



## EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL  
MARKETS UNION

Banking, insurance and financial crime  
Insurance and pensions

### CONSULTATION DOCUMENT

### TARGETED CONSULTATION ON SUPPLEMENTARY PENSIONS

#### **Disclaimer**

This document is a working document of the Commission services for consultation and does not prejudice the final decision that the Commission may take.

This consultation does not provide an indication on the approach the Commission services may take.

You are invited to reply **by 29 August 2025** at the latest to the **online questionnaire** available on the following webpage:

[https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025\\_en](https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025_en)

Please note that in order to ensure a fair and transparent consultation process **only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.**

This consultation follows the normal rules of the European Commission for public consultations. Responses will be published in accordance with the privacy options respondents will have opted for in the online questionnaire.

Responses authorised for publication will be published on the following webpage: [https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025\\_en#consultation-outcome](https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025_en#consultation-outcome)

Any question on this consultation or issue encountered with the online questionnaire can be raised via email at [fisma-supplementary-pensions@ec.europa.eu](mailto:fisma-supplementary-pensions@ec.europa.eu).

# 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 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<sup>1</sup>. It will inform Commission's policy

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

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.

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EIOPA (2021), [Technical advice on pensions dashboard](#)

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

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

## CONSULTATION QUESTIONS

### 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<sup>2</sup> and OECD<sup>3</sup> have analysed pension tracking systems with a view to identifying good practices. The Commission seeks views on the coverage and design features of pension tracking systems.

Stakeholders' views are sought on the following:

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

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

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

Please elaborate your answer.

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<sup>2</sup> EIOPA (2021), [Technical advice on the development of pension tracking systems](#)

<sup>3</sup> OECD (2024), [OECD Pensions Outlook 2024: Improving Asset-backed Pensions for Better Retirement Outcomes and More Resilient Pension Systems](#), OECD Publishing, Paris, <https://doi.org/10.1787/51510909-en>.

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

Please elaborate your answer.

Please see also the questions on transparency in Sections IV and V.

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

Please elaborate your answer.

## 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<sup>4</sup> and in the [Ageing Report](#).<sup>5</sup> EIOPA analysed data gaps and advised on steps to set up pension dashboards.

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<sup>4</sup> European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Social Protection Committee (SPC), [The 2024 pension adequacy report – Current and future income adequacy in old age in the EU. Volume I](#), Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2767/909323>

<sup>5</sup> European Commission: Directorate-General for Economic and Financial Affairs, [2024 Ageing Report. Economic and Budgetary Projections for the EU Member States \(2022-2070\)](#).

Stakeholders' views are sought on the following:

- 5 Which elements do you consider useful to make pension dashboards an effective tool to monitor the performance of a Member States' pension system (please rank the options according to their importance)
- 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 list

Please elaborate your answer.

- 6 Which dimensions of a pension system's performance do you find most meaningful (please provide a ranking)?
- 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 list

Please elaborate your answer

### 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.<sup>6</sup>

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

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<sup>6</sup> European Commission: Directorate-General for Financial Stability, Financial Services and Capital Markets Union, LE Europe, Redington, Spark, Devnani, S. et al., *Best practices and performance of auto-enrolment mechanisms for pension savings – Final report*, Publications Office, 2021, <https://data.europa.eu/doi/10.2874/03565>

of pay-in or pay-out phases, incentives for employers to facilitate the enrolment of their employees and the type of pension schemes used for auto-enrolment, including existing occupational pension schemes and other pension products used in the workplace context.

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

Stakeholders' views are sought on the following:

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

Please elaborate your answer.

- 8 In your opinion, what should be the features that the default pension plan(s) should have to be successful? (please rank the options according to their importance)
- a. Life-cycle asset allocation (more prudent as the retirement date approaches)
  - b. Option to shift pension plan and risk profile at a later stage (in addition to opt out)
  - c. Minimum contribution, with the option to increase it at later stage
  - d. Capital guarantee, despite expected lower return compared to solutions without that guarantee
  - e. Sufficient scope of target population, to ensure cost effectiveness and investment diversification capability of the default fund(s)
  - f. Other
  - g. No opinion

Please elaborate your answer.

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



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

Please elaborate your answer.

- 10 In your opinion, what measures shall be adopted to ensure equal opportunities for self-employed and employees not covered by auto-enrolment?
- a. Granting of equivalent tax incentives or other subsidies to participate in private pension plans
  - b. Granting of equivalent tax incentives or other subsidies to participate in in general default occupational pension plans only
  - c. Other
  - d. No opinion

Please elaborate your answer.

- 11 What is in your view the task of the public authorities in enabling the use of auto-enrolment (please rank the options)
- a. To set the relevant legal framework
  - b. To provide detailed guidance to employers and other bodies
  - c. To provide tax incentives or public subsidies to the target population
  - d. To provide tax incentives or compensation for employers or other bodies that administer enrolment, contributions and pay-outs
  - e. To provide administrative support
  - f. To provide comprehensive and impartial information to the target population
  - g. Others (please specify)

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

#### **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<sup>7</sup> 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.

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<sup>7</sup> EIOPA (2024), [Staff Paper on the future of the pan-European Personal Pension Product](#).

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,<sup>8</sup> *“life cycle investment strategies can be well suited to encourage members to take on some investment risk when young, and to mitigate the impact of extreme negative outcomes when close to retirement”*.

Stakeholders' views are sought on the following:

- 12 In your view, does the current structure of the Basic PEPP allow for wide uptake by savers across the European Union, helping to ensure adequate income in retirement while also contributing meaningfully to the objectives of the Savings and Investments Union?
  - a. Yes
  - b. No
  - c. No opinion

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<sup>8</sup> OECD (2022), [Recommendation of the Council for the Good Design of Defined Contribution Pension Plans](#), OECD/LEGAL/0467

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

- 13 Do you consider that the Basic PEPP should necessarily be designed with a built-in lifecycle investment strategy, as a standard feature of the product?
- a. Yes
  - b. No
  - c. No opinion

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

- 14 Do you consider that the Basic PEPP should be designed in a way that it can be offered also on an execution-only basis (i.e. without requiring investment advice)?
- a. Yes
  - b. No
  - c. No opinion

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

- 15 Do you consider it is useful to maintain the availability of alternative investment options, in addition to the Basic PEPP?
- a. Yes
  - b. No
  - c. No opinion

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

### **Sub-accounts**

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

Stakeholders' views are sought on the following:

- 16 In your view, does the sub-account structure align effectively with the specificities inherent in a cross-border product, including how Member States grant tax or other relevant incentives for personal pension products?
- a. Yes
  - b. No
  - c. No opinion

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

- 17 Do you consider the requirement for PEPP providers to offer sub-accounts for at least two Member States is necessary to foster cross-border provision of PEPPs?
- a. Yes
  - b. No
  - c. No opinion

Please elaborate your answer. In addition, 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?

### **Fee cap**

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

Stakeholders' views are sought on the following:

- 18 Do you consider that the Basic PEPP should continue to be subject to a 1% fee cap?
- a. Yes
  - b. No
  - c. No opinion

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

- 19 If the fee cap for the Basic PEPP were to be maintained, do you think certain cost components (e.g. taxes, specific distribution costs) should be excluded from the cap, or that other adjustments to the cap should be considered?
- a. Yes
  - b. No
  - c. No opinion

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

### **Risk-mitigation techniques**

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

Stakeholders' views are sought on the following:

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

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

### **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<sup>9</sup> have also discussed this option. As a different option, stakeholders<sup>10</sup> have also highlighted the possibility of adjusting specific requirements in the PEPP Regulation to allow its use as an employment benefit, while preserving its nature as a personal pension product.

Stakeholders' views are sought on the following:

- 21 Do you consider that the Basic PEPP should be explicitly open to use in a workplace context?
- a. Yes
  - b. No
  - c. No opinion

Please elaborate your answer. If yes, should this involve just explicitly allowing employer contributions or offering the Basic PEPP as an employee benefit while

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<sup>9</sup> EIOPA OPSG (2024), [Own-Initiative EIOPA OPSG Discussion Paper on introducing the pan-European Occupational Pension Product](#).

<sup>10</sup> EIOPA OPSG (2024), [Own-Initiative EIOPA OPSG Discussion Paper on the pan-European Pension Product](#), p. 26-27.

retaining its character as a personal pension product, or should it be adapted to function also as an occupational pension scheme? What regulatory changes would be necessary to enable either of such options, if any?

### **Registration and supervision**

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

Stakeholders' views are sought on the following:

- 22 In your view, should the current rules on the registration of PEPP be revised?
- a. Yes
  - b. No
  - c. No opinion

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

- 23 Do you consider that the current rules for the supervision of PEPP should be revised?
- a. Yes
  - b. No
  - c. No opinion

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

### **Investment rules and diversification**

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

Stakeholders' views are sought on the following question:

- 24 Do you consider the investment rules in the PEPP Regulation appropriate to support the achievement of adequate long-term returns?
- a. Yes
  - b. No
  - c. No opinion

Please elaborate your answer.

### **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<sup>11</sup> have also raised specific concerns regarding the distribution rules applicable to PEPP, particularly with respect to misalignment with distribution rules applicable to insurance intermediaries .

Stakeholders' views are sought on the following:

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

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

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

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

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

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

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

### **Individual transfers**

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

Stakeholders' views are sought on the following:

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

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

Please elaborate your answer.

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<sup>11</sup> EIOPA OPSG (2024), [Own-Initiative Discussion Paper on the pan-European Pension Product](#), p. 24-26.

## Transparency, information and pension tracking systems

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

Stakeholders' views are sought on the following:

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

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

Please elaborate your answer. If no, please clarify in what respects the PEPP Regulation does not ensure adequate transparency requirements and where the PEPP Regulation and national frameworks governing competing personal pension products differ, and how could the EU regulatory framework be improved. In particular, please specify if are you aware of any best practices at Member State level that could be reflected in the PEPP Regulation.

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

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

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

- 30 In your view, could pension tracking systems be considered a suitable means to fulfil certain disclosure requirements under the PEPP Regulation for members and beneficiaries who interact via digital tools?

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

Please elaborate your answer. If yes, 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?

## Tax treatment

[Commission Recommendation of 29 June 2017 on the tax treatment of personal pension products, including the pan-European Personal Pension Product](#),<sup>12</sup> 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,

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<sup>12</sup> C(2017) 4393 final



they were encouraged to give PEPPs the most favourable tax treatment available to their personal pension products.

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

Please elaborate your answer, providing relevant examples where possible.

- 32 Would further action at the level of the European Union be necessary to ensure a level playing field in terms of tax treatment between the pan-European Personal Pension Product and other competing personal pension products?
- a. Yes
  - b. No
  - c. No opinion

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

### **Other aspects**

Stakeholders' views are sought on the following:

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

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

## **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<sup>13</sup> on possible changes to the IORP II Directive which will also be taken into consideration in the context of the review of that Directive.

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<sup>13</sup> EIOPA (2023), [Technical advice for the review of the IORP II 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<sup>14</sup> 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.

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<sup>14</sup> Better Finance (2024), [The Real Return of Long-term and Pension Savings](#).

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

Stakeholders' views are sought on the following:

- 34 Do you consider that a diversified portfolio of assets, including also investments in unlisted securities or alternative assets classes (with proper management and adequate risk safeguards) could enhance long-term returns for scheme members and beneficiaries?
- a. Yes
  - b. No
  - c. No opinion

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

- 35 Are there in your knowledge any national quantitative or other type of investment rules imposing overly restrictive limits on investments in alternative assets?
- a. Yes
  - b. No
  - c. No opinion

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

- 36 Do you consider that other factors, such as limited IORPs' expertise with unlisted asset classes, may contribute to the low level of diffusion of these investments among IORPs?
- a. Yes
  - b. No
  - c. No opinion

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

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

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

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

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

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

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

## Scale

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

Stakeholders' views are sought on the following:

- 40 Do you consider that the scale of many IORPs may affect their overall investment capacity, for example by reducing their ability to build a diversified portfolio, hindering the performance of the schemes due to cost inefficiencies, or by creating other inefficiencies?

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

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

### **Collective transfers**

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

Stakeholders' views are sought on the following:

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

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

### **Cross-border operations**

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

Stakeholders' views are sought on the following:

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

Please elaborate your answer. If no, please describe any practical barriers or delays you have encountered or are aware of, and suggest how the framework could be improved to facilitate smoother cross-border operations, including in areas not currently covered by the Directive. In particular, to what extent could a simplification of the existing cross-border notification procedures (e.g. the period of up to six weeks for the competent authority of the host Member State to inform the competent authority of the home Member State of the requirements of social and labour law relevant to the field of occupational pension schemes) help facilitate such operations?

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

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

## 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<sup>15</sup> with the Recommendation on Core Principles of Private Pension Regulation<sup>16</sup>, 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<sup>17</sup>, defines a scope which is not always aligned with that of the IORP II Directive.

Stakeholders' views are sought on the following:

- 44 In your view, could the current scope of the IORP II Directive be adjusted to better capture the diversity of the supplementary pension landscape and the

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<sup>15</sup> OECD (2009), [Recommendation of the Council on Core Principles of Occupational Pension Regulation](#), OECD/LEGAL/0373.

<sup>16</sup> OECD (2016), [Recommendation of the Council on Core Principles of Private Pension Regulation](#), OECD/LEGAL/0429.

<sup>17</sup> [Regulation \(EU\) 2018/231 of the European Central Bank of 26 January 2018 on statistical reporting requirements for pension funds](#) (OJ L 45, 17.2.2018, p. 3, ELI: <http://data.europa.eu/eli/reg/2018/231/oj>)

organisation of the different pension systems across all Member States, to ensure a minimum level of protection for all supplementary pension savers across the European Union?

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

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

### **Minimum standards**

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

Stakeholders' views are sought on the following:

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

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

### **Supervision**

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

Stakeholders' views are request on the following:

- 46 In your view, has a satisfactory degree of supervisory convergence been achieved among national competent authorities in the implementation and application of the IORP II Directive?
- a. Yes
  - b. No
  - c. No opinion

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

- 47 In your view, does the IORP II Directive sufficiently guarantee that national competent authorities in all Member States are equipped with all the necessary powers to effectively carry out their supervisory responsibilities?
- a. Yes
  - b. No
  - c. No opinion

Please elaborate your answer.

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

### **Transparency, information and pension tracking systems**

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

Stakeholders' views are sought on the following:

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

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

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

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



- 50 In your view, could the inclusion of institutions under the scope of the Directive in national pension tracking systems improve transparency for savers?
- a. Yes
  - b. No
  - c. No opinion

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

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

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

## **Tax treatment**

The [2001 Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions](#)<sup>18</sup> identified the elimination of such obstacles as a means of enabling pension institutions to operate with greater efficiency in meeting the needs of workers and employers, while also enhancing their role as more efficient suppliers of capital to business in their capacity as investors in the economy.

Stakeholders' views are sought on the following:

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

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

## **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.

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<sup>18</sup> COM(2001)214 final

Stakeholders' views are sought on the following:

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

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

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

### **Other aspects**

Stakeholders' views are sought on the following:

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

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

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