

## **PensionsEurope's response to the PEPP Consultation**

PensionsEurope provided its response to EIOPA's Consultation Paper on the creation of a standardized Pan-European Personal Pension Product (PEPP) on 5 October 2015.

PensionsEurope believes that while social security and workplace pensions do and should continue to provide the bulk of the retirement income, voluntary personal pensions can be needed and useful, especially to provide pensions for those who don't have access to adequate workplace pensions and as a further way to improve retirement resources and contribute to securing the future adequacy and sustainability of pensions.

PensionsEurope believes that the PEPP may improve supplementary retirement savings, especially in Member States where there is no or not a well developed personal pension system or there is, unfortunately, limited workplace pension coverage. It can also prove to be useful when there is poor security for existing personal pension products or when existing products are not attractive enough. PensionsEurope underlines the need to develop and enhance workplace pensions as the most effective way to improve the coverage and level of supplementary funded pension savings that are vital for securing adequate and sustainable pensions in Europe. The PEPP project should not undermine this. Therefore PensionsEurope stresses the importance to adequately define the scope of voluntary personal pensions and clearly differentiate them from workplace pensions.

PensionsEurope agrees with EIOPA that a highly prescriptive European PEPP 2nd regime could contribute to the policy objectives of ensuring a high minimum standard of consumer protection. It is however important to test the demand and also to elaborate further on the reasons why such a system would be useful especially in the Member States where the voluntary personal pensions are already well regulated and developed. What elements are left to national legislation and which are tackled on EU level needs thought and understanding as to how this could practically be implemented.

Finally, given the special purpose of pension products, the provision of the PEPPs should be limited only to the authorized intermediaries falling under existing European sectoral legislation, provided that they fulfill all necessary requirements imposed by the competent authorities.