Council of the European Union
General Secretariat

**Interinstitutional files:**
**2025/0363 (COD)**

**Brussels, 06 February 2026**

**WK 2029/2026 INIT**

**LIMITE**

**EF**
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| From: | Commission |
| To: | Working Party on Financial Services and the Banking Union (PEPP)<br>Financial Services Attachés |
| Subject: | Working Party on Financial Services and the Banking Union (PEPP) - 29 January 2026<br>Commission presentation - PEPP proposal |

PUBLIC

# PEPP proposal

Working Party on Financial Services and Banking Union
**29 January 2026**

**FISMA D4**

European Commission

# Overview: Basic and Tailored PEPP

## Basic PEPP

- ✓ Simple, cost-effective personal pension product
- ✓ Suitable for individual pensions savings
- ✓ Distribution on a non-advised basis, e.g. through digital channels
- ✓ Mandatory life-cycle investment strategy
- ✓ Subject to VfM framework

## Tailored PEPP

- ✓ Tailored versions possible to better reflect both:
  - the preferences and risk profiles of all PEPP savers
  - business models of PEPP providers
- ✓ Mandatory advice required
- ✓ Different risk mitigation techniques possible
- ✓ Subject to VfM framework

# Basic PEPP - Objective

The Basic PEPP is designed to be a commercially attractive, simple, *per se* suitable and cost-efficient pension product, while maintaining a high level of consumer protection



**Key amendments**

- Removal of the requirements for
  - a 1% fee cap
  - at least two national sub-accounts upon request
  - mandatory advice
- New requirement to invest 95% of the assets in simple, non-complex instruments
- Introduction of
  - a mandatory life-cycle investment strategy
  - a value-for-money framework

# Tailored PEPP - Objective

Designed to be sufficiently flexible to accommodate different saver risk profiles and preferences, the Tailored PEPP suits the model of various PEPP providers and ensures a high level of consumer protection



**Key amendments**

- Removal of
  - The requirement to offer the Basic PEPP alongside PEPP variants
  - The requirement to offer two national sub-accounts upon request
  - The maximum PEPP variants that can be offered
- No mandatory risk mitigation techniques
- Advice requirement maintained
- Introduce a value for money framework

# Article 3 – PEPP treatment under national law

**Objective: No discrimination between PEPPs and other personal pensions products**



- The proposed amendment to Article 3 sets out a non-discrimination principle for the tax treatment of PEPP
- PEPP should not be treated less favorably than other forms of personal pension savings
- The proposed amendment:

  → does not harmonize taxation
  → does not create or modify national tax incentives
- Member States retain full discretion to determine the existence, form, level and conditions of tax advantages for personal pensions
- Tax-related provisions already exist in EU financial services legislation (e.g. Article 157 of Solvency II)

# Article 47 - Employer contributions

**Objective: Clarification on PEPP in a workplace context**



- The proposed amendment clarifies that employers can voluntarily contribute to individual PEPP accounts
- Member States have the option to allow enrolment into PEPPs as a default workplace arrangement → Employees shall have a right to opt-out and rejoin
- The proposal does not alter the PEPP as a personal pension product → A bilateral contract between saver and PEPP provider
- Employer contributions are treated as a funding channel, comparable to third-party contributions already permitted under the existing Regulation

# Article 56b - Transfers from other personal pension products

**Objective: No discrimination in costs for transferring to a PEPP**

- The proposed amendment allows transfers from other personal pension products to a PEPP
- Ensures non-discrimination when transferring into a PEPP
  - ⇨ Transfers to a PEPP must not be more costly than transfers between non-PEPP personal pension products (including fees, penalties, or administrative requirements)

# Article 13(1) – EIOPA's central public register

**Ensure transparency and comparability of PEPP costs and performance**
**Foster the development of the personal pension sector**



**The proposed amendment adds the following to the register:**

- Identification of whether a a PEPP is Basic or Tailored
- Total annual cost (%) per saver for each registered PEPP
- Average performance over the past 1, 3, 5 and 10 years
- Summary risk indicators
- Annual updating of the information
- Disclosures must align with the KID (Article 26), avoiding any undue reporting burden

# Article 65a – EIOPA powers and collaboration platforms



**Objective: Enhance effective supervision and coordination for cross-border distribution**

- The proposed amendment in Article 65a empowers EIOPA – at the request of one or more NCAs or on its own initiative - to set up and coordinate the collaboration platforms to
  - → Bring authorities together
  - → Exchange information
  - → Assist in solving disagreements
- It ensures that EIOPA can ask for on-site inspection by the home authority if a possible detriment is identified
- Aligns with the Commission proposal for the collaboration platforms under the Retail Investment Strategy