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From: The European Economic and Social Committee (EESC)

To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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Subject: Opinion of the European Economic and Social Committee on the Supplementary pensions package: PEPP and IORP

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# OPINION

European Economic and Social Committee

## Supplementary pensions package: PEPP and IORP

Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions

Enhancing the capacity of the EU supplementary pension sector to improve retirement income and supply long-term capital to the EU economy  
(COM(2025) 839 final)

Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP)  
(COM(2025) 840 final – 2025/0363 (COD))

Proposal for a directive of the European Parliament and of the Council amending Directives (EU) 2016/2341 and 2016/97 as regards the strengthening of the framework for occupational retirement provision  
(COM(2025) 842 final – 2025/0362 (COD))

**ECO/695**

Rapporteur: **María del Carmen BARRERA CHAMORRO**

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**EN**

Legislative procedure Referrals	<a href="#">EU Law Tracker 2025/0363(COD)</a> European Parliament, 5/12/2025 and 17/12/2025 Council of the European Union, 17/2/2026 and 22/4/2026 European Commission, 14/1/2026
Legal basis	Articles 114(1) and 304 of the Treaty on the Functioning of the European Union
European Commission documents	<a href="#">COM(2025) 839 final</a> <a href="#">COM(2025) 840 final</a> <a href="#">COM(2025) 842 final</a> <a href="#">Legislative train – summary of the proposal</a>
Relevant Sustainable Development Goals (SDGs)	<a href="#">Goal 5 – Achieve gender equality and empower all women and girls</a> <a href="#">Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</a> <a href="#">Goal 10 – Reduce inequality within and among countries</a>
Section responsible	Economic and Monetary Union and Economic and Social Cohesion
Adopted in section	8/4/2026
Adopted at plenary session	30/4/2026
Plenary session No	605
Outcome of vote (for/against/abstentions)	211/2/5

## 1. RECOMMENDATIONS

The European Economic and Social Committee (EESC)

- 1.1 **recommends** that the legislative package maintains the goal to ensure that **all citizens across the EU can retire with dignity, security and adequate income, recognising that this is a fundamental element of the EU's social and economic agenda**. At the same time, it recommends a comprehensive approach at the appropriate level - national or EU - to improve labour markets, and an active policy that strengthens the public pensions systems, while recognising current fiscal and demographic pressures and weak competitiveness, and improving the supplementary pensions systems. Although the EESC recognises the beneficial effects of the joint functioning of the multi-pillar system on the replacement rate of pensions, it believes that the existence of supplementary pensions should not, either directly or indirectly, be used to justify weakening public pensions, particularly in terms of their ability to provide an adequate income;
- 1.2 **recommends** that efforts to improve supplementary pensions be combined with effective measures that ensure public pension systems are maintained and strengthened. Appropriate measures are therefore needed to strengthen participatory governance and promote the involvement of social partners through collective bargaining and social dialogue, always preserving the freedom of social partners to negotiate and design pension plans, in respect of the diversity of systems within the EU;
- 1.3 **recommends** that the reforms of the IORP Directive and the pan-European Personal Pension Product (PEPP) Regulation fully respect national competences, existing agreements between social partners and pension models established by the Member States, maintaining rules based on a principle of flexibility that prioritises adaptability to the substantial differences between national systems, and ensuring that Member States can maintain and continue to develop systems that function effectively;
- 1.4 **recommends** greater consistency and legal clarity in the proposal for a directive amending Directive (EU) 2016/2341. The aim is to reduce fragmentation, increase comparability and transparency, and ensure the trust of scheme members. The proposed measures might include, among others, common indicators to assess value for money and setting a minimum level for solvency margins. In any case, the recommended measures should not result in an excessive administrative burden for pension providers, nor should they negatively affect investment returns and, consequently, the level of workers' pensions. It also recommends calling on Member States to assess decumulation practices and their impact on citizens. Likewise, it recommends assessing periods during which a pension fund is underfunded, distinguishing between cyclical and structural factors in order to prevent any future negative impact on the pensions of current members;
- 1.5 **recommends** introducing further amendments to the PEPP Regulation that extend coverage guaranteed to scheme members; these could include a requirement that the subscription of PEPPs, including basic PEPPs, be by default carried out on the basis of advice, an accessible guide for savers with information and simulations on final capital and costs, a clearer definition

and strengthening of the EIOPA's scope in cases of risk to savers, and an increase in the minimum participation threshold required to authorise a cross-border PEPP transfer;

- 1.6 **recommends** that the proposal for a directive include requirements for Member States to consider, where applicable, adopting concrete measures to achieve a better gender balance, with the aim of gradually reducing gender gaps, which are particularly prominent in private systems. Such measures should be agreed with social partners through social dialogue. Pension entitlements reflect the existing inequality between women and men in terms of career paths and wages. However, while public pension systems can correct these imbalances through redistribution, gender gaps in private pension systems are very large, reaching up to 40%;
- 1.7 **agrees** with the objective of the legislative package to bring private pension schemes into line with the goals of the Savings and Investments Union, in order to foster more dynamic European capital markets that support a more competitive economy. The Committee also **recommends** including measures to strengthen public confidence in private pension systems and place them on the same footing as public pension schemes — a step that is essential to achieving the objectives and overcoming the current situation. In this context, it should be possible to enhance the performance of the investments underpinning retirement savings without compromising their reliability;
- 1.8 **recommends that pan-European Personal Pension Products (PEPPs) remain strictly individual, and therefore that group purchasing not be allowed.** It also warns that introducing PEPPs in the workplace could be at odds with collectively negotiated plans. It is essential to preserve and strengthen the distinctive role of institutions for occupational pension provision (IORPs), which manage collective assets under frameworks negotiated with social partners through social dialogue and collective bargaining, and operate in line with the IORP rules;
- 1.9 **urges** the co-legislators to **consider rewording the ‘prudent person’ rule referred to in Article 19 of the IORP Directive**, since the proposed wording could put the security of pension payments at risk. It is essential that the text of the Directive **strike the right balance** between investment risk and guaranteeing scheme contributions;
- 1.10 **recommends** that automatic enrolment, as set out in the Commission's recommendations, be the result of strengthened social dialogue and collective bargaining, where appropriate, so that the necessary conditions exist for the social partners in the Member States to have the appropriate instruments, always preserving the freedom of social partners to negotiate and design pension plans, to decide to promote the automatic enrolment of workers in occupational schemes. The social partners must be fully involved in shaping these options. Broad social consensus is required to ensure the legitimacy and long-term sustainability of these systems;
- 1.11 **recommends** that a committee be set up to monitor European measures on pensions, involving the Member States, the social partners and civil society organisations, as well as the relevant authorities, in order to ensure effective and vigilant monitoring of the progress of the measures implemented and of their impact on the core objective: to increase the incomes of retirees in Europe and **mitigate and prevent the potential impact in terms of inequality and poverty.**

Future regulatory changes or proposals from the Commission should take into account the work carried out by this monitoring committee, which should also feed into the work of the European Semester and the Council. The European Commission should provide the information and impact assessments to this monitoring committee so that it can analyse the impact of the extension of supplementary pension systems on key social indicators on inequality and poverty. It should also carry out a specific assessment to analyse the potential indirect effects of each pension scheme on the others;

- 1.12 **recommends** that the implementation of private schemes be accompanied by specific measures in the area of social policy to mitigate the potential segregation effects referred to in the recommendation, which states that pension dashboards should consider the impact that increases in supplementary pensions may have on the ability to provide an adequate income, on sustainability and on efforts to reduce poverty and inequality risks;
- 1.13 **recommends completing the work being carried out to coordinate the digitalisation of European social security systems**, which is essential for implementing any pension-related proposals and key to ensuring the portability of pension rights and free movement in Europe, which are also objectives laid down in the proposal for a directive;
- 1.14 **stresses** the importance of raising awareness of individuals' pension prospects and underlines the need for financial education throughout adult life, supported by user-friendly tracking tools such as those already available in several Member States, including, during the decumulation phase, survivor's pensions for household members. Underlines the need for easy access to guidance and advice whenever individuals have to make their own decisions.

## 2. EXPLANATORY NOTES

- 2.1 The proposal for a directive of the European Parliament and of the Council amending Directives (EU) 2016/2341 and 2016/97 as regards the strengthening of the framework for occupational retirement provision<sup>1</sup>, and the Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP)<sup>2</sup>, which introduces 30 amendments, are included in a broader package that also contains a recommendation. This legislative package lacks an impact assessment of the results of the rules applied to date, which would act as the starting point for justifying the proposed amendments – a shortcoming that weakens and limits the effectiveness of the proposal.
- 2.2 Most importantly, in Article 47(4) and (5) of the proposal for a regulation<sup>3</sup>, the European Commission introduces the possibility for Member States to include in their national pension systems, for the first time, auto-enrolment for workers in PEPP schemes in the workplace. This legislative amendment is underpinned by recitals 25, 26 and 27 of the European Commission recommendation on pension tracking systems, pension dashboards and auto-enrolment<sup>4</sup>, which

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1 [COM\(2025\) 842 final.](#)

2 [COM\(2025\) 840 final.](#)

3 [COM\(2025\) 840 final.](#)

4 [C/2025/9300 final.](#)

states that ‘auto-enrolment means that individuals are automatically enrolled into a supplementary pension scheme’, thus opening the door to auto-enrolments for all supplementary pension systems.

- 2.3 To move from voluntary systems to a model where participation becomes the default is a major paradigm shift. Not to mention that auto-enrolment should not be detrimental to occupational pension systems where governance lies with the social partners through social dialogue and collective bargaining.
- 2.4 This opinion is based on the idea that, for occupational and individual supplementary pension schemes to succeed, it is necessary to go beyond what the European Commission proposes and to adopt a more comprehensive approach, rather than relying solely on a minimum-standard IORP Directive and PEPP Regulation whose underlying aim is to mobilise savings in long-term capital markets which should offer better outcomes, while supporting productive investments and infrastructure projects. These are to enhance competitiveness and productivity in the EU economy, which is key to maintain the EU social model. It is essential to strengthen occupational funds and collective bargaining through effective measures that go beyond favourable tax treatment, thereby fostering citizens’ confidence and participation in their governance. Moreover, this legislative initiative should help promote a model of economic growth based on comprehensive sustainability (economic, social and environmental).

*Arguments in support of recommendation 1.4*

- 2.5 Supervisory authorities should avoid administrative overlaps and duplications. To this end, the powers of supervisory bodies must be clearly defined. This also helps to enhance trust in the system and ensure legal certainty for providers, members and beneficiaries. For this reason, the EESC considers it necessary to make it clear that the Member States must retain primary competence (see amendment 12).
- 2.6 The Commission’s proposal states that, in order to approve a cross-border transfer of a fund, the minimum participation threshold cannot exceed 25% of the members and beneficiaries concerned. This figure, chosen arbitrarily, is very low. To ensure greater legitimacy of the decision and to protect members and beneficiaries from the consequences of such a transfer – particularly given that the regulatory framework is based on a Directive, with the limitations described in the previous paragraph – amendment 13 proposes raising this participation threshold to at least 50%. Furthermore, to provide stronger safeguards, it proposes ensuring individual consultation of unit-holders and supervision by the competent national authority.
- 2.7 The maximum period during which a fund may remain underfunded must be corrected within a ten-year limit. This time frame is not based on impact assessments or previous evidence. To protect members and strengthen their confidence, it is essential to ensure that prolonged underfunding does not undermine the future benefits of current members. For this reason, amendment 14 includes protective provisions, requiring the competent national authorities to distinguish between cyclical and structural factors and assess the optimal number of years for each case.

- 2.8 To reinforce the clarity of the rules concerning the sustainability preferences set out in Article 19(1)(c), the EESC proposes in amendment 16 that the information provided to members and beneficiaries must be transparent. It also adds that, in this respect, the standards established by the European Commission should be followed. The aim is to ensure transparency, verifiability and trust.
- 2.9 To meet the objective of ensuring that all scheme members and beneficiaries receive clear and comprehensible information, and in light of the level of financial literacy among many European citizens, it is essential to guarantee that the information provided to them is both appropriate and easy to understand. In this regard, in amendment 17 the EESC calls on the Member States to ensure that providers provide technical information accompanied by clear and visual summaries in accessible language. Likewise, and with a view to facilitating understanding of the information provided, providers must offer basic financial education resources. Amendment 19 points in the same direction. To ensure their suitability, these resources must undergo prior testing with scheme members. To avoid these resources generating additional costs (which is a matter of vital importance), the EIOPA and the competent national authorities could take responsibility for creating and updating these materials.
- 2.10 At present, there is a wide range of options for drawing down the contributed funds, some of which are difficult to understand. The Commission's proposal preserves the need for sufficient flexibility and a broad range of options, but the sheer number of possibilities can also be confusing for scheme members. For this reason, in amendment 18 the EESC recommends that the Member States be asked to assess existing decumulation practices and their impact on citizens and, where appropriate, to facilitate access to these options.
- 2.11 While the EESC acknowledges the intentions behind the proposed amendments to Directive (EU) 2016/2341 to enhance transparency and comparability, it expresses reservations about increased legislative harmonisation and standardisation.

*Arguments in support of recommendation 1.5*

- 2.12 To avoid administrative overlaps and duplications, enhance clarity regarding competencies and transparency and avoid regulatory fragmentation, amendments 7 and 8 clarify that significant concerns about cost-effectiveness should be demonstrated by showing non-compliance with common indicators of quality-price and saver protection, and that the value-for-money assessment must be based on harmonised common indicators, specifying a set of minimum indicators.
- 2.13 Given that, to keep its costs down, the Basic PEPP does not make the requirement to provide advice mandatory, amendment 9 requires the EIOPA and the competent national authorities to develop educational materials that explain a number of key concepts and include simulations of final capital and costs. As an additional provision, information on the age, retirement horizon and risk tolerance of the saver will be collected.

- 2.14 The Commission’s proposal provides that, in line with the prudent person principle, PEPP providers must take into account the potential long-term impact of investment decisions on ESG factors. In amendment 10, the EESC adds that providers must integrate ESG factors, ensuring that they are consistent with other existing rules, that they do not entail additional administrative burdens, and that the integration of these factors does not undermine solvency and financial stability objectives.
- 2.15 With regard to the pension tracking system, amendment 11 seeks to create common standards on the data to be transmitted, established by EIOPA. To ensure proportionality, the implementation profiles should be phased and adapted to the size of the provider. In addition, to avoid inequality between countries, Member States without developed systems should submit a national plan with European technical support.

*Arguments in support of recommendation 1.6*

- 2.16 **The EESC agrees with the European Commission’s intention stated in the legislative package** to uphold the provisions of the European Pillar of Social Rights, particularly principle 15 on old-age income and pensions, which guarantees adequate income and equal opportunities. To that end, it is necessary to accompany the legislative package with measures to promote equality and reduce gender gaps.
- 2.17 In Europe, the gender gap in public pensions is on average between 30% and 32%, while in private and supplementary pensions the gap is larger, reaching between 35% and 40%<sup>5</sup>. In countries where the private branch is more developed, such as the Netherlands, the gender gap in private pensions stands at 40%<sup>6</sup>, which is 22 percentage points higher than in public pensions. Spain, where the private branch is very underdeveloped (only 2%), likewise shows a 40% gender gap in private pensions<sup>7</sup>. This gap is caused by the fact that women tend to have interrupted professional trajectories, lower salaries and less access to occupational pension plans, exacerbating inequalities in private systems, with no corrective measures to ensure they receive liveable pensions. While gaps in private systems persist<sup>8</sup>, the trends in public systems point to a reduction in the gap<sup>9</sup>.

*Arguments in support of recommendation 1.7*

- 2.18 While their primary purpose remains the provision of adequate retirement income, the potential contribution of supplementary pensions to the wider economy remains untapped in most Member States. In this context, the EESC emphasises the need for a policy approach which pursues both the objective to improve the preparedness of European citizens to maintain decent

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<sup>5</sup> [What is the gender pensions gap and what can we do about it?](#), World Economic Forum, 30 October 2024.

<sup>6</sup> [Mind the Gap: Understanding the Gender Pension Gap in the Netherlands](#), Your Financials, 8 December 2024.

<sup>7</sup> [La brecha de género en ahorro y pensiones resta a la economía española 28.500 millones y medio millón de empleos al año](#) (The gender gap in savings and pensions costs the Spanish economy EUR 28 500 million and half a million jobs per year), MAPFRE, 29 September 2025.

<sup>8</sup> [Pensions at a Glance 2025](#), OCDE, 27 November 2025.

<sup>9</sup> [Average pension gap by age group](#), Eurostat, update of 13 March 2026.

living standards in old age, while at the same time, contributing to more dynamic capital markets.

- 2.19 By contributing to a broader and more diversified investor base, supplementary pensions can help complement traditional bank-based financing and support the development of deeper and more integrated capital markets across the EU, while respecting national competences and the diversity of pension systems. In addition, supplementary pension schemes could contribute to the development of capital markets segments such as venture capital and private equity, which are relevant for innovation and the scaling-up of European companies.
- 2.20 Supplementary pensions could also contribute to growth, innovation and the financing of European strategic priorities. Strengthening pillars 2 and 3 could not only increase the pool of capital available to established and innovative companies, but could also contribute to financing the environmental and technological transitions within the EU. In addition, extending the investment mix used by long-term oriented pension operators to include a greater share of risk capital, mitigated through diversification and long investment horizons could improve the cost/benefit ratio for affiliates. In this context, strengthening public confidence in supplementary pension systems is essential. Transparent governance and clear communication on risks and expected outcomes are key to fostering trust and encouraging broader participation.

*Arguments in support of recommendation 1.8*

- 2.21 Collective pension plans and individual pension plans have different characteristics, and therefore differ in their suitability for different groups. Collective plans are typically linked to workplaces and their operating framework is the result of collective bargaining and social dialogue, whereas individual plans are private in nature.
- 2.22 Some EU countries have very well-developed collective pension schemes, which even benefit from lower costs than individual plans<sup>10</sup>.
- 2.23 The inclusion of personal pension schemes in workplaces can have unintended consequences and be at odds with existing workers' rights and collective agreements, negatively affecting collective pension schemes where they work well, current members, their beneficiaries and potential future members.

*Arguments in support of recommendation 1.9*

- 2.24 Product standards are needed to ensure suitability through low costs and solid long-term returns; otherwise, there is a risk of enrolling consumers and workers in unsuitable products. This could have serious economic and social consequences. For this reason, it is essential to have high-quality product standards.

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<sup>10</sup> [Planes de pensiones de empleo: ¿está funcionando la reforma?](#) (Occupational pension schemes: is the reform working?), AIReF Divulga.

- 2.25 The public sector clearly has a role to play, one that serves the best interests of members and beneficiaries. This role is not limited to setting minimum standards; the public sector could also act as the default provider or, at least, as the default product designer.
- 2.26 These elements need to be incorporated in order to achieve the amending Directive's goal to increase the potential for growth in savings and scale, as these shortcomings undermine public confidence in these products. This mistrust stems from the events of the 2008-2012 financial crisis<sup>11</sup>, where many people found that in times of crisis, the absence of guarantees in their pension funds<sup>12</sup> resulted in significant losses in their pension entitlements.

*Arguments in support of recommendation 1.10*

- 2.27 Evidence shows that the development of supplementary systems is accompanied by a consequent reduction in public pensions, either by policy design (shifting responsibility to private savings) or due to tax burdens. This creates the challenge of ensuring fairness and preventing those who do not sign up to supplementary schemes from being left unprotected. This has been confirmed by the *Observatorio de los Sistemas Europeos de Previsión Social Complementaria* (Observatory of European Supplementary Social Security Systems)<sup>13</sup>. Reports such as 'Pensiones en transición' (Pensions in transition)<sup>14</sup> and 'Modelos de Pensiones Públicas' (Public pension models)<sup>15</sup>, show that the expansion of private and occupational pension schemes has come with a reduction in the public pension replacement rate, i.e. the percentage of salary covered by the state pension.
- 2.28 The EESC cannot support the Commission's statement in its proposal that 'Individuals are increasingly expected to complement statutory pensions with occupational or personal savings'<sup>16</sup>, as European workers, and particularly young people and disadvantaged groups, do not have the same ability to save money due to the cost-of-living crisis<sup>17</sup> affecting Europe, and therefore have to depend on public pension systems.
- 2.29 Recommendations that are difficult for Member States to adopt may make it hard to achieve the objective laid down in the Directive to ensure better coordination and cooperation between pension systems.
- 2.30 Certain countries with strong constitutional protection of freedom of contract and the right to property (Spain, France, Austria, Portugal, Czechia)<sup>18</sup> may find it problematic to impose auto-

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11 [Financial Stability Report 2012](#), EIOPA, 7 June 2012.

12 [Pensions after the financial and economic crisis: a comparative analysis of recent reforms in Europe](#), working paper, European Trades Union Institute, July 2011.

13 [Europa comparte el modelo de los tres pilares, pero según el país se configura de modos muy diversos](#) (Three-pillar model is Europe-wide, but different countries implement it in different ways), press release, University of Barcelona, 18 September 2025.

14 [Pensiones en transición](#) (Pensions in transition), report, Santalucía Institute, April 2017.

15 [Modelos de pensiones públicas](#) (Public pension models), report, Santalucía Institute.

16 [COM\(2025\) 842 final](#).

17 OJ C, C/2025/4208, 20.8.2025, ELI: <http://data.europa.eu/eli/C/2025/4208/oj>.

18 [Pensions: Automatic enrolment – current issues](#), research briefing, House of Commons Library, 7 April 2025.

enrolment without explicit consent, as it is perceived as a violation of fundamental rights<sup>19</sup>. Moreover, there have been many failed attempts to implement auto-enrolment in Europe.

- 2.31 With regard to the need to strengthen the broader European social contract referred to in the proposal for a directive, automatic enrolment under conditions not agreed upon collectively may hinder the development of occupational pensions, which are an important part of the European social contract. In addition, the social partners must, under the new regulatory proposal, be given greater legitimacy and guaranteed participation.

*Arguments in support of recommendation 1.11*

- 2.32 In terms of implementation plans and monitoring, evaluation and reporting provisions, the draft proposal does not include specific monitoring and evaluation measures. With regard to such measures, it is necessary to ensure a minimal duty for regulators and operators who are required to carry out the evaluations.
- 2.33 A governance structure that improves comparability and provides an overview of pensions legislation could enhance overall confidence in pension systems. Confidence in pension systems across the EU is relatively low: on a scale from 0 (low confidence) to 10 (high confidence), the EU average is 4.4. By comparison, confidence in healthcare systems is much higher, at 5.7. It would also be important to examine how their effectiveness can be monitored<sup>20</sup>.
- 2.34 It should be further emphasised that systems based on the autonomy of the social partners and collective bargaining have consistently proven to perform well in terms of coverage, cost-efficiency and investment returns. These models not only safeguard the interests of participants but also provide significant societal benefits. By acting as long-term institutional investors, they channel essential capital into infrastructure and high-growth companies, thereby making a vital contribution to the stability and growth of the broader European economy and competitiveness.
- 2.35 The European Court of Auditors noted in May 2025 that the EIOPA ‘was in no position’<sup>21</sup> to ensure consistent supervisory practices across the EU due to the low uptake of its initiatives by the competent national authorities and the minimum harmonisation framework in which EIOPA operates.

*Arguments in support of recommendation 1.12*

- 2.36 The idea of preventing poverty in retirement, which is implicit in the reference to adequate income, decent standard of living and social cohesion in the proposal for a directive<sup>22</sup>, is not accompanied by measures. Private pension systems decouple pension income from contributions from work, posing a serious risk of insufficiency for those who do not save

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<sup>19</sup> [Automatic enrolment in a European perspective](#), presentation, Emma van Aggelen, KU Leuven.

<sup>20</sup> [Trust in institutions](#), Eurofound, 2024.

<sup>21</sup> [Developing supplementary pensions in the EU – EU action not effective in strengthening occupational pensions and establishing a pan-European personal pension product](#), special report, European Court of Auditors, 21 May 2025.

<sup>22</sup> [COM\(2025\) 842 final](#).

enough because of their low salary or low saving capacity. This increases the likelihood of segregation when private systems develop without strong social regulation.

- 2.37 Supplementary pension schemes mainly benefit workers with high incomes and stable careers, while those in precarious or intermittent employment are often excluded. These schemes can also increase labour market fragmentation, as supplementary pension schemes – given that they are linked to employment – reinforce differences between sectors and businesses, creating unequal access to coverage. As a result, the risks of inequality and poverty are increased. Supplementary pensions should therefore not replace or weaken public pensions. Expanding these schemes without regulation or measures to ensure inclusion can increase social and gender inequalities and poverty<sup>23</sup>. For example, the UK – a typical example of an auto-enrolment private system – has a growing poverty rate, which currently sits at around 22%, and one of the highest rates of child poverty in western Europe.

*Arguments in support of recommendation 1.13*

- 2.38 The recommended new national pension tracking systems and pension dashboards require improved digitalisation, as well as coordinated European social security and pension systems, in order to ensure the portability of rights and free movement in Europe. They also require safe and secure systems on the use of participants' private data included in these platforms, which may not, under any circumstances, serve interests other than those of the participants themselves.
- 2.39 In this respect, the concept of 'pension education' needs to be included as a further dimension of financial education.

*Arguments in support of recommendation 1.14*

In order to meet the objective of clear and understandable information for all members and beneficiaries, in amendment 18 the EESC calls on the Member States to ensure that providers provide technical information accompanied by clear and visual summaries in accessible language. Likewise, and with a view to facilitating understanding, providers must offer basic financial education resources. Amendment 20 points in the same direction. To avoid these resources generating additional costs, the EIOPA and the competent national authorities could take responsibility for creating and updating these materials.

### **3. PROPOSED AMENDMENTS TO THE LEGISLATIVE PROPOSAL OF THE EUROPEAN COMMISSION**

#### **Amendment 1**

linked to recommendation 1.1

COM(2025) 842 final

Preamble, recital 2a

Add a new point.

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<sup>23</sup> [Pensions in turmoil owing to the crisis: key messages from the EU](#), ETUI, 2009.

Text proposed by the European Commission	EESC amendment
	<p><i>Ensuring that people across the EU can retire with dignity, security and adequate income lies at the heart of the EU's social and economic agendas. At the same time, a holistic approach is necessary at the appropriate level - national or European. This approach should combine measures that improve labour markets, strengthen the public pension systems and improve the supplementary pension systems.</i></p>

Reason
<p>The aim is to prevent the strengthening of supplementary pensions from weakening the sufficiency of public pensions and to guarantee the success of supplementary pensions, for which a holistic approach is necessary. The sustainability of public pensions can be supported by an economic and labour market policy that allows for enough revenues for public pensions to be sustainable, while the success of supplementary pensions will be subject to the capacity of workers to save for pension retirement, along with setting up systems that are attractive.</p>

#### **Amendment 2**

linked to recommendation 1.6

COM(2025) 842 final

Preamble, recitals 3 and 3a

Modify recital 3 and insert recital 3a

Text proposed by the European Commission	EESC amendment
<p><i>Despite being among the world's highest savers, Union households still hold a large share of their financial wealth in short-term bank deposits with limited returns. Developing attractive occupational and personal pension products can help mobilise those savings for long-term investment, generating higher returns for savers and channeling capital towards productive uses that support growth, innovation and the green and digital transitions.</i></p>	<p><i>Recital 3</i>  <i>Supplementary pensions should not justify, directly or indirectly, weakening public pensions, especially as regards the adequacy of pensions. In addition, Member States should assess the possibility of taking concrete measures to reduce gender gaps in supplementary pensions, and such measures should be agreed with social partners.</i></p> <p><i>Point 3a</i>  <i>Occupational and individual pensions should complement efficiently. Member States shall be vigilant that occupational and individual pension schemes do not compete but complement each other, and that practices of employers and financial institutions are not against the interest of its members and beneficiaries, especially with regards to possible</i></p>

	<i>incentives for competition between occupational and individual pension schemes, notably in the workplace.</i>
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<b>Reason</b>
<p>Gender gaps in supplementary pension systems exceed 35-40 %, much more than in public ones. Corrective measures should be introduced, as a result of collective bargaining and social dialogue, to ensure system balance and real equality.</p> <p>The possibility that supplementary pensions schemes can be offered to employees, even employers could contribute to private pension schemes of their employees, can create pernicious incentives and raise risks of moral hazard. This risk should be kept to a minimum, guaranteeing a clear distinction between statutory pensions and individual pension schemes.</p>

### **Amendment 3**

linked to recommendation 1.8

COM(2025) 840 final

Articles 28(3), points (xv) to (xviii); 33(2), point (a); and 47(3), (4) and (5)

Delete point.

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
<p><i>Article 28(3), points (xv) to (xviii)</i></p> <p><i>‘where the PEPP is provided to an employee as part of a workplace arrangement using auto-enrolment, the following information:</i></p> <p><i>the opt out rights agreed at the time of enrolment;</i></p> <p><i>applicable vesting rules;</i></p> <p><i>where applicable, the default decumulation pathways or the other different decumulation options;</i></p> <p><i>where a PEPP provider offers several investment options, a description of the range of investment options offered by that provider;</i></p> <p><i>an indication that under Union law a PEPP may be either Basic or tailored, and the main differences between the two types of PEPPs;</i></p> <p><i>information that all registered PEPPs are available in the central public register referred to in Article 13, including the internet link to that register.’;</i></p> <p><i>Article 33(2), point (a)</i></p> <p><i>‘2a. Where the PEPP is provided to an employee as part of a workplace arrangement using auto-enrolment, the information referred to in paragraph 1 shall be provided to the employee</i></p>	

*promptly after the enrolment in the arrangement concerned.’;*

*Article 47(3), (4) and (5)*

*‘3. Without prejudice to national social and labour law on the organisation of pension systems and the autonomy of social partners, including compulsory membership and the outcomes of collective bargaining agreements, and insofar as it does not interfere with the existing occupational pension schemes, Member States shall not prevent employers from voluntarily contributing to a PEPP for their employees that are PEPP savers and who agree to this.*

*Without prejudice to national social and labour law regarding the organisation of pension systems and the autonomy of social partners, including compulsory membership and the outcomes of collective bargaining agreements, and insofar as it does not interfere with the existing occupational pension schemes, Member States may allow the PEPP to be provided to an employee as part of a workplace arrangement using auto-enrolment.*

*In the case the PEPP is provided to an employee as part of a workplace arrangement using auto-enrolment, the PEPP saver shall have the right to opt out and rejoin in accordance with the national framework governing auto-enrolment, including relevant social and labour law on the organisation of pension systems, compulsory membership and the outcomes of collective bargaining agreements.*

#### **Reason**

Individual and occupational pension schemes should remain clearly separated, and occupational pension schemes privileged at the workplace, as it is their nature. Workplace arrangements should not be allowed to purchase individual pension schemes, including PEPPs, and, henceforth, employers should not be allowed to contribute to these schemes. The IORP Directive already allows IORP managers to acquire PEPPs or other individual pension products as part of their investment strategy. Auto-enrolment, if implemented, should be the result of social dialogue and collective bargaining, and be implemented via occupational pension schemes.

#### **Amendment 4**

linked to recommendation 1.8

COM(2025) 842 final

Article 19(6)  
Amend as follows:

Text proposed by the European Commission	EESC amendment
<p>‘In accordance with the provisions of paragraphs 1 to 5, Member States may empower the competent authority, for IORPs authorised in their territories, to lay down more detailed rules, provided they are prudentially justified.</p> <p><i>Any such rules shall be applied only where the investment risk is borne by the members and beneficiaries. However, in such cases, IORPs shall not be prevented from:</i></p> <p><i>investing up to 70% of the assets covering the technical provisions or of the whole portfolio for schemes in which the members bear the investment risks in shares, negotiable securities treated as shares and corporate bonds admitted to trading on regulated markets, or through MTFs or OTFs, and deciding on the relative weight of those securities in their investment portfolio;</i></p> <p><i>investing up to 30 % of the assets covering technical provisions in assets denominated in currencies other than those in which the liabilities are expressed;</i></p> <p><i>investing in instruments that have a long-term investment horizon and are not traded on regulated markets, MTFs or OTFs;</i></p> <p><i>investing in instruments that are issued or guaranteed by the EIB provided in the framework of the European Fund for Strategic Investments, European Long-term Investment Funds, European Social Entrepreneurship Funds and European Venture Capital Funds.’;</i></p> <p><i>paragraphs 7 and 8 are deleted;</i></p>	<p>‘In accordance with the provisions of paragraphs 1 to 5, Member States may empower the competent authority, for IORPs authorised in their territories, to lay down more detailed rules, provided they are prudentially justified.</p>

Reason
<p>It is essential that the text of the Directive strike the right balance between investment risk and guaranteeing scheme contributions to avoid putting pensions at risk.</p>

**Amendment 5**

linked to recommendation 1.1  
COM(2025) 840 final  
Preamble, recital 2

Amend as follows:

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
While the organisation of pension systems remains a national competence, the adequacy and financial sustainability of pensions are of common concern for the stability and cohesion of the Union. Ensuring that citizens have access to well-designed personal pension products contributes both to individual financial security and to the resilience of the Union's economy.	While the organisation of pension systems remains a national competence, the adequacy and financial sustainability of pensions are of common concern for the stability and cohesion of the Union. <i>It is therefore necessary that the reinforcement of supplementary pensions be combined with effective measures at the national level, which ensure solid public pension systems.</i> Ensuring that citizens have access to well-designed personal pension products <i>also</i> contributes both to individual financial security and to the resilience of the Union's economy.

<b>Reason</b>
The growth of supplementary pension schemes has been accompanied by a reduction of public pensions in a number of countries. It is necessary to balance public and supplementary pensions to preserve adequacy and social cohesion.

#### **Amendment 6**

linked to recommendation 1.11

COM(2025) 842 final

Preamble, recitals 4a and 4b

Add two new recitals.

Text proposed by the European Commission	EESC amendment
	<p><b>Recital 4a</b></p> <p><i>A monitoring committee for European pension measures will be set up at European level, with the participation of the Member States and social partners, such as industry, workers and civil society organisations, as well as the competent authorities, in order to i) be able to monitor effectively and strictly the evolution of the measures implemented and the impact on the fundamental objectives: increase the income of retired people in Europe, ii) coordinate the implementation and assess the impact of the implementation of the IORP Directive and the Recommendations on pension tracking systems, pension dashboards and auto-enrolment, and iii) assess the impact of supplementary pensions against a set of social indicators established by the European Commission. Future regulatory changes or Commission proposals should be based on the work of this Committee, which should also report to the European Semester and the Council. The Committee should be run by DG FISMA and DG EMPL. The European Economic and Social Committee should also take part.</i></p> <p><b>Recital 4b</b></p> <p><i>The European Commission will assess the impact of an expansion of supplementary pensions systems on key social indicators defined by the European Commission. Special attention will be given to the effects of the interaction between the public, occupational and individual pension schemes.</i></p>

Reason
<p>As the Commission's own committee on monitoring tools and the scorecard recognises, private plans can increase inequality and poverty when not accompanied by strong social regulation. EIOPA's ability to ensure consistency is also limited. A monitoring committee with broad participation ensures effective control and strengthens trust in the system. This issue requires a holistic approach, involving action at different institutional levels and representatives of civil society. The European Commission should be in charge of devising, coordinating and managing the work. The participation of the EESC is advised as it is composed of a diversified and balanced representation of organised civil society from all EU countries.</p>

**Amendment 7**

linked to recommendation 1.5  
 COM(2025) 840 final  
 Article 63(1)(b)  
 Add a new point.

Text proposed by the European Commission	EESC amendment
	<i>Where the competent national authorities ascertain that the indicators deemed applicable to a pension scheme have not been complied with, they shall intervene in a proportionate manner. The measures shall be published in a European repository, ensuring proportionality and transparency.</i>

Reason
Avoid administrative overlaps and duplications. Clarity of competences and transparency enhance trust in the system and ensure legal certainty for providers, members and beneficiaries.

**Amendment 8**

linked to recommendation 1.5  
 COM(2025) 840 final  
 Article 25(c)  
 Add a new point.

Text proposed by the European Commission	EESC amendment
	<i>The value-for-money assessment shall be based on common indicators defined by EIOPA and national competent authorities.</i>

Reason
Avoid regulatory uncertainty and fragmentation. The definition of common indicators ensures comparability between Member States, regulatory proportionality, and transparency towards savers.

**Amendment 9**

linked to recommendation 1.5  
 COM(2025) 840 final  
 Article 34(3)  
 Amend as follows:

Text proposed by the European Commission	EESC amendment
<p data-bbox="188 235 778 383">‘The requirement to provide advice to a prospective PEPP saver in accordance with paragraph 2, first subparagraph, shall not apply in relation to the distribution of the Basic PEPP.</p> <p data-bbox="188 392 778 589"><i>In case advice is provided in relation to the distribution of the Basic PEPP, advice shall be provided only upon request of the PEPP saver. The PEPP provider or the PEPP distributor shall provide advice on an independent basis.’;</i></p>	<p data-bbox="817 235 1390 383">‘The requirement to provide advice to a prospective PEPP saver in accordance with paragraph 2, first subparagraph, shall not apply in relation to the distribution of the Basic PEPP.</p> <p data-bbox="817 392 1406 1234"><i>However, basic PEPPs shall include a minimum standardised guidance module, accessible digitally or on paper, that should contain didactical information, at least i) explanation of key concepts related to finance (i.e. capital, fixed returns, variable returns, fund and the types of fund relevant for the specific PEPP, risk, relation between return and risk, guarantees, and others that may be considered necessary for the customer to have a minimum of understanding of the product and the functioning of financial markets) using, where appropriate, specific case studies. This standardised guidance module should be established jointly by EIOPA and national competent authorities, and should be the same for the whole of the EU. Simulations on final capital and on costs should also be included. In addition, basic information on the age, retirement horizon and risk tolerance of the saver will be collected.</i></p> <p data-bbox="817 1243 1406 1388"><i>Prospective PEPP savers will have the opportunity to receive advice from a regulated intermediary before concluding a PEPP contract, according to the applicable law.</i></p>

Reason
<p data-bbox="188 1489 1390 1552">In order to ensure minimum protection for the most vulnerable members, improve consistency with consumer protection rules and avoid inequality vis-à-vis other financial products.</p>

**Amendment 10**

linked to recommendation 1.5

COM(2025) 840 final

Article 41(1)(b)

Amend as follows:

Text proposed by the European Commission	EESC amendment
<p data-bbox="188 1895 778 2000">within the prudent person principle, PEPP providers shall take into account risks related to and the potential long-term impact of investment</p>	<p data-bbox="817 1895 1390 2000">within the prudent person principle, PEPP providers shall take into account risks related to and the potential long-term impact of investment</p>

decisions on ESG factors;	decisions on ESG factors. <i>ESG integration shall not undermine solvency and financial stability objectives;</i>
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Reason
Avoid legal uncertainty and competitive inequality. The harmonisation of ESG criteria ensures comparability, regulatory proportionality and confidence of savers.

**Amendment 11**

linked to recommendation 1.5

COM(2025) 840 final

Article 51a, point (3)

Amend as follows:

Text proposed by the European Commission	EESC amendment
The information referred to in paragraph 2 shall be transmitted in <i>standardised and interoperable format enabling pension tracking systems to aggregate data on accumulated value, accrued rights and projected benefits in a coherent and comparable manner.</i>	The information referred to in paragraph 2 shall be transmitted in <i>accordance with a European data standard defined by EIOPA, with phased implementation profiles and adaptation proportionate to the size of the provider. Member States without developed systems shall submit a national plan with European technical support.</i>

Reason
Avoid inequality between countries and suppliers. Common standards reduce errors, ensure data protection and ensure regulatory proportionality.

**Amendment 12**

linked to recommendation 1.4

COM(2025) 840 final

Article 65a(1)

Amend as follows:

Text proposed by the European Commission	EESC amendment
EIOPA shall perform a facilitation and coordination role, including in the case of justified concerns about potential harm to the interests of PEPP savers and PEPP beneficiaries. It shall, on its own initiative or at the request of one or more of the PEPP competent authorities, set up and coordinate a collaboration platform, to strengthen the exchange of information and to enhance collaboration between competent authorities.	EIOPA shall perform a facilitation and coordination role, including in the case of justified concerns about potential harm to the interests of PEPP savers and PEPP beneficiaries. It shall, on its own initiative or at the request of one or more of the PEPP competent authorities, set up and coordinate a collaboration platform, to strengthen the exchange of information and to enhance collaboration between competent authorities. <i>The national competent authority of</i>

	<i>the home Member State retains primary competence. EIOPA shall only intervene in defined cross-border situations.</i>
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<b>Reason</b>
Avoid administrative overlaps and duplications. Clarity of competences and transparency enhance trust in the system and ensure legal certainty for providers, members and beneficiaries.

**Amendment 13**

linked to recommendation 1.4  
COM(2025) 842 final  
Article 12(3)(b), last subparagraph  
Amend as follows:

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
<i>Member States may provide that, for a transfer to be approved, a participation threshold of up to 25% of the members and beneficiaries concerned shall be reached.</i>	<i>Member States must guarantee that collective decisions affecting all members shall require the participation of at least 50% of the members and a qualified majority of two-thirds of the votes cast. In the case of collective transfers or changes of provider, individual consultation of unit-holders and prior supervision by the competent authority shall be ensured.</i>

<b>Reason</b>
The Commission proposal allows for unrepresentative decisions affecting all savers. The amendment strengthens legitimacy, protects minorities and ensures greater participation in high-impact decisions.

**Amendment 14**

linked to recommendation 1.4  
COM(2025) 842 final  
Article 14(2), last subparagraph  
Amend as follows:

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
<i>The limited period of time referred to in the introductory wording of the first subparagraph shall be determined by national law and shall in any case not exceed ten years.</i>	<i>Underfunding shall be corrected within a maximum of ten years. Providers shall be required to submit annual reports and correction plans supervised by the competent authority, with early warning mechanisms and automatic compensations for affected members. Competent authorities should assess the optimum number of years, making a distinction between temporary and structural factors, and assess on the correction plan accordingly.</i>

<b>Reason</b>
A ten-year timeframe can erode trust and create intergenerational inequality. As there is no study on the optimal number of years, it is recommended that the competent authorities distinguish between temporary and structural factors when assessing the provider’s correction plan.

**Amendment 15**

linked to recommendation 1.4

COM(2025) 842 final

Article 17(7)

Amend as follows:

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
The Commission is empowered to adopt delegated acts in accordance with Article 64a to amend the numbers and percentage values referred to in this Article and in Article 18.	The Commission is empowered to adopt delegated acts in accordance with Article 64a to amend the numbers and percentage values referred to in this Article and in Article 18. <i>Solvency margins shall be set within the minimum and maximum ranges laid down in this Directive. Any amendment by means of delegated acts shall require prior consultation with EIOPA and the European Parliament, accompanied by an impact analysis. The reviews shall take place at regular intervals of five years.</i>

<b>Reason</b>
The Commission’s discretion creates regulatory uncertainty. The amendment brings stability, predictability and democratic control in the setting of solvency margins.

**Amendment 16**

linked to recommendation 1.4

COM(2025) 842 final

Article 19(1)(c)

Amend as follows:

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
<i>Member States shall require that investment decisions reflect the</i> sustainability preferences of members and beneficiaries.	<i>Providers should reflect the</i> sustainability preferences of members and beneficiaries <i>in their investment strategies, in accordance with standards established by the European Commission, in order to avoid greenwashing, practices and to guarantee transparency of the information provided to members and beneficiaries.</i>

<b>Reason</b>
The lack of clear standards opens the door to greenwashing. The amendment ensures transparency, verifiability and trust in the sustainability of investments.

**Amendment 17**

linked to recommendation 1.4

COM(2025) 842 final

Article 38(6)

Add a new point.

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
	<i>Member States shall ensure that providers provide detailed technical information to members, accompanied by clear and visual executive summaries in accessible language. Providers shall offer basic financial education resources, tested with real affiliates, to ensure understanding of key concepts. However, in Member States where established information structures already exist, including those managed by social partners or through collective agreements, these systems may be considered to satisfy the above requirements, provided they ensure an equivalent level of transparency and participant understanding.</i>

<b>Reason</b>
Excessive technicality leads to misunderstanding and mistrust. The amendment aims to simplify the information and make it useful for all members and beneficiaries, reducing inequalities caused by low or unequal levels of financial literacy.

**Amendment 18**

linked to recommendation 1.4

COM(2025) 842 final

Article 42(d)

Add a new point.

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
	<i>Member States shall assess decumulation practices and their impact on consumers, possibly by reducing or simplifying these options, favouring those of greatest interest.</i>

<b>Reason</b>
Tax and decumulation diversity create confusion and inequality. The amendment simplifies the options available, ensures transparency and promotes minimum tax harmonisation.

**Amendment 19**

linked to recommendation 1.4

COM(2025) 842 final

Article 37(5)

Add a new point.

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
	<i>The Member States shall ensure that IORP customers are provided with a minimum standardised guidance module, accessible digitally or on paper, that should contain didactical information, at least i) explanation of key concepts related to finance (i.e. capital, fixed returns, variable returns, fund and the types of fund relevant for the specific PEPP, risk, relation between return and risk, guarantees, and others that may be considered necessary for the customer to have a minimum of understanding of the product and the functioning of financial markets) using, where appropriate, specific case studies. This standardised guidance module should be created jointly by EIOPA and national competent authorities, and should be the same for all the EU.</i>

<b>Reason</b>
Increase protection of customers, trust in the system, and financial literacy.

**Amendment 20**

Linked to recommendation 1.3

COM(2025) 842 final

Article 22(2), sixth subparagraph, of Directive 2016/97/EC

Amend as follows:

<b>Text proposed by the European Commission</b>	<b>EESC amendment</b>
Member States shall ensure that, where the insurance distributor is responsible for the provision of occupational pension arrangements, prospective members, members and beneficiaries of such arrangements receive, at least, the	Member States shall ensure that, where the insurance distributor is responsible for the provision of occupational pension arrangements, prospective members, members and beneficiaries of such arrangements receive, at least, the

information referred to in Articles 36 to 44 of Directive (EU) 2016/2341.	information referred to in Articles 36 to 44 of Directive (EU) 2016/2341, <i>while always ensuring that there is no overlap for insurance distribution entities already subject to the information requirements arising from the application of the Solvency II/IDD criteria, in which case they shall be exempt from the application of this Article.</i>
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<b>Reason</b>
Insurance distributors covered by this provision would have to comply with two partially overlapping sets of information requirements: those under the IDD and those under IORP II.

Brussels, 30 April 2026.

*The President of the European Economic and Social Committee*  
 Séamus BOLAND

### **ANNEX to the OPINION**

#### LIST OF INTEREST REPRESENTATIVES FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The following list is drawn up under the responsibility of the rapporteur. The rapporteur has received input from the following interest representatives (organisations and/or individuals) in the preparation of the EESC opinion supplementary pensions package: PEPP and IORP:

Organisations and/or individuals
European Consumer Organisation (BEUC)
Insurance Europe
German Trade Union Confederation (DGB)
Federation of Dutch Trade Unions (FNV)
Italian Labour Union (UIL)