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Press release

PensionsEurope welcomes the proposal of the European Commission on Pan-European Personal Pension Product (PEPP)

Today, the European Commission has published a legislative proposal on Pan European Personal Pension Product (PEPP). PensionsEurope welcomes the proposal as a way to increase the overall pension savings and as one of the building blocks of the Capital Market Union.

Janwillem Bouma, Chair of PensionsEurope, said:

“PensionsEurope promotes good pensions for the people in Europe in all different shapes and forms. Even considering the bulk of the retirement income is and will continue to be provided by social security pensions and workplace pensions, we believe that voluntary personal pensions are particularly needed and useful for those who don’t have access to workplace pensions, as self-employed and workers in new forms of employment, or where personal pensions offered are not reliable or attractive. At the same time PensionsEurope calls for the European Commission to promote occupational pension systems and to favor the exchange of best practice between countries.”

Matti Leppälä, Secretary General/CEO of PensionsEurope, said:

“PensionsEurope welcomes the European Commission’s works in the field of personal pensions. Given the diversities between Member States and the close links with areas falling under their competences, it will be important to ensure the respect of existing national personal pension legislations and products. Tax incentives play an important role in defining the attractiveness of personal pensions, and we underline that the decision to up-take the Commission Recommendation will exclusively remain in the hand of each Member State. We hope that Member States will decide to support pension savings.”

Together with our Member Associations, PensionsEurope is willing and ready to cooperate with the EU Institutions in order to guarantee the best outcomes from this proposal.

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace pensions. Some members operate purely individual pension schemes. PensionsEurope Members are large institutional investors representing the **buy-side** on the financial markets.

PensionsEurope has **24 member associations** in 19 EU Member States and 3 other European countries with significant – in size and relevance – workplace pension systems[1].

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people.** Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **25 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns;

Workplace pensions offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

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[1] EU Member States: Austria, Belgium, Bulgaria, Croatia, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden, UK. Non-EU Member States: Iceland, Norway, Switzerland.