



Press Release XX November 2016

**AEIP ANSWER TO THE EUROPEAN COMMISSION PUBLIC CONSULTATION ON A POTENTIAL EU  
FRAMEWORK FOR PERSONAL PENSIONS.**

AEIP welcomes the opportunity to provide its feedback on the public consultation on the feasibility of a potential EU policy framework to establish a successful European market for simple, efficient and competitive personal pensions.

AEIP fully supports the goal of delivering sustainable and adequate pensions in the EU. While emphasizing that the 1<sup>st</sup> pillar remains the largest part of retirement coverage in most Member States, we support the general aim of having multi-pillar pension systems in the EU and the development of a strong EU framework for supplementary pension savings.

AEIP would like to raise the following key remarks:

- We are pleased that the Commission has clearly made a distinction between 2<sup>nd</sup> pillar workplace pensions on the one hand, and 3<sup>rd</sup> pillar personal products on the other hand. AEIP was advocating for clarifying this since EIOPA's consultations.
- We believe that the overall aim of this initiative should be to reduce the pension gap, while safeguarding the existing well-functioning pension systems: today, a majority of employees do not have access to supplementary pension savings.
- In order to reach this goal, we fear that the introduction of a new standardized 3<sup>rd</sup> pillar product will not be sufficient, but it could improve supplementary retirement savings in those countries where there is no or not a well-developed personal pension system, or there is limited workplace pension coverage.
- All personal pension products, and not only an EU-wide pension solution, should be safe, transparent and cost-effective.
- If an EU product (i.e. the PEPP) will be proposed, it should be a true long-term pension product, allowing providers to generate long-term liabilities and incentivizing consumers to save for a long period. A proper consideration of the decumulation phase and of minimum holding period is needed, as these are key features for pension products.
- Any risk of harmonization towards the bottom must be avoided: any new regulation on private pensions should include a principle-based framework legislation that allows Member States to apply additional rules aimed at increasing the duty of care towards consumers.



- New rules cannot by any means offer an opting-out nor contracting-out opportunity to the national 1<sup>st</sup> and 2<sup>nd</sup> pillar pensions.
- All in all, we believe that the EU Institutions should focus their efforts in further promoting and spreading collective occupational pensions that, compared to 3<sup>rd</sup> pillar products based on a voluntary individual membership and sold on a retail basis, have clear advantages.
- We plead for a broader pension debate in Europe that takes into consideration the different pension pillars through a holistic view of old-age income.

AEIP is ready to provide its expertise and input to such a debate.

#### **Contacts:**

Bruno GABELLIERI Secretary General

[bruno.gabellieri@aeip.net](mailto:bruno.gabellieri@aeip.net) [info@aeip.net](mailto:info@aeip.net)

Simone MIOTTO Economic and Financial Affairs Advisor

[simone.miotto@aeip.net](mailto:simone.miotto@aeip.net)

#### **AEIP - The European Association of Paritarian Institutions**

Rue Montoyer 24

B- 1000 Brussels

+32 2 233 54 20

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