

CONSULTATION DOCUMENT

TARGETED CONSULTATION ON SUPPLEMENTARY PENSIONS

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudice the final decision that the Commission may take.

This consultation does not provide an indication on the approach the Commission services may take.

You are invited to reply **by 29 August 2025** at the latest to the **online questionnaire** available on the following webpage:
https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025_en

Please note that in order to ensure a fair and transparent consultation process **only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.**

This consultation follows the normal rules of the European Commission for public consultations. Responses will be published in accordance with the privacy options respondents will have opted for in the online questionnaire.

Responses authorised for publication will be published on the following webpage:
https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-supplementary-pensions-2025_en#consultation-outcome

Any question on this consultation or issue encountered with the online questionnaire can be raised via email at fisma-supplementary-pensions@ec.europa.eu.

INTRODUCTION

What is this consultation about?

The organisation of pension systems is primarily the responsibility of Member States. Policies at Union level can and should support Member States' efforts to increase pension sustainability, pension adequacy and the welfare for European citizens when they retire. With this consultation, the Commission aims to present options on a series of interrelated initiatives on how to further develop supplementary pensions across the European Union. These Union-level initiatives on supplementary pensions would aim to support the initiatives of Member States.

The emphasis of any potential Union initiatives on supplementary pensions will be on individual citizens' welfare. Union initiatives on supplementary pensions will be respectful of what has been achieved at the level of the Member States, and respecting the autonomy and prerogatives of social partners, where applicable. The individual pension savers' and social partners' choices on how and by what means they wish to provide for their retirement will also be respected. Respect for such choices does not exclude Union-level efforts aiming to build awareness about the advantages that investing part of retirements savings in the capital market can bring in terms of enhanced investment return and contribute to financial security in retirement.

The guiding principle for any initiative on supplementary pensions is to increase uptake in supplementary pensions, with a view above all to increase financial security in retirement, and also to reinforce the supplementary pension sector as a long-term investor.

Why are we consulting?

In its [communication of 19 March on the savings and investments union \(SIU strategy\)](#), the Commission envisages several actions to increase the take-up of supplementary pensions across Europe, improve their return and facilitate pension funds' long-term investments into the economy, including in innovation. Since national competence and the design of the overall pension system do not allow for one-size-fits-all policy proposals in several areas, Commission's recommendations to Member States appear to be the most suitable tool to provide guidance on auto-enrolment, pension tracking systems, pension dashboards, and the implementation of the prudent person principle by pension funds. Such policy recommendations would benefit from being as targeted as possible and highlight best practices that Member States can apply. Other policy goals might require targeted changes to the EU regulatory framework for supplementary pension provision, namely the Directive (EU) 2016/2341 on the activities and supervision of institutions for occupational retirement provision (IORPs) (the [IORP II Directive](#)) and Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP) (the [PEPP Regulation](#)). The aim of any changes would be to ensure availability of solid occupational and personal pension products, possibly suitable for auto-enrolment.

The present consultation will complement the technical advice provided by EIOPA, along with other work on the main topics covered¹. It will inform Commission's policy

measures aimed at achieving the objectives set out in the SIU strategy and at addressing the findings of the European Court of Auditors contained in the recently published special [report on developing supplementary pensions in the EU](#).

Who should respond to this consultation?

This consultation forms part of an outreach strategy that will also comprise workshops with relevant stakeholders, including social partners, civil society, consumers and their organisations, businesses, including SMEs, financial intermediaries, including IORPs, other occupational and personal pension providers and their representative organisations, and the institutions and authorities of the Member States. The consultation specifically aims to identify best practices and useful ideas in this area.

What type of input is the Commission seeking through this consultation?

The Commission is seeking input that is as specific and detailed as possible. In addition to identifying challenges, stakeholders are encouraged to put forward concrete suggestions or specific proposals for how these could be addressed. Stakeholders are also invited to provide practical examples or case studies, as well as, where relevant, quantitative or qualitative data that can help illustrate key issues or shed light on potential impacts. Where data or evidence is submitted, the source should be clearly indicated and, if applicable, the methodology explained.

Input from a broad range of stakeholders is essential to ensure that the consultation reflects a wide diversity of perspectives and realities. This input will inform the preparation of policy proposals and the accompanying Staff Working Document, helping to ensure that future measures are appropriately calibrated.

EIOPA (2021), [Technical advice on pensions dashboard](#)

EIOPA (2023), [Technical advice for the review of the IORP II Directive](#)

EIOPA (2024), [Staff Paper on the future of the pan-European Personal Pension Product \(PEPP\)](#).

CONSULTATION QUESTIONS

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

¹ EIOPA (2021), [Technical advice on the development of pension tracking systems](#)

entitlements from the various types of pension schemes, they enable citizens to take informed decisions about their career, retirement planning and saving needs.

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

Stakeholders' views are sought on the following:

- 1 Do you consider that the pension tracking system in your Member State functions well?
 - a. Yes
 - b. **No, it should be extended/improved**
 - c. No, my country doesn't have a tracking system
 - d. No opinion

Please elaborate your answer. In case you are not satisfied, please indicate which features should be improved or added.

The Dutch pension tracking system (PTS) mijnpensioenoverzicht.nl is operated by Stichting Pensioenregister. It offers an overview of all first and second pillar pension providers. We believe it should be extended to third pillar pension providers.

Apart from that, the Dutch PTS functions well and is well-developed. Information from different providers is comparable and aggregated to get a total pension overview. It is possible to log in together with your partner to get a combined overview. Information is up to date (up to 4 months old) and is presented in a layered and easy-to-understand way. The tracker focuses on the key information points people want on their pension: how much pension will I have? When can I retire? And how much will my relatives receive in case I pass away? This focus avoids information overload.

The Dutch PTS is the primary personalised information source for state and occupational pensions. In 2019, there were 9 million logins on an adult population of around 15 million. The largest user group is between age 51 and 70, peaking between the years just before retirement (61-65) ([source](#)). The pension overview from the PTS is regularly downloaded and used for financial planning.

Under the new Dutch pension law, pension funds (IORPs) have to offer choice guidance for choices within the pension scheme. In this light, as of July 1, 2024, it is possible for pension providers to import data from the pension tracker through an API if the member or beneficiary consents. This provides the pension provider with all the information of a member's first and

² EIOPA (2021), [Technical advice on the development of pension tracking systems](#)

³ OECD (2024), [OECD Pensions Outlook 2024: Improving Asset-backed Pensions for Better Retirement Outcomes and More Resilient Pension Systems](#), OECD Publishing, Paris, <https://doi.org/10.1787/51510909-en>.

second pillar pensions. The pension provider can use this data to provide better choice guidance, for example concerning options around retirement (early retirement, late retirement, partial retirement, and the choice to start with a slightly higher or lower annuity in the first years).

Stichting Pensioenregister is a member of the European Tracking Service Association and prepares a connection to this European Tracking Services (ETS). That will help giving a more comprehensive overview to cross-border workers and mobile workers.

We encourage the development of PTSs in more EU Member States. Of course, we do not expect newer PTSs to start off with a comprehensive range of functionalities. The EETS has a function in supporting the development of new pension tracker and exchanging good practices.

- 2 What do you consider will make a pension tracking system a useful tool to increase citizens' awareness of their future pension entitlements and to enable them to plan for retirement? (please rank options according to their importance)
- a. access to the system and the information provided is simple and secure
 - b. users can be sure that the information is objective, i.e. not influenced by the interest of those that provide the information
 - c. the system covers all pillars of the pension system
 - d. the system is cost-effective
 - e. No opinion

Please elaborate your answer.

B – A – C – D

The following is important for national PTSs:

B: Objective and standardised information are key. Information should be understandable, comparable and aggregable.

A: If the PTS is hard to access and enter, people will not use it. Security incidents can affect the trust in the PTS and the pension system.

C: The added value of a PTS for members comes from consolidating pension information. A single PBS only shows information from one provider and usually only the second pillar.

D: PTSs should be free for citizens. Costs are important if they are (partly) borne by pension providers, as is the case in the Netherlands. That means costs have an impact on pension results.

A PTS should be part of the ETS. Setting up the ETS presented several major challenges, ranked here in order of importance:

- 1. Accurate and impartial data. Reliable data is the foundation. Ensuring accuracy across multiple providers and preventing bias in presentation are critical to building trust with users.*
- 2. Interoperability with PTSs across Member States. The European pension landscape is highly diverse. Achieving smooth cross-border data integration remains a complex technical and regulatory challenge.*
- 3. Access to the platform and presentation of the information. The system must be easily accessible to all citizens, and present information clearly and understandably to support financial decision-making.*

4. *Maintenance and governance of the platform. A tracking service requires long-term investment in maintenance, updates, and independent governance to ensure transparency, fairness, and resilience.*
 5. *Data protection. Given the sensitivity of personal and financial data, the platform must adhere to high standards of data security and privacy under GDPR and national legislation.*
 6. *Data aggregation. Considering the diversity of definitions and calculations, it will be hard to come to an aggregated pension overview.*
- 3 Which of the following elements should a pension tracking system cover (please rank options according to their importance)
- a. Information from all schemes about past contributions and accrued entitlements
 - b. Projected pension benefits at a set retirement age based on standard career assumptions
 - c. Possibility to simulate pension entitlements under different scenarios of individual contributions, retirement age, investment allocations, and financial market developments (where relevant)
 - d. Information about the options and the pay-out (net of taxes) a citizen can expect in case of early withdrawal
 - e. Other

Please elaborate your answer.

B – A – C – D

Information about accrued entitlements is relevant, hence the second rank for point A. However, information about past contributions is not. The information is not relevant for decision-making and may not be understood. Moreover, contributions are paid both by employers and employees, leading to further complications. In a DC context, we strongly recommend only communicating accrued capital.

We remark that the inclusion of simulations of different scenarios (C) as well as information about choice (D) in the PTS depends on the choice available in pension schemes and the role of the PTS in pension communication. In the Netherlands, the pension tracker is solely responsible for providing core information about pensions and the pension tracking service itself currently has no role in choice guidance. It is on the pension fund to use the newly created possibility (since July 1, 2024) to use data from the PTS in choice guidance.

The Dutch PTS provides examples of the effect of retiring 2 years before the statutory retirement age, at the retirement age and 1 year after the retirement age. The PTS then refers to the pension provider to get more information about the choice within the pension scheme. Considering the differences in choice options between pension schemes, it seems difficult for the PTS to give a comprehensive and standardised overview of various choices. Developing this functionality might be too costly.

Option C points at many different simulations. We note that an abundance of information and insights can come at the expense of understandability and user experience.

- 4 What do you consider are the most difficult challenges in setting up a pension tracking system (please rank in the order of importance)
- a. Data protection
 - b. Accuracy and impartiality of data
 - c. Access to the platform and presentation of the information
 - d. Maintenance and governance of the platform
 - e. Inter-operability with pension tracking systems across Member States
 - f. Other (please elaborate)
 - g. No opinion

Please elaborate your answer.

F – B – A – C – E – D

Standardisation of pension data is a necessary requirement to compare and aggregate pension information. We therefore see this as the first challenge that must be solved.

Whereas easy access and accessible presentation of information is most important to users in the first instance, issues with data protection, data accuracy and impartiality can undermine trust in the service and stop users from continuing to use it.

The group of cross-border workers is still relatively small and as such inter-operability is not the highest priority. Interoperability of PTSs between Member States will be achieved by the ETS. This is important for cross-border workers and mobile workers. Member States should encourage and promote the connection of the national PTS to the ETS. National pension laws should enable the national PTS to make data available to the ETS and to use data from the ETS, by outlining the relevant data protection standards.

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](#)⁴ and in the [Ageing Report](#).⁵ EIOPA analysed data gaps and advised on steps to set up pension dashboards.

Stakeholders' views are sought on the following:

- 5 Which elements do you consider useful to make pension dashboards an effective tool to monitor the performance of a Member States' pension system? (please rank the options according to their importance)
- a. Detailed data about occupational and personal pensions, in addition to statutory pension
 - b. Breakdown of pension data by different cohorts of the population (e.g. by gender, age, type of employment, economic sector, income, etc.)
 - c. A forward-looking projection of pension adequacy and sustainability, based on transparent and robust assumptions
 - d. Consistent data and methodology across Member States to allow for comparisons
 - e. Other elements, please list

Please elaborate your answer.

C- A -D- E- B with E standing for an attractive presentation and for verification.

It is crucial that the dashboard, or dashboards in plural, provide a forward-looking view on how pensions will develop across the first and second pillar, and preferably also third pillar, over the coming decades. Pensions that are adequate today but fiscally unsustainable in the future, should lead to action by policymakers and politicians today. The longer action is postponed, the more difficult it will be to correct inaction in the future. A transparent dashboard should also allow for an objective public debate, certainly between academics, but potentially also as a source for media. Therefore, it is crucial that it lends itself for presentation in the form of attractive infographics. Perhaps the best balance would be to provide a compulsory format comparable to the macroeconomic imbalance procedure scoreboard, and a presentation with the colours red, orange and green. In addition, it might be possible to allow more granularity to take account of national specificities.

⁴ European Commission: Directorate-General for Employment, Social Affairs and Inclusion and Social Protection Committee (SPC), [The 2024 pension adequacy report – Current and future income adequacy in old age in the EU. Volume I](#), Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2767/909323>

⁵ European Commission: Directorate-General for Economic and Financial Affairs, [2024 Ageing Report. Economic and Budgetary Projections for the EU Member States \(2022-2070\)](#).

It would also be helpful if procedural guarantees could be built in to ensure that the information presented is reliable. Perhaps this could be a role for the “EU independent fiscal institutions” prescribed by Council directive 2011/85 and Regulation 473/2013. It is also important that the presentation cannot be changed every year. Dashboards are more useful if they reliably depict trends over time.

A breakdown by different cohorts could be useful to identify priorities for change, in particular age cohorts and income levels. Only looking at average accruals could obfuscate that there may be groups that have very low accruals, which would require additional social support in retirement.

6 Which dimensions of a pension system’s performance do you find most meaningful (please provide a ranking)?

- a. Income replacement, i.e. the level of retirement income relative to work income now or in the future
- b. Pension sustainability, i.e. measured by its capacity to deliver a decent level of retirement income in the next decades in face of a declining working age population
- c. Contribution to poverty reduction and equality
- d. Fiscal costs now and in the future
- e. Other, please list

Please elaborate your answer

E-B-A-C-D with E standing for the European Pillar of Social Rights

For us a Pension Policy for a more Social and Competitive Europe has to be grounded in principle 15 of the [European Pillar of Social Rights](#). This European Pillar was endorsed by the European Council, the European Parliament and the European Commission and principle 15 in fact encompasses options A, B and C in authoritative way:

“15. Old-age income and pensions

- a. Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights.*
- b. Everyone in old age has the right to resources that ensure living in dignity.”*

Obviously, this aim has to be attained both today as well as in the future, which underlines the importance of ‘B’ (pension sustainability). It is also clear that the EU has only limited competences in pensions, and that Member States may set their own pension policies. However, it seems reasonable to require that this is done in such a transparent way that citizens can have a timely insight into what they may expect in old age, so that they can also take action themselves.

Finally, it is important to note that a failure of Member States to cope with ageing and pensions, may translate into unsustainable national budget policies that would cause harm to other Member States and their pensions as well (see “[Europese vergrijzing in het vizier. Omgaan met pensioen- en begrotingsrisico’s | Rapport | WRR](#)” of the ‘Netherlands Scientific Council for Government Policy’).

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](#).⁶

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

The consultation also enquires about the approach that Member States could adopt to incentivise enrolment into supplementary pensions, to possibly identify best practices about factors that determine the effectiveness of auto-enrolment. This may involve examining various factors that can influence the success of auto-enrolment, such as the

availability of default options, the cost-effectiveness of starting at earlier ages, the design of pay-in or pay-out phases, incentives for employers to facilitate the enrolment of their employees and the type of pension schemes used for auto-enrolment, including existing occupational pension schemes and other pension products used in the workplace context.

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

Stakeholders’ views are sought on the following:

- 7 What are in your views the key features for an auto-enrolment mechanism to be successful? (please rank the options according to their importance)
 - a. Provision of auto-enrolment administration facilities by the State
 - b. Starting with low contribution rates for participants with their gradual escalation over time
 - c. Duration and recurrence of opt-out windows and options for re-enrolment
 - d. State incentives (e.g. tax or subsidies), with calibration based on income categories
 - e. Preservation of statutory pension benefits and sustainability

⁶ European Commission: Directorate-General for Financial Stability, Financial Services and Capital Markets Union, LE Europe, Redington, Spark, Devnani, S. et al., [Best practices and performance of auto-enrolment mechanisms for pension savings – Final report](#), Publications Office, 2021, <https://data.europa.eu/doi/10.2874/03565>

- f. Full or partial early withdrawal of pension benefits (subject to penalty, where relevant)
- g. Involvement of social partners in its design
- h. Other (please specify)

Please elaborate your answer.

E- D-A- G- B- C -F

The desirability and appropriateness of auto-enrolment depends on the existing prevalence of occupational pensions in individual Member States. We see a potential benefit of introducing auto-enrolment in those countries where occupational pensions are voluntary and therefore not widespread.

The Netherlands is characterised by a system that is quasi-mandatory. In case social partners in a sector negotiate a pension scheme as part of collective bargaining, and the level of representation by both unions and employers' organisations is sufficiently high, the Ministry of Social Affairs declares the scheme mandatory for all employers in the sector. They are required to join the pension scheme, unless they set up their own pension scheme with equal or better levels of contributions. There is no option for members (employees) to opt out. This system has led to roughly 90% of employees having an occupational pension (Dutch Labour Foundation, 2024, ([link](#)). We do not think it is desirable for the European Commission to recommend introducing auto-enrolment for those employers currently covered by the mandatory system, as this would likely reduce the prevalence of occupational pensions, as well as contribution levels.

A small percentage of employees in the Netherlands does not have an occupational pension. Social partners, represented in the Dutch Labour Foundation, agreed to reduce this number from 13.4% in 2019 to 6.7% in 2027 (ibid.).

Moreover, the Netherlands has a large number of self-employed workers that have to take care of their own pension savings. Some pension funds have run pilot projects to see whether auto-enrolment or "continued enrolment" can be used for employees that quit their job in order to become self-employed in the same sector, such as the construction sector. However, this pilot project was not successful, as data protection issues and lack of access to data from the Chamber of Commerce meant that pension funds did not have sufficient data to complete this process. We currently do not expect that auto-enrolment will be further explored for expanding access to pensions for both groups (employees without an occupational pension and self-employed).

Looking beyond the Netherlands, we regard auto-enrolment as a viable policy recommendation in some countries, not because its characteristics are inherently optimal, but because it may be politically more feasible than a mandatory system. Representing

paritarian institutions, we recommend the inclusion of social partners wherever possible, as this can lead to stability and trust. However, government intervention may be necessary in countries or sectors where the social dialogue is underdeveloped.

Other design features may need to be adapted based on political acceptance at the national level, such as starting with lower contributions. It should be avoided, however, to get stuck on a contribution level that does not lead to acceptable replacement rates, such as in the UK. This may give employees a false sense of security as they do not understand that their occupational pension will not suffice for a decent retirement income. As part of the social partner agreement on the new pension system in the Netherlands, unions and employers have agreed that pension schemes managed by social partners should aim for a replacement rate of 80% of the average salary after a career of 42 years. Currently, contribution levels are often over 25% of the pensionable salary.

Furthermore, we think that auto-enrolment should lead to a real pension product, meaning that it should provide for an adequate lifelong income in retirement. International experience shows that choice in decumulation – such as early withdrawals or large lumpsums – can quickly lead to people outliving their pension pots. Also see question 8.

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

Please elaborate your answer.

A-E-C- F- B – D

F: decumulation in the form of lifelong income. We believe that international experience shows that individuals struggle to take adequate decisions when decumulating their pension pots. When able to take lumpsums, very few individuals proactively choose to take annuities. This can lead individuals to run out of retirement income. Lifelong income – be it a nominally stable or variable annuity – should remain a central element of decumulation.

The default scheme should be adapted to national circumstances, such as the first pillar and the characteristics of existing sector pillar products. Should an auto-enrolment default scheme be introduced in the Netherlands for employees outside the mandatory system, we would strongly

believe that its main features should be comparable to existing pension schemes: no withdrawal during the accumulation phase, decumulation as mandatory (variable or fixed) annuity, comparable information requirements, inclusion in the pension tracking system, etc.

Some features we believe are important to include or exclude, regardless of national context. We would strongly recommend a lifecycle approach to investing, as a starting point. Employees should be enrolled at a young age to increase their investment horizons. The design of risk-mitigation techniques, however, depends strongly on the decumulation phase. In case of fixed annuitization with an external provider, a life-cycle strategy should reduce the risks in the years ahead of retirement. Under the new Dutch pension system, many pension funds will provide variable annuities themselves to their retired members and use a buffer fund to smoothen out negative shocks, allowing for slightly higher allocations to return-seeking assets (like equity). This feature could be considered elsewhere too. A true capital guarantee is not conducive to good returns.

Setting contributions at the right level from the beginning is very important, as explained in the previous answer. Auto-enrolment's use of inertia can make it effective, as people do not opt out. However, it also means that most people will not proactively choose to increase contribution levels.

- 9 In your opinion, who should have the responsibility to establish the default pension plan that eligible participants should enroll in?
- a. **The legislator**
 - b. **The social partners, where applicable**
 - c. **The employer**
 - d. Other
 - e. No opinion

Please elaborate your answer.

This depends on the national context. We would strongly support the involvement of social partners in countries or sectors where social dialogue is effective. We would advocate that the main characteristics of the default plan are the same for all employees. This could be achieved by a social partnership agreement at the national level, or legislation.

A second question is then who sets up the scheme and manages it. Here social partners could play a role. The advantage of involving social partners is that the scheme is managed at arms' length from the government, leading to less risk of nationalisation of funds or other types of government intervention and more stability in the pension system. In case social partners cannot fulfil this role, the responsibility could fall on

the employer to establish the scheme with a private market provider, or a provider set up by the government, but ideally also managed at arms' length, like NEST in the UK. This situation could also apply to the self-employed.

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

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

In the Netherlands, the fiscal facilitation of the second and third pillar is linked. The deductible amounts are the same and second pillar contributions are taken out of the deductible space in the third pillar. This enables employees without an occupational pension or self-employed people to receive the same fiscal benefits in the third pillar. As there is no collective or governmental scheme for the self-employed, option A currently makes sense.

However, existing occupational pension schemes have several advantages over third pillar products, such as:

- *Costs: due to scale and mandatory enrolment, Dutch pension schemes operate at relatively low cost levels, in particular considering that these costs do include costs for getting access to “expensive” asset classes such as private equity, hedge funds and infrastructure. For example, in 2023 Dutch pension funds had a Total Expense Ratio of 0,47%. Requiring enrolment in occupational schemes or a national default scheme avoids costs for enrolment and advice.*
- *Broader diversification and illiquidity premia. Due to scale, occupational schemes are able to access more asset classes. It also becomes possible to invest in illiquid assets. In the third pillar, it is more difficult to offer these assets because consumers can switch investment profiles or providers.*
- *Actuarial advantages of risk-sharing amongst members.*

Therefore, when designing a new system from the ground up, it could be considered whether it is best to fiscally stimulate auto-enrolled employees to join occupational schemes or a national default fund. This will also help to achieve more scale amongst providers.

Please elaborate your answer.

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

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

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

A-C-B- D - E-F

A stable legal and fiscal framework are important preconditions, without which it will not be possible to gain trust of employers and employees. While it is necessary to constantly update the framework in response to technical issues, the core framework should not be amended frequently. The government therefore plays an important role in setting the preconditions for the uptake by auto-enrolment by employers and employees.

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](#)⁷ 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

⁷ EIOPA (2024), [Staff Paper on the future of the pan-European Personal Pension Product](#).

on whether additional investment options shall continue to be offered in addition to the Basic PEPP.

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

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

This consultation also invites views on the adequacy of information and comparability requirements and the impact of the [2017 Commission recommendations on the tax treatment of personal pension products](#), including the PEPP.

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

Basic PEPP

Under the PEPP Regulation, advice should be given to prospective PEPP savers by PEPP providers or PEPP distributors prior to the conclusion of the PEPP contract, including for the Basic PEPP. This requirement aims to ensure consumer protection but also adds to the costs of the product. In addition, according to the [OECD recommendation for the good design of defined contribution pension plans](#),⁸ “life cycle investment strategies can be well suited to encourage members to take on some investment risk when young, and to mitigate the impact of extreme negative outcomes when close to retirement”.

Stakeholders’ views are sought on the following:

- 12 In your view, does the current structure of the Basic PEPP allow for wide uptake by savers across the European Union, helping to ensure adequate income in retirement while also contributing meaningfully to the objectives of the savings and investments union?
 - a. Yes
 - b. **No**
 - c. No opinion

⁸ OECD (2022), [Recommendation of the Council for the Good Design of Defined Contribution Pension Plans](#), OECD/LEGAL/0467

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

No.

Dutch pension funds are not active in the third pillar. They are not allowed to offer PEPPs, nor have ambition to do so.

That being said, we strongly support the objective of the European Commission to increase funded pensions in Europe. In those Member States where occupational pensions are underdeveloped, the third pillar can play a role in giving EU citizens access to funded pensions. Having good, trustworthy and cost-effective third pillar products is therefore necessary, and the PEPP could offer an additional solution next to existing national products. The PEPP regulation should provide for such a product and be attractive enough for market uptake.

EIOPA's analysis in its 2024 Staff Paper shows that the current structure of the Basic PEPP is too complex to enable broad uptake, both for savers and providers. According to EIOPA, elements that make the Basic PEPP too complex include the obligation to provide for guarantees, the fee cap and the requirement to offer at least two subaccounts,

The figures speak for themselves in this regard, when looking at the very limited number of PEPP providers currently on the market. However, we think that the PEPP is not only marred by supply-side issues, but also by low pension awareness among individuals, procrastination when it comes to saving for retirement in general and a low demand for cross-border pension products.

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

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

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

Yes.

When the aim of the basic PEPP is to be a non-complex product that incorporates certain characteristics directly in its structure, a lifecycle is the common practice when it comes to pension savings. If a PEPP would be introduced in the Netherlands, it would have to comply with national rules on decumulation, which require mandatory annuitization. This means that it makes sense to reduce risks towards of the end of the accumulation phase. In other countries

too, lifecycle seems to make sense if PEPP is supposed to be a real pension product and not a long-term investment product.

Furthermore, in the current PEPP Regulation, the Basic PEPP aims to recoup the money invested in the PEPP. This is, in our opinion, not the purpose of a lifecycle. A lifecycle relates to a decumulation target upon expiry (an annuity, a lump sum payment, or a drawdown product) and aims to limit the impact of financial shocks just before conversion to the decumulation phase.

- 14 Do you consider that the Basic PEPP should be designed in a way that it can be offered also on an execution-only basis (i.e. without requiring investment advice)?
- a. Yes
 - b. No
 - c. **No opinion**

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

No opinion.

- 15 Do you consider it is useful to maintain the availability of alternative investment options, in addition to the Basic PEPP?
- a. Yes
 - b. No
 - c. **No opinion**

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

No opinion.

Sub-accounts

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

Stakeholders' views are sought on the following:

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

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

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

No opinion.

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

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

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

No.

As Dutch pension funds have no experience in providing third pillar products or offering PEPPs, we cannot state whether the sub-account requirement is an impediment to the roll-out of PEPPs or not.

However, we strongly support the objective of the European Commission to increase funded pensions in Europe. In those countries where occupational pensions are underdeveloped, the third pillar can play a role in giving Europeans access to funded pensions. Having good, trustworthy and cost-effective third pillar products is therefore

necessary, and the PEPP could offer an additional solution next to existing national products. We believe this objective is more important than the cross-border nature of pension products.

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 subaccount to be available in that Member State?

No opinion.

Fee cap

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

Stakeholders' views are sought on the following:

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

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

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

No.

The 1% cap is a significant cost for consumers but appears to be an impediment for the development of the PEPP.

Nevertheless, we do not support fee caps as such, because we do not believe they are the best way to balance consumer protection and the development of a new markets, as evidenced by the lack of PEPPs. A rigorous cost transparency framework can help consumer instead.

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

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

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

No.

It is preferable to raise the fee cap or scrap it, rather than simply exclude certain costs. Excluding costs from the cap could have the knock-on effect that these costs are also excluded from reporting, or that the true costs of pension products will be misrepresented by PEPP providers. It is necessary for consumers and regulators to have a good overview of the total costs of a pension product. In the second pillar in the Netherlands, social partners are able to assess the costs of running a pension scheme and benchmark it against other schemes through a uniform and very detailed cost transparency framework. Implementing a similar cost transparency framework for PEPP products will lead to more transparency and consumer than arbitrarily raising the fee cap by excluding certain costs.

Risk-mitigation techniques

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

Stakeholders' views are sought on the following:

20 In your view, do the existing risk-mitigation requirements strike an appropriate balance between ensuring consumer protection and maintaining sufficient flexibility and incentive for PEPP providers to offer the PEPP? a. Yes

- b. No
- c. **No opinion**

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

No opinion.

Use in a workplace context

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

Stakeholders' views are sought on the following:

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

- A. Yes
- b. No
- c. No opinion

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

retaining its character as a personal pension product, or should it be adapted to function also as an occupational pension scheme? What regulatory changes would be necessary to enable either of such options, if any?

No. We do not support using PEPP products in a workplace context when a well-functioning occupational pension system is in place.

First, it is not entirely clear what is meant with allowing the Basic PEPP to be used in a workplace context. The PEPP Regulation Article 2(1) defines PEPP as a “personal pension product (...) between an individual saver and an entity on a voluntary basis” and “is neither a statutory nor an occupational pension product”. However, we know that one of the two existing PEPP products in existence is distributed through an employer that pays contributions into a PEPP without requiring matching by the employee. This suggests that the PEPP already plays a role in a workplace context, but it is not clear if in that case the participation of the employee is mandatory or voluntary. We assume that with this question the Commission means that an employer could use the PEPP as its pension scheme in

⁹ EIOPA OPSG (2024), [Own-Initiative EIOPA OPSG Discussion Paper on introducing the pan-European Occupational Pension Product](#).

¹⁰ EIOPA OPSG (2024), [Own-Initiative EIOPA OPSG Discussion Paper on the pan-European Pension Product](#), p. 26-27.

which it (automatically) enrolls its employees, so that no individual permission of the employee is required.

While we fully support the expansion of funded, occupational pensions across the EU, allowing the PEPP into a workplace context causes consistency issues. There are key differences between PEPP and IORP II: first, IORP II is based on minimum harmonization, while the PEPP regulation is maximum harmonization and second, the PEPP regulation regulates pension products, while the IORP II regulates institutions. Allowing PEPP in a workplace context will lead to inconsistencies (e.g. on information rules) between occupational pensions within a single Member State. Employers already have sufficient possibilities of arranging an adequate pension scheme in the work context apart from PEPP.

Occupational pensions are a carefully designed and based on national characteristics, such as the reach and level of the state pension and the broader social security system, the level of financial literacy and risk appetite of the population, social partners governance structures, et cetera. It is not possible to design a harmonised workplace PEPP in such a way that it can take this diversity into account. If PEPP in the workplace is nevertheless considered it should be in the form that Member States have the option whether or not to allow PEPPs to be offered in a workplace context, so that it will not interfere with existing occupational pensions or national social and labour law.

Registration and supervision

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

Stakeholders' views are sought on the following:

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

b. No

c. No opinion

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

No opinion

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

b. No

c. No opinion

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

No opinion

Investment rules and diversification

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

Stakeholders' views are sought on the following question:

- 24 Do you consider the investment rules in the PEPP Regulation appropriate to support the achievement of adequate long-term returns? a. Yes
b. No
c. No opinion

Please elaborate your answer.

No opinion.

Level playing field across personal pension providers and rules on distribution

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

Stakeholders' views are sought on the following:

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

¹¹ EIOPA OPSG (2024), [Own-Initiative Discussion Paper on the pan-European Pension Product](#), p. 24-26.

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

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

No opinion.

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

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

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

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

No opinion

Individual transfers

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

Stakeholders' views are sought on the following:

- 27 Should the PEPP Regulation ensure that savers can make individual transfers between existing personal pension products and the PEPP? a. Yes
- b. No
 - c. No opinion

Please elaborate your answer.

No opinion.

Transparency, information and pension tracking systems

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

Stakeholders' views are sought on the following:

28 Are the transparency requirements envisaged by the PEPP Regulation adequate?

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

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)?

No opinion.

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

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

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

Yes. A national pension tracking system helps to increase insight in the personal pension situation. Including personal pension products, like PEPP, next to first and second pillar pensions makes it possible to give a more complete overview of that situation. It is important in this context that sufficient time is given to actually implement this within the

national tracking system. Due to the level of automation involved, it is essential to carefully assess what is feasible before incorporating this into regulation. Any additional obligations must be practically implementable.

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

We think the inclusion of PEPPs in the national PTS is relevant for developed PEPP sectors, where the costs of setting up and maintaining the pension tracker is proportional to the benefits of transparency. Therefore, it seems best to leave the decision of obliging participation in a PTS to Member States.

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

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

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

Yes, in principle we support giving the PTS a larger role in communication. However, it is very important that such reporting requirements obligations must be practically implementable. In particular, overloading of pension tracking systems with detailed information on the PEPP should be avoided if the PEPP is not or hardly offered.

Tax treatment

[Commission Recommendation of 29 June 2017 on the tax treatment of personal pension products, including the pan-European Personal Pension Product](#),¹² encouraged Member States to grant PEPPs the same tax relief as the one granted to national personal pension products. Where Member States have more than one type of personal pension product,

¹² C(2017)4393 final

they were encouraged to give PEPPs the most favourable tax treatment available to their personal pension products.

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

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

Please elaborate your answer, providing relevant examples where possible.

No opinion.

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

- b. No
- c. No opinion

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

No opinion.

Other aspects

Stakeholders' views are sought on the following:

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

- b. No
- c. No opinion

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

When designing the product features of the PEPP, the Commission should refrain from aiming at two or more different objectives at the same time. Currently, the PEPP looks to achieve two objectives: increasing supplementary pensions for EU citizens in general and improving access to pensions for cross-border workers. The latter is more complex and costly than the first. We would argue that the first goal is more important than the second. Cross-border provision will follow if there is a strong demand from consumers.

Furthermore, we would like to reiterate that the advantages and risks of a second pillar PEPP should be carefully considered, in particular the potential consequences for existing second pillar systems in the Member States.

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](#)¹³ on possible changes to the IORP II Directive which will also be taken into consideration in the context of the review of that Directive.

¹³ EIOPA (2023), [Technical advice for the review of the IORP II 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 stocktake¹³ 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.

¹³ Better Finance (2024), [The Real Return of Long-term and Pension Savings](#).

Stakeholders' views are sought on the following:

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

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

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

Yes.

Our experience shows that inclusion of private and alternative investments increases the total returns in the long run and improves risk diversification.

From our decade-long experience with ALM studies and the implementation thereof, Dutch IORPs are convinced that alternative and private assets add value to the portfolio due to overall higher (expected) returns, resulting from their illiquidity premium, and their diversification benefits. These benefits lead to a higher Sharpe ratio, the ratio of excess returns (above the risk-free rate) relative to risk.

Consistent policies from governments (including investor protection) are important in further enhancing the Sharpe ratio of private and alternative investments. Moreover, equal access for non-domestic investors compared to national investors also will broaden the investor base and capital, leading to lower risk and higher liquidity.

Alternative assets entail different risks than listed assets, including illiquidity and valuation. Illiquidity does require more stringent cash flow planning, but Dutch pension funds have very predictable cash flows. Our supervisor DNB checks whether the risk-management function of the IORP has the capability to deal with the specific challenges related to alternatives in its portfolio. See also our answer to question 35.

35 Are there in your knowledge any national quantitative or other type of investment rules imposing overly restrictive limits on investments in alternative assets? a. Yes
b. No
c. No opinion

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

No.

In the Dutch context, no quantitative restrictions are imposed by the regulator or supervisor on alternative assets hindering the allocation desired by IORPs. The prudent person principle is treated as an “open norm” in national law, including the rule that investments in non-regulated markets are to be kept at prudent levels. The investment plans of IORPs are based on extensive ALM studies and monitored by internal or external risk-management and control departments. Although there are no quantitative limits to certain asset classes within the investment plan, the open norm prescribes that the risk-management system of the IORP should be commensurate to the complexity of the portfolio. This process is supervised by the supervisor DNB. We believe the open norm on the prudent person principle allows pension funds to balance the benefits of allocations to alternative assets with the additional costs and challenges of risk-management, in a manner that is appropriate for the individual pension fund.

Our members that are involved in managing pension schemes of multinationals indicate that there are quantitative restrictions on unlisted assets (Belgium, Switzerland, Austria, and Germany), as well as limitations on equity exposure in Central and Eastern Europe. They would welcome a shift away from quantitative restrictions to a risk-based open norm, as is currently the case in the Netherlands and foresee a role for the IORP II in this regard.

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

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

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

No.

Not for most Dutch IORPs, who either have expertise in-house or are able to access this expertise through a fiduciary manager. However, this could be an issue for smaller IORPs. Moreover, the board of trustees has to be able to show to the supervisor that the board is in control and has to give a clear mandate and control framework to its (fiduciary) external manager(s) at all times, as part of the open norm on the prudent person rule. The supervisor also verifies experience and knowledge relating to unlisted assets as part of the fitness checks, if the IORP invests in these assets.

One challenge related to alternative assets, is that they can be perceived – by the public – as being expensive due to their high fees (such as management fees and carried interest), even though it is our experience that the net returns (after costs) are attractive in the long run (due to the benefits mentioned in question 34). This perception of the costs can create pressure not to invest in these asset classes. The EU could promote standardisation of reporting and fee transparency for private equity managers and other alternatives managers, in order to tackle this issue.

- 37 Do you consider that the current provisions on risk management in the IORP II Directive and the intervention capacity of supervisory authorities could be further enhanced to strengthen trust in institutions under the scope of the Directive? a. Yes
b. No
c. No opinion

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

No.

The current level of risk-management, both within Dutch IORPs and the Dutch (prudential) supervisor DNB, is adequately developed. Next to that, it is important to note that the new Pension Act will lead to even more professional risk management and better instruments for the supervisors (especially the prudential supervisor DNB).

The introduction of the EMIR Regulation has led to additional investments in the risk management and treasury capacity to execute, report/monitor and (risk) manage derivatives. And this has also led to additional reporting to and monitoring by our supervisors AFM (for financial market) and DNB (prudential). In the wake of the UK gilt crisis, the AFM and DNB have conducted studies into Dutch IORPs' ability to deal with variation margin calls in a scenario with rapidly rising interest rates. They found that the sector has sufficient liquid assets to do so, and did not report issues on access to data (source).

Further regulation or stricter supervision would mainly lead to higher costs and thus lower pension benefits without improving the risk-management of Dutch IORPs.

Any additional regulation should be tailored to the new Dutch Pension Act and given its specificities, national regulation seems in most cases much more suitable than general European regulation.

- 38 Do you consider that the introduction of an explicit duty of care provision could further strengthen the level of protection of members and beneficiaries? a. Yes
b. No
c. No opinion

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

No.

This question about the duty of care is part of the chapter on investments, but a duty of care is much broader than that. While we do acknowledge that specific duties of care can be relevant, we believe a general duty of care is too broad.

In the context of investments and diversification, a duty of care is only relevant to the extent that members and beneficiaries have investment choices (such as risk profiles, lifecycles or investment portfolios). Under the new Dutch pension system, the vast majority of members will not have any investment choice, although their collective risk preferences per age cohort are surveyed and incorporated in the investment policy.

A general duty of care might interfere with pension scheme design, which is the responsibility of social partners, or lets NCAs cast a much wider net to supervise, leading to overregulation. The risk that technological developments might lead to NCAs not being able to effectively supervise IORPs without a general duty of care, can be mitigated by carefully designing specific duties of care that are technology neutral.

In the Netherlands, we have duties of care in matters where the IORP is in charge, on topics as pension information, choice guidance (keuzebegeleiding), investment choices (beleggingsvrijheid) and risk preference research (risicopreferentieonderzoek). These duties of care fit within the Dutch pension system. Moreover, the prudent person principle is the baseline in making sure that the interests of members are protected by IORP.

In these instances, the duty of care acts as an open norm, under which pension providers should explain how chosen approaches are effective rather than require a compulsory approach. It means that supervisors take a risk-based approach in ensuring IORPs deliver on their promises. We believe this approach is effective and we would oppose an alternative approach at the European level.

Furthermore, pension fund members' interests are protected by a duty of care in Dutch civil law, as well as paritarian pension fund governance structures. Individual board members of an IORP therefore need to act in the best interests of all members of the IORP.

- 39 Do you consider that national competent authorities are adequately equipped under the Directive to oversee that assets are invested in the best long-term interests of members and beneficiaries as a whole? a. Yes
b. No
c. No opinion

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

Yes.

We consider that under the Dutch regulatory framework supervisors are adequately equipped to oversee risks. The regulator (the Ministry of Social Affairs and Employment) has increased the effectiveness of pension regulation and supervision in the Netherlands (in the new Pension Act) and increased the power of the national supervisors. Due to the new Pension Act and the transition towards new pension schemes (from DB to DC), IORPs are obliged to survey the risk preferences of members and beneficiaries and translate these into a risk framework ("risicohouding") which has to be approved by the supervisor DNB and is monitored on a yearly basis. The supervisor also has to approve a list of plans (like investment plan) and tests whether trustees are competent.

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?

No.

We believe that current supervision in the Netherlands already provides sufficient implicit tools to address situations where returns are not adequate, as the profitability of the portfolio is a core component of the prudent person rule. It is the role of Board of an IORP to monitor the investment returns and see whether they are in line with the selected benchmarks and established risk preferences of the members.

Moreover, “adequateness” of investment returns is a very vague concepts and it is unclear how this would be operationalised. It can only be assessed over longer periods, otherwise it might lead to short-termism. Moreover, intervention can also lead to unintended consequences. For example, the pension fund could be forced to switch to a more defensive investment strategy following negative returns due to a market crash, leading the pension fund to miss the subsequent upswing.

Scale

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

Stakeholders’ views are sought on the following:

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

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

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

No.

In the Netherlands we are witnessing consolidation in the IORP sector (from around 1000 at the end of last century to around 160 in 2024). This trend is mainly driven by increasing governance requirements, regulatory costs and increasing complexity of running a pension scheme. We observe that very small IORPs have higher administration costs (but not asset management

costs). This leads social partners of small schemes to reassess from time to time whether the scheme is still cost-effective or whether consolidation is in the interest of its members. It can also be the case that the sponsor of a single-sponsor scheme carries the costs of pension administration, as it wants an own scheme as part of the HR offering to its employees. Therefore, while there are certain benefits of consolidation, smaller IORPs can still deliver good outcomes for their members.

Moreover, there are also ways in which smaller IORPs can access expertise or benefit from economies of scale. These include the fiduciary management model, collective investment pools for multiple IORPs (for example used by multinationals in managing different national schemes, or offered by asset managers), as well as outsourced CIO structures, as mentioned in the question.

Collective transfers

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

Stakeholders' views are sought on the following:

- 41 Do you consider that the current framework for cross-border collective transfers between IORPs has managed to achieve the objectives that justified its introduction, namely facilitate the organisation of occupational retirement provision on a Union scale?
- a. **Yes**
 - b. No
 - c. No opinion

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

First of all, we believe that cross-border activity of IORPs should not be an objective by itself. Instead, the most important goal of pension policies of the European Commission and the national Member States in general and of IORP II in particular should consist of increasing adequate and sustainable pension provisions for EU citizens.

Most IORPs are managed by social partners, whose ambition it is to provide pensions to the members in their sector; not to grow into a cross-border financial service providers. Nevertheless, cross-border activity can be useful for multinational companies in order to streamline their operations. The Dutch Federation of Pension Funds has several IORPs as members that run schemes in both the Netherlands and other countries. Looking at AUM and member numbers, the Netherlands is the most important host state.

Our answer on this question is yes, insofar as that the current framework is almost completely adequate and sufficient to support responsible collective transfers. The fact that the number of collective transfers is relatively limited is due to a considerable number of other reasons and circumstances than the framework from the Directive. Most importantly, taxation and social and labour law remains national, meaning that pension administration must be conducted separately, requiring national expertise. Moreover, while prudential regulation is home state competence, elements of prudential regulation may still be linked to social and labour law, as well as taxation, and vice versa. This limits the potential economies of scale and has created friction for scheme where the Netherlands was the host state.

This being said, we would not oppose a change of the definition of the majority of members and beneficiaries needed to approve a cross-border transfer. In this respect, the following suggestion of EIOPA with regard to article 12, section 3 of IORP II could be followed:

“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.”

Considering the fact that deregulation is also a more general goal of the EC we could understand a critical review of some specific norms related to cross-border transfers and activities. However, this should not lead to a situation of regulatory arbitrage and national social and labour law should be respected. After this review it is also a responsibility of the NCAs to be as practical as possible in working with the existing IORP II rules and refrain from gold-plating.

Cross-border operations

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

Stakeholders' views are sought on the following:

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

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

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

Yes. The current IORP II framework ensures that cross-border activities can be carried out by IORPs in a proper manner.

In addition, we support EIOPA's Advice for a change to article 9 of IORP II requiring competent authorities to perform a prudential assessment as a part of the registration or authorisation process of all new IORPs. This would be in line with the other financial institutions as well as logical in the context of a proper functioning of the internal market.

In this context it should, however, be noted that the alleged shortcomings in IORP II are in our opinion not the main reason(s) for the very limited extent of cross-border activities by IORPs, as explained in question 41. In our view – and also explained by EIOPA in its Advice – the reality of the significant differences between the national tax rules and social and labour laws, as well as cultural aspects of the Member States are important reasons for this limited cross-border activity.

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

- Yes
- b. No
- c. No opinion

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

Yes. In our view the existing supervisory powers for cross-border under IORP II provide for trust and prevent regulatory arbitrage.

This does, however, not mean that regulatory arbitrage could occur in situations with IORPs that only provide pension schemes in other Member States than their home state. In such situations a considerable risk of regulatory arbitrage and/or bypassing the role of social partners (and in particular trade unions) could exist. This could lead to the misuse of pension capital and with that a breach of confidence in capital funded pension schemes. It should therefore be considered to provide for a host Member State option not to allow the provision of pension schemes by IORPs which do not do this in their own home Member State. Such adjustment would ensure that IORPs remain trustworthy managers of pension schemes and therefore preferred organizations to manage such 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?

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 Regulation¹⁴ with the Recommendation on Core Principles of

¹⁴ OECD (2009), [Recommendation of the Council on Core Principles of Occupational Pension Regulation](#), OECD/LEGAL/0373.

Private Pension Regulation¹⁵, 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 funds¹⁶, defines a scope which is not always aligned with that of the IORP II Directive.

Stakeholders' views are sought on the following:

44 In your view, could the current scope of the IORP II Directive be adjusted to better capture the diversity of the supplementary pension landscape and the

organisation of the different pension systems across all Member States, to ensure a minimum level of protection for all supplementary pension savers across the European Union?

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

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

The scope of the Directive is appropriate for the Netherlands. On the one hand, we believe that it is in the interest that every European member in a funded occupational scheme, that their money is invested in their interest by an entity that is managed professionally. IORP II provides a minimum standard for this and can be adjusted to national specificities. Moreover, having IORPs in more Member States also increases the legitimacy of IORP II, as legislation that only applies to one or a few Member States would not meet the subsidiarity requirement.

On the other hand, we do not think that an extension of the scope will increase access to occupational pensions in other European countries. In the last decade, IORPs have been made subject to horizontal legislation (e.g. DORA, SFDR). As IORPs are not active in all European countries, the interests and specificities of the pension sector were often

¹⁵ OECD (2016), [Recommendation of the Council on Core Principles of Private Pension Regulation](#), OECD/LEGAL/0429.

¹⁶ [Regulation \(EU\) 2018/231 of the European Central Bank of 26 January 2018 on statistical reporting requirements for pension funds](#) (OJ L 45, 17.2.2018, p. 3, ELI: <http://data.europa.eu/eli/reg/2018/231/oj>)

overlooked and EU policymakers often focused instead on the relevance of laws for banks, insurance companies and asset managers. We think that occupational pension providers currently out of scope are more concerned about these types of regulations, than necessarily IORP II itself. As such, we understand their reluctance to extend the scope.

Minimum standards

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

Stakeholders' views are sought on the following:

- 45 In your view, does the existing framework ensure a level playing field for all providers under the scope of the Directive across the European Union?
- a. **Yes**
 - b. No
 - c. No opinion

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

Yes, as far as we can observe the existing IORP II Directive provides for a level playing field between providers.

However, this does not alter the fact that a breach of such a level playing field could result from a situation with IORPs that only provide pension schemes in other Member States than their home state. In such a situation a considerable risk of regulatory arbitrage and/or bypassing the role of social partners (and in particular trade unions) could exist. It should therefore be considered to provide for a host Member State the option not to allow the provision of pension schemes by such IORPs. This adjustment would ensure that IORPs remain trustworthy managers of pension schemes and therefore preferred organizations to manage such schemes.

Supervision

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

Stakeholders' views are request on the following:

- 46 In your view, has a satisfactory degree of supervisory convergence been achieved among national competent authorities in the implementation and application of the IORP II Directive? a. **Yes**
b. No
c. No opinion

Please elaborate your answer. If no, what areas of supervision do you consider to be most affected by divergences, and what further steps could be taken at the level of the European Union to promote more consistent supervisory practices across Member States?

Yes.

In our view, a satisfactory degree of convergence has been realized in IORP II. On the one hand IORP II provides for a sufficient degree of harmonisation, and on the other hand IORP II - as being a minimum harmonisation directive - provides the Member States with sufficient flexibility to accommodate the specificities in their diverging national pension systems. The EIOPA advice on the IORP II review (September 2023) shows that in many Member States, legislators and supervisors have introduced additional regulation, tailored to the national situation. The implementation and application of the supervisory powers included in IORP II in practice by NCAs should be regularly and adequately evaluated, with pension funds and providers involved in this process.

- 47 In your view, does the IORP II Directive sufficiently guarantee that national competent authorities in all Member States are equipped with all the necessary powers to effectively carry out their supervisory responsibilities?
a. **Yes**
b. No
c. No opinion

Please elaborate your answer.

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

The answer to the question if the NCAs are equipped with all the necessary powers to effectively carry out their supervisory responsibilities should primarily be given by these authorities.

Nevertheless, from our point of view, we are of the opinion that the answer seems to be affirmative. As far as we can observe IORP II provides NCAs with sufficient and adequate powers to carry out their tasks.

When nevertheless additional supervisory powers would be deemed necessary in a revised IORP II Directive, these should only be proposed if these can be based on an adequate and thorough analysis of the alleged shortcomings in the current supervisory powers as regulated in IORP II. The differences between national pension systems necessitate a tailored approach, and thus, it is essential to maintain the necessary flexibility in supervision to accommodate these variations.

Transparency, information and pension tracking systems

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

Stakeholders' views are sought on the following:

- 48 In your view, are the current rules in the IORP II Directive sufficient to ensure that all members and beneficiaries receive clear and effective information (e.g. on cost disclosure, performance, risk indicators and benefit projections)?
- a. Yes
 - b. **No**
 - c. No opinion

Please elaborate your answer.

No.

The current rules are too stringent to allow for pension communication that better fits members' needs. A principle-based approach should be the starting point in legislation and supervision.

When the PBS was introduced in European legislation, it was a best practice in pension communication. The PBS created uniformity in data definitions and presentation which facilitated aggregation and comparability. However, the PBS in its design is inherently limited: it only shows information on one provider in the second pillar. Over the years, more requirements have been added to the PBS making it longer. These developments have led the PBS to become less effective,

have increased the risk of information overload and understanding by members. Some Member States have also introduced effective PTSs, significantly increasing the communication landscape. Moreover, since the introduction of the PBS, research has given further insights into members' behaviour and preferences, showing that less is often more in pension communication.

A governmental evaluation of pension communication in the Netherlands, which include the PBS and PTS (<https://open.overheid.nl/documenten/ronl-58e75d8d-8b76-4327-9640-81ac42678400/pdf>) found that communication channels other than the PBS are far more used and considered more helpful. In the evaluation, the Dutch Ombudsman on Pensions concludes that “the content of the PBS is not used and the PBS only serves to bring attention to pensions”. In the same evaluation, the Dutch supervisor AFM also remarks that the PBS mainly has an attentive function - for people to receive an annual reminder on their pensions – and not so much an informative function.

We therefore propose to apply principle-based communication rules, setting open norms to ensure effective communication, instead of prescribing a detailed information document such as the PBS. Open norms provide a uniformity of goals and intended results, rather than prescribing communication formats, tools or channels. In applying open norms, pension providers should explain how chosen communication approaches are effective rather than execute a compulsory communication approach. This would make IORP II more technology neutral and gives NCAs more discretionary space to supervise.

This point of view is not new: in 2013, EIOPA advised taking behavioural purposes as the starting point for drafting information requirements: what should people be able to “do” with the information? This goal can be reached by providing tailored, layered and comprehensible information that is communicated when action should be taken.

In 2016, EIOPA acknowledged that when it comes to communication tools and channels, “one size does not fit all”. Communication practices and strategies should be seen as a mirror of their time. Regulating a certain medium of communication locks the use of such medium across time. This is reflected for example in the requirement for a “durable medium”. Information should be gathered in one document (paper or .pdf format) or an unchangeable template in an online personal environment, which hampers innovation.

Instead of prescribing the carrier and medium of communication, IORP II should, for example, lay down the principle that information should always be available, easy to find and easily accessible. We propose an obligation for IORP II to make complete and updated information available for a member to download, retrieve or archive at a self-selected time, in a way the member prefers.

We argue that online portals by pension providers or the PTS is a more suitable way to communicate with members. Online portals can offer tailor-made information and personal choice guidance for members, while the PTS gives a more comprehensive pension overview.

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

Moving forward, we would relax the PBS requirements in Member States with a mature PTS or where it can be shown that better communication can be achieved through pension portals. Supervisors should be empowered to supervise relevant information and choice guidance that an IORP sends. We propose the following:

Firstly, expand the possibilities of pension portals by encouraging data access for IORPs from the PTS. This will lead to a combination of the capabilities of a PTS to create an overview of different pillars and the tailor-made approach an IORP can offer. The IORP can provide personalized information and choice guidance based on richer data from its member. This has been made possible in the Netherlands: the PTS can share data with pension providers since July 1, 2024. It does require an IORP to actively offer this data sharing to members and for the member to give permission.

Secondly, give the PBS a smaller role in pension communication by requiring IORPs to make the PBS available instead of actively providing it to members. The PBS can then be made available on request, either digitally or on paper. This would allow interested members to read, save and archive the PBS annually, while making the PTS or a pension portal the first point of contact for annual pension information.

One of the arguments in favour of the PBS is that it can be archived by members. However, we think this role of the PBS is limited, it is not meant to confer the right to a certain benefit and past information is not as valuable to a member when more recent information is available, especially in a DC context. Another argument for the PBS over the PTS is that older members are not as digitally savvy. As we have described in Question 1, the PTS in the Netherlands has over 9 million logins, many of them between the age of 61-65, showing that members and beneficiaries, also in the pre-retirement phase, are able to interact via digital tools.

We do acknowledge that the PBS still plays an important role in Member States that are developing their occupational pension system, the online pension portals of IORPs or a PTS. In 2018, EIOPA wrote that the goal of the PBS is outlining the current situation of the member regarding the accrual of his/her pension benefits, projecting future retirement benefits, enabling retirement planning and helping the member to make informed decisions. In combination with the requirement that the PBS (article 38.1) shall be a “concise document”, this poses a challenge.

A helpful tool is to offer layered information. Rather than presenting in-depth information in the PBS, pension fund members should be able to find the suitable links and sources in the PBS. This allows the PBS to remain a concise document. Only information that directly contributes to the PBS’s goals should be included. We would therefore propose to transfer paragraphs 1f, 1g and 1h of Article 39 to Article 40 as Supplementary Information. Adding additional information to the PBS, as proposed by EIOPA in its Technical Advice, is not a good idea. Any additional information should be added to Article 40 rather than to Article 39. Specifically, EIOPA proposed to expand the PBS with information on sustainability, costs and past performance. While we strongly believe that information on these topics is important, the PBS is not the most suitable place and will risk an information overload for members.

Transparency of costs and performance are important because of their potential effect on pension outcomes. However, in a context of limited or no choice for members and beneficiaries in compulsory pension schemes it is more important to provide overall

transparency and report to supervisors than to inform members and beneficiaries. A detailed breakdown can be offered to interested members, for example on the website or in a personal pension portal.

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

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

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

EU supplementary pension legislation should provide space to the diversity of pension schemes and providers within and between EU Member States. Given the variety of pension systems in the EU, supplementary pensions play a different role in each Member State. Harmonising the requirements for supplementary pension providers will be suboptimal. It could also create barriers for Member States to start or expand their occupational pension system.

We do think it is good for citizens to have comprehensive and uniform key information about their supplementary pensions through the PTS. That should, however, not include all general information as currently defined in Article 37 of IORP II. In the Netherlands, the PTS provides core information about state and occupational pension, while information on private pensions is not included. Dutch residents would benefit from more comprehensive information on all their pensions, by including private pensions in the PTS.

We note that a stakeholder-led approach works best to set data standards for the PTS. We support the development of the European Tracking Service on Pensions. The variety of European pension schemes poses challenges for data standardisation, aggregation and comprehensibility. Nevertheless, we think a bottom-up stakeholder-led approach is preferable to this end than top-down standards.

Beyond key information to be included in the national PTS, we would caution against greater alignment of pension information between different types of pension providers, especially at the European level. Unlike Solvency II and the PEPP Regulation, IORP II is minimum harmonization; and rightly so. It should remain in the remit of Member States to specify communication provisions for occupational pension providers.

The perspective of members and beneficiaries should remain the central focus. The information needs people have very much depend on the choices they have. Occupational pension systems are often rooted in the principles of collectiveness and solidarity. That means there is often no choice on enrolment in a certain IORP. In many cases, there is also limited choice within the IORP pension scheme. The interests of members and beneficiaries are protected by social partner representation in the IORP's governance bodies. In the context of limited choice and governance safeguards, it would be inappropriate to introduce PRIIPS-style Key Information Documents requirements in IORP II. In fact, we would be very concerned this would lower the quality of pension communication in the Netherlands, rather than improve it.

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

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

We think PTSs can play a very important and beneficial in pension communication. In the Netherlands, the PTS has a useful role in providing general information on pensions for the state pension and occupational pension pillars. At the same time, IORPs have a legal duty of care over members and beneficiaries for choice guidance around choices within the pension scheme.

The core task of the PTSs is providing transparency on pension benefits. From our perspective, PTSs should not have a role in transparency of for example cost disclosure, performance information or risk indicators.

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

We think the inclusion of IORPs in the national PTS is relevant for developed pension sectors, where the costs of setting up and maintaining the pension tracker is proportional to the benefits of transparency. Therefore, it seems best to leave the decision of obliging participation in a PTS to Member States.

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

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

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

We would relax the PBS requirements in Member States with a mature PTS and where it can be shown that better communication can be achieved through pension portals. Supervisors should be empowered to supervise relevant information and choice guidance that an IORP sends. We propose the following (as discussed in question 48):

Firstly, expand the possibilities of pension portals by encouraging data access for IORPs from the PTS. This will lead to a combination of the capabilities of a PTS to create an overview of different pillars and the tailor-made approach an IORP can offer. The IORP can provide personalized information and choice guidance based on richer data from its

member. This has been made possible in the Netherlands: the PTS can share data with pension providers since July 1, 2024. It does require an IORP to actively offer this data sharing to members and for the member to give permission.

Secondly, give the PBS a smaller role in pension communication by requiring IORPs to make the PBS available instead of actively providing it to members. The PBS can then be made available on request, either digitally or on paper. This would allow interested members to read, save and archive the PBS annually, while making the PTS or a pension portal the first point of contact for annual pension information.

One of the arguments in favour of the PBS is that it can be archived by members. However, we think this role of the PBS is limited, as it is not meant to confer the right to a certain benefit and past information is not as valuable to a member when more recent information is available, especially in a DC context. Another argument for the PBS over the PTS is that older members are not as digitally savvy. As we have described in Question 1, the PTS in the Netherlands has over 9 million logins, many of them between the age of 61-65, showing that members and beneficiaries, also in the pre-retirement phase, are able to interact via digital tools.

Question 51.1 How should the pension tracking system and the Pension Benefit Statement interact or coexist in practice?

We support EIOPA's ideas to enhance synergies between the PBS and other communication tools, such as the PTS. If that would require regulation of the PTS, it should be principle-based. In Member States where an advanced PTS can deliver updated information, the requirements regarding the PBS could be relaxed.

Member States should also be encouraged to connect their PTSs to the European Tracking Service on Pensions (ETS) to enhance the effectiveness and reach of these tools. The IORP Directive could enable the national PTS to make data available to the ETS and to use data from the ETS, by outlining the relevant data protection standards.

Tax treatment

The [2001 Communication on the elimination of tax obstacles to the cross-border provision of occupational pensions](#)¹⁸ identified the elimination of such obstacles as a means of enabling pension institutions to operate with greater efficiency in meeting the needs of workers and employers, while also enhancing their role as more efficient suppliers of capital to business in their capacity as investors in the economy.

Stakeholders' views are sought on the following:

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

a. Yes

- b. No
- c. No opinion

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

Yes. There are significant differences between the national tax systems of the Member States, and the necessity - in case of a cross-border provision of pensions - to follow the national tax regulations (as well as social and labour law) of another (host) Member State can be considered as an obstacle for cross-border provision of pensions. Notable the following obstacles can be observed:

- *Tax obstacles regarding the transferability of pension capital. With regard to the mobility of workers within the Union, efforts should be made to remove tax obstacles and create an internal pension market.*
- *Taxation of cross-border pension payments/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 harmonized.*
- *Disparities between Member States in the EET approach.*

European harmonisation of national tax systems is not possible because this is a matter of national competence of the Member States, but perhaps a central data point at EU level with information about national tax systems concerning pensions could perhaps help to a certain degree. For reasons of completeness, we would furthermore like to stress that, besides this obstacle in the field of taxation, there are also other several other factors which can be considered as impediments for cross-border pension provision. In this respect we also refer to our answer on Question 42 in this Consultation.

In the context of attracting more investment to the EU, we also stress the importance of an EU level playing field for taxation of the investments of pension funds. Foreign and domestic IORPs should have the same tax treatment as IORPs based in a Member State. In many cases, pension funds face higher taxation and/or longer withholding periods for tax reclaims when investing in other EU countries compared with domestic IORPs in those countries. This has a negative effect on the EU investment climate. In the implementation of the FASTER Directive, Member States should grant foreign IORPs access to fast-track withholding tax procedures equivalent to domestic IORPs. Moreover, foreign IORPs should have equivalent access to corporate income tax exemptions to domestic IORPs.

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.

¹⁸ COM(2001)214 final

Stakeholders' views are sought on the following:

- 53 In your view, has the IORP II Directive achieved a sufficiently clear and workable definition of prudential regulation? a. Yes
b. No
c. **No opinion**

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

Other aspects

Stakeholders' views are sought on the following:

- 54 Are there any additional issues that you believe should be considered in the review of the IORP II Directive?
a. **Yes**
b. No
c. No opinion

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

Yes.

We welcome the initiative of the European Commission to review IORP II. We believe a targeted review should be conducted, with the specific aim of increasing access to occupational pensions in Europe. The majority of European employees currently does not have second pillar pensions, or any supplementary pension. In combination with the ageing European society and dwindling birth rates, this will put enormous pressure on first pillar pensions. The primary purpose of IORPs should therefore continue to be to deliver good pensions for their members. Deepening capital markets through the roll-out of occupational pensions is a very welcome but ultimately secondary effect.

In the Netherlands, the pension sector is undergoing an important transition to the new DC framework. This transition will still take a number of years and requires significant

resources from IORPs and our supervisors, in order to make sure that the conversion of DB entitlements into DC capital is conducted carefully and in a balanced manner. It would help our sector tremendously if the IORP II proposal could still be delayed into 2026.

*Furthermore, we believe **IORP II could provide more clarity** about the obligation for IORPs to maintain regulatory own funds in case their members and beneficiaries fully carry biometric risks themselves (as a collective), rather than the IORP itself.*

In this respect, we note differences in wording between Article 13 (“provide cover against biometric risks”) and Article 15, par. 1 (“underwrites the liability to cover against biometric risk”). And more specifically, we would like to point out the current Dutch pension reform, which will make Dutch IORPs provide variable annuities. These annuities are variable and depend on financial and biometric results, and the IORP neither provides guarantees nor underwrites the liability to cover against biometric risks.

Would it be possible to clarify in a revised IORP II Directive - either in article 15 itself or in a recital - whether and when in these situations IORPs are considered to underwrite the liability to cover against biometrical risks as prescribed in Article 15, par. 1 and, as a result, will be obliged to maintain regulatory own funds?