

DUFAS Response Targeted consultation on supplementary pensions

To: European Commission
From: The Dutch Fund and Asset Management Association (DUFAS)
Date: 27 August 2025
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Pension tracking systems

Pension tracking systems are digital platforms that allow citizens to obtain an overview of pension entitlements held in different schemes in one place. In addition, they may provide an estimate of the future pension benefits. By providing a complete picture of their entitlements from the various types of pension schemes, they enable citizens to take informed decisions about their career, retirement planning and saving needs.

Currently, pension tracking systems in some form exist in several Member States, however, most of them do not cover all pillars of the pension system. EIOPA² and OECD³ have analysed pension tracking systems with a view to identifying good practices. The Commission seeks views on the coverage and design features of pension tracking systems.

Stakeholders' views are sought on the following:

a. 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 (PTS) are in place in several EU Member States and have generally proven to be effective tools for increasing awareness of current pension accruals and expected future retirement income. They improve transparency around retirement savings and help individuals make better-informed decisions about long-term retirement planning, including through occupational and personal pension schemes.

However, according to the European Court of Auditors' report on supplementary pensions, as of May 2025, only 10 Member States have a PTS covering at least two pension pillars. This lack of comprehensive coverage undermines transparency and limits individuals' ability to plan effectively for retirement. We therefore recommend:

- *That Member States without a PTS begin developing one;*
- *That all Member States work towards integrating all three pension pillars; and*
- *That national systems prioritise user-friendliness and understandability, so that individuals with varying levels of financial literacy can interpret their data meaningfully.*

In addition, the European Tracking Service (ETS) initiative, supported by EIOPA and the European Commission, already provides a promising foundation for EU-level pension tracking. This tool could serve as a minimum default option in countries without a full-fledged national system. Further development and wider adoption of the ETS, including the possibility of linking national PTSs to it, could significantly enhance cross-border pension awareness and support labour mobility within the EU. Stichting Pensioenregister is a member of the European Tracking Service

Association and prepares a connection to this European Tracking Services (ETS). That will help giving a more comprehensive overview to cross-border workers and mobile workers.

The Netherlands specific has a pension tracking system in place through the platform www.mijnpensioenoverzicht.nl. This system provides Dutch citizens with a consolidated overview of their accrued pension entitlements from the first and second pillars (i.e., the state pension and occupational pensions). It is a widely used and well-functioning tool that contributes to pension awareness and retirement planning.

However there is still room for improvement:

- *Third pillar inclusion: The current system does not integrate third-pillar products (e.g. individual pension savings and insurance-based products). Including these would offer a more comprehensive overview of a person's total pension entitlements and better support individual financial planning.*
- *Cross-border portability and access: Some citizens have worked in more than one EU Member State. A European approach to linking or standardising national tracking systems could greatly enhance pension awareness and planning for mobile workers.*

2. What do you consider will make a pension tracking system a useful tool to increase citizens' awareness of their future pension entitlements and to enable them to plan for retirement? (please rank options according to their importance)

- a. access to the system and the information provided is simple and secure
- b. users can be sure that the information is objective, i.e. not influenced by the interest of those that provide the information
- c. the system covers all pillars of the pension system
- d. the system is cost-effective
- e. No opinion

Please elaborate your answer.

B-A-C-D

We believe that access to PTS should be simple, secure, and user-friendly, with information presented in a clear, concise, and easily understandable manner. The focus should be on presenting a limited set of key data points for citizens to better understand their savings, track their progress toward retirement, and assess their accrued entitlements, ultimately empowering them to make informed decisions.. This approach is supported by the OECD (2025) in their recent publication on individual pension dashboards, which emphasises that retirement planning is inherently complex and that PTSs must deliver information in a non-technical, visually intuitive, and user-friendly manner.

To ensure accessibility for a broad audience, pension tracking systems should present layered information: a high-level overview for most users, while offering the option to access more detailed data for those who want to explore further. This avoids both oversimplification and information overload. Such layered detail can be a valuable complement, but the information must first and foremost be objective and standardised.

As mentioned in our previous answer, the inclusion of all pension pillars is important. Only a holistic view will allow savers to fully understand the status of their savings and determine if additional action is needed.

We also stress the importance of one central tracking system per Member State, provided by an independent and trusted organisation. This avoids fragmentation, enhances user trust, and ensures consistent and objective messaging. The Dutch system (www.mijnpensioenoverzicht.nl) is a good example, combining input from public and occupational pension schemes into a single, reliable platform.

Having objective, consistent, and comparable information is important for citizens to place their trust in the PTS, engage with it throughout different stages of their lives, and feel confident with the information provided. Standardisation is essential in this regard, ensuring that users receive uniform messages regardless of provider or product type.

Finally, cost-effectiveness must remain a key consideration. PTSs should be functional and impactful, but not overly complex or costly to implement and maintain. To limit costs, we recommend focusing on core data points and avoiding excessive or duplicative data requests from providers. Unnecessary administrative burdens could ultimately reduce returns for plan members. Pension Tracking Services (PTSs) should be accessible to citizens free of charge. To ensure this, it is important that the associated costs are not fully passed on to pension providers, as is currently the case in the Netherlands. When providers bear most these costs, it will ultimately lower pension outcomes. Therefore, we recommend for governments to assume responsibility for (partly) funding PTSs, safeguarding both transparency and the integrity of pension benefits.

3. Which of the following elements should a pension tracking system cover (please rank options according to their importance)

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

Please elaborate your answer.

B – A - E

Before introducing additional features, the priority should be to ensure that Pension Tracking Systems (PTS) are available in all Member States and that they comprehensively cover all three pillars (state, occupational, and private pensions). This would provide a complete and consistent overview for savers and establish a solid foundation for further enhancements. This approach could be considered as the first phase or milestone in developing PTS across the EU.

Access to projected pension benefits is important. It helps individuals understand the type of income they might expect at retirement and plan accordingly. These projections must be based on the current situation of the saver to provide accurate and comprehensive information. However, any projections must be presented with clear disclaimers, explicitly stating that they are estimates of future retirement income in real terms, subject to assumptions and potential changes.

In addition, the PTS should focus on accrued entitlements, as this allows individuals to assess how much they have saved so far and what additional efforts may be needed to reach an adequate retirement income. However, we acknowledge that this process might be quite challenging because of the nature of the different products and their specificities, which may make it difficult to provide a coherent understanding of savings.

We have some reservations about providing simulations of pension entitlements under different scenarios. While such tools could be informative for some users, offering multiple or speculative scenarios may be confusing and misleading for others and could even lead to procrastination or disengagement. Projections covering 20, 30, or 40 years into the future are inherently uncertain. Presenting optimistic or pessimistic outcomes may result in unreliable and potentially misleading information, which could undermine trust in the system. For these reasons, the focus in the initial phase should be on delivering clear, factual, and reliable information, rather than on complex scenario modelling.

The inclusion of such scenario tools may also go beyond the core function of a pension tracking system. In the Netherlands, the role of the PTS is explicitly to provide clear and factual information on pension entitlements. It is not designed as a financial planning tool. The provision of scenarios and detailed choices is often product- or pillar-specific, and their inclusion in the PTS could introduce unnecessary complexity. Therefore, while such information may be complementary in some contexts, we caution against overextending the system beyond its primary informational purpose.

Lastly, we believe that the PTS should also inform savers about their expected retirement date, as this provides important context for interpreting benefit projections and accrued rights.

4. What do you consider are the most difficult challenges in setting up a pension tracking system (please rank in the order of importance)

- a. Data protection
- b. Accuracy and impartiality of data
- c. Access to the platform and presentation of the information
- d. Maintenance and governance of the platform
- e. Inter-operability with pension tracking systems across Member States
- f. Other (please elaborate)
- g. No opinion

Please elaborate your answer.

F – C – B – A – E

One of the most significant challenges in setting up a pension tracking system (PTS) is the fragmentation of pension data. Information is often dispersed across various parties, including public authorities, pension funds, employers, and insurers, who may not all be under a legal obligation to share data. This leads to inconsistencies and data gaps that undermine the reliability and completeness of the system.

The primary challenge lies in the standardisation of pension data across different schemes and pillars. Only with clear and consistent data definitions can information from the state pension, occupational pensions, and individual (third-pillar) products be consolidated into a single, comprehensible overview. This standardisation is a prerequisite for enabling comparability across products and ensuring that citizens receive a coherent picture of their total pension entitlements.

In addition, cybersecurity remains a core concern. PTSs handle highly sensitive personal data, such as social security numbers, employment and earnings records, and accrued rights, and must be built on robust IT architecture to ensure data protection, resilience, and user trust.

Once a functioning national system is in place, interoperability across Member States becomes a next step, particularly in view of supporting cross-border and mobile workers. The Dutch pension sector recognises the value of European initiatives such as the European Tracking Service (ETS), but also acknowledges that the number of mobile workers remains relatively limited. As such, efforts at EU level should be proportionate, aiming at minimum comparability (especially of first-pillar pensions) while avoiding unnecessary complexity.

Beyond technical and cross-border challenges, PTSs must also be designed with a clear purpose and user focus. The ultimate objective is to help individuals understand their pension situation and expected retirement income. This requires simple and accessible design, relevant and understandable information, and communication that engages rather than overwhelms.

Finally, governance and long-term maintenance can present difficulties. A clear ownership structure is crucial to ensure efficiency, accountability, and continued relevance of the platform. In the Netherlands, the success of www.mijnpensioenoverzicht.nl is partly due to the collaboration between public and private actors within a clearly mandated framework.

Pension Dashboards

Pension dashboards show country-wide information on pensions with the objective to highlight gaps in sustainability and their adequacy at aggregate level, and to enable Member States to deploy necessary policy intervention. These can be a tool to create a political setting that allows for appropriate peer pressure to be exercised, so that Member States identify and address shortcomings at their level and are incentivised to learn from best practices.

The Commission and Member States are jointly producing and publishing data on pensions adequacy and their sustainability in the Pension Adequacy Report⁴ and in the Ageing Report.⁵ EIOPA analysed data gaps and advised on steps to set up pension dashboards.

Stakeholders' views are sought on the following:

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

- 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.

A - C - D - B.

While PTSs are valuable tools that help individuals understand their personal pension entitlements, pension dashboards can be useful for Member States. Dashboards offer a consolidated view of pension coverage and adequacy across different schemes and population groups. They can support policymakers in assessing the scale of pension challenges, identifying coverage and adequacy gaps, and ultimately designing more targeted and effective policy responses tailored to national contexts.

To some extent, the Pension Adequacy Report (PAR), the Ageing Report and the Fiscal Sustainability Report published every three years at EU level, already deliver some of the benefits a dashboard would provide.

In our view, the true added value of a pension dashboard lies in its ability to complement existing reports, particularly by broadening the scope beyond first-pillar pensions. To deliver meaningful insights, dashboards should integrate data from all three pension pillars. This comprehensive approach not only enables a more accurate assessment of pension gaps but also creates opportunities to identify emerging trends. When such trends are visible, policymakers are better equipped to make timely and informed adjustments to public policy, ultimately strengthening the sustainability and adequacy of pension systems.

Moreover, to fulfill this purpose, we view data standardisation as very important. Harmonising definitions, indicators, and data collection practices will not only make it easier for those managing and running the dashboard, but also enhance the reliability and comparability of the results. If the dashboard is to effectively compare pension systems across Member States and identify gaps with precision, consistent data formats and methodologies are a prerequisite. Timely identification of gaps is essential due to the compounding effect, which means that taking solution-oriented action immediately helps to limit the size of the gap.

At the same time, we would like to underline the importance of avoiding duplication or disproportionate reporting burdens for second- and third-pillar pension providers. Excessive or redundant reporting requirements could drive up administrative costs, which would ultimately be borne by pension participants. To prevent this, the dashboard should leverage existing data already collected by EIOPA, the ECB, or NCAs.

6. 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

The proposed ranking can be different depending on each Member State and their national context.

A – B

We consider income replacement to be the most important metric for evaluating a pension system's performance, as it provides a clear measure of pension adequacy. It indicates whether the system can provide enough retirement income for its retirees.

Pension sustainability is also a key indicator, as it assesses the financial soundness and long-term viability of the system.

Auto-enrolment

The consultation explores the role of auto-enrolment in the Union's strategy on supplementary pensions. The Commission commissioned a study on best practices and performance of auto-enrolment mechanisms for pension savings.⁶

In particular, a question arises on whether Member States should encourage the use of auto-enrolment to nudge future pensioners in allocating part of their income (or savings) into a supplementary pension scheme.

The consultation also enquires about the approach that Member States could adopt to incentivise enrolment into supplementary pensions, to possibly identify best practices about factors that determine the effectiveness of auto-enrolment. This may involve examining various factors that can influence the success of auto-enrolment, such as the availability of default options, the cost-effectiveness of starting at earlier ages, the design of pay-in or pay-out phases, incentives for employers to facilitate the enrolment of their employees and the type of pension schemes used for auto-enrolment, including existing occupational pension schemes and other pension products used in the workplace context.

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

Stakeholders' views are sought on the following:

7. What are in your views the key features for an auto-enrolment mechanism to be successful? (please rank the options according to their importance)

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

E – D – A – G – B – C – F

Based on the Dutch experience with mandatory occupational pensions, we believe that auto-enrolment mechanisms can play a fundamental role in ensuring adequate and sustainable retirement income across all income groups. Occupational pensions should not merely be seen as “complementary” to statutory pensions — in many Member States like the Netherlands, they are a structural pillar of the system. By making participation mandatory and removing opt-out possibilities, the Dutch model has significantly reduced future fiscal pressure on the first pillar and enabled collective, efficient pension accumulation.

The success of the Dutch system rests on compulsory participation, which ensures broad risk pooling, prevents adverse selection, and enables cost-efficiency and solidarity across generations and income levels. Flexibility should instead be provided through features like adjustable contribution levels during life events, not through complete withdrawal from the system. Such flexibility should always respect a minimum level of contributions to safeguard an adequate pension outcome.

Global best practices also highlight the value of a phase-in approach starting with low contribution levels that progressively increase over time.

Member States play a crucial role in shaping the regulatory framework. In the absence of guidance, it falls to individual employees and employers to design pension arrangements and determine adequate contribution levels, which are tasks that require financial literacy, planning, and numeracy skills. Regulatory support can help guide these important decisions, thus making it easier for individuals to plan and save for retirement. Social partners could, wherever possible, be involved in discussions on key aspects of the scheme.

The role of tax incentives in encouraging participation should also be explored. The European Commission could provide further guidance on this point.

We propose the implementation of a national default pension scheme in countries that do not have a developed pension scheme yet. This would be useful for employers who lack the resources or infrastructure to sponsor their own plan, ensuring that contributions are still invested effectively.

Adequate contribution levels are crucial to ensure that savers have sufficient funds for retirement. Employer contributions are particularly important to this end; they should ideally match employee contributions up to a specific limit or be set as a fixed percentage of salaries.

Implementation timelines should be adaptable and take into account employer size and capacity. Best practices observed for these countries consistently include a phased introduction of auto-enrolment starting with the largest employers, then smaller/independent ones.

8. In your opinion, what should be the features that the default pension plan(s) should have to be successful? (please rank the options according to their importance)

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

Please elaborate your answer.

A – C

We believe that default pension plans under auto-enrolment should be designed using life-cycle investment strategies. These strategies have proven very successful in several jurisdictions where they are used as default options. They offer appropriate risk-taking in early career stages and greater protection closer to retirement. They also provide some relief to plan sponsors when selecting default investment options.

A successful example is that of the United States, where Target Date Funds (TDFs) have grown significantly since the adoption of the Qualified Default Investment Alternatives legislation (QDIA). Between 2007 and 2022, the percentage of 401(k) participants holding TDFs rose from 26% to 68%. By the end of 2023, TDFs managed USD 3.5 trillion in assets, accounting for 38% of 401(k) assets and 63% of 401(k) contributions. Competitive pressure and economies of scale have also reduced costs: the asset-weighted net expense ratio for mutual fund TDFs was 0.30% at the end of 2023.

Life-cycle strategies help participants take on suitable investment risk early in life, while reducing risk near retirement. The OECD has noted that these strategies can help smooth out volatility across retiree cohorts, especially important during market downturns at the end of the accumulation phase. This makes them particularly appropriate as default options for employees who do not actively choose their investments.

Asset managers can design multiple glide paths suited to different risk profiles. Plan sponsors, responsible for overseeing the default options, can use fund performance as a guide. Strong-performing strategies will naturally attract savers over time. However, to ensure that default options remain suitable, especially early in the accumulation phase. This helps avoid overly

conservative defaults that risk long-term performance. We recommend relying on market practices or minimum equity thresholds, rather than setting maximum caps, which may unnecessarily constrain growth potential.

Additionally, life-cycle strategies should not end at retirement. Members of third-pillar pension products should be able to choose between:

1. exiting the plan at retirement with a lump-sum or annuity ("to" retirement), or
2. remaining in the plan and making discretionary withdrawals ("through" retirement).

Given increasing longevity, remaining invested through early retirement can be beneficial, especially via income-producing equities. The EU could leverage these strategies to offer flexibility beyond retirement age and to support longer-term adequacy.

We invite the European Commission to promote coordination and alignment with successful international practices and define key features of life-cycle strategies, including:

- the presence of a glide path tied to a target retirement date,
- continuity of the investment strategy during retirement.

As seen in Q8, adequate contribution levels are also crucial to ensure that savers have enough money to retire. Employer contributions are particularly important to this end; they should ideally match employee contributions up to a certain limit or be set as a fixed percentage of salaries.

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

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

Please elaborate your answer.'

Where feasible, employers and social partners should be involved in the design of the default investment option, as their input helps ensure alignment with the specific needs and preferences of employees.

In the Netherlands, the responsibility for establishing the default pension plan generally lies with the social partners at the sectoral or company level. Through collective labour agreements (cao's), they jointly determine the design of the pension scheme that applies to a specific industry or group of workers. This approach has proven to be highly effective in delivering broad coverage, economies of scale, and alignment with the needs of participants.

Social partners are responsible for selecting the pension provider (e.g. a pension fund or premium pension institution, PPI) and for defining key parameters of the scheme, including the contribution level, default investment strategy (such as lifecycle funds), and risk-sharing arrangements. This process takes place within a clear regulatory framework set by the legislator, which safeguards transparency, prudent risk management, and participant protection.

While legislators define the legal boundaries, including minimum standards and supervisory oversight, they do not prescribe the content of the default plan itself. This bottom-up approach ensures that pension arrangements are tailored to labour market characteristics and demographic profiles.

In cases where social partners or employers do not have the capacity to establish a dedicated plan, they can make use of existing pension providers and default products, such as multi-client PPI platforms, which are regulated, cost-efficient, and designed to serve a broad range of participants.

This Dutch model, combining collective responsibility with regulatory safeguards and professional execution, has resulted in one of the highest coverage rates and most efficient second-pillar pension systems in the EU. It provides a concrete example

of how the involvement of social partners can ensure both trust and effectiveness in pension plan design.

10. In your opinion, what measures shall be adopted to ensure equal opportunities for self-employed and employees not covered by auto-enrolment?

- a. Granting of equivalent tax incentives or other subsidies to participate in private pension plans
- b. Granting of equivalent tax incentives or other subsidies to participate in in general default occupational pension plans only
- c. Other
- d. No opinion

A - B

Please elaborate your answer.

The main incentive for saving into a pension, beyond mandatory contributions, remains the availability of tax benefits. We believe that introducing meaningful tax incentives for both occupational and personal pension plans would significantly improve their attractiveness. These incentives could encourage individuals not covered by auto-enrolment to join a supplementary pension plan.

11. What is in your view the task of the public authorities in enabling the use of auto-enrolment (please rank the options)

- a. To set the relevant legal framework
- b. To provide detailed guidance to employers and other bodies
- c. To provide tax incentives or public subsidies to the target population
- d. To provide tax incentives or compensation for employers or other bodies that administer enrolment, contributions and pay-outs
- e. To provide administrative support
- f. To provide comprehensive and impartial information to the target population
- g. Others (please specify)

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

A – C – D – B - F

A clear legal framework is essential for the successful implementation of auto-enrolment. Member States should define the key features of the system, including eligibility, foster good practices around default investment, and minimum standards on transparency.

Detailed guidance for employers and other implementing bodies is essential to ensure the smooth rollout and effective functioning of auto-enrolment. This is particularly important for SMEs, which often lack the internal resources or expertise to navigate regulatory requirements independently. Clear, accessible, and practical guidance can significantly reduce the administrative burden, support compliance, and build confidence in the system. Moreover, by providing such support, the regulator can also encourage and incentivise employers to provide matching contributions for their employees.

Tax incentives play a pivotal role in the effectiveness of auto-enrolment schemes. They serve as a powerful tool to reward long-term financial planning. For individuals, the opportunity to defer taxation and benefit from the compounding of untaxed income significantly enhances the appeal of pension savings, encouraging broader participation. Importantly, these incentives contribute to higher future tax revenues for Member States, supporting public finances over the long term. For employers, particularly SMEs, such incentives create more favourable compensation packages, making it easier to offer workplace pensions as part of a competitive employment proposition. By aligning fiscal policy with retirement objectives, governments can foster a more inclusive and sustainable pension landscape.

Clear and accessible information about auto-enrolment is essential for its long-term success. Individuals must understand how the system works, why saving early is essential, and be encouraged to contribute beyond the mandatory thresholds, as minimum contributions may not be sufficient to ensure adequate retirement income. Without this understanding, people may passively remain enrolled but contribute too little or lack clarity on how to manage or withdraw their savings at retirement, both issues observed in the UK experience. Moreover, low awareness and transparency levels can lead to mistrust, making the system vulnerable to political rollback, as illustrated by recent developments in Lithuania, where auto-enrolment is now facing political pushback.

Providing administrative support can also be helpful, particularly for trade unions or employee representatives involved in negotiating second pillar schemes with employers, as they could benefit from assistance in setting up auto-enrolment procedures.

Review of the PEPP regulation

Since its launch, the PEPP has not experienced material uptake across the EU. According to an EIOPA staff paper⁷ published in 2024, several issues were identified to justify the poor uptake: the level and structure of the fee cap on PEPP distribution, as well as Member States inaction on implementing national provisions, and the less advantageous tax regimes of PEPP vis-à-vis other national personal pension products. EIOPA also made suggestions on ways to improve PEPP uptake, including combining occupational and personal PEPP in a single pension product, reducing administrative burdens, and introducing auto-enrolment in the PEPP.

This consultation aims to collect information on whether the PEPP Regulation shall be reviewed to introduce a streamlined and accessible default option (the “Basic PEPP”) to complement existing Member States’ pay-as-you-go and occupational pension systems. In particular, it explores whether the appeal and usability of the PEPP could be improved by simplifying product features, facilitating digital onboarding, ensuring cost-effectiveness, and removing barriers to participation across the European Union. Views are also sought on whether additional investment options shall continue to be offered in addition to the basic PEPP.

The current PEPP requires distribution to be subject to an individual suitability test. While the Basic PEPP can include life-cycling strategies - which entail a dynamic asset allocation for different age cohorts of pension members as a function of the distance to the retirement date (i.e. becoming more prudent as the retirement age approaches) –, these strategies are not necessarily required by the Regulation, which allows for alternative risk mitigation techniques. The consultation explores whether the Basic PEPP can be designed as a non-complex lifecycle product that incorporates suitability factors, such as risk appetite and investment horizon, directly into its structure, easy to understand and therefore to be offered also without investment advice, enabling distribution on an execution-only basis with lower costs.

The consultation also explores PEPP’s potential role as a default option for workplace auto-enrolment schemes. The aim will be to ensure that the Basic PEPP could be distributed through any channel, including auto-enrolment and digital channels

This consultation also invites views on the adequacy of information and comparability requirements and the impact of the 2017 Commission Recommendations on the tax treatment of personal pension products, including the PEPP.

Stakeholders are also encouraged to raise any additional issues that could contribute to the successful scale-up of the PEPP.

Basic PEPP

Under the PEPP Regulation, advice should be given to prospective PEPP savers by PEPP providers or PEPP distributors prior to the conclusion of the PEPP contract, including for the Basic PEPP. This requirement aims to ensure consumer protection but also adds to the costs of the product. In addition, according to the OECD Recommendation for the Good Design of Defined Contribution Pension Plans,⁸ *“life cycle investment strategies can be well suited to encourage members to take on some investment risk when young, and to mitigate the impact of extreme negative outcomes when close to retirement”*.

Stakeholders’ views are sought on the following:

12. In your view, does the current structure of the Basic PEPP allow for wide uptake by savers across the European Union, helping to ensure adequate income in retirement while also contributing meaningfully to the objectives of the Savings and investments union?

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

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 structure of the Basic PEPP has not allowed for a wide uptake of the Basic PEPP, particularly for the following reasons:

- *Cost and fee cap: The 1% cap on costs and fees per year, based on accumulated capital, has been widely identified as a major deterrent for providers. The implicit costs associated with offering PEPPs, further reduce their attractiveness.*
- *The rules around life-cycle strategies: Life-cycle investment strategies are currently regulated with mandating stochastic modelling and the probability of recouping the capital at the start of the decumulation phase and during the decumulation phase by at least 92.5 % for the Basic PEPP. This requirement places significant constraints on investing in long-term growth assets.*
- *The requirement for mandatory advice: The PEPP Regulation requires mandatory advice to be given in the form of a personal recommendation for the Basic PEPP. This also must be covered by the 1% fee cap, although it significantly adds to the costs of the PEPP product.*
- *Rules on distribution: A PEPP provider faces significant challenges in covering the distribution costs associated with the promotion of the PEPP, as this must also be included in the 1% fee cap. The regulatory framework has also led to obstacles regarding the licensed distributors of PEPP and with its marketing.*
- *Uneven tax treatment: In some Member States, the PEPP does not enjoy the same tax advantages compared to national personal pension products. It illustrates that some Member States favour their own "national" personal pension products (PPPs) and take a cautious approach toward offering PEPPs equivalent tax treatment. The same tax treatment of the PEPP as national pension products can be recommended by the European Commission to Member States, as taxation is a national matter.*

Both supply-side measures and demand-side measures should be implemented not only to improve the structure of the PEPP, but its attractiveness as a whole:

Supply-side measures to simplify the PEPP Regulation:

- *Allowing providers to offer the PEPP only in one country*
- *Simplifying the advice regime for the Basic PEPP*
- *Reviewing the rules for life-cycle investment strategies*
- *Removing the 1% fee cap*
- *Changing the rules around distribution, including ensuring a level playing field between the rules for the Basic PEPP and the IDD framework, allowing referrals and marketing for the Basic PEPP.*

Demand-side measures to increase the potential market for the PEPP:

- *Ensuring the PEPP receives the same tax treatment as national pension products.*

13. Do you consider that the Basic PEPP should necessarily be designed with a built-in lifecycle investment strategy, as a standard feature of the product?

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

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

We believe that the Basic PEPP should not necessarily be designed with a built-in lifecycle investment strategy as a mandatory standard feature. While lifecycle strategies can be effective risk-mitigation tools, especially in simple, non-complex pension products, they should not be the only permitted design.

The PEPP is positioned as a third-pillar product, which in our view calls for greater flexibility in investment approach. In this context, it could also function as a more return-oriented, or even offensive, retirement savings product. Imposing a one-size-fits-all lifecycle model may unnecessarily constrain innovation and restrict providers from tailoring products to different saver profiles, including those with higher risk tolerance or longer investment horizons. Flexibility is key in the third pillar, particularly if the PEPP is to be attractive across a diverse European market.

That said, we acknowledge that a lifecycle approach is a logical fit for non-complex, long-term retirement products, especially when there is an obligation to convert savings into annuities at retirement — as would likely be the case if the PEPP were introduced in the Netherlands. In such a setting, a gradual de-risking strategy towards the end of the accumulation phase aligns with the structure of the decumulation phase, in which capital needs to be preserved to support a stable income stream.

However, we remain concerned about the rigidity of the current framework, particularly the requirement for a 92.5% probability of capital preservation both at retirement and during decumulation. This is overly restrictive and could undermine the effectiveness of lifecycle strategies. Moreover, the mandatory use of stochastic modelling to demonstrate compliance introduces further issues:

- *It increases complexity and costs, requiring advanced tools, data sets, and modelling expertise.*
- *Outcomes are highly sensitive to assumptions, which may not reflect future conditions.*
- *Models cannot account for structural shifts or unexpected market events, making them unreliable in practice.*

These issues demonstrate the importance of lifecycle strategy in maximising long-term returns for savers. As highlighted in the mission letter to Commissioner Maria Luís Albuquerque, Europe must “create better opportunities for citizens to improve their own financial security.” Reforming the PEPP framework by ensuring that savers can benefit from lifecycle strategies, by making it feasible for providers by allowing for more flexibility with regards to the risk mitigation techniques and removing the mandatory requirement of making use of stochastic modelling, would provide a concrete opportunity to help savers achieve this goal, while fostering a stronger European Savings and Investments Union. Too much household wealth remains in low-yielding, unproductive assets. PEPP can be a vital tool to change this, if its design is based on long-term value creation rather than short-term guarantees.

14. Do you consider that the Basic PEPP should be designed in a way that it can be offered also on an execution-only basis (i.e. without requiring investment advice)?

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

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

Yes – for third pillar products

No – for second pillar products

We believe that the Basic PEPP should be designed in such a way that it can be offered on an execution-only basis, provided it is positioned as a third-pillar product. In this context, the product is voluntary, initiated by individuals, and designed to be simple, standardised, and safe. These features justify a lighter distribution framework. Requiring mandatory advice for such a product adds unnecessary complexity and cost, especially given that the Basic PEPP must already be assessed by both the manufacturer and the competent authority before entering the market.

In the third pillar, flexibility and accessibility are key. Allowing execution-only distribution would lower barriers to entry and could increase take-up, especially if supported by pre-approved online tools or calculators that help savers make informed choices without the need for full personalised advice. We support proposals such as those of EIOPA’s Occupational Pensions Stakeholder Group (OPSG) to allow the use of digital tools based on standardised product information from the registration phase. This would ensure consumer protection while reducing distribution costs.

By contrast, we do not support execution-only distribution in the context of second-pillar arrangements, which are typically occupational pensions involving employer participation and often mandatory or quasi-mandatory in nature. In such settings, professional advice, or at a minimum, structured communication, remains important to ensure that participants understand the implications of their pensions.

Finally, we believe there could be value in linking execution-only availability to the condition that contributions remain within nationally applicable tax-deductible limits. This would ensure consistency with national tax frameworks and preserve the pension purpose of the product.

15. Do you consider it is useful to maintain the availability of alternative investment options, in addition to the Basic PEPP?

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

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

Retaining an alternative investment option is useful in addition to the Basic PEPP. Alternative investment approaches may offer competitive returns and may better suit certain savers depending on their individual circumstances, such as risk appetite, financial situation, or personal preferences. Therefore, it is essential to maintain the possibility of alternative investment options alongside the Basic PEPP to meet the diverse needs of savers across Europe.

Sub-accounts

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

Stakeholders' views are sought on the following:

16. In your view, does the sub-account structure align effectively with the specificities inherent in a cross-border product, including how Member States grant tax or other relevant incentives for personal pension products?

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

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

We believe that the requirement to have sub-accounts in two Member States is one of the obstacles that has led to the PEPP's limited uptake. The requirement should, therefore, be deleted.

17. Do you consider the requirement for PEPP providers to offer sub-accounts for at least two Member States is necessary to foster cross-border provision of PEPPs?

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

Please elaborate your answer. In addition, should the Regulation ensure that savers have access to a PEPP from any PEPP provider, regardless of their Member State of residence and without requiring a sub-account to be available in that Member State?

Currently, the fragmentation between national markets is preventing the cross-border distribution of personal pensions, resulting in limited competition between providers, and an absence of portable personal pensions across Member States in the 3th pillar. While the PEPP was designed to address these challenges and create an EU-wide personal pension market, its current framework falls short of this objective. In fact, as highlighted in EIOPA's staff paper on the PEPP, many of the issues facing the PEPP are structural in nature.

In our view, strengthening capital-funded pensions will be essential to improve long-term pension adequacy and sustainability in the EU. The PEPP could play an important role in this, by offering a simple, portable, and transparent product that complements statutory and occupational pensions. However, the current obligation to maintain sub-accounts in at least two Member States may act as a barrier to this potential, as it imposes operational complexity and costs that could deter providers from entering the market.

To overcome these barriers, we fully support Enrico Letta's recommendation in his report Much More Than a Market that simplifying the PEPP should be a priority for the European Commission. In this context, the upcoming PEPP review should focus primarily on simplification, especially regarding portability. Providers should have the freedom to decide whether to offer national PEPPs or operate on a cross-border basis. Therefore, the current requirement to maintain sub-accounts in at least two Member States should be removed.

Addressing this, alongside streamlining other structural requirements, will create the necessary conditions for the PEPP to play a meaningful role in building a genuine EU market for personal pensions. In doing so, the PEPP can also contribute to the broader policy goal of expanding capital-funded pension provision across the EU, thereby strengthening retirement income security and deepening the EU's capital markets. We believe that a gradual, step-by-step process is the right approach to achieve full cross-border distribution of PEPPs.

Fee cap

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

Stakeholders' views are sought on the following:

18. Do you consider that the Basic PEPP should continue to be subject to a 1% fee cap?

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

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

In practice, the current fee cap plays a significant role for the limited provider participation, with only two providers entering the market across the EU. While comparisons are often made with occupational schemes such as the US 401(k), Australian Superannuation, or UK default funds, it is important to note that PEPPs operate under different cost structures. These differences, combined with the capped fee level, have created limited incentives for providers to engage, particularly given the administrative and compliance requirements. A more balanced approach to cost regulation could help unlock broader market participation while maintaining consumer protection.

19. If the fee cap for the Basic PEPP were to be maintained, do you think certain cost components (e.g. taxes, specific distribution costs) should be excluded from the cap, or that other adjustments to the cap should be considered?

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

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

We emphasise that it would be preferable to increase or entirely remove the fee cap for the Basic PEPP. A strict cap at the current level of 1% risks limiting the quality and availability of these products, especially when it must also cover personalised financial advice and all other costs. Excluding specific cost components from the cap is not our preferred approach, as maintaining transparency on the total costs for participants is essential. For these reasons, we believe that adjusting the cap upwards or removing it entirely is the most effective way to ensure that providers can offer high-quality PEPP products in a transparent and competitive manner.

Risk-mitigation techniques

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

Stakeholders' views are sought on the following:

20. In your view, do the existing risk-mitigation requirements strike an appropriate balance

between ensuring consumer protection and maintaining sufficient flexibility and incentive for PEPP providers to offer the PEPP?

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

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

We would like to reiterate the points made in our response to question 13. In our view, the risk mitigation techniques outlined in the PEPP RTS, which mandates a 92.5% probability of capital preservation at the start and throughout the decumulation phase, assessed using stochastic modelling, is inappropriate.

As previously explained, this modelling requirement places a significant burden on providers and severely limits their ability to implement effective lifecycle investment strategies. We believe that the current approach does not create the right conditions for providers to offer the PEPP and stands in contrast to the more flexible, nationally established frameworks for lifecycle strategies, as highlighted in question 13.

The framework should be reconsidered to allow greater flexibility, enabling providers to design lifecycle strategies that are simpler to implement and better positioned to deliver strong long-term returns. This enables meaningful exposure to high-growth assets such as equities and private markets. Ultimately, these rigid standards undermine consumer protection by preventing returns that are adequate to ensure financial security for PEPP savers.

Use in a workplace context

The EIOPA Staff Paper on the future of the PEPP suggests considering a PEPP that would combine occupational and personal pensions, noting that a single product may ensure scale and attract more providers, thus increasing offer for consumers. Stakeholders⁹ have also discussed this option. As a different option, stakeholders¹⁰ have also highlighted the possibility of adjusting specific requirements in the PEPP Regulation to allow its use as an employment benefit, while preserving its nature as a personal pension product.

Stakeholders' views are sought on the following:

21. Do you consider that the Basic PEPP should be explicitly open to use in a workplace context?

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

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

We do not support using PEPP products in a workplace context where a well-functioning occupational pension system is in place.

First, it is not entirely clear what is meant by "allowing the Basic PEPP to be used in a workplace context". The PEPP Regulation (Article 2(1)) defines the PEPP as a "personal pension product [...] between an individual saver and an entity on a voluntary basis" and "neither statutory nor an occupational pension product." Yet one of the two existing PEPPs is already offered via an employer who pays contributions without requiring matching by the

employee. This raises questions about whether participation is genuinely voluntary. We assume that the Commission is considering the possibility for employers to use the PEPP as their pension scheme and automatically enrol employees, without individual consent.

Allowing the PEPP into a workplace context would cause consistency issues. There are key differences between IORP II and PEPP: IORP II is based on minimum harmonisation and regulates institutions, while the PEPP Regulation is maximum harmonisation and regulates products. Introducing PEPPs into the workplace would create overlapping and potentially conflicting requirements (e.g. information rules) between occupational pensions within a single Member State.

From a Dutch perspective, there is no added value in introducing PEPP into the second pillar. The Netherlands already has a wide range of occupational products, based on national social security, collective governance by social partners, and carefully designed solidarity mechanisms. A workplace PEPP risks undermining these well-functioning systems. More broadly, occupational pensions are deeply embedded in national traditions, and it is not feasible to design a harmonised workplace PEPP that adequately reflects this diversity.

If PEPP in the workplace is nevertheless considered, it should only be optional for Member States and always remain complementary, not a substitute for occupational schemes. The product's voluntary nature must be safeguarded, requiring explicit employee consent. Moreover, any such arrangement would need alignment with national social and labour law, including equivalent information requirements (PBS) and an assessment of the legal implications of a quasi-mandatory product.

Until these questions are addressed, we strongly advise against adapting the PEPP to function as an occupational scheme. Its role should remain that of a voluntary third-pillar product, possibly with employer contributions, but without interfering with established national systems.

Registration and supervision

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

Stakeholders' views are sought on the following:

22. In your view, should the current rules on the registration of PEPP be revised?

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

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

23. Do you consider that the current rules for the supervision of PEPP should be revised?

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

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

Investment rules and diversification

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

Stakeholders' views are sought on the following question:

24. Do you consider the investment rules in the PEPP Regulation appropriate to support the achievement of adequate long-term returns?

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

Please elaborate your answer.

Level playing field across personal pension providers and rules on distribution

The lack of uptake of the PEPP is often explained by reference to existing national products that benefit from incentives. The EIOPA Staff Paper on the future of the PEPP has stressed the importance of considering the interaction of the PEPP with other competing pension products in order to address the underlying reasons for the low uptake of the PEPP. In addition, stakeholders¹¹ have also raised specific concerns regarding the distribution rules applicable to PEPP, particularly with respect to misalignment with distribution rules applicable to insurance intermediaries.

Stakeholders' views are sought on the following:

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

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

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

We firmly believe in the importance of achieving a level-playing field between PEPP and national third pillar PPPs. The 1% fee cap places the Basic PEPP at a significant competitive disadvantage compared to national personal pension products. As outlined in Question 18, the cap must cover not only production and management costs but also distribution and advisory services. This makes developing a sustainable business model extremely difficult, which helps to illustrate why there are only two providers currently offering PEPPs on the market. This is also why we strongly recommend removing the fee cap for the Basic PEPP.

In many Member States, the tax treatment of the PEPP often places on an unequal footing compared to other PPPs. This is a major deterrent for providers and savers alike. While the European Commission and EIOPA have limited competences in this area, EIOPA could nonetheless support providers by monitoring and publishing national tax rules applicable to PEPPs. This would offer a centralised information source, reduce administrative burden, and encourage more providers to offer fully portable PEPPs with multiple compartments.

Overall, we believe that PEPPs should be placed on an equal footing with national PPPs.

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

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

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

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

The existing PEPP regulatory framework in itself does not create the main obstacles to distribution. The limited uptake of PEPPs is primarily the result of other factors, such as unattractive tax treatment compared to national personal pension products, the restrictive 1% fee cap, and limited consumer awareness of the PEPP. These factors make it difficult for providers to develop sustainable business models and for savers to see a clear added value over existing national products.

In the Netherlands, the personal pension market already offers a wide range of competitive, well-regulated options. Unless PEPPs can compete on equal terms in areas such as product flexibility, there is little incentive for providers to enter the market or for consumers to choose a PEPP over existing solutions.

Addressing these issues, particularly by ensuring equal tax treatment, removing or raising the fee cap, and supporting awareness-raising measures at EU level, would do more to foster effective PEPP distribution than changes to the current regulatory framework.

Individual transfers

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

Stakeholders' views are sought on the following:

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

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

Please elaborate your answer.

From a Dutch perspective, an unconditional right for savers to transfer accumulated amounts between existing personal pension products and the PEPP would not be appropriate. While transfers could, in theory, improve competition and consumer choice in the third pillar, such a measure also carries important risks that need to be addressed before implementation.

In particular, frequent or unrestricted transfers could discourage long-term investment strategies by financial market participants. This would undermine the ability of pension providers to invest in illiquid assets that support higher long-term returns and contribute to the objectives of the Savings and Investment Union (SIU). For this reason, any framework for transfers should be carefully designed to avoid negative impacts on investment horizons and market stability.

We recognise that in Member States with limited or low-value personal pension offerings, the PEPP could serve as a valuable alternative. However, in countries like the Netherlands, where the personal pension market already offers high-value, competitive products, mandatory or unconditional transfer rights could disrupt a well-functioning system without delivering clear added value for savers.

Transparency, information and pension tracking systems

Transparency, clear disclosure and effective pension tracking are key to building trust and helping savers make informed decisions. info@dufas.nl
www.dufas.nl

Stakeholders' views are sought on the following:

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

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

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

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

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

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

Yes, we fully support the inclusion of PEPPs alongside other PPPs in PTSs as stated in our response to Part 1, we believe in improving transparency for savers on their retirement savings.

The core purpose of a PTS is to give individuals easy access to comprehensive information about their total pension entitlements, helping them understand how much they have saved, the types of benefits they can expect, and enabling them to identify gaps and take timely action.

This is why we advocate for the inclusion of all three pension pillars, to which PEPP belongs. Only a comprehensive and integrated approach can meaningfully improve savers' understanding and engagement with their retirement planning.

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

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

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

We believe that the primary objective of a PTS is to provide savers with clear, simple, and easily understandable information about their pension accruals, estimated retirement benefits, and default retirement age.

In this context, certain disclosure elements in the PEPP Benefit Statement that duplicate what is already included in the PTS could be removed to avoid redundancy. At the same time, some details in the PEPP Benefit Statement, such as information on portability or death, are not necessarily the most relevant information on a PTS. Including too much information risks overwhelming savers, making it harder for them to quickly understand how much they have saved and what they can expect at retirement.

If PEPP information is to be included in the PTS, this raises the question of how adding more detail for one optional product aligns with the overall purpose of the PTS. In our view, the PTS should first and foremost provide the comprehensive overview outlined in our response to the questions about the PTS. Any PEPP-specific information should be clearly positioned as 'layer 2' content, ensuring that the primary PTS view remains focused on the core pension overview.

Therefore, if the PEPP Benefit Statement is to be integrated into the PTS, then the layout should prioritise the most important information, with additional details presented in a secondary layer or on a separate page. If the PTS structure does not allow for such filtering and prioritisation, we recommend keeping the PEPP Benefit Statement and the PTS separate, while working to avoid duplications.

Finally, while the PEPP may be well suited to younger savers, it is important to remember the varying levels of digital literacy and that those without to digital platforms should also receive transparency information on their PEPPs.

Tax treatment

Commission Recommendation of 29 June 2017 on the tax treatment of personal pension products, including the pan-European Personal Pension Product,¹² encouraged Member States to grant PEPPs the same tax relief as the one granted to national personal pension products. Where Member States have more than one type of personal pension product, they were encouraged to give PEPPs the most favourable tax treatment available to their personal pension products.

31 To your knowledge, has the Commission Recommendation of 29 June 2017 led to the PEPP and other personal pension products being placed on a level playing field in terms of tax treatment?

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

Please elaborate your answer, providing relevant examples where possible.

The existence of heterogeneous tax regimes across the EU has not enabled the creation of a level playing field between PEPPs and other PPPs. In many Member States, PEPPs do not benefit from the same tax treatment as national products, placing them at a competitive disadvantage.

The OPSG paper examines whether PEPPs benefit from similar legal and fiscal conditions as national PPPs, including both direct and indirect incentives such as employer contributions. Based on this analysis, it is clear that tax treatment remains a major barrier to the development of PEPPs, with several Member States applying less favourable regimes than those granted to national products.

32 Would further action at the level of the European Union be necessary to ensure a level playing field in terms of tax treatment between the pan-European Personal Pension Product and other competing personal pension products?

a. Yes

b. No

c. No opinion

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

We acknowledge the limited scope of action possible for the European Commission and EIOPA on the matter of the tax treatment. However, we would still recommend that EIOPA monitors and publishes the tax rules applied to PEPPs in each Member State. Creating a centralised and regularly updated source of information would help PEPP providers navigate national compartments more efficiently and ultimately encourage greater provider participation and portability of PEPPs across the EU. The same tax treatment of the PEPP as national pension products can be recommended by the European Commission to Member States, as taxation is a national matter.

Other aspects

Stakeholders' views are sought on the following:

33 Are there any additional issues that you believe should be considered in the review of the PEPP Regulation?

a. Yes

b. No

c. No opinion

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

A key consideration is the positioning of the PEPP within the third pillar. From our perspective, the PEPP is best accommodated as a third-pillar product, voluntarily initiated by individuals as a complement to state and occupational pensions. In this context, the PEPP could also serve as a more return-oriented or "offensive" investment product, without necessarily requiring a mandatory lifecycle approach. This perspective has also informed our responses to previous questions. Flexibility is key when designing third-pillar products, particularly to appeal to younger savers or those with longer investment horizons. We are currently further revising our position on this point, but see clear value in allowing for greater product differentiation within the PEPP framework.

This also reinforces our view that the PEPP should remain clearly positioned as an optional, individually initiated product, and not be designed in a way that risks crowding out well-functioning national pension arrangements. By allowing greater flexibility and product differentiation, while safeguarding transparency and consumer protection, the PEPP can better serve a diverse group of savers across the EU, and

particularly those seeking higher-return strategies over the long term.

REVIEW OF THE IORP II DIRECTIVE

The main aim of this consultation is to explore how streamlining the framework for supplementary pension provision can increase trust, advance better investor returns (including by way of gaining exposure to a broader range of asset classes) while increasing the risk management capacity for doing so, and create more transparency on cost and returns.

On 28 September 2023 EIOPA presented its technical advice to the European Commission¹³ on possible changes to the IORP II Directive which will also be taken into consideration in the context of the review of that Directive.

This consultation also invites reflection on whether some or all the rules of the Directive, including its envisaged improvements, might be relevant for supplementary pension providers beyond those falling within the current scope of the Directive and not covered by any other piece of secondary legislation at the level of the European Union. Expanding the scope of the Directive could help ensure greater consistency in the level of protection afforded to members and beneficiaries, in particular for employment-related schemes, across different types of providers.

The prudent person rule, set out in Article 19 of the IORP II Directive, is a cornerstone of supplementary pensions' investment policies. It requires pension providers to invest their assets in the best long-term interests of members and beneficiaries as a whole. Investments must be diversified to avoid excessive dependence on any single asset or class. The IORP II Directive uses the prudent person principle as a framework for ensuring that IORPs invest their assets in a responsible and well-managed manner, with the ultimate goal of providing secure and adequate retirement benefits to their members.

In light of the limited cross-border provision, the consultation also explores whether the current framework allows IORPs to operate smoothly across borders. It looks at the functioning of cross-border notification procedures and the adequacy of cooperation between home and host supervisors, as well as whether supervisory powers are sufficiently clear and aligned.

Additional questions focus on the level playing field across providers, the adequacy of information requirements for members and beneficiaries, and the potential inclusion of institutions for retirement provision in national pension tracking systems to improve transparency. Finally, the consultation invites feedback on whether tax obstacles continue to hinder cross-border provision of occupational pensions and whether further EU action is needed to address these barriers.

Stakeholders are also encouraged to raise any other issues relevant to the review.

Investment rules and diversification

A recent stocktake¹⁴ indicates that, over the past decade, the median performance of second pillar pensions was approximately 0.9% when adjusted for inflation.

Under appropriate risk management frameworks, exposure to a diversified portfolio, including certain alternative asset classes, can help enhance long-term returns for scheme members and beneficiaries.

The IORP II Directive requires diversification of investments under the prudent person rule enshrined in Article 19 of the Directive. The rule aims at making sure pension providers invest their assets in the best long-term interests of members and beneficiaries as a whole. However,

the IORP II Directive also allows Member States to introduce concentration limits or other rules limiting investments by IORPs, provided that they are prudentially justified, which in certain cases may prevent IORPs from having access to certain asset classes.

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

Stakeholders' views are sought on the following:

34 Do you consider that a diversified portfolio of assets, including also investments in unlisted securities or alternative assets classes (with proper management and adequate risk safeguards) could enhance long-term returns for scheme members and beneficiaries?

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

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

In this context, institutional investors, particularly IORPs, can strengthen long-term retirement outcomes with broader and more diversified investment strategies to support sustainable growth while safeguarding the interests of their members.

Diversification across asset classes, including a balanced mix of public and private assets, can help enhance (expected) returns through mechanisms such as the illiquidity premium, improved risk-adjusted performance (Sharpe ratio), and reduced portfolio volatility over time. These benefits are particularly relevant in the context of life-cycle investment strategies, where younger savers may benefit from a longer investment horizon and greater risk capacity.

To fully realise the advantages of diversification, consistent and predictable policy frameworks, as well as effective cash flow management, are essential. This enables pension providers to invest with confidence and in alignment with their fiduciary duty to act in the best interests of members and beneficiaries.

While private assets can offer valuable diversification benefits, it is important that investment decisions remain at the discretion of the IORP and its asset managers. A range of flexible and balanced investment vehicles, beyond currently available structures, could support this objective. Facilitating cross-border access to such vehicles, while maintaining appropriate safeguards, may help broaden the investment universe and improve long-term outcomes for savers.

35 Are there in your knowledge any national quantitative or other type of investment rules imposing overly restrictive limits on investments in alternative assets?

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

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

In the Dutch context, there are no quantitative restrictions imposed by the regulator or supervisor that limit IORPs in their allocation to alternative assets. The prudent person principle is embedded in national legislation as an open norm, which includes the expectation that investments in non-regulated markets are maintained at prudent levels. Investment decisions are guided by comprehensive asset-liability management (ALM) studies and overseen by robust internal or external risk-management frameworks. While there are no fixed limits on specific asset classes, the open norm requires that the complexity of the portfolio is matched by an appropriate risk-management system. This approach is subject to supervision by De Nederlandsche Bank (DNB).

We believe that this open norm provides pension funds with the flexibility to assess the potential benefits of alternative asset allocations, such as improved long-term outcomes for participants, while also accounting for the associated costs and operational requirements. This allows for a tailored approach that reflects the specific characteristics and responsibilities of each pension institution.

Our members who manage pension schemes for multinational companies have observed that in several jurisdictions, such as Belgium, Switzerland, Austria, and Germany, quantitative restrictions on unlisted assets remain in place, and equity exposure is limited in parts of Central and Eastern Europe. These members would welcome a shift toward a risk-based framework similar to the Dutch model, which allows for more nuanced and participant-focused investment strategies. In this regard, a review of the IORP II framework could offer an opportunity to support such developments across Member States.

36 Do you consider that other factors, such as limited IORPs' expertise with unlisted asset classes, may contribute to the low level of diffusion of these investments among IORPs?

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

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

We do not believe that a lack of expertise is a primary factor explaining the relatively low allocation to unlisted assets among IORPs, at least not in the Dutch context.

In the Netherlands, IORPs either have in-house expertise or access to external fiduciary managers with specialist knowledge of unlisted asset classes, such as private equity, infrastructure, and private debt. Moreover, IORP boards are required to demonstrate to the supervisory authority (DNB) that they are in control, through clear investment mandates and robust control frameworks. This governance structure ensures that investment decisions, including those related to less liquid assets, are made professionally and responsibly.

The key challenge lies instead in the public perception of higher fees associated with unlisted investments. While net returns over the long term can be attractive and justify the fee levels, these benefits are not always immediately visible or well understood by the general public or stakeholders. This creates a reputational and communication challenge, rather than a technical or organisational one.

37 Do you consider that the current provisions on risk management in the IORP II Directive and the intervention capacity of supervisory authorities could be further enhanced to strengthen trust in institutions under the scope of the Directive?

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

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

38 Do you consider that the introduction of an explicit duty of care provision could further strengthen the level of protection of members and beneficiaries?

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

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

Some elements of context:

39 Do you consider that national competent authorities are adequately equipped under the Directive to oversee that assets are invested in the best long-term interests of members and beneficiaries as a whole?

- a. Yes
- b. No

c. No opinion

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

In the Netherlands, supervisors have adequate resources to ensure effective oversight. They are equipped with the necessary legal powers, technical expertise, and financial means to monitor compliance, assess risks, and intervene where needed. This contributes to a robust and well-functioning supervisory framework.

Bron: wetgevingsbrief AFM 2025

Scale

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

Stakeholders' views are sought on the following:

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

a. Yes

b. No

c. No opinion

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

We do not believe that scale is the primary determinant of investment capacity for IORPs. In the Netherlands, the significant consolidation that has taken place over the past decades, from around 1,500 pension funds to fewer than 140 today, has not been driven by investment limitations due to scale, but rather by increased governance requirements, rising regulatory costs, and the overall complexity of operating a pension scheme. These structural pressures have made it more challenging for smaller schemes to remain independently viable.

Importantly, smaller IORPs can still access the necessary expertise and diversification opportunities through various established mechanisms:

- *Fiduciary management arrangements, where investment strategy and execution are managed externally;*
- *Collective investment vehicles and asset pooling, often offered by asset managers and allowing multiple IORPs to benefit from economies of scale in implementation;*
- *Outsourced CIO structures, enabling professional oversight without the need for full in-house teams.*

These solutions make it possible for smaller pension funds to operate efficiently, meet regulatory requirements, and implement diversified investment strategies, including allocations to alternative and illiquid assets, without needing to consolidate structurally.

In short, scale alone is not a limiting factor for investment capacity within the Dutch IORP landscape. The sector has adapted by leveraging collaborative models and professional service providers. Further regulatory support should therefore focus not solely on promoting scale, but on preserving optionality and enabling access to professional investment support, regardless of fund size.

Collective transfers

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

Stakeholders' views are sought on the following:

41 Do you consider that the current framework for cross-border collective transfers between IORPs has managed to achieve the objectives that justified its introduction, namely facilitate the organisation of occupational retirement provision on a Union scale?

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

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

Cross-border operations

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

Stakeholders' views are sought on the following:

42 In your view, does the current EU legislative framework effectively ensure that cross-border activities of IORPs can be carried out in practice, in a proper and timely manner?

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

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

We believe that the current EU legislative framework, including the IORP II Directive, in principle allows for cross-border activities to be carried out properly and in a timely manner. From the perspective of the Dutch pension sector, the limited uptake of cross-border activity is not the result of shortcomings in IORP II, but rather due to persistent and significant differences in national tax systems, social security arrangements, labour law, and cultural preferences.

This view is aligned with EIOPA's own assessment. Regulatory alignment at EU level can only go so far when these national frameworks remain deeply divergent. These underlying differences create practical and legal complexity that extends well beyond the scope of IORP II. It is also important to emphasise that cross-border activities of IORPs should not be seen as an end in themselves, but rather as a means to achieve the broader goal of providing more and better pension provision for European citizens, as set out in Principle 15 of the European Pillar of Social Rights.

That said, to further support the functioning of the internal market, we support EIOPA's recommendation to revise Article 9 of the IORP II Directive, which governs cross-border procedures. A more proportionate and predictable framework, for example with simplified or time-bound notification procedures, could help reduce administrative friction and increase legal certainty for providers considering cross-border activity.

43 In your view, are the current supervisory powers for cross-border activities under the IORP II Directive adequate to ensure trust and prevent regulatory arbitrage?

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

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

The scope of the IORP Directive was defined in 2003 and has remained unchanged since. In several Member States, especially those that have joined the European Union in 2004 or later, IORPs are much less common or even absent. Instead, supplementary pensions are often provided through other institutions that also operate on a funded basis and at their own risk. These institutions serve similar purposes and typically offer schemes whose membership is often linked to employment. However, they usually fall outside the scope of any EU prudential legislation.

In 2016, the OECD replaced its previous Recommendation on Core Principles of Occupational Pension Regulation¹⁵ with the Recommendation on Core Principles of Private Pension Regulation¹⁶, which expanded the scope of the principles. Additionally, Regulation (EU) 2018/231 of the European Central Bank of 26 January 2018 on statistical reporting requirements for pension funds¹⁷, defines a scope which is not always aligned with that of the IORP II Directive.

Stakeholders' views are sought on the following:

44 In your view, could the current scope of the IORP II Directive be adjusted to better capture the diversity of the supplementary pension landscape and the organisation of the different pension systems across all Member States, to ensure a minimum level of protection for all supplementary pension savers across the European Union?

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

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

Minimum standards

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

Stakeholders' views are sought on the following:

45 In your view, does the existing framework ensure a level playing field for

all providers under the scope of the Directive across the European Union?

a. Yes

b. No

c. No opinion

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

Further supervisory convergence should not be considered an end in itself. What is more important is to ensure the timely and consistent implementation of the IORP II Directive across all Member States, while safeguarding the principle of subsidiarity.

We believe that the existing framework provides a sufficient basis for a level playing field across the European Union. As also highlighted by the European Court of Auditors (ECA) in Special Report 14/2025, a traditional level playing field may not be fully achievable or necessary due to the diversity of national pension systems and social traditions. However, what is essential is that regulatory arbitrage is effectively prevented, particularly in cross-border contexts.

We emphasise the importance of addressing constructs where IORPs are set up in one Member State solely to operate pension schemes in other Member States, especially when such arrangements circumvent the involvement of social partners. These practices can erode confidence in second-pillar pensions and undermine the legitimacy of national social and labour frameworks.

We therefore support targeted improvements to the IORP II Directive, focused on:

- *Establishing clear safeguards against regulatory arbitrage;*
- *Reinforcing the role of host-country social and labour law, particularly in relation to social partner involvement and benefit design.*

Such measures would preserve diversity in national pension systems while ensuring fair competition, trust in cross-border schemes, and protection of social standards.

Supervision

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

Stakeholders' views are request on the following:

46 In your view, has a satisfactory degree of supervisory convergence been achieved among national competent authorities in the implementation and application of the IORP II Directive?

a. Yes

b. No

c. No opinion

Please elaborate your answer. If no, what areas of supervision do you consider to be most affected by divergences, and what further steps could be taken at the level of the

European Union to promote more consistent supervisory practices across Member States?

The IORP II Directive is based on the principle of minimum harmonisation. Further convergence is neither necessary nor desirable, given the diversity of national pension systems across Member States. These systems vary significantly in structure, governance, and socio-economic context, meaning a one-size-fits-all approach could undermine national pension traditions and the effectiveness of local solutions. The current level of harmonisation strikes a balanced approach, allowing for common standards while respecting national specificities.

47 In your view, does the IORP II Directive sufficiently guarantee that national competent authorities in all Member States are equipped with all the necessary powers to effectively carry out their supervisory responsibilities?

a. Yes

b. No

c. No opinion

Please elaborate your answer.

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

The question of whether National Competent Authorities (NCAs) are equipped with all necessary powers to effectively fulfil their supervisory responsibilities is best addressed by the authorities themselves, given their direct experience and operational insight.

From our perspective, the current IORP II Directive appears to provide NCAs with a sufficiently robust framework to carry out their supervisory tasks. The Directive grants a range of powers that, in practice, support effective oversight, while allowing for flexibility to accommodate national pension system characteristics.

Should additional supervisory powers be considered in the context of a future revision of the Directive, we believe such proposals should be grounded in a thorough and evidence-based analysis of any identified shortcomings. This is particularly important given the Directive's nature as a minimum harmonisation instrument, where national discretion plays a key role. A tailored approach remains essential to reflect the diversity of pension arrangements across Member States.

Transparency, information and pension tracking systems

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

Stakeholders' views are sought on the following:

48 In your view, are the current rules in the IORP II Directive sufficient to ensure that all members and beneficiaries receive clear and effective information (e.g. on cost disclosure, performance, risk indicators and benefit projections)?

a. Yes

b. No

c. No opinion

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

49 Do you consider that all supplementary pension savers should have the right to receive certain general information about their supplementary pension scheme, regardless of the institution providing it?

a. Yes

b. No

c. No opinion

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

Yes, we support greater transparency for savers and believe they should have easy access to an overview of their savings across all pillars. This would help them understand their accumulated entitlements and expected retirement income. With this knowledge, savers would be in a stronger position to plan and, where possible, take steps to improve their future retirement outcomes.

50 In your view, could the inclusion of institutions under the scope of the Directive in national pension tracking systems improve transparency for savers?

a. Yes

b. No

c. No opinion

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

Overall, we support enhancing transparency for savers and promoting the use of PTS to achieve this goal. Requiring Member States to include IORPs in their PTS through the IORP II Directive would be a valuable step toward giving savers a clearer overview of their savings across all pillars.

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?

We believe that PTSs should be designed with a primary focus on providing savers with clear, accessible information about their pension accruals and projected retirement income. The most valuable information for users is a simple estimate of how much they have saved so far and what they can expect to receive at retirement.

Behavioural research consistently shows that to improve engagement with pension information, communication should focus on the most important information. Overloading savers with too many details

undermines their understanding and leads to disengagement. Additional PBS content should be presented in a separate section or layout to keep a streamlined user experience. In this context, it may be appropriate to remove any overlapping content from the PBS to avoid duplication.

At the same time, digital accessibility is different amongst individuals, with older savers being more likely not to be digitally literate. Ultimately, these people should still be able to receive the PBS in physical format provided if digital disclosures are not feasible for them.

Tax treatment

The 2001 Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions¹⁸ identified the elimination of such obstacles as a means of enabling pension institutions to operate with greater efficiency in meeting the needs of workers and employers, while also enhancing their role as more efficient suppliers of capital to business in their capacity as investors in the economy.

Stakeholders' views are sought on the following:

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

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

Yes, tax-related challenges continue to pose significant obstacles to the cross-border provision of occupational pensions. While differences in national tax systems are a well-known issue, certain specific bottlenecks merit closer attention.

Firstly, tax treatment of pension capital transfers remains a key concern. When individuals move between Member States, the transfer of accrued pension rights can trigger unintended tax consequences, potentially discouraging mobility and undermining the internal pension market.

Secondly, the taxation of cross-border pension contributions and benefit payments presents operational difficulties. Pension funds often face complex withholding obligations when beneficiaries reside in a different Member State than the fund's domicile. These obligations are not harmonised and can lead to delays, uncertainty, and additional administrative burdens and costs.

Thirdly, variations in the application of the EET (Exempt-Exempt-Taxed) principle across Member States create inconsistencies in how pension savings are taxed throughout their lifecycle. These disparities complicate cross-border pension arrangements and may result in unequal treatment of savers depending on their country of residence or employment.

While full harmonisation of national tax systems is not feasible due to the limits of EU competence in this area, we believe there is merit in exploring practical solutions to improve transparency and reduce friction. One such solution could be the development of a centralised EU-level data hub that provides clear, up-to-date information on national tax rules applicable to occupational pensions. This would support both providers and beneficiaries in navigating cross-border arrangements and help identify

potential tax implications early in the process.

Finally, in the context of strengthening EU investments, we underline the importance of a level playing field in the taxation of pension fund investments. Foreign IORPs should receive equal treatment to domestic IORPs, particularly regarding withholding tax procedures and access to corporate income tax exemptions. The implementation of the FASTER Directive addresses these disparities by ensuring that foreign IORPs can benefit from fast-track procedures and fair tax treatment across the Union.

Scope of prudential regulation

The IORP II Directive intended to clarify areas that are considered to be part of prudential regulation, in order to ensure legal certainty for the cross-border activities of IORPs.

Stakeholders' views are sought on the following:

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

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

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

Other aspects

Stakeholders' views are sought on the following:

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

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

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

In the Netherlands, a revision of the pension system is currently underway. Any revision of the IORP legislation would have a significant impact on this process. For this reason, such a revision would be best postponed until at least 2026.