



Association Européenne des Institutions Paritaires

European Association of Paritarian Institutions

Supplementary Pensions

AEIP response to the European Commission targeted consultation on supplementary pensions

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1. 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. EIOPA ([Technical advice on the development of pension tracking systems - 2021](#)) and OECD ([OECD Pensions Outlook 2024: Improving Asset-backed Pensions for Better Retirement Outcomes and More Resilient Pension Systems](#)) 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.

Question 1. Do you consider that the pension tracking system in your Member State functions well?

Yes

No, it should be extended/improved

No, my country doesn't have a tracking system

Don't know / no opinion / not applicable

Please elaborate your answer to question 1:

The answer to this question depends on the Member State (MS) in question. From a European perspective, while progress has been made in developing Pension Tracking Systems (PTS), EIOPA's Technical advice on the development of PTS (2021) shows that still 7 MSs do not have a PTS in place nor are planning to introduce one, and in most MSs with a PTS in place, they remain limited in both scope and functionality. Many systems focus primarily on the public (statutory) pension pillar and fail to incorporate occupational and personal pension schemes, which are becoming increasingly important due to the diversification of retirement income sources.

Moreover, some of the existing systems lack integration and consistency, meaning individuals may need to consult multiple sources to get a complete view of their pension entitlements or some contributions are missing. This fragmentation reduces transparency and makes it difficult for users to accurately assess their retirement readiness.

To be fully effective, PTS should:

- Be updated regularly to reflect current and accrued entitlements.
- Integrate all pension pillars into a single digital platform provided that retirement eligibility and

benefit liquidation rules are appropriately aligned.

- Use clear and accessible language
 - Be accessible across digital devices and with secure digital ID verification.
 - Be inter-operable/connected to the European Tracking Service on pensions (ETS), to help mobile workers to have a consolidated overview of their pensions across countries
 - Avoid double reporting: pension providers should not be burdened with additional reporting beyond those currently required for similar purposes (e.g. IORP's Pension Benefit Statement).
- Once a PTS is fully in place and achieves the goal of providing a comprehensive overview of pension accruals, additional functionalities can be added, for example, to support decision making (early retirement, additional saving, decumulation options). However, additional functionalities depend on the nature of the pension system and the extent to which pension providers already provide, or are already required to offer, such functionality.

A citizen-centric design approach, focused on pedagogical clarity, inclusiveness, transparency, and usability, is essential to increase adoption and trust.

AEIP is strongly committed to improving the clarity and accessibility of pension rights, as a representative of paritarian institutions managing workplace pensions of a large number of employees. In several Member States, these institutions play a key role in delivering personalised and comprehensive pension information services, covering both the first and second pillars through a single platform.

Question 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:

	1	2	3	4	5
Access to the system and the information provided is simple and secure	X				
Users can be sure that the information is objective, i.e. not influenced by the interest of those that provide the information		X			
The system covers all pillars of the pension system			X		
The system is cost-effective				X	
Other					X

Please elaborate your answer to question 2:

All options above are important, some are not comparable and thus difficult to rank.

1: Access to the system and information must be simple and secure: citizens should log in or access the system easily, through secure and intuitive means, and navigate the platform without expert knowledge. A seamless, user-friendly experience fosters engagement and repeated use. PTS can raise awareness of retirement entitlements only if easily accessible and providing simple and comprehensible information.

MSs must balance accessibility and simplicity of information, as digital tools may exclude individuals with low digital literacy. Robust data protection and privacy is also essential to protect sensitive personal information and boost trust. The European Tracking Service on pensions (ETS) helps users, particularly mobile workers, track their pension entitlements across EU MSs. It also encourages users to explore whether they have pension rights in schemes they may be unaware of, helping prevent unclaimed entitlements. This is a common issue for cross-border workers.

On digital accessibility, eIDAS 2.0 introduces the European Digital Identity Wallet (EUDI Wallet), reworking the Europe-wide framework for trust services and allowing secure digital authentication across all MSs. A person working in multiple EU countries could use one trusted eID wallet to access PTS in each MS, without needing reauthentication. Identifying users via an attribute provided by the wallet would also benefit citizens by simplifying processes and identification. The wallet's attributes could also improve interoperability, enhance security, and support ETS development.

2: Information must be objective, not influenced by the interest of those providing the information. Standardisation enables aggregation as much as possible, which helps to provide an overview of pension entitlements.

We agree with EIOPA's advice that a PTS should serve as a public good. This has implications on the choice of the governance structure and the funding models. A well-governed PTS fosters citizens' trust and must follow principles of good governance: non-profit, independence, credibility, and transparency. The main goal of a PTS consists of providing a clear and comprehensive overview of pension entitlements. A single, independent non-profit operator ensures data remains unbiased.

3: Comprehensive coverage is a cornerstone of any effective PTS: only when all pension entitlements are included can users see their full retirement outlook. Without it, individuals may make poor financial decisions. Still, challenges exist:

- **Variability across MSs:** the relevance of including all pillars depends on the national context. In some MS, supplementary pensions, especially paritarian occupational schemes (which AEIP strongly promotes) are well integrated into the national pension system and play a significant role. In others, instead, they are less prominent and serve mainly as individual financial products. Hence, the relative importance of cross-pillar coverage should be assessed accordingly. A ETS would particularly benefit mobile EU citizens with accrued rights across multiple MSs and schemes.
- **Practical implementation challenges:** Including pillar I pensions can be complex as pension eligibility and estimated entitlements must align with the EU Regulation 883/2004 on the coordination of social security systems. This should be a priority in the implementation of PTS.

Integration pillar III can also be challenging in some MSs due to significant differences in product design.

Thus, while full coverage is desirable, it must be carefully implemented to avoid confusion, and its importance should reflect national contexts.

4: Cost-effectiveness. While ensuring that a PTS remains free for citizens is key, high operating costs may still indirectly affect participants through higher fees or reduced benefits. Thus, cost-effectiveness is key not only for policymakers and providers, but also for users.

In MS with a well-established PTS, the platform is often the primary source of information on pension entitlements. Only after consulting the PTS, do participants typically turn to individual pension providers. Therefore, MSs should explore streamlining regulatory requirements— pre-contractual disclosures and annual Pension Benefit Statements, if not already aligned. Reducing duplication would enhance clarity for users and lower compliance costs for providers. This supports the development of more efficient and scalable PTS solutions and the EC goal of cutting unnecessary administrative burdens. Still, simplification must not reduce transparency: the goal is to improve delivery and accessibility of information, not to limit information available to participants.

Other: harmonizing data standards: unlike objectivity, accessibility, and comprehensive coverage, which directly affect the end user’s trust, understanding, and ability to act, data harmonization primarily concerns technical consistency between systems and providers. It facilitates interoperability and data integration, but the user does not experience it directly. A citizen doesn’t see “harmonized data”; they see accurate or inaccurate information, which is shaped more by coverage and governance than by technical standards alone. Harmonization is a long-term technical process that can be progressively improved. Its evolving nature and complexity across jurisdictions mean that perfect harmonization is not a prerequisite for launching or operating a useful and trustworthy PTS, especially in its early phases.

Question 3. Which of the following elements should a pension tracking system cover?

Please rank options according to their importance:

(Please see also the questions on transparency in sections 4. and 5.)

	1	2	3	4	5
Information from all schemes about past contributions and accrued entitlements		X			

	1	2	3	4	5
Projected pension benefits at a set retirement age based on standard career assumptions	X				
Possibility to simulate pension entitlements under different scenarios of individual contributions, retirement age, investment allocations, and financial market developments (where relevant)			X		
Information about the options and the pay-out (net of taxes) a citizen can expect in case of early withdrawal				X	
Other					

Please elaborate your answer to question 3:

The ranking of the answers to this question depends on the MS considered.

Rank 1: Projected pension benefits at a set retirement age based on standard career assumptions: projected pension benefits of different schemes should be presented in such a way that they can be aggregated, to the extent possible. While projections rely on assumptions, they are useful for retirement planning and allow users to gauge whether their current trajectory will provide sufficient retirement income.

This approach helps users understand the range of possible outcomes and enhances financial preparedness, especially in uncertain economic conditions. It can also promote more informed decision-making, encouraging users to adjust saving behaviour if projections under the pessimistic scenario show a risk of shortfall.

Rank 2: Information from all schemes about accrued entitlements and, where relevant, past contributions: a fundamental component of any PTS is the provision of accurate and comprehensive data on accrued entitlements, as this gives users a clear and consolidated view of the pension rights they have earned across different schemes (Pillar I, II, and possibly III). This is particularly significant for career break periods, such as maternity leave, illness, or unemployment. During such periods, solidarity-based entitlements may be accrued under Pillar I and II schemes. However, we would like to emphasise that the PTS should focus only on entitlements accrued, rather than paid contributions. Communicating contributions would lead to additional complexity by adding non-actionable information, which may not be fully understood by all users. Member States should have the possibility to align information from pension tracking services with the information that is currently available in national pension statements.

Importantly, the presentation of accrued entitlements should allow for easy aggregation across schemes, enabling users to understand their total pension position in a coherent and meaningful way. (See also our comments on comprehensive coverage in Q2.)

Rank 3: more advanced users will benefit from simulation tools that allow them to explore different career and retirement scenarios, going beyond the simple comparison of amounts at different ages of retirement, using transitional mechanisms towards retirement (e.g., phased retirement or combining work and pension) —such as shifting professional pathways, changing contribution rates, or selecting different investment strategies (where applicable). These tools empower users to make informed decisions and improve financial literacy. At the same time, we highlight that introducing complex simulations on pension entitlements under several scenarios can significantly increase the costs of establishing and managing a PTS. Simulations should be offered in a manner that does not undermine the understandability of the core information in the PTS.

Rank 4: Information about the options and the pay-out a citizen can expect in case of early withdrawal: this information is relevant only for those MSs that allows different pay-out options or early withdrawals. Where possible, information on early withdrawal options and net pay-out estimates should in principle be included to inform citizens of the financial trade-offs of accessing pensions early, but this should be framed carefully to avoid encouraging premature pension drawdowns unless necessary.

Other: Additional guidance and contact points

To enhance user understanding—particularly during life transitions—the PTS could clearly indicate where more detailed or personalized information can be obtained. This includes linking directly to the relevant pension institutions or providers.

Including contact links or even integrated messaging portals would allow users to take immediate action based on what they see in the PTS, and would also promote trust in the accuracy of the data.

In any case, the information provided by the PTS should be considered indicative and not legally binding.

Question 4. What do you consider are the most difficult challenges in setting up a pension tracking system?

Please rank options according to their importance:

	1	2	3	4	5	6
Data protection			X			
Accuracy and impartiality of data	X					
Access to the platform and presentation of the information		X				

	1	2	3	4	5	6
Maintenance and governance of the platform				X		
Inter-operability with pension tracking systems across Member States					X	
Other						

Please elaborate your answer to question 4:

The ranking of the answers to this question depends on the MS considered.

Rank 1: The greatest challenge in setting up a PTS is ensuring that the key pension data—across statutory, occupational and, where applicable, personal schemes—is accurate, complete, and impartial. At the same time, the PTS should ensure users to distinguish between the different statuses of their pension entitlements and the factors that may influence their future pension amounts. Data standardisation is also essential to facilitate comparison and consolidation of pension information.

Rank 2: Even with accurate data, a PTS will fail if users cannot easily access it or understand the information. Digital tools must be intuitive and accessible to users with different digital skills. Users should be involved and engage at multiple stages throughout the design process of the PTS to ensure its relevance and usability. The platform must also strike the right balance between clarity and completeness, avoiding information overload while conveying essential entitlements. Accessibility and usability are enablers of user trust and engagement, but they depend on the successful resolution of deeper data and integration issues.

Rank 3: While critical, data protection challenges are more solvable today thanks to advances in encryption, identity verification (e.g. eIDAS, EUDI Wallet), and consent-based data access frameworks. That said, strong data governance is still needed to ensure compliance with GDPR, protect against misuse, and build public trust. Security should be designed into the architecture from the beginning, especially given the sensitivity of personal financial and employment data.

Rank 4: Clear governance and sustainable funding models are essential to ensure the long-term success of a PTS. While often seen as an administrative issue, poor governance can derail even technically sound platforms. Successful PTS implementations (e.g. in the Netherlands, Belgium, France, or Sweden) show that once the governance and operational model is set, the system can run reliably and cost-effectively.

This challenge includes assigning roles, ensuring independence from commercial interests, and deciding whether to pursue public, private, or hybrid funding models. It is critical—but once established, relatively stable. However, we would like to stress that EU-wide solutions, including EC recommendations and the ETS, should not aim to replace or override national entities providing

pension statements. For example, standardising the database of statutory (first pillar) pensions is not feasible due to different national pension policies, systems, and labour laws.

Rank 5: cross-border interoperability is the next major challenge—especially important in the context of the European Union, where labour mobility is encouraged. Citizens who have worked in multiple MSs often face significant difficulties tracking their entitlements across different pension regimes. Without integration or coordination among national PTS, these users are left with a disjointed and incomplete view of their retirement benefits. The ETS aims to solve this through a federated approach, connecting national PTSs rather than replacing them. However, technical integration remains limited: only a few countries are connected. In the long term, ETS could be a crucial tool for EU workers with cross-border careers, but delivering this vision requires legal, technical, and political coordination at the EU level. The European Commission is playing a crucial role to support its development and must continue to do so.

An important but often underappreciated challenge lies in the legal foundations for cross-border data exchange. In some cases, national legislation does not yet provide a clear legal basis for PTS to share personal data across borders—even where robust technical solutions and individual consent mechanisms are in place. This gap stems largely from the fact that existing legal frameworks were designed in a context where cross-border data exchange for pension tracking was not anticipated. As a result, even where there is political will and technical readiness to connect across borders, the absence of an explicit legal provision authorizing such data exchange can delay or block participation. Overcoming this typically requires amendments to national law, a process that involves legal, administrative, and sometimes political complexity. Therefore, the EC could include in its recommendations to MSs to provide in their national legislation a legal basis for data exchanges between PTSs in the context of the ETS when a PTS is established.

2. 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 report](#) and in the [Ageing report](#). EIOPA analysed data gaps and advised on steps to set up pension dashboards.

Question 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 options according to their importance:

	1	2	3	4	5
Detailed data about occupational and personal pensions, in addition to statutory pension	X				
Breakdown of pension data by different cohorts of the population (e.g. by gender, age, type of employment, economic sector, income, etc.)			X		
A forward-looking projection of pension adequacy and sustainability, based on transparent and robust assumptions.		X			
Consistent data and methodology across Member States to allow for comparisons					X
Other elements				X	

Please elaborate your answer to question 5:

We would like to stress from the outset that it is difficult to provide a definitive answer to the question posed, as the precise structure, purpose and intended use of the pension dashboard remain unclear. Without clarity, there is a risk of misuse, for example, through the creation of cross-country rankings or benchmarks that ignore the diversity and complexity of MS' pension systems. Moreover, the heterogeneity and complexity of national pension systems make it challenging to define fair and impartial criteria for pension dashboards.

We believe pension dashboards can be valuable national policy support tools if grounded in subsidiarity, built on existing data, and designed to enhance transparency and informed debate, not to harmonise or compare.

We propose the following guiding principles:

- Purpose clarity: dashboards must be designed with a clearly defined and limited purpose—supporting national reform dialogue, not EU-wide ranking.
- Respect for diversity: the variety of pension systems reflects different policy goals and legitimate national choices. This diversity must be preserved.
- Use of existing data: dashboards should be based on data already collected, including from the Pension Adequacy Report and the Ageing Report.
- No additional reporting burden: new obligations on pension providers or institutions, particularly for IORPs, should be avoided.

- Transparency and reliability: data should be verifiable, assumptions clearly stated, and procedural safeguards ensured.

Ranking:

Rank 1. Detailed data about occupational and personal pensions, in addition to statutory pensions
To provide a meaningful and complete picture of pension adequacy and sustainability, all three pillars of the pension system should be reflected—particularly in countries with well-developed occupational and personal pensions. However, this should be pursued in a phased and pragmatic manner, using data that is already available from national and EU-level sources. We oppose new reporting obligations introduced for the sole goal of feeding the dashboard. Dashboards should be built on existing statistical outputs and administrative data from already available sources.

Rank 2. A forward-looking projection of pension adequacy and sustainability, based on transparent and robust assumptions

Projections are valuable tools for anticipating future challenges such as demographic change, labour market transformation, or fiscal pressures. However, they must:

- Be based on realistic, transparent, and context-sensitive assumptions;
- Be anchored in existing EU tools, such as the Ageing Report and Pension Adequacy Report, which already provide long-term, peer-reviewed projections;
- Be clearly presented as internal policy planning tools—not instruments for cross-country comparison or policy convergence.

Forward-looking elements should inform national debate, not impose uniform standards.

Rank 3: Breakdown of pension data by different cohorts of the population (e.g. gender, age, employment type, sector, income)

Aggregate figures often conceal significant disparities. Disaggregated data is essential to identify inequalities and support targeted policy interventions, particularly for groups structurally disadvantaged in pension outcomes.

We support:

- Gender-specific data to monitor pension gender gaps;
- Age-based breakdowns to assess intergenerational equity;
- Employment and sector-based data to inform occupational pension development and social dialogue.

This data should be derived from existing sources, without imposing new administrative burdens.

Rank 4. Other elements

Beyond content, the presentation, reliability, and governance of the dashboard are critical to its effectiveness. We recommend the following:

- The dashboard should be attractive and intuitive, suitable for use by policymakers, researchers, journalists, and the wider public;
- Consideration should be given to a visual format, e.g., colour-coded signals (red/orange/green), similar to the Macroeconomic Imbalance Procedure scoreboard;
- Stability over time is essential to allow users to track trends, rather than facing shifting indicators or formats each year;
- National granularity should be allowed to reflect local contexts;

- Procedural guarantees should ensure data reliability—potentially through oversight by EU Independent Fiscal Institutions, as established under Council Directive 2011/85 and Regulation 473/2013.

These features would improve both transparency and public trust in the dashboard as a policy tool.

Rank 5. Consistent data and methodology across MSs to allow for comparisons

While consistency in definitions can be helpful, we oppose the use of dashboards for cross-country performance comparison, ranking, or harmonised scoring. Pension systems differ substantially due to legitimate national choices, histories, priorities, and have different goals within the social protection systems they operate.

Question 6. Which dimensions of a pension system’s performance do you find most meaningful?

Please rank options according to their importance:

	1	2	3	4	5
Income replacement, i.e. the level of retirement income relative to work income now or in the future	X				
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		X			
Contribution to poverty reduction and equality				X	
Fiscal costs now and in the future			X		
Other					X

Please elaborate your answer to question 6:

A Pension Policy for a more Social and Competitive Europe must be grounded in Principle 15 of the European Pillar of Social Rights: *“Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Everyone in old age has the right to resources that ensure living in dignity.”*

Pension systems should therefore be assessed against their ability to maintain income, reduce poverty, and remain financially sustainable—not in isolation, but in transparent balance. The EU’s competences in pensions are limited, but there is clear value in improving data transparency, citizens understanding, and policy coordination, especially as pension failures in one Member State may contribute to broader macroeconomic and fiscal instability, affecting others. For instance, the EU

Pension Adequacy Report and Ageing Report already provide extensive and high-quality information on national pension systems, but they are published only every three years. AEIP would like to encourage further development in the publication of such comprehensive and statistical reports, which should go beyond a focus on only on key indicators. Pension information management should always go hand in hand with ensuring both the adequacy of pension security and financial sustainability.

Rank 1: Income replacement

Maintaining individuals' living standards in retirement relative to their working income is a central function of pension systems. Income replacement rates are thus a core adequacy indicator and a key driver of public trust.

Supplementary pensions, particularly occupational pensions, play an essential role in enhancing replacement levels, especially where public schemes are limited. Dashboards must reflect the full pension picture, including second and third pillars, to capture this function accurately.

Rank 2: Pension sustainability

We support the goal of long-term financial sustainability, but only in conjunction with adequacy. A system that is fiscally balanced but delivers inadequate benefits cannot be considered successful. We encourage a multi-pillar approach and regular reviews of retirement ages, contribution levels, and financing structures. Transparency on projected liabilities and long-term demographic trends is critical, but sustainability assessments must avoid promoting benefit retrenchment without social consideration.

Rank 3: Fiscal costs

Improving pension adequacy almost always comes with fiscal implications. Higher benefits, lower contribution thresholds, or inclusive rules all increase public expenditure. As life expectancy rises, fiscal pressures intensify, prompting many MSs to raise the retirement age or adjust indexation. It is therefore crucial to evaluate pension systems in terms of short- and long-term budgetary impact, while also considering:

- Intergenerational fairness;
- Macroeconomic multipliers from secure old-age incomes;
- The trade-offs between adequacy, coverage, and fiscal effort.

Transparency on fiscal cost projections, alongside clear governance, is essential to support public debate and policy credibility. Failure to address fiscal sustainability may lead to budgetary risks that spill over across the EU.

Rank 4: Contribution to poverty reduction and equality

Pension systems are not only income replacement tools but also pillars of social protection. Ensuring that no one faces old-age poverty is a fundamental duty of welfare states. This includes reducing inequalities based on gender, income, and employment type.

We stress the importance of:

- Gender-sensitive design, to reduce lifetime inequalities;
- Inclusion of part-time, self-employed, and non-standard workers;
- Recognition of unpaid care work, particularly for women.

At the same time, we highlight that pensions alone cannot ensure fairness. For instance, adequate minimum income guarantees, healthcare, and social services are also essential. However, pension indicators must reflect these broader social roles and impacts.

Rank 5: Other dimensions

Several other factors influence the effectiveness and public legitimacy of pension systems. These include:

- Coverage rates across all pillars, as a precondition for future adequacy;
- Gender pension gaps and efforts to reduce them;
- Inclusion of younger and atypical workers;
- Role of social partners in governance and design;
- System stability, transparency, and long-term public confidence.

These qualitative elements should complement core metrics and be part of dashboard visualisation and interpretation. Transparency also requires accessible formats and procedural reliability. A well-designed pension dashboard should:

- Offer clear infographics, e.g., using colour codes like red/orange/green;
- Be stable in format to track trends over time;
- Include data verification mechanisms, potentially involving independent fiscal institutions, as outlined in EU fiscal governance regulations.

3. 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](#).

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.

Question 7. What are in your views the key features for an auto-enrolment mechanism to be successful?

Please rank options according to their importance:

	1	2	3	4	5	6	7	8
Provision of auto-enrolment administration facilities by the State				X				
Starting with low contribution rates for participants with their gradual escalation over time					X			
Duration and recurrence of opt-out windows and options for re-enrolment						X		
State incentives (e.g. tax or subsidies), with calibration based on income categories			X					
Preservation of statutory pension benefits and sustainability		X						
Full or partial early withdrawal of pension benefits (subject to penalty, where relevant)								X
Involvement of social partners in its design	X							
Other								

Please elaborate your answer to question 7:

Auto-enrolment can be a valuable tool in MSs where occupational pension systems remain underdeveloped, and participation is largely voluntary. In such contexts, the introduction of a well-designed auto-enrolment regime could prove transformative—significantly broadening coverage,

fostering long-term savings discipline, and markedly improving the adequacy of retirement incomes. In these countries, auto-enrolment represents not just a useful mechanism, but a critical policy lever to address persistent gaps in pension provision and enhance overall retirement security.

However, in countries where occupational pensions are already widespread and participation is mandatory or quasi-mandatory, the introduction of auto-enrolment may not offer additional benefits. In fact, it could risk undermining the well-functioning (paritarian governance) models that are already in place. AEIP believes that any approach to auto-enrolment must be sensitive to the existing national pension landscape and avoid disrupting established, successful frameworks.

A core principle in designing an effective auto-enrolment mechanism is the involvement of social partners. Their engagement enhances trust and ensures long-term stability. In MSs where social dialogue is less developed, targeted government intervention may be required to support implementation.

A phased contribution model — starting with modest rates and gradually increasing over time — can be a pragmatic approach. Nonetheless, contribution levels must be carefully calibrated to achieve adequate replacement rates. Starting with contributions that are too low may lead to insufficient pension entitlements and ultimately diminish public confidence in both occupational pensions and the broader social protection system. The inertia that leads to low opt-out rates could also result in relatively few people taking proactive steps to make additional savings for their pension.

Regarding the decumulation phase, AEIP emphasises that the design of benefit payout options — including annuities, programmed withdrawals, or lump sums — should be aligned with the function of the occupational scheme within the national pension system and the tax treatment determined by the state. While lifetime income streams can offer strong protection against longevity risk, flexibility in decumulation may be appropriate in certain systems where occupational pensions serve a supplementary role. The overarching objective, however, must remain the provision of secure and adequate income throughout retirement.

Conversely, early withdrawals should be avoided or, if introduced, confined to specific and well-defined hardship scenarios, such as severe illness or financial distress.

Question 8. In your opinion, what should be the features that the default pension plan(s) should have to be successful?

Please rank options according to their importance:

	1	2	3	4	5	6
Life-cycle asset allocation (more prudent as the retirement date approaches)	X					
Option to shift pension plan and risk profile at a later stage (in addition to opt out)					X	

	1	2	3	4	5	6
Minimum contribution, with the option to increase it at later stage		X				
Capital guarantee, despite expected lower return compared to solutions without that guarantee			X			
Sufficient scope of target population, to ensure cost effectiveness and investment diversification capability of the default fund(s)				X		
Other						

Please elaborate your answer to question 8:

A default pension plan can only be effective if it is carefully aligned with the structure of the national pension system, particularly the first pillar and the characteristics of existing occupational pension schemes. Any such plan must complement, rather than disrupt, the established framework within a given MS.

With respect to investment design, AEIP recommends the adoption of a life-cycle asset allocation strategy. This approach, which adjusts investment risk based on the participant's age or time to retirement, is particularly important when benefits are converted into a fixed annuity with an external provider. In such cases, life-cycle allocation helps to mitigate market risks as individuals approach retirement, thus safeguarding their accrued savings.

As noted in our response to Question 7, it may be acceptable for initial contribution rates to start at a modest level, but it is critical that these rates increase over time to ensure the accumulation of adequate pension benefits. Relying on individuals to voluntarily raise their contributions is generally unrealistic. In this regard, auto-enrolment mechanisms that leverage behavioural inertia can play a vital role in helping individuals build sufficient retirement income.

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

The legislator

The social partners, where applicable

The employer

Other

Don't know / no opinion / not applicable

Please elaborate your answer to question 9:

The responsibility for establishing a default pension plan varies across MSs, reflecting differences in national pension systems and institutional frameworks. Nevertheless, in countries where social dialogue is well developed, AEIP strongly recommends that social partners be meaningfully involved in both the design and implementation of default schemes.

Social partners can play a key role in the governance, oversight, and ongoing management of default pension plans. Their active involvement helps to preserve the paritarian nature of occupational pensions, limits excessive government intervention, and reduces the risk of fund nationalisation. This, in turn, contributes to greater trust, long-term stability, and alignment with the specific needs of workers and employers.

In MSs where social dialogue is less developed or where social partners are unable to assume this role, employers should take responsibility for establishing the default pension scheme. This can be done either through a private market provider or, if necessary, through a publicly supported provider set up by the government. In all cases, the goal should be to ensure professional, efficient, and transparent scheme management that supports adequate and sustainable retirement outcomes.

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

Granting of equivalent tax incentives or other subsidies to participate in private pension plans

Granting of equivalent tax incentives or other subsidies to participate in in general default occupational pension plans only

Other

Don't know / no opinion / not applicable

Please elaborate your answer to question 10:

By general default occupational pension plans, we define occupational pension plans as collectively organised arrangements—whether at the national, sectoral, or similar level—where representatives of members and beneficiaries actively participate in the governance and management of the plan.

Question 11. What is in your view the task of the public authorities in enabling the use of auto-enrolment?

Please rank options according to their importance:

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

	1	2	3	4	5	6	7
To set the relevant legal framework	X						
To provide detailed guidance to employers and other bodies			X				
To provide tax incentives or public subsidies to the target population		X					
To provide tax incentives or compensation for employers or other bodies that administer enrolment, contributions and pay-outs					X		
To provide administrative support				X			
To provide comprehensive and impartial information to the target population						X	

	1	2	3	4	5	6	7
Others							X

Please elaborate your answer to question 11:

The role of public authorities in enabling auto-enrolment mechanisms must be tailored to the institutional and pension landscape of each MS. However, several core responsibilities are universally important to ensure that such mechanisms function effectively, support adequate pension outcomes, and preserve the integrity of existing paritarian models.

Rank 1: Setting the relevant legal framework

The primary responsibility of public authorities is to establish a clear, robust, and enabling legal framework for auto-enrolment. This includes defining the scope, rules for participation and opt-out, eligibility criteria, and minimum standards for scheme design. A stable legal foundation is essential to build trust, ensure regulatory certainty for stakeholders, and provide consistency across the pension system.

Rank 2: Providing tax incentives or public subsidies to the target population

To foster participation, especially among low- and middle-income workers, public authorities should offer targeted tax incentives or subsidies. These measures can improve pension adequacy and strengthen the perceived value of participation, particularly in systems where voluntary enrolment has yielded limited coverage.

Rank 3: Providing detailed guidance to employers and other implementing bodies

Clear and comprehensive guidance for employers, providers, and administrators is necessary to support effective implementation and reduce administrative burdens. This includes technical instructions, templates, and compliance protocols to ensure smooth integration into payroll systems and alignment with national social, labour and pension policies.

Rank 4: Providing administrative support

Public authorities can also play a supportive role by facilitating the administrative processes related to enrolment, data management, and reporting, particularly for smaller employers. This can include digital infrastructure or coordination platforms that reduce complexity and costs.

Rank 5: Providing tax incentives or compensation for employers or scheme administrators

Employers and other bodies responsible for administering auto-enrolment could be compensated for the additional administrative and compliance costs they incur. Incentivising their involvement helps ensure employer buy-in and long-term scheme sustainability.

Rank 6: Providing comprehensive and impartial information to the target population

Although ranked lower in priority, transparent and unbiased public communication is vital to foster understanding and trust in auto-enrolment. Public authorities should ensure that individuals are fully informed about their rights, choices, and the long-term value of participating in the scheme.

Rank 7: Other

In addition to the above, AEIP emphasises that the involvement of social partners can be a critical enabling factor in many MSs. Public authorities should actively support a paritarian approach to scheme design and governance, which has proven effective in ensuring sustainability, adequacy, and legitimacy in occupational pensions.

4. Review of the PEPP Regulation

Since its launch, the PEPP has not experienced material uptake across the EU. According to an [EIOPA staff paper 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](#), “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”.

Question

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 12, specifying 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 proved to not enable broad uptake across the EU nor adequately ensure sufficient retirement income or advance the SIU effectively. In our opinion, the EC's overall objective should not be to enable a wide expansion of the Basic PEPP, but rather to focus on improving pension adequacy by strengthening occupational pensions through the further development of the paritarian model of governance, which have proven to deliver good retirement outcomes and robust social protection. Paritarian funds benefit from sound governance and offer risk-sharing mechanisms, making them a more reliable foundation for supplementary retirement income.

Key limitations of the Basic PEPP include:

- Lack of harmonized tax incentives across Member States, which remains the most significant barrier for both providers and savers.
- Restrictive default investment strategies that are overly conservative and inflexible, limiting the potential for adequate long-term growth.
- Cost caps and regulatory burdens that reduce provider interest and innovation.
- Low public awareness, which hampers uptake.

In contrast, occupational pensions have no commercial interests, and many (the paritarian ones) reflect the interests of members and beneficiaries in their governance structures. AEIP stresses that promoting occupational pensions and supporting the sharing of best practices from successful national systems will more effectively contribute to improving supplementary pensions and achieving

the objectives of the Capital Markets and Savings & Investments Union. PEPP can be helpful in those countries without occupational pensions, but still, we believe the EC should better focus on supporting the development of occupational pensions rather the further development of PEPP.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 13, considering whether other risk mitigation techniques should also be considered as a standard feature of the Basic PEPP and why:

Question 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)?

Yes

No

Don't know / no opinion / not applicable

Question 14.1. What additional design features could support or facilitate the distribution of the Basic PEPP on an execution-only basis.

Question 14.2 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?

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 15:

Question 15.1. Should such options be defined?

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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 16:

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 17:

Question 17.1 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 17.1:

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.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 18:

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 19:

AEIP advocates for the inclusion of all costs within the fee cap of the Basic PEPP. All costs related to PEPP should be fully and comprehensively disclosed to ensure a level playing field and fair competition with occupational pension providers. Costs should be calculated and disclosed in a consistent manner. Excluding distribution costs from the calculation of the fee cap of the Basic PEPP, for example, could make PEPP appear more cost-efficient compared to occupational pension schemes, which do not entail these costs.

Another possible implication of excluding certain cost components from the fee cap of the Basic PEPP is that the true costs of pension products could be misrepresented by providers. This situation would not help citizens, social partners and regulators have a good understanding of the total costs of these products.

The limited uptake of PEPP suggests that PEPP and other individual pension products featuring additional costs for distribution, marketing and advice compared to occupational pension scheme, may not be an adequate product for pension savers, who usually seek more cost-efficient schemes to plan for their retirement.

Finally, full and comprehensive disclosure of costs of the Basic PEPP is also key to allow individual transfers from national personal pension products and to this product. To encourage such transfers, comparability of cost information is essential.

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](#).

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 20:

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. [Stakeholders have also discussed this option](#). As a different option, stakeholders 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.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 21:

AEIP strongly opposes the idea of adapting the Basic PEPP for use in a workplace (second-pillar) context. The PEPP was conceived as a third-pillar, individual, and voluntary retirement product, and any attempt to repurpose it for occupational settings would ignore the structural, legal, and social specificities that underpin workplace pensions across the European Union.

The Basic PEPP is not designed to operate within the framework of collectively negotiated or employer-sponsored pension schemes. Occupational pensions are rooted in social and labour law, shaped by collective bargaining, and reflect sectoral or national wage and employment conditions. Attempting to use the PEPP in this context would amount to a technical and legal oversimplification that ignores these essential features.

Diversity of national systems makes workplace use of PEPP infeasible. EU Member States have developed very diverse occupational pension models, shaped e.g. by legal traditions, sectoral structures, roles of social partners, taxation and regulatory frameworks. Trying to introduce a one-size-fits-all product like PEPP into such a varied landscape would not only lead to inefficiencies, but also risk undermining well-functioning national models.

Moreover, in countries with well-developed occupational pension schemes, introducing the Basic PEPP into the workplace would not improve coverage, adequacy, or efficiency. Instead, it could lead to:

- Fragmentation of collective arrangements,
- Lower trust in pension governance,
- And competition with paritarian institutions that already deliver effective and trusted second-pillar solutions.
-

Allowing PEPP to be used in a workplace context would also result in inconsistencies with occupational pension schemes offered by IORPs in relation to the communication of pension information. While communication rules or standards would be set at EU level under the PEPP Regulation, information standards for IORPs are defined nationally. Such divergences could affect comparability of pension benefit information provided by PEPP providers and IORPs, and make it challenging to integrate PEPP information into national pension tracking systems.

Furthermore, the introduction of the Basic PEPP in the second pillar context could also give rise to legal disputes with quasi-mandatory systems in some MSs. For example, in the Netherlands, sectoral pension funds are mandatory for all employers in some industries. This peculiarity of the Dutch pension system is justified under EU case laws due to its social protection features. However, it is worth considering that a possible breach of EU law could emerge by adapting the Basic PEPP as a second pillar pension and integrating this product in the Dutch quasi-mandatory pension system. In the same vein, legal disputes and possible breaches of EU law may arise when any national social and labour provisions, such as compulsory affiliation requirements, non-discrimination measures, sponsor guarantees, minimum guaranteed investment returns, and solidarity rules, that apply to occupational pension plans conflict with PEPP rules.

AEIP stresses that IORPs, and in particular paritarian institutions (jointly managed by social partners), are best positioned to manage occupational pensions. These institutions:

- Operate on non-profit, solidarity-based principles,
- Understand national labour market dynamics,
- Are embedded in social dialogue and collective agreements,
- Provide solutions tailored to sector-specific and regional needs.

Using the PEPP would disconnect pensions from these critical mechanisms and reduce the ability to negotiate rights and protections for workers collectively.

Registration and supervision

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

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 22:

It is crucial that National Competent Authorities (NCAs) remain responsible for the authorisation of PEPP in the MS where this product will be marketed. This process is consistent with the subsidiarity principle as NCAs can make the most appropriate decisions given their thorough expertise and knowledge of national pension systems as well as social and labour laws.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 23:

NCAs should remain responsible for the supervision of PEPP for the reasons explained in our response to question 22.

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.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 24:

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, [stakeholders have also raised specific concerns](#) regarding the distribution rules applicable to PEPP, particularly with respect to misalignment with distribution rules applicable to insurance intermediaries.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 25:

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

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 26:

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.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 27:

Transparency, information and pension tracking systems

Transparency, clear disclosure and effective pension tracking are key to building trust and helping savers make informed decisions.

Question 28.1 Are the transparency requirements envisaged by the PEPP Regulation adequate?

Yes

No

Don't know / no opinion / not applicable

Question 28.2 Are the transparency requirements envisaged by the PEPP Regulation 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)?

Yes

No

Don't know / no opinion / not applicable

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 29:

To offer a clear figure of future retirement benefits for EU citizens, national pension tracking systems should in principle include all pension entitlements, including those arising from personal pension products like the PEPP, provided that the same eligibility criteria apply for the payout phase. However, there should be a thorough assessment in each MS on the feasibility of including third-pillar pension products in national pension tracking systems, and sufficient time should be provided to adequately implement this (see also the considerations made in Q2 about the challenges of including third-pillar products).

Question 29.1 Do you believe the PEPP Regulation should require Member States to ensure such inclusion?

We believe that MSs should be responsible for making this decision. Including PEPP in national pension tracking systems might result in higher costs than benefits in those countries where PEPP is not, or will not be, available.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 30:

Pension tracking systems could play a greater role in pension communication and improve transparency for members and beneficiaries who use digital tools. However, it is imperative to avoid excessive or detailed information on the PEPP in national pension tracking systems in those countries where this product is not (or will not be) offered.

Question 30.1. 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?

Tax treatment

[Commission Recommendation of 29 June 2017 on the tax treatment of personal pension products, including the pan-European Personal Pension Product](#), 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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 31, providing relevant examples where possible:

We don't know. We are not aware of any EC publication listing which EU countries have followed the Recommendation and how. This is something the EC should assess.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 32:

Other aspects

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 33:

5. 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 Commission](#) 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 stocktake 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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 34.

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:

We agree that a diversified portfolio of assets, when supported by appropriate governance and risk safeguards, can enhance long-term returns for members and beneficiaries.

Evidence from EIOPA and the OECD shows that pension funds with exposure to infrastructure, private equity, and real estate have historically benefited from improved portfolio resilience and better alignment with long-term return objectives, particularly during inflationary or low-interest-rate periods. Investments in alternative assets also contribute to a more diversified allocation across asset classes and lower risk correlation within IORPs' investment portfolios. Furthermore, the allocation of IORPs assets to alternative investments is supported by Asset-Liability Management (ALM) studies and would be aligned with the risk appetite of the sponsoring undertaking. When investing in alternative assets, IORPs are expected to achieve higher long-term risk-adjusted returns (arising from illiquidity risk premium) and better diversification, leading to higher Sharpe ratios.

At the same time, it is also important to bear in mind that the strategic asset allocation of IORPs is usually determined by the board. IORPs operating under the paritarian model include both employers and employees' representatives on the board on an equal basis and, consequently, have a strong fiduciary duty to act in best interest of pension fund members and beneficiaries.

The IORP II Directive should not prescribe detailed rules or limits on asset allocation. Investment decisions must remain the responsibility of the IORP's governing body, acting under the prudent person rule as already set out in the Directive. This approach ensures that IORPs can tailor their investment strategies to their characteristics and objectives. This includes the nature and duration of the liabilities, which is always an important starting point for ALM studies. Features such as Defined Benefit (DB) versus Defined Contribution (DC), risk preferences, capital guarantees or investment choice can have an impact on the role that alternative investments play in an IORP's strategic asset allocation. Imposing rigid or one-size-fits-all requirements on portfolio composition would undermine flexibility, limit innovation, and potentially harm long-term returns. Moreover, it is key to take into consideration that small IORPs are less likely to invest in alternative assets because of the higher costs associated with this type of investments, e.g. higher management and performance fees that are typical of private equity investments. Such high costs represent a significant barrier for small IORPs to invest in alternative assets.

Therefore, any revisions to the IORP II framework should continue to uphold the principles-based, flexible investment environment that respects the diversity of IORPs across the EU and their fiduciary duty to beneficiaries. Such a fiduciary duty is much broader than just investing in assets with the highest expected returns. IORPs fully consider risk-weighting, risk preferences and tolerance as well as the nature of the liabilities when it comes to setting up their strategic asset allocation.

The Better Finance report cited in the introduction of this section of the consultation, indicates that, over the past decade, the median performance of second-pillar pensions has been approximately

0.9% when adjusted for inflation. AEIP would like to stress that occupational pensions provided by paritarian IORPs have ensured higher returns throughout the same period.

Finally, alternative assets entail different risks compared to listed assets, including illiquidity and valuation. Illiquidity does require more stringent cash flow planning, but this is not an issue for pension funds, which have very predictable cash flows. NCAs can use risk-based supervisory frameworks to assess whether an IORP's risk-management framework can address the specific challenges associated from investing in alternative assets. Other risks arising from alternative investments include valuation complexity, illiquidity, lack of transparency and oversight.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 35:

As far as we know, there are no quantitative or overly restrictive limits on investments in alternative assets under the national legislation of MSs.

For example:

- there are no specific rules that distinguish between public and private (alternative) investment assets in the Netherlands. The prudent person principle is considered as an open norm, requiring the risk management system of the IORP to be commensurate with the complexity of the investment portfolio.
- the implementation of the IORP II Directive in Belgium has not introduced any additional restrictions on investments made by IORPs. The Financial Services and Markets Authority (FSMA) does allow IORPs to invest in alternative assets to the extent that IORPs properly manage the associated risks, such as liquidity and concentration risks. Since all occupational pension plans in Belgium are DB schemes, IORPs also invest in alternative assets to ensure sufficient risk-adjusted returns for members and beneficiaries. The sponsor undertaking is required to guarantee a minimum return on the contributions paid. If the IORP fails to meet that minimum return (promised benefit), the sponsoring undertaking (and not the IORP) bears responsibility and must cover the difference to compensate members and beneficiaries.
- In Germany, the Federal Regulation on the Investment of Guarantee Assets of Pensionskassen, Funeral Expenses Funds and Small Insurance Undertakings (Anlageverordnung) sets out a 15% limit on guaranteed assets that German institutional investors can invest in private equity funds. Although this limit is sufficient for most German IORPs, a few IORPs with very high risk-bearing capacities might be restricted from investing in alternative assets.

Overall, AEIP advocates for IORPs to retain flexibility in their asset allocation strategy in a way to act in the best interests of their members and beneficiaries. We would not support potential quantitative or restrictive limits on investments in alternative assets that are defined at EU level. NCAs are best placed to assess whether to introduce or remove any limits, taking into account national specificities.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 36:

AEIP does not believe that limited expertise is the main cause of the low diffusion of unlisted assets among IORPs. Paritarian institutions have the capacity—either in-house or via external asset managers—to invest in unlisted assets when appropriate/foreseen in the investment and risk management policies agreed jointly by the social partners. Therefore, expertise is not the main barrier. They have a fiduciary duty to safeguard members' retirement benefits.

Rather, regulatory, structural, and prudential factors—aligned with the social and long-term nature of paritarian pension institutions—are the predominant reasons. Limited investments in alternative assets are often driven by risk profile considerations and related costs. High costs associated with investments in private assets, e.g. private equity investments, represent a key barrier.

High fees associated with alternative investments are often a concern for members and beneficiaries. This is likely to discourage IORPs from investing in these asset classes.

Hence, to enable greater participation in unlisted investments, AEIP supports regulatory clarity, standardisation of cost reporting and full transparency of fees and charges arising from alternative investments, better-suited investment vehicles, and enhanced pooling mechanisms, rather than focusing on capacity-building alone.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 37:

The current rules have been adequate and effective in ensuring proper risk management mechanisms and good governance for IORPs. We also believe that the current provisions on prudential supervision have been successful in appropriately protecting pension fund members and beneficiaries, and in improving the sound functioning of IORPs. However, AEIP advocates for increased proportionality in the governance and transparency rules to alleviate compliance burden for small IORPs that are considered to carry low risks.

With regard to supervision, the heterogeneity of pension funds across Member States makes it more appropriate for the IORP II framework to follow a minimum harmonisation approach. National competent authorities should remain independent in their supervisory approach for IORPs as they can best understand risks, vulnerabilities and threats to these entities, and whether targeted action should be taken. It is key to enhance supervisory adequacy but not supervisory convergence.

Supervisory convergence in the risk management approach for IORPs across the EU would not be an efficient way forward because of the specificities regarding pension funds that vary across countries. NCAs should also be given enough discretion to adopt targeted supervisory approaches, taking into consideration national social and labour laws.

We believe that supervisory convergence would not contribute much to boosting trust in institutions subject to the IORP II Directive. Instead, further development of the paritarian model, where occupational pension schemes are jointly managed by social partners, could be a game changer in enhancing trust in these institutions.

With regard to derivatives, the introduction of the EMIR Regulation has resulted in additional investments in the risk management and treasury capacity to execute, report, monitor and (risk) manage derivatives. This has led to unintended consequences, for example, in the Netherlands, where exposures to interest rates derivatives for the purpose of interest rate risk hedging are particularly prevalent. Dutch pension funds are subject to additional reporting to and monitoring by the AFM (the Dutch Authority for Financial Markets) and the DNB (the Dutch Central Bank). Following the UK gilt crisis, the AFM and DNB carried out a study on the Dutch IORPs' ability to address variation margin calls in a scenario with rapidly rising interest rates. The findings of such a study (link: https://www.dnb.nl/media/j4tlwfyw/77879-dnb-liquiditeitsrisico-s-derivatenportefeuilles-pensioenfondsen-eng_web.pdf) show that pension funds have sufficient liquid assets to meet margin calls in similar stress scenarios, and did not highlight any issues regarding access to data. Therefore, we believe that the current regulatory framework already ensures sufficient and proper risk management for IORPs.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 38:

The introduction of an explicit duty of care provision is not necessary and would not significantly strengthen the protection of members and beneficiaries beyond what is already ensured under existing governance structures and legal frameworks. The paritarian governance model inherently ensures that the interests of members and beneficiaries are central to all decision-making processes. The mutual oversight and balanced representation offer a built-in fiduciary duty and social responsibility that already go beyond what a formal “duty of care” clause could impose.

IORPs across the EU operate under the IORP II Directive and well-established national laws, including additional prudential supervision, which already require sound governance, risk management, and the prudent person requirement. These frameworks are robust and are being actively implemented and enforced at national level.

On the contrary, in addition to the prudent person principle, an explicit legal requirement for a duty of care would be detrimental to the development of the paritarian governance model for IORPs. Such a specific provision would result in increasing board directors’ liability for causing potential harm to pension fund members and beneficiaries. Although this duty of care could enhance the protection of the members and beneficiaries regarding their individual benefits, the associated increase in liability would significantly discourage many employee representatives from taking on the role of board members. This, in turn, would reduce the representation (and thus the protection) of members and beneficiaries.

In addition, a duty of care could interfere with the design of occupational pension schemes, which should be the responsibility of social partners in the paritarian model. This could result in over-regulation and greater supervisory powers for NCAs.

Introducing an EU-level “explicit duty of care” provision also risks creating legal ambiguity or duplication with national fiduciary duty laws and governance structures. This could complicate compliance for IORPs, especially those operating in Member States with mature and effective pension systems.

AEIP strongly supports proportionality in regulation. IORPs vary greatly in size, structure, and risk profile across the EU. A blanket duty of care provision could impose unnecessary administrative and legal burdens, especially on smaller funds, without delivering proportionate improvements in member protection.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 39:

National competent authorities already possess sufficient mandates and tools under the IORP II Directive and applicable national legislation to ensure that IORPs invest in the best long-term interests of members and beneficiaries. Their supervisory role, combined with the paritarian governance model, provides a solid foundation for prudent, member-focused investment. AEIP supports maintaining and, where necessary, further strengthening NCA capacities—but sees no need for major structural changes in this area at the EU level.

Question 39.1 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 39.1:

AEIP believes that an explicit supervisory mandate for NCAs to ensure adequate investment returns specifically or separately is neither necessary nor appropriate, especially in the context of paritarian pension schemes. These institutions are already structured to safeguard member interests, operate under the prudent person principle, and are overseen by social partners who are directly accountable for ensuring that pension promises are met.

The paritarian governance model ensures that fiduciary responsibilities are aligned with the long-term interests of members and beneficiaries. The design and objective of pension benefits, including adequacy, are already embedded in collective and employment agreements.

Pension schemes under IORP II are already subject to the prudent person rule, which requires investments to be made in the best long-term interests of members. This includes:

- Consideration of risk and return objectives,
- Application of appropriate risk management processes,
- And consistency with the scheme's liability profile.

The current framework provides adequate tools for supervision, without needing NCAs to assess or influence investment return adequacy separately.

It is also difficult for NCAs to assess whether the investment strategies implemented by pension funds will deliver appropriate returns for members and beneficiaries. Asset allocation decisions are based on

individuals' performance objectives, risk appetite and preferences as well as other factors, e.g. investment horizon. IORPs are best positioned to understand all these elements and to adopt the most suitable asset allocation strategy for their members and beneficiaries.

Furthermore, IORPs' asset allocation strategies are also affected by the nature, type and structure of their liabilities. For instance, the asset allocation strategy for young members and beneficiaries would differ significantly from that for individuals that are close to retirement.

Finally, an explicit mandate on NCAs to intervene based on return adequacy would risk to undermining the autonomy of social partners and governance frameworks, and creating legal ambiguity about who defines "adequate" returns and how these would be enforced.

The adequacy of pensions depends not only on investment returns but also on:

- Contribution levels,
- Scheme design (e.g., DB vs DC),
- Retirement age, and
- Broader social and labour policies.

These are policy decisions made by social partners or legislators, not issues to be regulated by financial supervisory authorities.

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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 40:

AEIP does not consider that the scale of IORPs inherently limits their investment capacity or portfolio diversification. While size may influence certain operational efficiencies, smaller IORPs—especially those organised as paritarian institutions—can effectively deliver well-diversified, sustainable, and cost-efficient pension schemes tailored to their specific sectoral or national context. Smaller IORPs, particularly those managed jointly by social partners, have demonstrated their capacity to:

- Build well-diversified and cost-effective portfolios by pooling resources or accessing collective investment vehicles,
- Maintain long-term investment horizons consistent with the nature of pension liabilities,
- And ensure risk-adjusted performance that meets the expectations of members and beneficiaries.

Moreover, small IORPs can have access to expertise and benefits from economies of scale in various ways, including the fiduciary management model, collective investment pools for multiple IORPs (for example used by multinational companies in managing different national schemes, or offered by asset managers), and outsourced CIO structures. For instance, asset and liability pooling has played a key role in facilitating the establishment of pan-European pension funds in Belgium, which is a primary location for cross-border IORPs.

We also do not see a causal relationship between scale and higher investment returns. A well-diversified asset allocation improves risk management, and results in the optimisation of investment returns relative to the level of risk taken. IORPs invest in a large variety of assets, including collective investment funds, in order to achieve an optimal level of diversification.

Furthermore, we would like to reiterate that, under the paritarian model, asset allocation strategies are determined by the board of directors, which is composed of both employee and employer representatives. This means that board directors have an implicit fiduciary duty to act in the best interest of their IORPs' members and beneficiaries.

The prudent person rule under the IORP II Directive provides the necessary flexibility for paritarian IORPs—regardless of size—to pursue appropriate, diversified investment strategies, according to SIP set by the social partners.

AEIP believes that the completion of the Capital Markets Union/Savings and Investment Union will be far more impactful than scale in enhancing investment capacity. A more integrated EU financial market would:

- offer better access to a wider range of asset classes, including long-term and sustainable investments,
- improve liquidity and cost-effectiveness for smaller funds,
- and help mitigate home bias or over-concentration risks.

Thus, market integration is a more effective lever for improving IORP investment outcomes than structural changes based on fund size.

At the same time, AEIP acknowledges that the increasing complexity of EU regulatory frameworks, such as the SFDR and DORA, create significant administrative and compliance burdens for smaller pension funds, which brought to a general trend of consolidation of the sector. Unlike larger IORPs, smaller schemes may lack:

- the internal capacity to navigate new reporting obligations,
- sufficient resources for dedicated ESG risk analysis and disclosures,
- and access to economies of scale in data and technology services.

However, this issue should be addressed by ensuring proportionality in regulatory implementation, not by assuming scale-related investment inefficiencies.

Last but not least, we remind that paritarian IORPs are embedded in national and sectoral contexts, created through collective bargaining and designed to meet the specific needs of a profession, region, or industry. Their governance model ensures that:

- decisions are made in the best interest of members,
- investment strategies reflect sector-specific risks and time horizons, as set jointly by the social partners.

Scaling up or centralising pension funds risks undermining this institutional diversity, which is a strength of the European occupational pension landscape.

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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 41:

First of all, AEIP believes that cross-border activity of IORPs should not be an objective of the Directive. The most important goal should be to increase adequate and sustainable pension provisions for EU citizens. Most IORPs are managed by social partners, whose primary objective is to provide pensions to the participants in their sector, rather than expanding into cross-border financial service providers. Nevertheless, cross-border activity can be beneficial for multinational companies in order to streamline their operations.

The limited number of collective transfers is due to various factors other than the current regulatory framework. Most importantly, taxation, social and labour laws remain national, meaning that pension administration must be conducted separately in each Member State, and it requires national expertise. Moreover, while prudential regulation is home state competence, elements of prudential regulation may still be linked to social and labour laws, as well as taxation, and vice versa.

The implementation of the IORP II Directive does not appear to have resulted in an increase of cross-border collective transfers, including between Member States where transfer had not occurred

before. We are aware that some Member States have introduced higher majority requirements that apply exclusively to cross-border transfers. Such requirements discourage new cross-border transfers. Moreover, several sponsors active in multiple EU countries, who aim to consolidate their pension liabilities in a single IORP, have decided to stop these plans because of the hurdles they face at member state level.

Question 41.1. “Should the current framework for cross-border collective transfers between IORPs be simplified?”

AEIP would support changing the current definition of the majority of IORP members and beneficiaries needed to approve a cross-border transfer. However, our members have divergent views on how to improve it. Some of our members support the following EIOPA recommendation under its Technical Advice on the IORP II Review:

“A simple majority of the members and beneficiaries concerned or, where applicable, a simple majority of their representatives. The simple majority of the members and beneficiaries concerned shall be calculated based on the received responses, whereby each Member State may establish a minimum threshold of up to 25% of members and beneficiaries for participation in the approval of the transfer. The information on the conditions of the transfer shall be made available to members and beneficiaries concerned and, where applicable, to their representatives, in a timely manner by the transferring IORP before the application referred to in paragraph 4 is submitted; and (b) the sponsoring undertaking, where applicable.”

Other AEIP members would prefer a uniform EU definition of the majority required for cross-border transfers, provided that this new definition does not change rules and regulations for domestic transfers or introduce majorities that are difficult to reach (this would actually result in new hurdles on cross-border transfer). Alternatively, they would support a non-discrimination definition of majority, i.e. the same threshold for domestic and cross-border transfers.

Finally, our members express regret over the inaction in addressing the issue related to the requirement for IORPs to be fully funded at all time, which is another hurdle refraining cross-border activities and transfers. Meeting this requirement can be challenging during periods of volatile markets.

Cross-border IORPs should have the flexibility to use recovery plans, sponsor guarantees or support funds in a way to meet the fully funded requirement.

Question 41.2. In addition, have you experienced or are you aware of any difficulties with domestic collective transfers?

Question 41.3. 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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

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?

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 43:

IORPs typically carry out a limited volume of cross-border activities and do not provide cross-border services. The paritarian model, which aligns the interests of pension funds and their participants, represents a key model to ensuring trust and prevent regulatory arbitrage operations that could harm members and beneficiaries. Therefore, AEIP does not consider necessary to introduce increasing supervisory powers for cross-border activities under the Directive.

The issue of regulatory arbitrage is also largely overstated. Following the implementation of the IORP II Directive, the establishment of new cross-border IORPs, particularly in Belgium, has not raised relevant regulatory arbitrage concerns. However, we are aware that regulatory arbitrage could occur when IORPs exclusively provide pension schemes in other Member States different from the host country. In this situation, which would allow IORPs to bypass the role of social partners, relevant

regulatory arbitrage risks may arise. Regulators should consider granting host Member States the option to restrict the provision of pension schemes by such IORPs. This would contribute to increasingly boosting trust on IORPs to manage occupational pension schemes.

Question 43.1 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 43.1:

Given the limited volume of cross-border activities performed by pension funds, AEIP sees no need to amend the current rules governing the cooperation and division of responsibilities between home and host Member States in the supervision of IORPs.

Scope

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 Regulation](#) with the [recommendation on core principles of Private Pension Regulation](#), 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 funds](#), defines a scope which is not always aligned with that of the IORP II Directive.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 44:

AEIP strongly supports maintaining the current minimum harmonisation approach under the IORP II Directive and opposes expanding its scope. The diversity of supplementary pension systems across EU MS is rooted in their national social, labour market, and legal frameworks. Such a diversity is a strength, ensuring pension provisions align with local needs, traditions, and social dialogue mechanisms. Expanding the scope to capture all pension-like institutions risks creating regulatory overlaps, legal uncertainty, and distortion of well-functioning national systems as well as imposing an unsuitable one-size-fits-all framework on diverse systems.

Several well-established pension systems in the EU are not subject to the IORP II Directive because they do not meet the criteria of an IORP under EU law. These systems may serve similar functions (e.g., providing retirement income), and share seemingly similar characteristics with supplementary pension schemes (e.g. financing through open capitalisation), but they differ significantly in structure, governance, financing, and legal status.

Examples: Finland – TELA system

- The Finnish earnings-related pension system, coordinated by TELA, is part of the statutory social security system. Its administration is decentralised to both private and public pension providers. The system is only partially funded, which means that most of its financing is based on the pay-as-you-go principle.
- The Finnish statutory pension system is subject to Regulation 883/2004 and 987/2009. It is also defined as a social security fund under the European System of National Accounts (ESA 10) and the ECB Regulation (EU) 2018/231.
- Despite its use of partial funding and private administration, it is not a voluntary system but a mandatory statutory scheme governed by national social security law and social partners. It is supervised by domestic authorities based on national regulation.
- In the decentralized administrative model of pension benefits and investments, Finnish statutory pension providers are also jointly and severally liable for bankruptcy, which also distinguishes them from pillar II pension funds.
- Because of its recognised status as a first pillar pension, it is not classified as an IORP and rightly falls outside the scope of the IORP II Directive.

France – Agirc-Arrco

- Agirc-Arrco is a mandatory supplementary pension scheme established and managed jointly by social partners. It operates on a pay-as-you-go basis and is fully integrated into the national retirement system as well as into the national public accounting framework. As a legally mandatory scheme, Agirc-Arrco is considered as a social security institution under the EU 883/04.
- Although it has occupational features and paritarian governance, it is not funded in the IORP sense and functions on pay-as-you-go with a precautionary reserve threshold maintained over

a rolling 15-year period representing 2% of the future liabilities, not as a funded occupational pension plan.

- Therefore, it does not meet the definition of an IORP and remains outside the Directive's scope.

Germany – Berufsständische Versorgung (Pension Schemes of Liberal Professions)

- These pension schemes cover members of liberal professions (e.g., doctors, lawyers, architects) and are legally embedded in the first pension pillar operating independent from the statutory pension scheme.
- Membership is quasi-mandatory, and the schemes are governed by public law at the Länder level, operating under Regulation 883/04.
- They are self-financed by contributions without any state or federal subsidies and finance themselves through open capitalization.
- Since they function as part of the first pillar, rather than as voluntary occupational pensions, they do not fall under IORP II.

Italy – Casse di Previdenza

- These pension institutions provide first pillar pension schemes for liberal professions. As they offer first pillar pensions, they do not fall under the scope of IORP II directive. They have similar features as the German Berufsständische Versorgung.

AEIP warns against drawing conclusions from other frameworks (e.g. ECB Regulation 2018/231 or OECD recommendations) to justify expanding the IORP II scope. These instruments serve different purposes (e.g. statistical reporting or international guidance) and cannot replace EU-level legislative competence, which must respect subsidiarity and national pension prerogatives.

Applying IORP II rules to institutions outside its intended scope could:

- Result in regulatory overreach,
- Impact on the functioning of social protection systems.

Finally, the Directive should be adjusted to exempt small and medium size IORPs from horizontal legislation. Regulations like SFDR and DORA, impose heavy compliance burdens for these IORPs. We recommend amending Article 5 of the Directive to exclude small and medium size IORPs from the scope of the any horizontal legislation.

Question 44.1 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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 45:

The existing framework already ensures a sufficient level playing field between providers under the scope of the IORP II Directive. While discrepancies exist across Member States, they are the result of deliberate policy choices reflecting national diversity—not unfair competitive practices. IORPs are governed by the minimum harmonisation rule set by the IORP Directive, and by the diverse national frameworks governing them, particularly with respect to social, labour, tax, which are explicitly excluded from the scope of the EU framework. As AEIP has emphasized, the principle of minimum harmonisation is essential in the IORP context and should be preserved.

Attempting to impose more uniform minimum standards or centralised supervisory mechanisms may risk disregarding legitimate national differences and undermining the paritarian and non-commercial nature of most IORPs. These institutions are deeply embedded in national social protection systems, often governed by collective agreements, and serve a social—not market-driven—purpose.

In this context, the risk of regulatory arbitrage is minimal, since most IORPs do not engage in cross-border product competition or commercial activity. At the same time, as mentioned in our response to question 43, level playing field may not be ensured when IORPs exclusively provide pension schemes in other Member States different from the host country. In this situation, relevant regulatory arbitrage risks could arise, along with concerns of IORPs potentially bypassing the role of social partners (and particularly of trade unions). EU regulators should consider granting host Member States the option to restrict the provision of pension schemes by these IORPs. This would ensure level playing field and enhance trust in occupational pension plan managers.

However, we would like to highlight that IORPs are already subject to robust national supervision in accordance with their legal and institutional frameworks. AEIP therefore cautions against using the argument of regulatory arbitrage to justify an unnecessary expansion of supervisory convergence or minimum standards, particularly where such measures could increase compliance costs and reduce pension adequacy.

Instead of focusing on tightening the framework uniformly, the Commission should focus on:

- improving clarity on existing rules;
- supporting better cooperation between national competent authorities for cross-border cases;
- and above all, ensuring the effective implementation of the proportionality principle, especially for small and medium-sized IORPs.

Question 45.1. 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?

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.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 46:

In the specific context of IORPs, supervisory convergence is neither necessary nor desirable. The pension sector, particularly occupational pension schemes, operates under unique national social, labour, and tax laws that are deeply embedded in each country's socio-economic framework. These schemes are often paritarian in nature, jointly managed by social partners, and serve not-for-profit purposes distinct from commercial financial services.

We believe National Competent Authorities (NCAs) are best placed to supervise IORPs, given their knowledge of the national legal and social context in which these institutions operate. IORPs typically do not engage in cross-border product distribution or commercial competition, and their members are affiliated through employment contracts, not consumer choice.

Furthermore, the current level of divergence among NCAs reflects the diverse and legitimate variations in Member States' pension systems, which are aligned with the principle of minimum harmonisation enshrined in the IORP II Directive. Trying to force uniform supervisory convergence would disregard this diversity, risk undermining the role of social partners, and impose unnecessary administrative burdens without clear benefits.

Therefore, the focus should not be on increasing supervisory convergence, but rather on respecting subsidiarity, reinforcing the proportionality principle, and ensuring that NCAs have sufficient discretion to apply the IORP II framework in a manner tailored to their national contexts.

Question 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?

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 47:

The IORP II Directive already provides NCAs with sufficient powers to effectively carry out their supervisory responsibilities, particularly when applied in conjunction with national social and labour law frameworks.

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.

Question 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)?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 48:

We agree that clear and effective information is essential to build trust among members and beneficiaries of occupational pension schemes and to support EU citizens in making informed decisions regarding their retirement planning. However, while the IORP II Directive sets out important minimum standards, the current rules are not fully sufficient to ensure clarity and effectiveness in communication—particularly in light of the evolving expectations around digital communication and user experience.

The IORP II Directive should place greater emphasis on a principles-based approach that allows IORPs the necessary flexibility to tailor their communication strategies to the needs and preferences of their members. This includes enabling the use of layered information, where basic content is presented clearly up front and additional detail is made accessible through links or expandable sections, particularly in digital formats.

Specifically, Articles 36 and 38 of the current Directive can be counterproductive in this respect. By requiring information to be provided in a single, non-editable document (whether on paper or as a static digital file), these provisions hinder innovation and the development of interactive, personalized digital tools that could significantly improve member understanding and engagement. Furthermore, the current format restricts IORPs from using hyperlinks or connected documents to deliver more targeted or detailed data—an approach that is widely recognized as more effective in modern digital communication.

By allowing greater flexibility in how information is delivered—while maintaining high standards for content and transparency—the Directive could enable better communication outcomes without increasing administrative burdens. In particular, encouraging digital and layered communication would help IORPs reach a broader audience, improve accessibility, and align with the communication habits of younger generations.

In summary, while the principles of the current rules are sound, their implementation must evolve to allow more dynamic, layered, and user-centric communication tools that reflect the diversity of IORPs and the digital shift in member expectations.

Furthermore, we argue that the Pension Benefit Statement (PBS) should remain a concise document. Including additional information, as proposed by EIOPA in its Technical Advice for the review of the IORP II Directive, would only lead to confusion, rather than improving individuals' understanding of the retirement income provided by IORPs. The proposed additional information to be included in the PBS is highly technical and difficult for IORP members and beneficiaries to comprehend.

In this context, it is key to stress the role of pension tracking systems (PTS) and the comprehensive pension benefit information that these tools can provide to citizens. If PTS are available in MSs, they should replace PBS in those countries as they offer more aggregated and complete information on overall retirement income. Instead, the PBS only provides a partial figure of retirement benefits. Therefore, we believe that Member States should have the discretion to decide whether pension benefit information should be provided exclusively through PTS and, in that case, exempt IORPs from the PBS requirement.

Question 48.1 Which aspects of the information requirements are most lacking, and how could the regulatory framework be improved?

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 49:

A baseline of general information rights should apply across all supplementary pension schemes currently within the scope of the IORP II Directive, but their application should be proportionate and adaptable to the specific nature and governance structure of each type of provider.

All supplementary pension savers should have access to key information about their pension scheme. National PTS, if they are in place, should provide comprehensive information on all of individuals' pension schemes, including private pensions.

Question 49.1 Should the Commission pursue greater alignment of pension information for supplementary pension savers, irrespective of the provider?

Given the diversity of pension systems, schemes and providers across Member States, EU legislation should not introduce harmonised requirements for supplementary pension providers. It should be left to the discretion of MS to require supplementary pension providers to provide detailed pension information.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 50:

The use of national PTS is essential for improving transparency and providing more thorough and comprehensive pension information to savers. It enables individuals to have a clearer and consolidated view of their accrued pension entitlements across different pillars and providers, thereby enhancing engagement, financial planning, and awareness about future retirement income. This transparency can also contribute to reducing the pension gap across the EU.

Question 50.1. Do you believe the IORP Directive should require Member States to ensure such inclusion?

AEIP supports the inclusion of IORPs under the scope of the Directive in national pension tracking systems. However, it is crucial that this inclusion does not result in additional reporting requirements for IORPs. Many IORPs, particularly small and medium-sized ones, already face significant reporting obligations and operate with limited administrative capacity. Any additional reporting burden would undermine cost efficiency and affordability, ultimately affecting the retirement outcomes of members and beneficiaries.

Instead, the integration of IORPs into national PTS should be facilitated through the reuse of existing data flows. Where appropriate, pension benefit communication tasks could be transferred to PTS, allowing for a more streamlined, user-friendly, and cost-effective approach without duplicating efforts or imposing new administrative barriers on IORPs.

As underlined in our response to question 48, if a national PTS is in place, the respective Member State should have the discretion to decide whether comprehensive pension benefit information should be provided exclusively by the PTS, and exempt IORPs from the PBS requirement.

Question 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?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 51:

Pension tracking systems have the potential to offer comprehensibility, aggregation and comparability of information, which is data that can be better provided in a digital format. AEIP highlights that a future approach should be based on increasing flexibility for Member States to introduce innovative mechanisms to disseminate pension information to members and beneficiaries. Such an approach would result in cost-efficient retirement benefit information, and provide enhanced clarity for pension savers about their future pension income. This is particularly relevant for small and medium-sized IORPs as PTS would provide comprehensive pension benefit information, and enable IORPs to share the associated costs.

Question 51.1. 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?

AEIP supports EIOPA's suggestion to enhance synergies between the PBS and other communication tools, such as the PTS. If enhancing these synergies between these tools would require the regulation of PTS, this should follow a principle-based approach to communication rules. This would be based on open norms that prioritise consistent goals, targeted results and principles rather than requiring fixed communication formats, tools or channels. In the context of rapid technological developments, flexible information formats and methods are more suitable to achieving targeted communication goals, compared to rigid formats and tools.

PTS are expected to achieve the same objective of the PBS, which is to provide an overview of retirement income provided by IORPs in order to improve the adequacy of savings. When PTS are well developed in Member States, the requirement for IORPs to issue a PBS could be removed. This is because PTS, if in place, would provide comprehensive pension benefit information, including data from public and occupational pension providers.

Member States should also be encouraged to connect their PTS to the European Tracking Service on Pensions (ETS) to improve the effectiveness and reach of this tool. The IORP II Directive should set data protection standards and enable pension tracking services to both provide data to the ETS as well as access data from the ETS.

Tax treatment

The [2001 Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions](#) 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.

Question 52. To your knowledge, do tax obstacles continue to hinder the cross-border provision of occupational pensions?

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 52:

We agree that tax obstacles hinder the cross-border provision of occupational pensions in the EU. In particular, there are two main barriers to the provision of cross-border individual pensions:

- tax obstacles on the transferability of individual pension capital;
- regarding the taxation of cross-border pension payments or benefits, the withholding obligations of pension funds in different scenarios, where retired workers are no longer resident in their former Member State, are often not harmonised.

However, we would like to emphasise that heterogeneity in taxation approaches across Member States poses only one of the challenges that IORPs face when operating cross-border. Differences in national social and labour laws as well as specificities of national pension schemes make it costly and unattractive for pension funds to provide cross-border services. This is because, in order to operate cross-border, IORPs would need to have thorough knowledge and deep understanding of national pension systems as well as local social and labour legislation.

Question 52.1. 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

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.

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 53:

Question 53.1. 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

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

Yes

No

Don't know / no opinion / not applicable

Please elaborate your answer to question 54:

Yes. A critical additional issue that should be considered in the review of the IORP II Directive is the **enhancement of the proportionality principle** across the entire framework.

The IORP landscape across the EU is inherently diverse in terms of institutional size, structure, legal frameworks, and socio-economic contexts. Many IORPs, particularly small and medium-sized ones, operate with limited administrative capacities and are embedded within national social and labour law. A one-size-fits-all regulatory approach, therefore, imposes disproportionate costs and compliance burdens, undermining both efficiency and affordability. The proper implementation of the proportionality principle throughout the Directive is of utmost importance, especially given the heterogeneous nature of IORPs and the fact that most are not-for-profit institutions that do not sell financial products but serve a social function.

The application of proportionality should take into account the size, nature, scale, and complexity of IORP's activities. Without this consideration, excessive governance, transparency, or reporting requirements risk eroding the viability of these institutions, discouraging the establishment of new IORPs, and ultimately harming pension adequacy for members and beneficiaries.

To that end, the Directive should:

- make sure that the proportionality principle of the IORP II Directive is cross-referenced/applied in all the horizontal legislation applicable to IORPs (sustainable finance, DORA, FiDA);
- mandate the EC to monitor and report on the application of the proportionality principle at the national level, making sure that national competent authorities are applying proportionate supervisory practices in line with their social, labour, and legal environments.
- focus on alleviating costs and reporting requirements, especially for small and medium sized IORPs. Adding disclosure information under the scope of the IORP II Directive would instead lead to an increase in reporting and supervisory costs.

AEIP also argues that more clarity is needed about the requirement for IORPs under the Directive to maintain regulatory own funds, in cases where their members and beneficiaries fully carry biometric risk themselves (as a collective) rather than the IORP itself. In particular, we would like to stress that divergences in wording between Article 13 ("... provide cover against biometric risks") and Article 15, paragraph 1 ("... underwrites the liability to cover against biometric risk") may lead to different interpretations. Moreover, IORPs that provide variable annuities, such as Dutch pension funds (following the current Dutch pension reform), neither provide guarantees nor underwrite the liability to cover against biometric risks. Hence, in light of the upcoming review of the IORP II Directive, we urge the European Commission to clarify whether and when IORPs in this situation are considered to

underwrite the liability to cover against biometrical risks, as set out under Article 15, paragraph 1, and whether, as a result, they are required to maintain regulatory own funds.

Question 54.1 Please describe these issues and explain why and how they should be addressed.

See our response to question 54.

For further information please contact: [Roberto Silvestri, Policy Advisor on Pension & Financial Affairs](#)



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AEIP represents the European Paritarian Institutions of Social Protection in Brussels since 1997. The association gathers 33 leading large and medium-sized social protection providers, which are managed on the basis of joint governance and equal representation by both employees and employers' organizations (the social partners) in 13 EU Member States.

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