

26 January 2018

Press release

PensionsEurope position paper on European Commission's proposal on a Pan-European Personal Pension Product (PEPP)

PensionsEurope today published a position paper on the proposal of the European Commission to introduce a EU legislative framework on a Pan-European Personal Pension Product (PEPP).

PensionsEurope welcomes the attention the EU is paying to private pensions. We believe that a European framework for voluntary personal pensions is particularly needed and useful for those who don't have access to workplace pensions, as self-employed and workers in new forms of employment, or where personal pensions offered at the national level are not reliable or attractive. The PEPP could be especially useful for young European citizens who have more and more often a career in multiple Member States.

However, PensionsEurope considers that some amendments are needed to the proposal if the initiative is to be successful. In particular, it will be important to ensure that the proposal will not negatively affect already existing and well-functioning pension systems.

Janwillem Bouma, President of PensionsEurope, said:

This is a very important, but also complex, initiative. One of the most sensitive issues concerns the role of IORPs as potential PEPP providers. We think that giving the unlimited possibility for IORPs to offer PEPPs would entail the risk of damaging existing well-functioning pension systems, in particular in those countries that counts on well-established second pillar pensions. Therefore, we believe that a more nuanced and technical solution should be found, e.g. allowing Member States more leeway in deciding the extent to which they allow for IORPs to provide PEPPs. It will be key that the PEPP Regulation will be redrafted in such a way that will ensure that the specific role, nature and structure of IORPs is respected, while at the same time providing legal certainty.

Matti Leppälä, CEO of PensionsEurope, said:

If well designed, the PEPP will be a step in the right direction. Its success will depend on whether it is flexible enough to accommodate many different kinds of needs. PensionsEurope welcomes the flexibility proposed on the pay-out phase to offer a broad range of options including annuities, lump sums, drawdown payments, or combinations of these forms. When designing the payout phase, it is indeed important for PEPP providers to consider the country context in which a PEPP will have to be insert in and adapted to.

PensionsEurope has comprehensively discussed about the proposal, and is committed to work closely with the EU Institutions to ensure that the final outcomes of the negotiations will lead to the introduction of a pan-European pension product that meets the needs of people wishing to save for retirement.

You can read the PensionsEurope position paper on the PEPP [here](#).

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes. PensionsEurope has **23 member associations** in 18 EU Member States and 3 other European countries¹.

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people**. Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **26 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

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

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

What PensionsEurope stands for

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

Our members offer

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

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¹ EU Member States: Austria, Belgium, Bulgaria, Croatia, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden, UK. Non-EU Member States: Iceland, Norway, Switzerland.