies of scale in the management of the default program, reducing unit costs and enabling better portfolio diversification thanks to the higher value of assets. At the same time, it is extremely important that participants have the opportunity to make changes without having to opt out of the program. They should be able to adjust the contribution level, investment structure or risk profile to their own needs and goals. This would also allow those for whom the default option is not optimal to successfully implement their individual pension strategies. The default option itself should be designed to meet the needs of the majority of new participants. We consider one of the best solutions to be simple asset allocation over the life cycle – a strategy in which the investment structure takes into account the number of years remaining until retirement, as this allows participants to benefit from potentially better long-term returns while protecting their accumulated capital in the period immediately preceding retirement age.

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

- ● The legislator
- ○ The social partners, where applicable
- ○ The employer
- ○ Other
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 9:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Trust is at the heart of an effective automatic enrolment system for employees in pension plans. Without it, participants will be inclined to quickly leave the program and withdraw their funds, fearing ineffective management or even abuse or corruption. Therefore, the key question is who should be responsible for establishing the default pension scheme. In many EU Member States, the natural candidate is the legislator, who usually enjoys the highest level of public trust. The legislator could set the criteria that schemes must meet in order to qualify as default schemes, while their ongoing supervision should be carried out by the national competent authority (NCA) responsible for occupational pensions. However, this does not mean that such a model must be adopted everywhere. In some countries, social partners – at national or regional level – enjoy greater authority than state institutions, and in such cases they should play a leading role in establishing default pension schemes. Regardless of who is formally responsible for establishing the default scheme, the process of building trust in the system requires a broad consensus. This should include the legislator, public institutions (including social security agencies), social partners and financial supervisory authorities. Importantly, this cannot be a rushed process – on the contrary, space must be created for expressing concerns, making suggestions and jointly developing solutions that will be accepted by society as a whole.

Question 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 in general default occupational pension plans only
- ● Other
- ○ Don’t know / no opinion / not applicable

Please specify to what other measure(s) you refer in your answer to question 10:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Granting of equivalent tax incentives or other subsidies to participate in general default occupational pension plans and any occupational pension plans available to employees covered by the auto-enrolment scheme

Please elaborate your answer to question 10:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It should be ensured that tax relief or other forms of financial support are granted on the same terms to participants in general default occupational pension schemes and to persons covered by other occupational schemes under the automatic enrolment system. At the same time, self-employed persons and employees who are not subject to automatic enrolment should be able to voluntarily join occupational pension schemes available under this system, also on terms that ensure equivalent tax relief and other subsidies. These solutions must be flexible and adapted to the diversity of legal regulations in EU Member States, both in the area of taxation and labor law.

Question 11. What is in your view the task of the public authorities in enabling the use of auto-enrolment?

Please rank options according to their importance, 1 being the most important, and 7 being the less important:

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

	1	2	3	4	5	6	7
To set the relevant legal framework	●	○	○	○	○	○	○
To provide detailed guidance to employers and other bodies	○	○	○	○	●	○	○
To provide tax incentives or public subsidies to the target population	○	○	○	○	○	●	○
To provide tax incentives or compensation for employers or other bodies that administer enrolment, contributions and pay-outs	○	○	○	○	○	○	●
To provide administrative support	○	●	○	○	○	○	○
To provide comprehensive and impartial information to the target population	○	○	●	○	○	○	○
Others	○	○	○	●	○	○	○

Please specify to what other task(s) you refer in your answer to question 11:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To provide enhanced supervision of eligible pension plans

Please elaborate your answer to question 11:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It seems reasonable that it should be the task of public authorities to create an automatic enrolment system that is transparent, fair and provides real financial benefits for those saving for retirement. This means developing a clear and stable legal framework, providing adequate administrative support for its implementation, and making comprehensive, reliable and, most importantly, easy-to-understand information available to the public. The role of the authorities should also be to prepare detailed guidelines for employers and other entities involved in the implementation of the program to ensure its smooth functioning. Tax incentives and subsidies are not an end in themselves, but can be a policy tool to support the introduction of the program, encouraging employees and employers to remain in the system and, in the best case scenario, to increase contributions above the default level. It is worth emphasising that tax breaks and subsidies cannot replace measurable financial gains. Ultimately, it is the effective investment decisions of program managers that should contribute to economic growth and generate additional value, which in the long term will translate into higher pension income – without placing an excessive burden on the public budget. If, on the other hand, fiscal support is directed towards poorly performing programs, in practice it does not create new value, but leads to a redistribution of funds from taxpayers to participants in the system, which may have regressive effects.

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 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 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, "*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*".

Question 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?

- ( ) Yes
- (•) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 12, specifying what changes, if any, would be necessary to enhance the attractiveness of the Basic PEPP for both providers and savers:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

From the perspective of people saving for retirement, the Basic PEPP should be relatively simple and sufficiently standardised to allow easy comparison of offers from different providers. Thanks to the cost cap, it is also highly cost-effective, which increases the chances of obtaining significant real net returns. However, we believe that its design could be further simplified, e.g. by removing the requirement to maintain a second sub-account, which would increase the comprehensibility and accessibility of the product and strengthen its character. It should be borne in mind, however, that excessive simplification, such as reducing the available risk mitigation mechanisms, could unduly narrow consumer choice. A simpler and more effective way to increase the attractiveness of PEPPs would be to grant them the same tax treatment in each Member State as the most privileged domestic pension products, in line with the European Commission's recommendation. However, the problem with the current PEPP model is that it is not very attractive to traditional PPP providers. Low fee limits make this product extremely beneficial for consumers, but at the same time limit the potential revenues of financial institutions and may compete with their existing offerings. As a result, it is difficult to expect providers to actively promote a product that in practice reduces their profits, even if its wider use could bring additional benefits to the EU economy and savers themselves. Therefore, in our opinion, it is necessary to remove the requirement to sell PEPPs exclusively in a package with advice. Allowing the distribution of the product without advice would reduce client acquisition costs, improve profitability for providers and pave the way for widespread online sales, which would particularly appeal to younger audiences. It could be argued that even in its current form, PEPPs are so complex that they require advice. We therefore recommend further simplifying their structure, e.g. by standardising and simplifying risk mitigation mechanisms such as lifecycle strategies. The product should be designed so that a person with basic financial knowledge can understand what they are investing in, what risks are involved and how these risks are mitigated. In addition, standard educational materials accompanying the online registration process would ensure that potential clients receive sufficient information before investing. In addition, considering the key aspect of benefit payments for customers, we point to the need to standardise and harmonise the conditions and standards in this area. Many people who change their place of residence, e.g. those who return to their home country and want to receive their supplementary pension there, encounter procedural problems, often unjustifiably imposed by benefit providers. In our opinion, it is also worth ensuring reliable, authoritative information and education in this area, including at the stage of joining the pension scheme.

Question 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?

- (x) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 13, considering whether other risk mitigation techniques should also be considered as a standard feature of the Basic PEPP and why:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Lifecycle-based retirement savings strategies typically deliver better results than capital guarantee-based solutions and perform better than other strategies. An additional advantage of the lifecycle approach is its simplicity – maintaining a high proportion of equities during the accumulation phase and gradually shifting assets towards bonds; this facilitates and shortens the process of offering the product to users. Furthermore, other risk mitigation techniques, such as capital guarantees, should remain available to interested participants, provided that they are presented in a transparent manner and clearly indicate their impact on costs and possible investment outcomes. In summary, introducing a simple, standardised lifecycle strategy as the default risk mitigation method in the Basic PEPP will simplify the product and preserve its favourable investment potential and high cost efficiency.

Question 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)?

- (x) Yes
- ( )

No

Don’t know / no opinion / not applicable

Question 14.1 What additional design features could support or facilitate the distribution of the Basic PEPP on an execution-only basis

Please elaborate your answer:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The Basic PEPP is designed to be a transparent and standardised pension product, whose main advantage is its low and transparent cost structure. The design of this solution should reflect this idea, so that it can also be sold without advice and reach a wide audience, especially younger investors using digital investment channels. For people investing for retirement purposes, the Basic PEPP could be a more attractive alternative to the basic ETF-based savings plans currently offered by most neo-brokers. We do not share the opinion that offering this product exclusively in the executive model should automatically entail a limitation on the amount of contributions. In practice, people building up their retirement capital often start with small amounts, which they gradually increase as their income and investment experience grow. For this reason, tax relief limits are usually exceeded only a few years after the start of the investment, when the saver already has a history of results and costs that allows for a realistic assessment of the product. It is reasonable that the suitability test applied to all retail transactions involving investment or insurance products should serve as a safeguard against the sale of Basic PEPPs inappropriately in an execution-only model, as is the case with other instruments. This is because imposing an obligation to provide advice on service providers operating exclusively on commission seems impractical.

Question 14.2 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?

Yes

No

Don’t know / no opinion / not applicable

Please elaborate your answer to question 14.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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

- (x) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 15:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

> The possibility of using investment options beyond the Basic PEPP should be retained. Such solutions offer additional investment strategies that may be particularly relevant for people saving for retirement and looking for more diversified solutions that fall within the general principles set out in the PEPP Regulation but go beyond the standard model of the basic product. Providers should have the flexibility to create and define such alternative options, provided that their operation is transparent, adequately described in the documentation and presented to clients in an understandable manner. Regardless of the design of a given solution, the provider should always be able to demonstrate how the option complies with the investment principles described in the PEPP Regulation.

Question 15.1 Should such options be defined?

- ( ) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

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.

Question 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?

- (x) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 16:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The concept of PEPP sub-accounts, although not ideal in terms of simplicity – both for the institutions offering them and for the participants themselves – currently seems to be the easiest way to ensure the portability of PEPP contracts between EU Member States (it should be emphasised, however, that full transferability within Member States has not yet been fully implemented and should become one of the priorities). A significant obstacle remains the differences in the tax systems of individual countries, which make it difficult for savers in one country to make contributions to pension products in another. However, if the ambition is to actually build a savings and investment union and create a single and competitive pension market across the EU, participants should have the right to purchase and contribute to individual pension products, including PEPPs, in any Member State, regardless of their place of residence for tax purposes. Achieving this goal requires progress in harmonising the rules on the taxation of contributions and withdrawals from individual pension products. The level of taxation itself may remain different, but it is necessary to harmonise the basic rules. Similarly, the current PEPP Regulation refers to the payout phase in very general terms, e.g. it lacks precise rules on how funds accumulated in one country should be taken into account in the pension system of another Member State, or which rules should apply to the retirement age or the taxation of payouts. This issue is important, among other things, because of the different retirement ages in Member States.

Question 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?

- ○ Yes
- ● No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 17:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that the primary objective should be to simplify the PEPP and ensure its cost-effectiveness, with the development of cross-border portability coming second. However, these two aspects are not contradictory. In practice, maintaining the obligation to open sub-accounts in at least two Member States is mainly useful for people who plan to change their place of work and live abroad. For most savers, a single sub-account in their current country of residence would be sufficient, which would further simplify the product for providers. We therefore believe that this requirement should be abolished and replaced with the option of opening an additional sub-account at a later date, solely at the request of the PEPP holder. We also support a solution that would allow savers to use the services of any PEPP provider, regardless of their place of residence, even if that provider does not operate sub-accounts in their country. As we have already emphasised, a full savings and investment union requires the creation of a truly competitive market for pension products at EU level. Such a market will only be possible if the barriers preventing consumers from accessing better offers from other countries are removed. Restricting the purchase of PEPPs to the domestic market alone effectively stifles competition, reduces benefits for savers and makes it difficult for providers from smaller countries to grow and exploit economies of scale. The main obstacle currently remains tax issues related to contributions to PEPPs in a country other than the participant's country of tax residence, as well as subsequent withdrawals. As mentioned earlier, it is necessary to further harmonise the tax rules for contributions and withdrawals from individual pension products, not just PEPPs. It is worth noting that similar restrictions do not apply to many other long-term savings products, such as life insurance policies, where cross-border issues are resolved through bilateral agreements between countries. This shows that there is no insurmountable barrier here. Therefore, future participants should be able to freely choose a PEPP offer from any EU country, basing their decision on clear and comparable information about costs, risk levels and tax implications.

Question 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?

- ○ Yes
- ○ No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 17.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 18. Do you consider that the Basic PEPP should continue to be subject to a 1% fee cap?

- ◉ Yes
- ○ No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 18:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It cannot be considered that the fee limit set at 1% is inadequate or significantly different from the practices applied in comparable products, especially since it only applies to the basic PEPP. Therefore, in our opinion, the principle of a maximum annual fee of 1% of the accumulated capital should be maintained within the PEPP, at least in the longer term. Assuming that the aim is to create a simple, accessible and understandable pension product, limiting costs to 1% ensures that consumers receive a fair product and that their future benefits are not unduly reduced by fees. It is worth remembering that in pension products, even small differences in fees have a huge impact on the final value of savings. Increasing the limit – e.g. to 1.5% or 2% – could realistically reduce pension benefits by several or even dozens of per cent after several decades of saving. What is more, the 1% limit forces financial institutions to be more efficient and prevents ‘hidden costs’. At the same time, it makes it easier to compare offers, because consumers know that the basic PEPP has a predetermined cost ceiling, and the guarantee that fees are limited increases the propensity to save and enhances the attractiveness of PEPPs compared to other products. Finally, the limit only applies to the basic PEPP. Customers who expect more complex investment strategies and are willing to pay higher fees can still choose other versions of the product. This maintains the balance between simplicity and innovation.

Question 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?

- (x) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 19:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The 1% limit should be maintained as a consumer protection rule. However, costs over which the institution has no control (e.g. taxes, mandatory fees to the regulator) may be excluded from the limit. Distribution, marketing and management costs should remain within the limit, as they are the key area of potential abuse and competitive differences. Another argument is the preservation of a level playing field; it is worth remembering here that the costs of taxes or mandatory regulatory fees do not depend on the efficiency of the financial institution. If they were included in the 1% limit, this could discriminate against providers operating in countries with higher taxes or more costly supervision. Instead of raising the limit above 1% (which would hit consumers), a clear catalogue of cost exemptions, common to the whole EU, could be introduced. It is also worth considering a periodic review of the limit (e.g. every 5-10 years) to adapt it to changes in the financial market and technologies that reduce administrative costs.

Question 19.1 Please specify which types of costs you believe should be excluded or what adjustments should be considered, and explain why:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 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?

- [ ] Yes
- [x] No
- [ ] Don’t know / no opinion / not applicable

Please elaborate your answer to question 20:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Risk mitigation methods are consistent with the objective of ensuring adequate investor protection, but their practical implementation within the current fee limit proves to be complicated and costly for providers. Therefore, these solutions should be offered to savers as an additional option, together with clear information on the characteristics of each of them and their impact on costs.

Question 20.1 Which aspects do you find problematic, and how might they be improved?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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. Stakeholders have also discussed this option. As a different option, stakeholders 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.

Question 21. Do you consider that the Basic PEPP should be explicitly open to use in a workplace context?

- (x) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 21:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In principle, we support the introduction of PEPPs in the workplace, as this would significantly expand the product's target market, giving providers the opportunity to exploit economies of scale while providing a portable and standardised solution for occupational pensions. Such a model could be attractive both to large cross-border companies and to the SME sector. We consider it reasonable for employers to be able to deduct employee PEPP contributions from tax and to include Basic PEPPs in their employee benefit packages. The main advantage of this solution is its easy portability – the schemes retain the character of individual pension products, so they can be continued regardless of a change of employer or place of employment in another country. Importantly, the implementation of this model would require only limited modifications to the existing regulations.

Question 21.1 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?

- ( ) It should involve just explicitly allowing employer contributions or offering the Basic PEPP as an employee benefit while retaining its character as a personal pension product
- ( ) It should be adapted to function also as an occupational pension scheme
- ( )

Don’t know / no opinion / not applicable

Registration and supervision

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

Question 22. In your view, should the current rules on the registration of PEPP be revised?

- Yes
- No
- Don’t know / no opinion / not applicable

Please elaborate your answer to question 22:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 23. Do you consider that the current rules for the supervision of PEPP should be revised?

- Yes
- No
- Don’t know / no opinion / not applicable

Please elaborate your answer to question 23:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 24. Do you consider the investment rules in the PEPP Regulation appropriate to support the achievement of adequate long-term returns?

- ○ Yes
- ○ No
- ● Don't know / no opinion / not applicable

Please elaborate your answer to question 24:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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, stakeholders have also raised specific concerns regarding the distribution rules applicable to PEPP, particularly with respect to misalignment with distribution rules applicable to insurance intermediaries.

Question 25. Do you consider that PEPP's limited uptake is due to the existence of competing personal pension products across the Member States?

- ● Yes
- ○ No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 25:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The low level of interest in PEPPs can be explained by the existence of alternative pension solutions, albeit not in the traditional sense. The problem is not that domestic products offered in Member States are more attractive to savers – in practice, this is usually not the case – but that, thanks to high fees, they generate higher revenues for financial institutions and intermediaries. Therefore, the Basic PEPP should also be available for sale without the obligation to provide advice. This would allow entities interested in distributing low-cost products to offer it; this solution would also have the opportunity to reach new customer groups who would otherwise not opt for traditional pension products. In this way, the market would be expanded, avoiding the phenomenon of cannibalism. Furthermore, there is a clear need for a thorough reform of the rules governing financial advice in order to ensure that intermediaries take into account the interests of their clients, as opposed to the interests of providers. In addition, it is worth reiterating the adverse impact of unequal tax treatment. Most Member States have not granted PEPPs the same tax preferences and subsidies as the most promoted domestic products. This puts PEPPs at a competitive disadvantage from the outset. Furthermore, the possibility of transferring accumulated funds from existing pension schemes to PEPPs is currently only permitted in a few countries. A separate issue should be the analysis of additional risks – even if only potential – perceived by people interested in such a product but who do not become customers; one such risk could be political risk. Specific consumer surveys should provide answers to this and other questions concerning the decision (or lack thereof) to join a particular program by financial service users, their motivations and concerns.

Question 25.1 What key features do you think give existing national products a competitive advantage over the PEPP?

Please provide examples:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 25.2 Should the European Commission adjust the PEPP to allow it to be more competitive with national products?

- Yes
- No
- Don’t know / no opinion / not applicable

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

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

- Yes

- [ ] No
- [x] Don’t know / no opinion / not applicable

Please elaborate your answer to question 26:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 27. Should the PEPP Regulation ensure that savers can make individual transfers between existing personal pension products and the PEPP?

- [x] Yes
- [ ] No
- [ ] Don’t know / no opinion / not applicable

Please elaborate your answer to question 27:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The PEPP Regulation should clearly guarantee EU citizens the right to transfer their savings from any existing individual pension product to a PEPP. The possibility of such a transfer – from a product that is often expensive and inefficient to a cheaper and more efficient solution – without additional tax burdens or penalties is a prerequisite for the new product to gain mass popularity. It is also worth noting that there are already many products at national level that are similar in structure to PEPPs and could be converted into fully-fledged PEPPs with minor modifications. The role of national supervisory authorities should be to create the conditions for providers to make such changes where justified.

Transparency, information and pension tracking systems

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

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

- ○ Yes
- ○ No
- ● Don’t know / no opinion / not applicable

Question 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)?

- ○ Yes
- ○ No
- ○ Don’t know / no opinion / not applicable

Question 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?

- ● Yes
- ○ No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 29:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We recommend that all pension products, both second and third pillar, should be covered. This also applies to PEPPs – their inclusion in this category seems obvious and natural.

Question 29.1 Do you believe the PEPP Regulation should require Member States to ensure such inclusion?

- ○ Yes
- ○ No
- ○

Don’t know / no opinion / not applicable

Please elaborate your answer to question 29.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

- (x) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 30:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There are certain preconditions for PTS to be a suitable means for providers to fulfil certain disclosure requirements under the PEPP Regulation. Firstly, national PTS systems should include all information that the PEPP provider is required to provide to the client; otherwise, they cannot be a reliable source of data. Secondly, PTS should not replace the annual statements actively provided by providers. A lack of direct initiative on the part of the provider may result in clients not monitoring the performance of their savings. It should be taken into account that providers have no way of controlling whether clients actually use PTS. It is therefore necessary to maintain parallel channels for informing PEPP holders.

Question 30.1 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?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Tax treatment

Commission Recommendation of 29 June 2017 on the tax treatment of personal pension products, including the pan-European Personal Pension Product, 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.

Question 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?

- ( ) Yes
- (x) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 31, providing relevant examples where possible:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We recommend further promoting a uniform tax treatment for PEPPs at EU level to ensure equal treatment with national pension products, increase harmonisation and guarantee access to tax incentives in all Member States.

Question 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?

- (x) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 32:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that it is worthwhile to increase the degree of harmonisation of the PEPP framework across the EU in order to eliminate differences between Member States, simplify the provision of cross-border services and reduce unnecessary barriers for providers and savers.

Question 32.1 What type of action would you consider most appropriate?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other aspects

Question 33. Are there any additional issues that you believe should be considered in the review of the PEPP Regulation?

- (x) Yes
- ( ) No
- ( ) Don’t know / no opinion / not applicable

Please elaborate your answer to question 33:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The retail investment product market needs fundamental reform to prevent providers and intermediaries from knowingly offering costly and inefficient solutions that benefit themselves rather than their clients. A healthy and transparent market should be based on two pillars: the cost-effectiveness of products and their suitability for investors' needs and objectives. In such an environment, PEPPs, like other cost-effective investment instruments for individual investors, can play a significant role. Until more profound changes are implemented — which, given the strong lobbying of the financial sector, will not happen quickly — the Basic PEPP should be simplified enough to allow it to be sold without advice. At the same time, Member States should ensure that it is treated equally with national pension products, both in terms of tax relief and the subsidy system, and clearly allow its use in occupational pension schemes. There is widespread agreement that the PEPP Regulation needs to be amended. However, the industry's most important demand remains the removal of the fee cap. Such a move would turn PEPPs into yet another expensive pension product, of which there is already no shortage on the market. From the consumers' perspective, this is absolutely unacceptable, and for the European Union's economy, it would mean wasting an opportunity for real innovation in the sector.

Question 33.1 Please describe these issues and explain why they should be addressed:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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 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.

Investment rules and diversification

A recent stocktake 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.

Question 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?

- Yes
- No
- Don’t know / no opinion / not applicable

Please elaborate your answer to question 34.

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:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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

- Yes
- No
- Don't know / no opinion / not applicable

Please elaborate your answer to question 35:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

- Yes
- No
- Don't know / no opinion / not applicable

Please elaborate your answer to question 36:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

- ○ Yes
- ○ No
- ● Don’t know / no opinion / not applicable

Please elaborate your answer to question 37:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

- ● Yes
- ○ No
- ○ Don’t know / no opinion / not applicable

Please elaborate your answer to question 38:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The introduction duty of care provision in regulations could further strengthen the protection of members and beneficiaries. The cost limit itself is a quantitative mechanism, but it does not replace qualitative ethical and organisational standards that can prevent mis-selling, excessive risk or lack of transparency. One argument is protection against conflicts of interest – financial institutions may seek to maximise their own profits at the expense of the consumer (e.g. by directing them towards more expensive product options). The duty of care imposes a responsibility on the provider to act in the best interests of the customer. Furthermore, such a solution is a way of building trust in the pension system, where a clearly defined duty of care increases market credibility, encouraging long-term saving. Constant diligence throughout the entire savings period – not only during the sale, but also in asset management and informing the customer about changes. The British Consumer Duty model, which combines legal protection with an assessment of actual results for the customer, can serve as inspiration.

Question 38.1 If such a duty were to be made explicit in the Directive, what elements should it cover?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

- Yes
- No
- Don’t know / no opinion / not applicable

Please elaborate your answer to question 39:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 39.1 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?

- Yes
- No
- Don’t know / no opinion / not applicable

Please elaborate your answer to question 39.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 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?

- ○ Yes
- ○ No
- ● Don't know / no opinion / not applicable

Please elaborate your answer to question 40:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 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?

- ○

Yes

No

Don’t know / no opinion / not applicable

Please elaborate your answer to question 41:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Cross-border operations

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

Question 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?

Yes

No

Don’t know / no opinion / not applicable

Question 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?

Yes

No

Don’t know / no opinion / not applicable

Please elaborate your answer to question 43:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 43.1 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?

- Yes
- No
- Don’t know / no opinion / not applicable

Please elaborate your answer to question 43.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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 Regulation with the recommendation on core principles of Private Pension Regulation, 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 funds, defines a scope which is not always aligned with that of the IORP II Directive.

Question 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?

- Yes
- No

- ◉ Don't know / no opinion / not applicable

Please elaborate your answer to question 44:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please elaborate your answer to question 44.2:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 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?

- ○ Yes
- ○ No
- ◉ Don't know / no opinion / not applicable

Please elaborate your answer to question 45:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 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?

- ○ Yes
- ○ No
- ● Don’t know / no opinion / not applicable

Please elaborate your answer to question 46:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

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

- ○ Yes
- ○ No
- ● Don’t know / no opinion / not applicable

Please elaborate your answer to question 47:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

Question 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)?

- ○ Yes
- ● No
- ○ Don't know / no opinion / not applicable

Please elaborate your answer to question 48:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There is a notable diversity in the format of Pension Benefit Statements (PBSs) participants to IORPs receive, which hinders general comprehension and comparability of the information provided. This is notably due to the voluntary character of the two PBS models published by EIOPA in 2019.

Question 48.1 Which aspects of the information requirements are most lacking, and how could the regulatory framework be improved?

Please elaborate your answer:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

- [x] Yes
- [ ] No
- [ ] Don’t know / no opinion / not applicable

Please elaborate your answer to question 49:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Undoubtedly, all persons saving under supplementary pension schemes should have the right to access general information about their scheme, regardless of the managing institution or the specific nature of the product itself. Therefore, measures aimed at harmonising information standards for pensions across different types of schemes and institutions are fully justified. Key information should include, among other things: the value of accumulated savings (taking into account inflation since the date of payment), actual costs and fees related to the management of funds, financial results after deduction of costs and inflation adjustment, as well as the risks and weaknesses of the programme that could lead to losses. It is also important that savers have access to information on the conditions and consequences of early withdrawal, available withdrawal options (including costs) and the rules for taxing pension income and benefits.

Question 49.1 Should the Commission pursue greater alignment of pension information for supplementary pension savers, irrespective of the provider?

- [ ] Yes
- [ ] No
- [ ] Don’t know / no opinion / not applicable

Please elaborate your answer to question 49.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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

- (x) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 50:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As a rule, all schemes and institutions should, to the extent possible, be subject to the same regulations, including their inclusion in national pension tracking systems.

Question 50.1 Do you believe the IORP Directive should require Member States to ensure such inclusion?

- ( ) Yes
- ( ) No
- ( ) Don't know / no opinion / not applicable

Please elaborate your answer to question 50.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 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?

- ( ) Yes
- ( ) No

- [x] Don’t know / no opinion / not applicable

Please elaborate your answer to question 51:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Tax treatment

The 2001 Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions 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.

Question 52. To your knowledge, do tax obstacles continue to hinder the cross-border provision of occupational pensions?

- [ ] Yes
- [ ] No
- [x] Don’t know / no opinion / not applicable

Please elaborate your answer to question 52:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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.

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

- [ ] Yes

- [ ] No
- [x] Don’t know / no opinion / not applicable

Please elaborate your answer to question 53:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other aspects

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

- [ ] Yes
- [ ] No
- [x] Don’t know / no opinion / not applicable

Please elaborate your answer to question 54:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous**.

The maximum file size is 1 MB.
You can upload several files.
Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Useful links

More on this consultation (https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025_en)

Consultation document (https://finance.ec.europa.eu/document/download/27b3d8e4-9a02-4e93-859c-80944e1fa359_en?filename=2025-supplementary-pensions-consultation-document_en.pdf)

More on the savings and investments union (https://finance.ec.europa.eu/regulation-and-supervision/savings-and-investments-union_en)

More on pension funds (https://finance.ec.europa.eu/banking/pension-funds_en)

Specific privacy statement (https://finance.ec.europa.eu/document/download/deeeeb5b-5c6f-434b-b7c3-1815330952f8_en?filename=2025-supplementary-pensions-specific-privacy-statement_en.pdf)

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