Position Paper

Insurance Europe response to European Commission targeted consultation on supplementary pensions

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Introduction

Insurance Europe welcomes the European Commission's initiative to strengthen supplementary pensions as part of the broader ambition to build a European Savings and Investments Union. Enhancing retirement income adequacy, fostering long-term investment, and increasing pension participation are crucial objectives, especially in light of ageing populations, demographic shifts and subsequent strains on national pension systems.

The European supplementary pensions landscape is highly diverse, shaped by distinct national contexts, regulatory frameworks, and market structures. Some member states have well-established occupational and/or personal pension systems, which are designed and adapted to local and evolving needs. It is therefore essential that EU-level measures respect this diversity, avoiding prescriptive, one-size-fits-all approaches that risk disrupting functioning national systems or adding unnecessary complexity.

Pension tracking systems

Q1. 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.

Pension tracking systems are valuable tools to enhance transparency, increase awareness, and empower individuals to take control of their retirement planning. By providing clear insights into expected retirement income, these systems help citizens make more informed financial decisions. As such, pension tracking systems enable better long-term planning and contribute to greater financial security in retirement.

Nevertheless, from the insurance industry's perspective, any European Commission initiative in the area of pension tracking systems should be approached with careful consideration of the diverse national contexts and

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the wide range of systems already in place across the EU. Many member states have developed well-functioning frameworks that are continuously being refined to meet the evolving needs of individuals. While there may be opportunities for improvement in all systems, these are typically addressed through ongoing national efforts tailored to local realities.

It is therefore essential to avoid any one-size-fits-all measures or legislative actions that could risk disrupting or complicating existing systems, particularly where they are already effective. Imposing uniform requirements may inadvertently introduce inefficiencies or reduce the flexibility that national systems need to function well.

A recommendation from the European Commission could play a supportive role where pension tracking systems are not yet in place or are in early stages of development, where appropriate and in line with national needs. However, in countries with mature systems, improvements are best left to member states, who are best placed to assess their systems' performance and adapt them in line with user expectations, regulatory structures, and policy priorities.

A few examples of well-functioning systems (NB this is a non-exhaustive list):

Sweden has a long-established system that has been under continuous improvement for over 20 years and covers all three pillars. Ongoing efforts focus on:

- **Improving user experience** by refining tools for better quality, accessibility, and mobile usability, for example, to simplify pension planning.
- **Responding to societal changes**, such as the introduction of a target retirement age and supporting the increasing number of working retirees.
- **Strengthening consumer protection** through tools that allow users to compare pension insurance plans prior to transferring them.

In **Denmark**, **PensionsInfo.dk** is a collaborative platform bringing together all Danish banks, savings banks, pension funds, Udbetaling Danmark, pension and insurance companies, in cooperation with the Ministry of Industry, Business and Financial Affairs and the Ministry of Employment. Each Danish citizen can obtain a comprehensive overview of their pension savings and entitlements. The yearly number of unique users are around 2 million. Key features include:

- **Projection of retirement income** at different ages;
- **Calculation of the full state pension;**
- **Estimates of benefits** in case of loss of working capacity;
- **Information on survivor benefits**, showing how much – and to whom – will be paid out in case of death.

In **Germany**, the **Digitale Rentenübersicht** (Digital Pension Overview) became fully operational on 1 January 2025. It provides individuals with a consolidated view of their statutory, occupational, and private pension entitlements. While all relevant pension institutions and insurance companies are now connected, key challenges remain:

- **Low user uptake**, currently at 273,600 registered users, largely due to the restrictive online ID card authentication method.
- **The need for alternative authentication options** to make access more user-friendly.
- **Increasing public awareness and recognition** of the system to encourage broader engagement.

In **France,** the pension tracking system has been managed since 2014 by the public interest group Union Retraite, which brings together all mandatory basic and supplementary pension organisations. Union Retraite oversees the strategic coordination, simplification, and pooling of initiatives aimed at making the pension system more accessible and understandable for users. A key strength of this system is its user-friendliness and adaptability, allowing for timely updates that reflect changes across the French pension landscape.

In **the Netherlands**, Mijnpensioenoverzicht.nl provides citizens with an overview of their accrued and expected pension amounts, including the AOW (state pension). Pension data is retrieved from occupational pension providers and the SVB (state pension provider) when users log in with DigiD (Dutch electronic identification) or eIDAS. Information can also be viewed in a combined overview by logging in together with a partner.

The platform presents information in layers, focusing first on what an individual will receive at retirement and what their partner and children would receive upon death. In addition to personal pension details, the platform offers general information to encourage visitors to take action, while referring them to their own pension providers for specific advice. The site continues to grow in popularity, with nearly 9 million logins and 3.5 million pension overview downloads in 2024. Users come from all age groups, although the largest share is between 56 and 70 years old, with a notable peak between ages 61 and 67.

At the same time, however, there are systems that could be further improved, for example in **Spain**. The Spanish Law 27/2011 introduced a requirement for both the public social security system and supplementary pension schemes to provide individuals with information about their expected retirement income. However, while the law was introduced in 2011, the government has yet to implement this reporting obligation. While there is an online simulator for the Spanish public pension system, it requires significant improvements to function effectively. Two key issues hinder its utility:

- **Low user participation:** access to the simulator is limited and unnecessarily complex, primarily due to the restrictive online ID card authentication method. To improve usability, alternative authentication options should be introduced that maintain data security while enhancing accessibility. Additionally, greater public awareness and promotion of the tool are essential to drive broader engagement.
- **Limited scope:** the simulator only covers the first pillar of the pension system, the public pension scheme. It does not include occupational (second pillar) or, where relevant, individual pension plans (third pillars).

To reach a broader audience, different communication channels may be considered, ranging from digital platforms to more traditional paper-based formats.. In practice, some countries, have adopted, annual individual statements to give citizens with an overview of their estimated retirement income. A well-known example is Sweden's "orange envelope," which provides information on the public pension (pillar 1) and directs recipients to the website *minPension.se*, where they can also view details of their occupational and private pensions (pillars 2 and 3). including both digital and paper-based means.

As noted above, experience from other European countries that have implemented such systems demonstrates their effectiveness in raising awareness about the pension savings gap. This awareness can play a crucial role in encouraging citizens to begin saving consistently from an early age.

Q2. 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.

From the insurance industry's perspective, all listed elements contribute to a useful pension tracking system, with simple and secure access (a) and objective, unbiased information (b) being fundamental preconditions.

Specifically, high usability and low access barriers are crucial for broad uptake. The system must be intuitive and provide access that accommodates different user preferences and levels of digital literacy. In some contexts, this may involve both digital and paper-based communication, while in others a fully digital solution may be sufficient.

In terms of system design, we would support recommendations based on general principles, such as simplicity, clarity, and accessibility, but it is not desirable to impose a uniform design or format across the EU. Member states must retain flexibility to adapt system features to their national specificities.

Users must be confident that the estimates they receive are reliable and free from bias.

While cost-effectiveness is an important consideration, it should only be evaluated once core principles, such as usability and objectivity, are met. Implementation should avoid creating undue reporting burdens or unnecessary costs.
It is important to note that the relative importance of the listed features depends on national contexts, and the effectiveness of a system ultimately relies on its alignment with the specific structure and needs of each country.

For this reason, it is very important to avoid introducing a one-size-fits-all approach or any mandatory requirements that may disrupt well-functioning national systems. We therefore select "No opinion" to emphasise the importance of subsidiarity and respect for existing frameworks.

Q3. 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.

All the listed elements are valuable and can enhance the usefulness of a pension tracking system. However, their relevance and implementation depend heavily on the structure of each national pension system and the types of products available. From the insurance industry's perspective, it is important to avoid ranking these elements in a way that could imply a uniform model or lead to prescriptive, mandatory requirements at EU level. Such an approach could create unnecessary complexity or disrupt well-functioning national systems. Selecting "other" reflects the view that flexibility and national discretion are essential in designing pension tracking systems that are fit for purpose within diverse markets.

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

Q4. 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. In case you are not satisfied, please indicate which features should be improved or added.

The challenges in setting up a pension tracking system vary significantly depending on the system's stage of development, national infrastructure, and regulatory environment. For countries that initiated such systems many years ago, concerns like data protection posed significant hurdles and in some cases led to considerable delays. In contrast, countries introducing systems more recently may face more user-related or technical challenges, such as limitations linked to secure digital access mechanisms and usability.

From the insurance industry's perspective, all of the listed challenges are relevant, but their level of significance depends on the specific national context. As such, ranking them uniformly could be misleading and may stand in the way of the need for flexible, tailored approaches. Selecting "other" reflects this nuance and underlines the importance of allowing member states to address challenges in a way that best fits their systems, capabilities, and user needs.

That said, and moving forward, ensuring GDPR compliance remains a top priority in all phases of implementation. Protecting personal data is essential to establishing trust in the system and securing broad user uptake.

Finally, while interoperability between pension tracking systems across member states may offer added value in the future, it should not be a priority at the initial stage. Cross-border coordination is a highly complex issue that would require the deep integration of national systems and the resolution of numerous technical and regulatory differences. As such, interoperability could be explored at a later stage, once member states have functioning and reliable systems in place domestically.

2. PENSION DASHBOARDS

Q5. 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)

- *a. Detailed data about occupational and personal pensions, in addition to statutory pension*
- *b. Breakdown of pension data by different cohorts of the population (e.g. by gender, age, type of employment, economic sector, income, etc.)*
- *c. A forward-looking projection of pension adequacy and sustainability, based on transparent and robust assumptions.*
- *d. Consistent data and methodology across Member States to allow for comparisons*
- ***e. Other elements, please list***

Please elaborate your answer.

Pension dashboards at European level could be a key tool for the European Commission and national policymakers to monitor pension adequacy and sustainability, helping to reduce pension savings gaps. Such dashboards should include the effects of national measures promoting supplementary pension schemes, which are crucial for reducing these gaps. In addition, they should reflect broader political measures aimed at ensuring the long-term sustainability of pension systems. This could include, for instance, adjustments to the statutory pension age, initiatives to make continued employment beyond that age more attractive, or public schemes enabling those unable to work to exit the labour market before reaching the state pension age.

All the listed elements contribute to making pension dashboards a potentially valuable tool for monitoring and assessing the performance of national pension systems. For example, consistent data and methodologies are critical to building trust in comparisons between national pension systems. Forward-looking projections are important to understand future adequacy and sustainability (which, in some cases, are already made available to the individual via specific documentation), as well as to identify possible challenges (for instance related to ageing populations) and take appropriate action. In this regard, robust estimations are key to ensuring the reliability of estimates. Additionally, comprehensive coverage of statutory, occupational, and personal pensions is essential to reflect the full diversity of pension arrangements across member states and to identify potential pension savings gaps. Breaking down pension data by different population cohorts can be useful for reporting and research purposes. However, it is not essential in the initial stages of implementing a pension dashboard.

A pragmatic and effective starting point would be to build on existing national reports and surveys, which already contain a wealth of relevant data. It is important to avoid introducing new or duplicative reporting burdens, particularly for providers of occupational and personal pensions, who already contribute to various national and European-level reporting frameworks

Selecting "other elements" reflects a preference for a flexible, context-sensitive approach that encourages comparability while preserving the integrity of diverse pension systems and avoiding unnecessary new reporting burdens.

Q6. Which dimensions of a pension system's performance do you find most meaningful (please provide a ranking)?

- **a. Income replacement, i.e. the level of retirement income relative to work income now or in the future**
- **b. 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**
- c. Contribution to poverty reduction and equality
- d. Fiscal costs now and in the future
- e. Other, please list

Please elaborate your answer

From the insurance industry's perspective, both income replacement (a) and sustainability (b) are meaningful dimensions of a pension system's performance, though their relative importance can depend on the perspective taken. For individual consumers, the ability to maintain living standards after retirement (income replacement) is often the most tangible and relevant concern. For policymakers and society at large, sustainability is essential to ensure pension systems remain viable over the long term, particularly in light of demographic changes.

That said, the significance of each dimension can vary between member states depending on system design, funding mechanisms, and demographic realities. Ranking the options may risk implying a uniform view or fixed priority order, which does not reflect the complex trade-offs that must be managed at national level.

3. AUTO-ENROLMENT

Q7. 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.

Member states could consider implementing automatic enrolment schemes for employees - where appropriate and on a voluntary basis, in line with national circumstances. Research indicates that people are more inclined to join pension savings programmes through auto-enrolment, as long as they have the option to opt out if they prefer. National pension systems differ greatly, however, with some already achieving high levels of coverage and adequacy without auto-enrolment, and some through well-functioning systems built on social partner involvement. This is why national circumstances require country-specific solutions. As a result, there is no one-size-fits-all approach to tackling the challenges.

While some common elements, such as state incentives or opt-out options, may support successful auto-enrolment, the effectiveness of each feature depends heavily on the specific characteristics of national pension systems, labour markets, and institutional settings.

In some countries, the involvement of social partners has been essential to achieving high coverage, with contribution rates set through collective bargaining agreements. However, requiring such involvement in other contexts could risk limiting the reach of occupational pensions. Employers should have the flexibility to introduce auto-enrolment without the need for collective agreements.

In Denmark and Sweden, for instance, the pension system is largely based on agreements between social partners, which has ensured strong anchoring and broad coverage in the labour market. Such agreements allow pension schemes to be tailored to the needs of specific groups, for example by setting contribution rates that ensure adequate retirement income and insurance against illness. This model also demonstrates the importance of occupational pensions working well together with the public pension system and legislation, so that it remains financially worthwhile to save for retirement.

In addition, strong incentives to remain in the labour market for as long as individuals are able and willing to do so are considered crucial to sustaining support and participation. Tax incentives and subsidies, particularly when calibrated based on income levels, are another important factor in encouraging participation, especially among low- and middle-income earners. At the same time, maintaining the voluntary nature of the system through clearly defined opt-out windows and the ability to re-enrol is key to public acceptance. The primary focus should remain on long-term retirement income, rather than on enabling early withdrawals, which are generally not considered central to successful systems.

National approaches to expanding coverage through auto-enrolment may vary significantly. For example, in France, the insurance sector supports a gradual move toward making company retirement savings plans (Plan d'Épargne Retraite, or PER) mandatory for companies with more than 10 employees. Under this proposal, all employees would be automatically enrolled - with an opt-out for existing staff - and the plans would be subject to a minimum funding requirement, financed either by the employer alone or jointly with the employee. Tailored implementation and targeted incentives are also considered to support small businesses.
The French example, along with other successful initiatives, such as the UK's automatic enrolment system, could serve as useful benchmarks for countries where the second pension pillar remains significantly underdeveloped. In Spain, for instance, only 12% of workers are currently enrolled in an occupational pension plan.

Poland implemented an auto-enrolment scheme in 2019 through the Employee Capital Plans (Pracownicze Plany Kapitałowe – PPK). While the PPK has introduced a more universal and accessible form of occupational saving, the participation rate is still below expectations. By the end of June 2025, 3.86 million people had enrolled in the PPK, with an overall participation rate of 53.18%.[1] The low rate is primarily due to low public trust in long-term savings and limited financial education. Early implementation results highlight the importance of behavioural economics, employer engagement, and simplicity in scheme design.

[1] Biuletyn miesięczny Pracowniczych Planów Kapitałowych, numer 6 (44) - czerwiec 2025, p. 3-4.

Given the diversity of national arrangements and the fact that auto-enrolment may not be necessary or even desirable in markets with already high coverage, ranking the listed features could wrongly suggest there is one model that fits all. Selecting "other" reflects the need for flexibility and the fact that success depends on tailoring design features to national conditions.

Q8. 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. 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.

While several of the listed features can contribute to the success of a default pension plan, their relevance depends heavily on the national pension context, including the existence and design of statutory pensions, the dominant types of occupational plans (defined benefit vs defined contribution), and the structure of the pension market.

For example, in some countries, scale and cost-effectiveness are best achieved by ensuring a broad target population, but without centralising provision. In such markets, open competition between multiple providers, rather than a single state fund or mandated solution, is critical to preserving product diversity, market-driven innovation, and freedom for employers to select suitable options for their employees.

Likewise, features such as capital guarantees may be essential in systems where defined benefit schemes are prevalent, while life-cycle investment strategies or flexibility in adjusting contributions and risk profiles may be more appropriate in defined contribution systems.

In France, for instance, default investment options in company retirement savings plans typically follow a life-cycle approach that automatically adjusts asset allocation based on the saver's time to retirement. This strategy, which gradually reduces financial risk as the individual nears retirement, allows for a higher share of equity investment earlier on, shifting progressively to lower-risk assets such as euro funds, bonds, or money market vehicles. Such an approach aims to secure capital while maintaining long-term return potential, demonstrating how default features can be aligned with national practices and saver expectation.

It is also important to underline that the introduction of auto-enrolment works best without the establishment of a single, mandatory default option. In some contexts, such an approach could risk distorting market dynamics or duplicating the role of statutory pension systems, resulting in what could be seen as a "first pillar bis." Preserving flexibility in how auto-enrolment is implemented can support the diversity and effectiveness of national pension markets, while avoiding unnecessary overlap with existing public schemes.

Therefore, "other" is selected to underline that no single combination of features should be imposed across all member states. Default pension plans should be designed in ways that are consistent with existing national frameworks and market structures, while avoiding unnecessary constraints on innovation or provider choice.

At the same time, it is essential that default options provide reasonable coverage for everyone, including those who may have limited knowledge of or interest in pensions, so that they can still achieve adequate retirement income. Alongside such inclusive defaults, there should also be scope for individual adjustments and add-ons to reflect diverse preferences, such as risk appetite, sustainable investment choices, or insurance features. This balance can help secure both adequacy for the wider population and long-term support for the system among those who wish to play an active role in their retirement savings.

Q9. 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.

In establishing a default pension plan, alignment with national labour market structures is essential. In some contexts, social partners play a central role; in others, the employer, in cooperation with a provider, is best placed to select a suitable plan.

This also reflects the core principle of occupational pension schemes, where employers provide benefits to employees and retain flexibility in setting contribution levels and designing the pension structure.

Q10. 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.

To encourage participation among self-employed individuals and employees not covered by auto-enrolment, it is important to ensure equivalent saving incentives. Tax advantages, such as deductions or allowances linked to personal contributions, can make private pension plans more attractive and accessible for these groups. Equal prerequisites for saving are key to supporting broader retirement preparedness.

Key considerations for integrating the self-employed into pension plans include ensuring that they have access to the same contribution limits as employed workers. Given the potential irregularity of their income over time, it is also important that contribution rules allow flexibility.

To support the swift uptake of pension plans among self-employed individuals and reduce the risk of insufficient retirement coverage, it is also essential to implement targeted informational campaigns. These should promote awareness of available options and the long-term importance of building adequate retirement income.

Q11. 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)

The primary task of national authorities should be to set a clear and enabling legal framework that allows for voluntary auto-enrolment without overly prescriptive requirements. In parallel, tax incentives or public subsidies, targeted at individuals, are essential to encourage participation, promote inclusivity and fairness. At the same time, providing incentives or compensation for employers can help reduce their financial burden and potential resistance, contributing to a smoother and more effective implementation.

In addition, public authorities should play a facilitating role, which includes:

- Ensuring comprehensive and impartial communication to help citizens understand their entitlements and the benefits of participation;
- Offering guidance to employers - without adding unnecessary complexity or administrative burden;
- Where appropriate, considering supportive measures for employers, such as simplified procedures or limited compensation for administrative costs, especially for SMEs.

At the same time, systems should remain provider-neutral and competitive, avoiding centralisation or standardised products that could limit choice or innovation. A key advantage of privately arranged second-pillar schemes is that they impose no additional administrative costs or reporting obligations on the state.
Please see also the question on PEPP in a workplace context below.

4. REVIEW OF THE PEPP REGULATION

Q12. 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* *Please elaborate your answer. What changes, if any, would be necessary to enhance the attractiveness of the Basic PEPP for both providers and savers?*

The current design of both the Basic and standard PEPP has failed to achieve significant market uptake across the EU, with no uptake at all in most member states. This outcome is primarily due to a regulatory framework that is overly complex, prescriptive, and misaligned with both provider capabilities and market realities. Several structural shortcomings have limited its attractiveness:

- **Mandatory sub-accounts in several member states** introduce significant operational and administrative complexity for providers, particularly when cross-border demand remains minimal. This requirement creates a mismatch between the regulatory burden and actual consumer behaviour.
- **Ambitious and rigid risk mitigation techniques,** requiring a balance between capital protection and return generation, impose conflicting product design demands that cannot realistically be met within the existing framework. This reduces product innovation and narrows the range of viable offerings.
- The **1% cost cap on the Basic PEPP** (including all administrative, distribution, and asset management costs) is too restrictive to support sustainable business models, particularly for smaller providers or those operating in low-margin environments. It disincentivises market entry and limits the ability to offer value-added services.
- For the PEPP to contribute meaningfully to the objectives of the Capital Markets Union and Savings and Investments Union (SIU), two key issues must be addressed:
    - The strict cost cap discourages investment in alternative assets such as private debt or infrastructure, which are essential for long-term growth but inherently higher in cost.

- The mandatory low-cost switching service under current PEPP rules incentivises highly liquid investments, further limiting the use of long-term, illiquid assets that are crucial for the SIU and the broader European economy.

- While PEPP allows for a provider change after five years, this is a relatively short timeframe that does not reflect the long-term nature of retirement savings and may create unrealistic expectations about potential outcomes. The product's effectiveness depends on savers **maintaining a long-term perspective**, without requiring a specific timing mandate, to achieve meaningful results.
- The obligation to produce **PEPP-specific disclosure documents** leads to unnecessary duplication and regulatory fragmentation. This adds cost without clear benefit to consumers.
- Given demographic changes and rising life expectancy, securing lifelong supplementary income alongside the state pension is vital to maintain living standards in retirement. Lifetime benefits and protection against biometric risks can further support this goal. It should be noted, however, that the PEPP framework should allow sufficient flexibility in the choice of pay-out structures, so that different national frameworks can be accommodated and undue market restrictions avoided.

Given these challenges, one potential avenue could be to reframe the PEPP as a voluntary EU-wide label applied to nationally regulated personal pension products. This could allow providers to build on existing frameworks, avoid duplication, and enhance transparency and comparability across member states. However, this idea would require careful consideration and further discussion, particularly regarding what such a label would entail in practice, what conditions or standards it would involve, how it would interact with national rules, and what concrete benefits it would offer to both providers and consumers.

Q13. 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.

The Basic PEPP should not be mandated to include a built-in lifecycle investment strategy as a standard feature. Instead, the selection of risk mitigation techniques ought to remain at the discretion of the product provider. This flexibility allows manufacturers to tailor their offerings to diverse saver profiles, national market conditions, and product designs.

Moreover, lifecycle strategies are not universally appropriate—particularly for products designed to maintain a balanced risk-return profile throughout their lifetime, such as collective investment schemes. Therefore, a prescriptive requirement for lifecycle investing could unduly limit innovation and suitability across the variety of pension products and markets.

Q14. 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?

The design of the Basic PEPP, including whether it can be offered on an execution-only basis without requiring investment advice, should be determined by individual member states. This respects the diverse regulatory environments and consumer protection frameworks across the EU.

Imposing a uniform requirement for execution-only distribution at the EU level could overlook important national considerations, including investor protection standards and market maturity. Member states are best positioned to decide on the appropriateness of execution-only models and any related conditions, such as linking contributions to national tax-deductible limits, to ensure that pension products align with local needs and regulatory practices.

The same regulatory standards should apply to the Basic PEPP as to comparable national pension products to maintain a level playing field. Allowing execution-only distribution for the Basic PEPP while national products are subject to stricter rules risks creating regulatory imbalances and competitive distortions. To promote fair competition and consumer protection, the PEPP regulation should align closely with national frameworks, avoiding the introduction of EU-specific exemptions that could undermine established national safeguards.

Q15. 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?

It is essential to maintain the availability of alternative investment options alongside the Basic PEPP. A well-functioning PEPP market depends on product diversity to reflect the wide range of saver preferences (including different risk profiles), life stages, and varying national pension systems. Limiting offerings to the Basic PEPP alone would be overly restrictive and risk insufficient uptake. Alternative options should be designed to complement the Basic PEPP.

For example, the French PER (Plan d'Épargne Retraite) applies a horizon-based investment management approach as the default option, featuring four risk profiles based on minimum allocations to risky assets. These allocations are calibrated to the investment horizon, ranging from ten to two years before retirement, and gradually decrease as the retirement age approaches. Savers retain the flexibility to choose alternative investment strategies and adjust their savings trajectory accordingly.

While consumers should retain the option to switch investments, it is important to avoid creating incentives for frequent switching. Given the long-term nature of pension products and their reliance on strategic asset-liability management, excessive switching could undermine the stability and effectiveness of these investments. Appropriate safeguards in legislation could help ensure that switching remains possible without encouraging excessive or short-term behaviour.

Sub-accounts

Q16. 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?

We ask to remove the minimum number of sub-accounts. While designed to accommodate cross-border mobility, the vast majority of PEPP savers will both accumulate and draw their pensions within one and the same member state. Building the entire structure around this theoretical scenario of cross-border movement risks adding unnecessary complexity, additional costs and administrative burdens that do not reflect the needs of most savers.

Providers can offer additional sub-accounts for specific cases where needed. It should however not be required as a minimum by default.

Q17. 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?

This obligation compels providers to create and maintain separate national structures within a single product, each tailored to differing tax and legal frameworks, leading to significant administrative burdens and legal uncertainties. These complexities do not deliver meaningful benefits to providers or consumers.

Instead, the PEPP should be designed primarily as a product intended for use within a single member state, ensuring efficiency and clarity. Access to PEPPs across Member States should be facilitated without imposing rigid sub-account requirements that complicate the product's design and delivery. It is up to providers to ensure that the PEPP is accessible across borders in response to consumer demand.

Fee cap

Q18. 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?

The current cost cap of 1% of accumulated capital for the basic PEPP is overly restrictive. Such a cap, whether fixed or evolving, undermines product uptake and hinders the realisation of economies of scale, as it fails to account for the extensive and detailed requirements imposed on PEPPs, which drive up production costs for providers. Even the basic PEPP includes numerous mandatory features, such as compartmentalisation and bespoke information documents, which contribute to these high costs.

Furthermore, the uncertainty surrounding the potential for future reductions in the cost cap deters providers from entering the market, as they cannot assess the long-term viability of their business models.

Q19. *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.

Set-up costs are typically higher than long-term costs and cannot be adequately covered within the current fee cap during the initial years. Since PEPPs are designed to be held until retirement, for an EU approach, it would be more appropriate to shift the cost assessment to average annual costs over the accumulation phase, such as Reduction in Yield. However, should PEPP become a label for existing and future products rather than remain a product itself, it is important that national standards continue to apply to all products carrying the PEPP label.

This approach would fairly accommodate products with higher upfront expenses but lower ongoing costs, ensuring equitable treatment without increasing overall costs throughout the contract's lifetime. Finally, it should be emphasised that, by definition, markets operate under competitive conditions and that prices are not subject to regulation.

Risk-mitigation techniques

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?
The existing risk-mitigation requirements do not strike the appropriate balance between consumer protection and maintaining sufficient flexibility for PEPP providers.

While risk mitigation techniques (RMTs) are important, particularly to encourage risk-averse savers, the current provisions need improvement. Appropriate risk mitigation is a key element in retirement savings and is already addressed through the Insurance Distribution Directive (IDD) or similar MiFID requirements, which cover suitability and appropriateness assessments based on risk tolerance and loss-bearing capacity.

The current rules on RMTs are contradictory and overly prescriptive. They require strict quantitative evidence that each PEPP product is both very safe and high-yielding - objectives that are inherently conflicting. Moreover, compliance depends heavily on prevailing capital market conditions rather than the product design itself, meaning that the same product might sometimes comply and other times not. Therefore, the requirements should be more principle-based and less prescriptive, allowing providers flexibility while ensuring consumer protection.

Different types of RMTs should be recognised. Guarantees, especially terminal (non-permanent) guarantees, are a straightforward form of risk mitigation that can support investment in the real economy while maintaining an appropriate risk/return balance for savers. Such guarantees should continue to be explicitly permitted as valid RMTs.

Not all savers have a long-term investment horizon extending to retirement age, so the assumption that risk decreases as retirement approaches does not always apply. The current option allowing postponement of pension commencement by up to three years following market losses may actually increase risk exposure for savers. Consequently, a minimum requirement for PEPPs should be a gradual reduction of capital market risk as retirement nears.

Finally, risk-mitigation requirements should be consistent with those applying to the PEPP provider itself, ensuring regulatory coherence and avoiding mismatches that could hinder effective risk management.

Use in a workplace context

Q21. 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 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?

The PEPP should remain a voluntary personal pension product within the third pillar of the pension system. It is not suitable for use as an occupational pension scheme under the second pillar, which is governed by a distinct legal framework, notably the IORP II Directive, and serves fundamentally different objectives.

Expanding the PEPP into the occupational pension space would risk duplicating existing regulatory structures and create confusion for both savers and providers. The roles, obligations, and oversight mechanisms in Pillar 2 differ substantially from those of personal pensions, making such a shift both complex and unnecessary.

Registration and supervision

Q22. 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.

The PEPP as a label could be a viable option. To achieve this, the label must be adapted to align with national retirement savings products. If the goal is to promote third-pillar retirement savings products, it is essential to establish common rules based on minimum harmonisation, while taking into account the specific requirements of each national system.

Q23. 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.

The supervision rules around the PEPP should be revised and aligned with national supervisory frameworks. By definition, retirement savings products are already subject to national supervision requirements. Therefore, the PEPP regulation should be adapted to ensure consistency and compliance with these existing national rules.

Investment rules and diversification

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.

There should be no PEPP-specific investment rules. Instead, PEPPs should be subject to the same sectoral investment rules that already apply to comparable personal pension products under existing EU and national legislation. Introducing divergent or parallel rules risks creating an unlevel playing field and may discourage providers from entering the market. Aligning with sectoral frameworks ensures consistency, efficiency, and fairness across the pension landscape.

Level playing field across personal pension providers and rules on distribution

Q25. 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?

The limited uptake of the PEPP is not primarily due to competition from existing personal pension products but rather stems from structural challenges within the PEPP framework itself. Stringent risk mitigation rules, a rigid 1% fee cap for the Basic PEPP, and complex tax treatment, among other elements (see question 12) create significant complexity and costs for providers.

These regulatory and operational barriers, rather than market competition, are the principal obstacles to wider adoption. A comprehensive review addressing these fundamental issues is essential to unlock the PEPP's potential and support the European Commission's Savings and Investments Union strategy.

Contrary to some perceptions, distributors and providers do not systematically avoid PEPP-like products in favour of more lucrative alternatives. Comparable long-term products with similar cost burdens already exist in the insurance market. Provider reluctance is driven by the regulatory complexity, not by an inherent preference for higher-margin offerings.

Q26. 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?

The existing PEPP framework creates significant obstacles to its distribution across providers and Member States. Key structural barriers include:

- **Mandatory sub-account requirements** across multiple member states impose substantial operational and administrative burdens on providers, disproportionate to the current limited cross-border demand. This complexity discourages providers from entering or expanding in the PEPP market.
- **Prescriptive risk mitigation rules** demand a simultaneous balance of capital protection and return generation, a design constraint that limits product innovation and the diversity of viable offerings.
- **A strict 1% cost cap** on the Basic PEPP, encompassing all fees, challenges the economic sustainability of the product, especially for smaller providers or in markets with lower margins. This cap limits the ability to offer differentiated or value-added services.
- **The need for PEPP-specific disclosure documentation**, distinct from established frameworks like PRIIPs or IDD, leads to regulatory duplication and increased costs without delivering clear added value to consumers.

Together, these (and other) aspects of the framework create a regulatory environment that is overly complex and misaligned with market realities, hindering distribution. Addressing these core issues through a targeted review would be essential to improving the PEPP's accessibility, competitiveness, and appeal.

Individual transfers

Q27. 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.

In general, accumulated capital should be transferable between personal pension products, including to and from the PEPP. However, due to differences in the (contractual) structures of pension products, it is not possible to transfer the product itself - only the accumulated capital can be transferred. This also applies from a taxation perspective, as member states sometimes pursue fundamentally different taxation concepts (as taxation remains a national competence. It should also be noted that transfers imply additional costs.

Transparency, information and pension tracking systems

Q28. 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.

It is difficult to fully assess the adequacy of the PEPP transparency requirements given the limited market uptake to date. However, the current obligation to produce PEPP-specific pre-contractual information documents and annual statements adds complexity and administrative burden without clear evidence of added-value.
European regulation should allow room for nationally developed products that already function effectively within existing transparency frameworks. Greater alignment with existing national or European transparency frameworks for personal pension products would enhance comparability and reduce duplication. Where necessary, tailored elements could be integrated within those frameworks to address PEPP-specific features, providing savers with clear and consistent information while avoiding unnecessary regulatory complexity.

Q29. 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?

Where PEPPs are offered, their inclusion in a member state's Pension Tracking System should be consistent with how similar third-pillar products are treated within that system. In cases where third-pillar products are not currently covered, such as in Belgium, PEPPs would likewise not be included and vice versa. Ensuring alignment with national practices helps maintain coherence and avoids creating additional requirements, exceptions or inconsistencies in how pension products are presented to savers.

Q30. 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?

There is no need for special treatment of PEPPs in this regard; they should be subject to the same rules as other pension products.

Tax treatment

Q31. 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.

Efforts have been made in aligning PEPP tax treatment with national systems in some member states, including in Sweden, Finland, Italy, and Spain. As tax regulation remains a national competence, the treatment of PEPPs depends on existing national tax laws.

For example, in France, insurance and supplementary pension products are governed by distinct tax rules, and the certification of a product as a PEPP does not, in itself, alter its tax status under the national framework. In the Netherlands, if a PEPP meets all the conditions for tax facilitation, it receives the same tax treatment as domestic third-pillar products.

Q32. 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?

While tax treatment plays a key role in the attractiveness and uptake of personal pension products, it is difficult to see how a harmonised approach at EU level could be achieved in practice. Taxation of pensions is deeply rooted in national social, fiscal, and labour market policies, and varies significantly between Member States. Rather than pursuing EU-level harmonisation, the priority should be to ensure that the PEPP is designed flexibly enough to qualify for existing national tax incentives, provided it meets the relevant criteria. Any further EU action should avoid creating additional complexity through PEPP-specific rules or parallel regimes.

Other aspects

Q33. 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

Q34. 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.

A diversified portfolio that includes alternative asset classes and unlisted securities can, in principle, enhance long-term returns for scheme members and beneficiaries when accompanied by appropriate risk management and safeguards. Diversification, achieved through access to a wider range of assets, can provide benefits such as potential for more stable and potentially higher returns through reduced correlation between assets. However, investment strategies must be carefully tailored to the specific nature, scale, and risk-bearing capacity of each pension scheme. Regulatory approaches like the Prudent Person Principle (PPP) under the Solvency II and IORP II frameworks already offer sufficient guidance to ensure prudent management of alternative investments.

The PPP requirements for insurers under Solvency II (Article 132 of the Solvency II Directive) and for IORPs under IORP II (Article 19) are largely aligned. To maintain consistency and a level playing field**,** any unilateral changes of the PPP requirements for IORPs should be avoided.

We caution against introducing new regulatory obligations, restrictions, or quantitative requirements on asset allocation. The current frameworks, when properly applied, are sufficient. Additional EU-level initiatives in this area would be unnecessary and inappropriate, as investment strategies must reflect the complexity and risk profile unique to each pension scheme.

Q35. 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.

Regulatory approaches such as the Prudent Person Principle under the Solvency II and IORP II frameworks already provide robust and effective guidance to ensure the prudent management of alternative investments. National regulations implementing IORP II, which establish minimum harmonisation at EU level, successfully avoid imposing unnecessary restrictions on investment choices. In this context, introducing additional regulatory obligations, restrictions, or quantitative limits on asset allocation would be unnecessary. The current EU and national frameworks are well-calibrated to support investment decisions that reflect consumers' risk profiles and preferences.

Q36. 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.

While limited expertise may contribute to the low uptake of unlisted asset investments among IORPs, expertise is generally linked to the size of the pension funds managed. For IORPs represented by insurance groups, sufficient expertise is typically ensured, including for unlisted assets.

Smaller IORPs can also achieve the necessary expertise by investing in unlisted asset classes through collective investment vehicles. Regulatory and prudential constraints further influence investment decisions and may limit allocations to these asset classes. Some of these constraints stem from national gold-plating measures. For example, in Sweden, IORPs operate under a risk-based solvency regime where capital requirements can restrict the scope and attractiveness of certain unlisted asset classes such as infrastructure.

Q37. 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.

The current provisions on risk management in the IORP II Directive, including the Own Risk Assessment (ORA) and supervisory review process, already provide a solid and flexible framework. These processes have been implemented nationally and are being applied by companies and supervisors. From the perspective of the insurance industry, no fundamental revision or enhancement is required. The Directive should give existing processes time to prove themselves.

Q38. 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?

We strongly oppose the introduction of an explicit duty of care provision, as IORPs are already required to act in the best long-term interests of members and beneficiaries under the prudent person rule set out in Article 19(1) of the IORP II Directive. Additionally, existing national laws and contractual frameworks already impose obligations on IORPs to act in good faith toward members, beneficiaries, and, in many cases, sponsoring employers.

Any further duty of care at EU level would need to be formulated in a sufficiently abstract and principle-based manner to accommodate the wide diversity of IORP structures, legal forms, and contractual arrangements across member states. Such a provision would also need to recognise that obligations toward members and beneficiaries may coexist with legal duties toward employers, and that the individual interests of members may not always align with those of the wider beneficiary pool.

It is important to note that introducing such a duty is likely to trigger additional documentation and reporting requirements in order to enable supervisory oversight, resulting in administrative burden and increased costs without clear added value in terms of member protection.

All in all, the existing framework, particularly the prudent person rule, is considered sufficient to ensure a high level of protection for members and beneficiaries.

Q39. 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?

National competent authorities (NCAs) are adequately equipped under the current IORP II Directive to oversee that assets are invested in the best long-term interests of members and beneficiaries as a whole. The prudent person principle, as laid down in Article 19 of the Directive, provides a solid and principle-based framework, focusing on long-term security, quality, liquidity, and profitability. In addition, tools such as the Own Risk Assessment (ORA) and other supervisory mechanisms ensure sufficient transparency and oversight.

In some member states, NCAs already play an active role in ensuring that IORPs do not take undue risks with their investments. In others, where defined benefit schemes are predominant, investment decisions are often shaped by the pension promise itself, and thus not fully discretionary.

We strongly oppose any extension of supervisory powers that would allow NCAs to intervene directly in investment decisions with the aim of securing a particular level of "adequate investment returns". Investment returns can never be guaranteed and are subject to market fluctuations. Moreover, such intervention would raise serious governance concerns, undermining the accountability and responsibility of those charged with managing investments, and potentially creating agency risks. Under the Prudent Person Principle, National

Competent Authorities (NCAs) already possess sufficient discretionary powers to take regulatory action based on the core investment principles of security, quality, liquidity, and profitability. Supervisory oversight should remain focused on prudential standards and solvency, not on assessing or steering specific return levels.

Scale

Q40. 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?

The scale of IORPs do not necessarily limit their investment capacity nor creates structural inefficiencies. While larger scale may offer some benefits in terms of cost-efficiency or access to certain asset classes, the size of an IORP is not, in itself, a reliable indicator of investment quality or scheme performance.

Smaller IORPs can and do achieve diversification and access to certain asset classes, such as unlisted assets, through collective investment vehicles under the current framework. What matters more than size is that the regulatory framework remains proportionate, ensuring that smaller IORPs are not disadvantaged by undue compliance burdens that could impair their operations or investment strategies.

In some member states, occupational pensions are provided through life insurers or other arrangements that already facilitate access to broader investment platforms or pooled resources, reducing any practical limitations linked to scale.

Overall, there is no need for amendments to the IORP II Directive in this respect. However, it remains important that the framework continues to accommodate a diversity of institutional models and supports proportionate application of rules.

Collective transfers

Q41. 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 activities, including collective transfers between IORPs, remain extremely limited. As a result, the objectives of facilitating the organisation of occupational retirement provision on a Union scale have not been achieved in practice.

However, the main reasons for this are not related to the prudential framework of the IORP II Directive, but rather stem from the continued divergence of social, labour, and tax laws across member states. These national differences create practical and legal barriers that cannot be addressed by amending the Directive alone.

Therefore, there is no need to change the current provisions on cross-border operations, such as by introducing a uniform EU definition of a majority for approving transfers. Importantly, any changes should not increase regulatory requirements for IORPs operating purely on a domestic basis, as this would create unnecessary burden without addressing the core barriers to cross-border activity.

Cross-border operations

Q42. 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?*

Q43. 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?

The current supervisory powers under the IORP II Directive are adequate to ensure trust and prevent regulatory arbitrage in cross-border activities. The Directive already provides a clear framework for cooperation and division of responsibilities between home and host member states. While harmonised registration and authorisation rules help mitigate arbitrage risks, there is no clear evidence that such risks have materialised in practice. Introducing additional supervisory measures without demonstrated necessity could increase complexity and regulatory burden. Therefore, the existing powers are considered sufficient unless concrete evidence shows a need for further action.

Scope

Q44. 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?

- *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.

The OECD Core Principles of Pension Regulation are currently under revision. In this context, it would be premature to use these principles as a basis for determining the scope of application.

Minimum standards

Q45. 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?

The IORP II Directive adopts a minimum harmonisation approach, which the industry supports as it establishes adequate minimum standards and a proportionate supervisory regime. This allows NCAs to apply rules flexibly, reflecting the nature, scale, and complexity of different IORPs. Given the significant heterogeneity of pension systems across member states, especially regarding labour, tax, and social law, this flexible approach is appropriate. Imposing fully uniform rules risks distorting well-functioning national systems rather than improving fairness.

There is no concrete evidence that IORPs exploit national regulatory differences to engage in regulatory arbitrage. Proportionality remains a core principle, ensuring that supervision is adapted to local risks and safeguards, such as the existence of pension protection schemes.

To support regulatory and supervisory consistency, the focus should remain on enabling NCAs to tailor their oversight rather than introducing additional uniform minimum standards at the EU level. This approach better promotes fairness and a genuine level playing field.

Supervision

Q46. 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

Q47. 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.
The IORP II Directive provides a solid common regulatory foundation that equips NCAs with the necessary powers to effectively supervise IORPs across member states. The Directive's minimum harmonisation approach allows NCAs to adapt their supervisory practices to national specificities, ensuring proportional and context-sensitive supervision.

For example, Germany's BaFin has reviewed the first round of Own Risk Assessments (ORAs) and reported general satisfaction with their quality and consistency, which indicates effective supervisory alignment with EU

objectives. There is no evidence suggesting that differences in supervisory powers or approaches among NCAs have resulted in regulatory arbitrage or posed material risks to members and beneficiaries.
Overall, supervisory convergence should focus on shared principles and common goals rather than identical supervisory methods. This allows NCAs to maintain effectiveness while respecting the diverse national frameworks within the EU.

Transparency, information and pension tracking systems

Q48. 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?

The current rules in the IORP II Directive are sufficient to ensure that members and beneficiaries receive clear and effective information, including on costs, performance, risks, and benefit projections. Cost disclosures are meaningful where members bear investment risk, but should not be overstated in defined benefit schemes or in contexts like the German "Transformationsgeschäft," where employees have no influence over the product or investment decisions and no cost impact.

In countries with systems where social partners play an important role, such as Sweden, additional requirements around information and transparency may be set alongside the Directive's rules. Sweden also benefits from a well-functioning pension tracking system, minPension, which provides comprehensive information on the overall pension situation, including projections.

Given the different specificities across member states and IORPs, the Directive's rules for information and transparency must continue to be principle-based, with minimum harmonisation provisions, and not overly detailed to ensure flexibility. It is also important to emphasise that the relevance of information, for example on costs and performance, varies depending on the pension scheme type (DB or DC).

Q49. 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?

Basic information about supplementary pensions should be available to all savers, regardless of the provider. Existing EU frameworks such as Solvency II, IDD, PRIIPs, and IORP II already ensure a high level of transparency. Additional requirements are not considered necessary at this stage.

Q50. 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?

A well-designed pension tracking system can significantly improve transparency for savers by increasing awareness of their expected retirement income and empowering individuals to make informed financial decisions. To be effective, such a system must be simple, digital, and intuitive, while ensuring data security, objectivity, and the clear presentation of information.

Providing users with reliable projections of their future pension entitlements is key to helping them identify potential savings gaps. At the same time, implementation must be efficient and cost-effective to avoid placing an excessive burden on providers, which could otherwise hinder widespread adoption and participation.

Q 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?

Depending on national contexts, pension tracking systems can be a possible tool to fulfil disclosure requirements. It is however important that any regulatory changes respect and complement existing well-functioning systems, as well as avoid duplication.

When properly designed, pension tracking systems can effectively fulfil the disclosure obligations set out in the IORP II Directive. They could, where appropriate, be linked to the Pension Benefit Statement (PBS) to consolidate relevant information in a single, user-friendly platform. It is however important to avoid creating mandatory requirements or additional burdens.

Tax treatment

Q52. 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.

The limited success of cross-border IORPs is not due to regulatory gaps in the IORP II Directive, but rather to persistent national differences in tax and social law. Tax rules are often closely intertwined with national labour and social security systems. This makes harmonisation politically and technically complex, and cross-border solutions less attractive for employers and IORPs.

Scope of prudential regulation

Q53 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.

While the Directive provides a clear and workable definition of prudential regulation and embeds proportionality as a core principle, its framework is based on a triangular relationship between employer, employee, and IORP. This model does not fully capture governance arrangements in some countries, such as Sweden, where social partners play a significant and independent role in negotiating and administering occupational pensions.

Article 20.2 of the Directive acknowledges this complexity by stating it is without prejudice to the role of social partners, but its wording is limited to the management of IORPs. Recitals 5 and 32 further emphasise the importance of respecting national traditions and social functions in the organisation of IORPs.
To better reflect these principles, Article 20.2 may be replaced or supplemented with a clearer provision, for example: "This Directive shall be without prejudice to the role of the social partners in each Member State." This addition would reinforce respect for national labour and social law frameworks without altering the Directive's core prudential requirements.

Overall, the Directive's proportionality principle allows NCAs to tailor supervision according to local risks and safeguards, supporting fairness and a level playing field. The limited scope of cross-border operations is driven more by differences in social and labour law than by prudential regulatory definitions, underscoring the continued relevance of the "same risk, same rules" principle alongside supervisory flexibility.

Other aspects

Q54 *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.

The borrowing rules in the IORP II Directive are currently considered inconsistent, an issue also recognised by EIOPA. Article 16(3) allows member states to include subordinated loan capital in the solvency margin under certain conditions, such as a long maturity. However, Article 19(3) generally prohibits borrowing except for temporary liquidity needs. This lack of clarity has limited IORPs' ability to raise subordinated loans, which could otherwise strengthen their solvency margin and provide an additional buffer to protect members and beneficiaries. To address this, an explicit exception for subordinated loans should be introduced in Article 19(3). Additionally, under Article 19(3), IORPs should be permitted to act as guarantors on behalf of subsidiaries or for clearing purposes. This flexibility is important for IORPs that hold investments indirectly through wholly or partly owned subsidiaries, such as joint ventures in real estate or infrastructure - asset classes increasingly significant for larger IORPs.

It is common in such investments that sellers or financing banks require guarantees from the IORP and co-investors to secure joint venture obligations. Similarly, if an IORP owns a real estate asset via a subsidiary, it may need to guarantee the subsidiary's commitments, for example, to engage construction services. Allowing such guarantees would support efficient investment management and risk mitigation.

Moreover, to effectively encourage investment in pensions, it is crucial that member states refrain from imposing additional restrictions on contributions to pension plans beyond the established tax deduction limits, such as contribution caps. For example, this could include legal caps on the absolute amount of contributions or other quantitative ceilings applied on top of existing tax rules. Such contribution caps risk undermining the goal of promoting adequate retirement savings.