Work in progress: the pan-European Personal Pension Product (PEPP)

On 29 June 2017 the European Commission adopted a proposal for a Regulation on a Pan-European Personal Pension Product (PEPP). The proposal is accompanied by a recommendation on the tax treatment of personal pension products, foremost the PEPP.

PensionsEurope is discussing about the PEPP within the WG Personal Pension Products (WG PPP). The WG is currently finalizing a position paper on the PEPP proposal, which should be published next month.

We welcome the attention that the European Commission is paying to private pensions and 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. On the other hand, in Countries with a well-developed retirement system, there is a risk that the implementation of such a second regime will interfere with the correct functioning of systems that already ensure high quality standards, or are under development.

The discussions and the considerations made by the WG during the last months touched upon the principles and goals that should be pursued by the PEPP proposal, but also focused on the specific features that this new 2nd regime product should have to achieve such goals. The WG discussed about the PEPP authorization procedure, the role of EIOPA, the potential PEPP providers, the investment options, the portability and compartments, the tax regime, the switching between providers and about many other aspects of the proposed Regulation.

In the upcoming months, PensionsEurope aims to actively advocate for the interests of its Members in front of the co-legislators, in order to ensure that the PEPP will lead to a measurable growth of the number of European citizens saving for adequate pensions.

The discussion on the PEPP within the European Parliament is about to kick-off, as the ECON Committee, responsible for the opinion, is organizing a public hearing on November 21st (from 14h30 to 16h00). The ECON Committee has already appointed Sophia in’t Veld (ALDE, NL) as rapporteur, and the opinion is expected to be voted before summer 2018.

On the other hand, the Council Working Party on Insurance (PEPP experts) met already five times since July 2017.