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Presidency discussion paper on amendments to PEPP Regulation

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Introduction

On 20 November 2025, as part of a package of measures to help citizens secure adequate income in retirement by improving access to better and more effective supplementary pensions, the European Commission (COM) proposed the review of Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP) - the PEPP Regulation with the aim to turn the PEPP into a genuinely European, cost-effective and flexible long-term savings product.

Building on the discussions held during the previous four CWPs, the meeting on 29 April provides an opportunity to provide compromise options and drafting suggestions on all remaining key issues of the PEPP proposal. The discussion will therefore revisit main elements of the proposal with a view to confirm areas of convergence, identify any residual concerns and support the development of clear and operational framework.

Topics of discussion on the PEPP proposal

This note serves to structure the debate at the CWP meeting of 29th of April which will focus on:

- Value for Money Provisions
- Revised provisions on disclosure, pre-retirement planning and decumulation phase
- Revised provisions on the PEPP Key Information Document (KID)
- Revised provisions on PEPP Benefit Statement
- Pension tracking systems Provision
- Central Public Registry
- Collaboration Platforms
- Basic and Tailored PEPP features
- Employers' contributions
- Equal treatment provision on Tax

For ease of reference, the drafting suggestions in this PCY paper are based on the Commission's review proposal. PCY additions are indicated in *italics and red*, while deletions are shown using ~~strikethrough~~.

1. Value for Money Provisions

1.1 POG requirements and VfM assessment

Regarding the POG/VfM provision in Article 25 following the discussion and the comments from MS, it is very clear that the current text in Article 25 will not find support. While there is a

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strong support for strengthening the POG requirements, MS are more skeptical on the VfM concept as currently drafted in the COM proposal.

When it comes to potential solutions on VfM, opinions differ and various views have been expressed. MS positions are split. Some of them do not consider VfM a suitable concept to be applied in the PEPP context for various reasons, others do not consider the concept ripe enough and ask for its introduction only at a later stage. Among those supporting VfM, some pleaded for an alignment with IDD or alignment with also other sectoral POG/VfM requirements (i.e. MiFID). Many highlighted the need to follow RIS outcome. And among those supporting alignment with IDD, the vast majority did not want a simple incorporation of Article 25 IDD but asked for adjustments to cater for the fact that IDD is insurance-product based while PEPP covers a broader spectrum. The majority of MS did not support the proposed COM solution of a DA. Finally, many MS called for any potential solutions to be simple, practical and not creating too much burden both on providers and competent authorities.

Against this background and with the aim to reconcile positions and find a possible compromise that would allow to advance the PCY has put forward the following options outlined below.

The PCY wishes to underline that any discussion and solution on the VfM will also have an impact on the fee cap discussion since the introduction of the VfM in the COM proposal was meant as a counterbalance to the deletion of the fee cap and as a measure to protect savers. For more details, on how the below options will impact the fee cap discussion, the PCY refers MS to the section of this chapter right after the VfM options.

Option 1: Enhanced Product Oversight and Governance (POG) Approach Aligned with Retail Investment Strategy (RIS)

This option reflects the views of MS skeptical of the introduction of VfM concept in the PEPP Regulation at this stage. This option removes the VfM requirement and relies on enhanced qualitative POG requirements. This option would not be very different from the current situation, but the POG requirements would be strengthened as conceptually aligned with the approach introduced under the RIS a part from the VfM obligation.

In practice, this option would mean:

- PEPP providers would be required to establish and maintain a robust product approval and review process, ensuring that PEPPs are designed and distributed in accordance with the objectives, needs, and characteristics of the identified target market. Particular emphasis would be placed on the appropriateness and proportionality of costs and charges in relation to the expected benefits and features of the product.

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- Based on the disclosure requirements potential savers would have transparency in the costs but they will not have any indication of whether the disclosed costs provide them benefit or not.
- Competent authorities by being responsible for ensuring the compliance with POG requirements would be able to intervene based on general "best interest" principles
- The EIOPA Central Register would also help transparency. It displays raw cost and performance data, but does not "label" products as meeting or failing a value threshold.

To ensure flexibility and future alignment with the RIS, **a review clause** would be included, enabling the European Commission to assess the effectiveness of this approach and consider the potential introduction of a VfM framework at a later stage. Based on the outcome of this evaluation, the Commission would be invited to determine whether the introduction of a VfM framework for PEPP would be appropriate at a later stage, ensuring alignment with the RIS once it becomes fully operational.

Option 2: Two-Pillar Approach (Enhanced POG + Simple VfM Efficiency Test)

This option builds also on the comments from MS who were supportive of the introduction of a VfM framework under the PEPP Regulation but were skeptical with the current proposal by the Commission and asked for adjustments. Many also highlighted the need to have a simple, practical, tailored tool able to be used for all kinds of PEPP and not only IBIPs.

The objective is to establish a workable framework that allows for the identification of products that deliver value to savers, while taking into account the current market reality, in particular the limited number of PEPP products and the challenges this creates for benchmarking.

This option introduces a simplified VfM framework, conceptually aligned with the RIS, based on two complementary pillars:

1. Enhanced POG requirements as described in Option 1, but in addition including a VfM obligation.
2. A quantitative VfM efficiency metric, the Cost Efficiency Performance Ratio (CEPR), providing a harmonised simple and transparent assessment of whether a PEPP delivers VfM.

The CEPR is calculated as the ratio of the gross annualised return (expected or historical) to the total annual costs and charges of the PEPP. It would function as a binary test, whereby a PEPP is deemed to provide VfM if it meets or exceeds a minimum harmonised threshold established

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at Union level. This option therefore reflects an attempt to balance simplicity, comparability and practical feasibility.

Given the limited number of PEPPs and the scarcity of reliable data, risk-based clustering and supervisory benchmarking are not envisaged at this stage, but may be considered in the future following a review.

Option 3: Three-Pillar Approach (Enhanced POG + L1 Clustering + VfM indicator)

This option (as per Option 2) suggests that instead of comparing all pension products against a single benchmark, they should be grouped or clustered. The framework relies on the POG requirements, where the primary obligation to ensure and demonstrate VfM rests with the PEPP manufacturer, supported by quantitative benchmarks.
This approach would use the Summary Risk Indicator (SRI) already established in the PEPP Delegated Regulation (EU) 2021/473. Instead of creating new definitions for what makes a product "risky," this option uses the four existing categories (1 through 4) defined in the PEPP Regulation.

The option translates the technical SRI levels into four practical market clusters for each of the 2 categories of PEPP (Basic and tailored):

- Cluster (1) Low Risk: Focuses on capital preservation, likely using fixed-income or inflation-linked bonds.
- Cluster (2) Moderate Risk: Stable but modest returns.
- Cluster (3) Medium Risk: Higher equity exposure (e.g., starting at 80% equity) for better growth potential.
- Cluster (4) High Risk: Growth-oriented lifecycle strategies (e.g., starting at 100% equity).

In total, there would be 8 clusters 4 for Basic PEPP, 4 for Tailored PEPP.

Clustering would rely entirely on the PEPP Key Information Document (KID), requiring no additional reporting from providers.

To ensure a cluster provides a valid statistical benchmark, it must contain a minimum of 9 different products from at least 3 different providers[1] This requirement would be set in Level 1.

[1] In the initial phase clusters might not be sufficiently populated yet, hence should MS support this option interim measures could be considered. As an example, initially an enhanced POG review until enough data exists to establish quantitative European benchmarks could be used. Alternatively, a simple benchmark based on current products could immediately identify outliers, allowing for a risk-based review instead of checking every application.

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To provide a clear view of wealth creation, this option introduces a single primary VfM indicator derived from the PEPP KID: the "Net Wealth Multiple (NWM)" Indicator). It would be a single, holistic indicator used to measure the ratio of projected net wealth to total contributions. This indicator captures in one figure the interplay between cost efficiency (how much is taken out) and performance quality (how much is created). The NWM is the ratio of the projected net lump sum after 20 years to the total contributions made by the saver.

Once products are sorted into these clusters, competent authorities look for outliers using the NWM. The criteria for what constitute "bad value" uses one standardised benchmark across all clusters to ensure consistency. A product is deemed a potential outlier if its annualised return falls below the 25th percentile of its specific peer cluster. While the calculation is uniform across all clusters, the practical focus for competent authorities shifts based on the product's risk profile:

The process is designed as a sequence: clustering happens first, followed by the application of key indicator. This ensures that a competent authority understands if a higher cost is normal for a specific category before flagging it as an outlier.

Finally, the PCY would like to highlight to MS and let them consider that methodology and the process presented under option 3 could also be effectively applied using the Cost Efficiency and Performance Ratio (CEPR) concept as described in option 2 above.

The Presidency notes that, should either option 2 or option 3 be selected, the drafting suggestion for the chosen option will be presented at a later stage.

Q1: Which of the above options do MS prefer?

1.2 Fee cap

As already highlighted above, the discussion on VfM is very much interlinked with the fee cap and any solution on the approach taken on VfM will impact directly the way forward on the fee cap.

The Commission proposed replacing the rigid 1% fee cap with a VfM framework to encourage product diversity and provider entry by allowing flexible pricing, provided that costs are objectively justified by the product's performance and benefits compared to peer benchmarks. In the March CWP the removal of fee cap was discussed. Views were split on the modulating of the removal of fee cap. The PCY proposed 3 options in its March paper:

- Option 1 refers to keeping the COM proposal and the full deletion of the fee cap;
- Option 2 refers to adjusting the fee cap during a transitional period until the introduction of the Value for Money (VfM) framework will be in place;
- Option 3 refers to removal of the fee cap by introducing a simpler cost-related safeguard within the PEPP framework.

Options 2 and 3 were the ones that received more support by the MS. Few MS expressed preference for option 1.

MS in favour of option 2 supported a transitional approach stating that due to the difficulties of applying VfM, until RIS VfM becomes fully operational, a balanced approach could be followed by maintaining a basic level of protection for savers for the interim period. MS stressed that is crucial that the method for calculating a recalibrated fee cap during the transitional period, by excluding certain cost components until the introduction of the VfM takes place, to be simple and transparent. MS expressed openness mainly towards the variants 2.1 and 2.5 of option 2.

MS in favour of option 3 expressed the opinion that the PEPP product could benefit from simple cost-related safeguard, considering that is difficult to set a fee cap at the right level without excessive complexity and that the fee cap seems to disincentivize PEPP providers to target younger individuals (where fees may be higher in the short run). Also, certain MS questioned the compatibility of the fee cap with the life-cycle investment strategy and the use of any transitional or temporary measure on recalibrated fee cap components until the introduction of the VfM takes place, as this could create uncertainty and additional burden in the near future for PEPP providers and may hinder the uptake of PEPPs.

Certain MS also suggested linking the removal of fee cap with a certain cost threshold level that could automatically qualify PEPPs as offering VfM i.e. to avoid applying a cost limit that functions as a hard cap and to introduce a provision that presumes products with costs below a certain threshold level would automatically deem to have a VfM.

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Having outlined the above, PCY notes that:

- Experience has shown that the strict 1% fee cap has not led to the intended commercial success and the requirement have discouraged providers from offering PEPPs and restricted saver choices.

- Based on option 2 on the mandatory fee cap for the Basic PEPP, the suggestion was for the said fee cap to be adjusted during a transitional period until the introduction of the VfM. In view of option 1 on VfM of the present PCY paper the mandatory fee cap for the Basic PEPP could be removed for a transitional period as per the review clause on POG.
- Based on option 3 on the mandatory fee cap for the Basic PEPP (also following the alternative option proposed by some MS), the suggestion was for the said fee cap to be removed by introducing a simpler cost-related safeguard within the PEPP framework. This is being contemplated under the current option 2 on VfM which introduces the Cost Efficiency Performance Ratio (CEPR) in terms of value-for-money discipline or under option 3 which introduce a clustering and a VfM indicator.

To conclude, the fee cap will be removed as per COM proposal, none of the options outlined in the March PCY paper will be brought forward since the solution will be covered by one of options chosen for the VfM framework.

1.3. Registration, Deregistration, Switching and Transferring – Art. 6, 8 56a and 56b

Overview of the discussions

The proposal includes targeted amendments to Article 6 regarding the application for registration of a PEPP. In particular, paragraph 2, point (fa), provides that PEPP providers must demonstrate at the registration process their capacity to comply with product oversight governance requirements and illustrate their ability to provide VfM to savers. The other changes in Article 6 tackle procedural issues regarding the registration process. More specifically a change in paragraph 3 of Article 6, provides that, in cases where the application for registration is not complete, the competent authorities shall set a time limit, not exceeding 15 working days, by which the applicant must provide the additional information. In paragraph 5, the amendment provides that the new documents under point (fa) in paragraph 2 are also disclosed to EIOPA. The amendments to Article 8 and new Article 56 require that the PEPP

provider immediately inform PEPP savers of a deregistration decision and of the options available to them, including the possibility to switch their accumulated capital to another PEPP provider or to transfer it to another personal pension product, in both cases without delay or cost.

In addition, a new Article 56b is introduced mandating MS to allow transfers from other personal pension products to a PEPP and ensure that the transfers are not subject to penalties, fees or any other administrative requirement by the provider of the personal pension product that would make the transfer more costly than transfers between two personal pension products that are not PEPPs.

While there seems to be broad support on the proposed amendments to Article 8 and for the introduction of new Article 56a, the discussions so far at the CWP and the MS written comments showed growing concerns on the effectiveness and feasibility for VfM concept in the registration process. Various MS pointed out to the fact that this requirement would introduce elements of product approval process by the competent authorities into their risk-based approach supervision. Additionally, they stressed that the requirement would introduce significant administrative burden since competent authorities would be compelled to review and assess VFM for each new PEPP before registration. Regarding the 15 days' timeline, MS highlighted the need to allow for more flexibility to competent authorities to set their own time limit. Regarding the 5 days' timeline to inform EIOPA, various MS did not make specific remarks or expressed positions, some MS asked to extend it while others pointed out that competent authorities are already obliged under the PEPP regulation to communicate to EIOPA by 5 days the decision as well as the information and document relevant for the registration. Few MS expressed concerns with the amendment as VfM is not related to any EIOPA's competences.
Finally, on Article 56b, the majority of MS was supportive of the provision on the conditions that it would operate both ways by allowing also the possibility to transfer from PEPP to a national pension product.

The discussion on this point is closely interlinked with the overall direction of travel MS will choose for Article 25 and the VfM requirements. Many MS expressed skepticism with the requirement of carrying out VfM at registration as per the current COM proposal. However, the PCY invites the MS to consider that, if a simplified VFM approach as per option 2 and 3 is chosen for Art. 25, it would not be difficult for the supervisors to check VfM at registration.

In light of the PCY invites MS to express their preference for one of the following options for the way forward:

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Option 1:

a. If a VfM approach is chosen under options 2 or 3 of Section 1.1, verification of the PEPP's VfM at the registration should be carried out by the NCA. NCA's should be granted the right to request the PEPP manufacturer to provide an independent verification of the VfM calculations.
b. Extend the 15 days deadline to 30 days and the 5 days to 10 days plus adding that the deadline can be extended in case of exceptional circumstances.

Option 2:

a. Delete the requirement in paragraph 2 that applicants shall demonstrate their ability to provide VfM as part of the registration process.
b. Delete the amendment in paragraph 3. This would imply leaving the current flexibility so that competent authorities set their own time limit for the provision of additional information.
c. In light of the proposed deletion in paragraph 2, the proposed addition in paragraph 5 will also fall.

No changes would be proposed to Article 8 and 56a.

Q2: Which option would the MS support and would MS agree with PCY's suggestion regarding the Article 8 and 56a above?

For **Article 56b** the following suggestion is made by the PCY as per the MS request.

Drafting suggestion:

Article 56 b Transfers ~~from~~ *between* PEPPs and other personal pension products

Member States shall allow transfers from other personal pension products to a PEPP, *as well as transfers from a PEPP to other personal pension products*.

Member States shall ensure that the transfers referred to in paragraph 1 are not subject to penalties, fees, or any other administrative requirement by either provider ~~of the personal pension product~~ that would make the transfer more costly than transfers between two personal pension products that are not PEPPs.

Q3: Would MS agree with PCY's suggestion above?

1.4. Product intervention powers of competent authorities - (Art 63(1))

Overview of the discussions

In light of the changes proposed to Article 25, the consistent failure to offer VfM is added in Article 63(1) to cases according to which competent authorities may take intervention measures and may prohibit or restrict PEPP distribution. Article 25(2) establishes a dual-track supervisory mechanism requiring competent authorities to monitor the PEPP market against VfM benchmarks and, in cases of identified deviations or at their own discretion, mandates that providers formally justify that their product's costs, design, and target market alignment remain proportionate and consumer-centric.

Following the discussion and the comments from MS, there are mixed views so far. Views can be grouped in three main categories: Some MS questioned the need for the change in Article 63(1) considering it superfluous since competent authorities would be in any case able to act for failure to comply with Article 25, other supported it and several stressed that the powers should be applied on risk-based approach pointing that proposal aims for continuous monitoring as it expects that consistent failure to offer VfM has to be determined. Few MS highlighted the importance of ensuring an alignment with RIS. However, no MS contested the fact that competent authorities should have the product intervention powers.

It should be highlighted that the discussion on this point is closely interlinked with the overall direction of travel MS will choose for Article 25 and the VfM requirements. Depending on the option that the MS will opt for in Section 1.1 the Article 63(1) will either remain as per COM proposal if MS choose option 2 or 3 or deleted if MS choose option 1 of section 1.

Q4: Would MS agree with PCY's suggestion above?

1.5. EIOPA's product intervention powers - (Art 65(3))

Overview of the discussions

Article 65(3) (a) clarifies that EIOPA's product intervention powers to address a significant PEPP saver protection concern may also extend to cases of consistent failure to offer VfM.

The discussions so far at the CWP and the MS written comments showed little support on the proposed amendment. While few MS supported it, the vast majority of them expressed concerns with several pointing out that the current Article 65(3) already provides adequate savers' protection and confers powers to EIOPA to intervene. They considered the provision unnecessary and superfluous. Some of them suggested that EIOPA's role should only be

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subsidiary and framed to very limited circumstances. It should be pointed out that any product intervention by EIOPA is subject to the cumulative conditions set out in Article 65(3), according to which EIOPA's actions is already conditioned, among other things, to the fact that competent authorities "have not taken action to address the threat or the actions that have been taken do not adequately address the threat."

In light of the above and notwithstanding the discussion on Article 25 and the way forward on VfM, the PCY would propose the deletion of the amended provision.

Q5: Would MS agree with PCY's suggestion?

2. Revised Provisions on Disclosure, Pre-Retirement Planning and Decumulation Phase Information - Art 38, 60, 18 and Recital 13)

Overview of the discussions

Article 38 introduces a requirement for PEPP providers to supply each PEPP saver, prior to the start of the decumulation phase, with an explanatory guide accompanying the relevant pre-retirement information. This guide should cover the possible forms of out-payments, the related costs and charges, the applicable tax treatment, and the possibility for the PEPP saver to modify the chosen form of out-payment in accordance with Article 59(1). Where a variable annuity is offered, projections illustrating potential variations in the number of out-payments over time should also be included. Amendments in **Article 60(1)** seek to ensure that all PEPP savers have a clear understanding of their financial situation and of the options available as they approach retirement. Therefore, the provision of pre-retirement planning and advice is extended to apply to all PEPP savers and not only to those investing in the Basic PEPP. Amendments in **Article 18** remove the mandatory requirement for PEPP providers to offer national sub-accounts for at least two MS, while requiring the PEPP provider or, where applicable, the PEPP distributor to provide clear information on the portability service and to indicate which national sub-accounts, if any, are immediately available. As explained in **recital 13** the removal of the requirement of two sub-accounts aims to reduce operational complexity and help further development and uptake of PEPPs. It could also help PEPP to be perceived as a low-cost, simple personal pension product and not as a niche product for primarily mobile workers.

With reference to **Article 38,** the majority of the MS supported the concept of enhanced information to be provided on the decumulation phase. Some MS expressed their support pointing out at the same time that information should be kept simple, proportionate and easy to understood by savers, in an effort to avoid excessive costs. Two MS asked for a clear definition of the term "variable annuity". One MS did not support the proposed enhanced information requirement, pointing out that savers must receive only the clear information about their payment options, as outlined in the first paragraph of the article. They see no added value in the explanatory guide, as the extra information seems to be too broad, general, unnecessary, adding only extra costs. Another MS suggested that the explanatory guide should be given only when requested by savers, as a complimentary side document while the rest of the information outlined in the first paragraph of the article should be given to all savers.

Having outlined the above the following options are proposed by the PCY:

Option 1: Maintain the COM proposal.

Option 2: Maintain the COM proposal but change the provision of the explanatory guide, so that PEPP providers will need to make the explanatory guide available on their website and inform the PEPP savers about the possibility of requesting the explanatory guide. The explanatory guide will be given at the request of the saver only.

Drafting suggestion:
Article 38 Information to be given to PEPP savers during the pre-retirement phase and to PEPP beneficiaries during the decumulation phase
1. In addition to the PEPP Benefit Statement, PEPP providers shall provide each PEPP saver two months before the dates referred to in Article 59(1), points (a) and (b), or at the request of the PEPP saver, with information about the upcoming start of the decumulation phase, the possible forms of out-payments, including the costs and charges associated with each form of out-payment and the applicable tax treatment, and the possibility for the PEPP saver to modify the form of out-payments in accordance with Article 59(1).
PEPP providers shall inform PEPP savers of the possibility of requesting ~~The information shall be accompanied by~~ a concise explanatory guide, setting out:
(a)the main features, implications and potential effects of each form of out-payment on the PEPP saver and, where applicable, on the PEPP beneficiaries;
(b)the risks and factors that could adversely affect the level, stability or duration of retirement income;

(c)the circumstances and criteria that PEPP savers should take into account when assessing the suitability of the different forms of out-payment for their individual situation.
The explanatory guide shall be available on the PEPP provider's website. It shall also be provided to PEPP savers on request in accordance with the requirements of Article 24.
Where one of the forms of out-payment offered by the PEPP provider is a variable annuity, the PEPP provider shall provide each PEPP saver two months before the dates referred to in Article 59(1), points (a) and (b), with projections to illustrate the potential variation in the amount of the out-payment over time.
2. During the decumulation phase, PEPP providers shall annually provide PEPP beneficiaries with information about the PEPP benefits due and the corresponding form of out-payments.
The information shall describe the main factors that could affect the level or duration of retirement income, including investment and life-expectancy risks, and shall indicate, where applicable, the right to change the form of out-payment.
Where the PEPP saver continues to make contributions or to bear investment risk during the decumulation phase, the PEPP provider shall continue providing the PEPP Benefit Statement.';

Q6: Which option do MS prefer?

With reference to the amendments in **Article 60** the majority of MS supported the proposal. Two MS suggested deletion of the amendment, one arguing that it adds little added value as it comes on top of the information obligation in **Article 38,** leads to additional costs and therefore makes the product less attractive. The other MS which suggested deletion, justified its position on the ground that it will burden providers and therefore limit interest of providing the product. Two MS expressed also concerns on costs and another indicated no major concerns on the issue.

In light of the above no changes would be proposed to Article 60.

Q7: Would MS agree with PCY's suggestion?

With reference to the amendments in **Article 18,** the majority of MS supported the removal of the obligation to offer national sub-accounts for at least two MS. Two MS while supporting the amendment in principle, at the same time pointed out that this change may distort the pan-European characteristic of the product, turning it effectively into just another national pension product. One MS supported the proposal and suggested that the provision should be kept

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optional for those providers who want to offer these national accounts. One MS expressed no strong views on the issue and another did not support the proposal.

In light of the above no changes would be proposed to Article 18.

Q8: Would MS agree with PCY's suggestion?

3. Revised provisions on the PEPP Key Information Document (KID) -Art. 28

Overview of the discussions

The proposal introduces limited amendments to the pre-contractual information provided to potential savers through the PEPP KID. Specifically, the amendments introduced in Article 28 include the following:

1. In paragraph (3) point (c)(iii), (xvi) to (xvii), is amended to reflect the revised features of the Basic PEPP and tailored PEPP with the requirements to indicate that the PEPP can be Basic or tailored and their main differences, that for the Basic PEPP, a lifecycle investment strategy is applied and for the tailored PEPP a risk mitigation technique which must be described and a description of the range of investment options offered by the provider;
2. The addition of point (c)(xv), to reflect the amendments in article 47(4) in relation to the voluntary employment contributions to a PEPP within workplace arrangements;
3. The addition in the first subparagraph in point (f), which already requires the disclosure of total aggregate costs expressed both in monetary and percentage terms, the compound effect of the total costs on the investment:
    a. over the previous 12 months;
    b. an estimation of the impact of those costs on the final capital accumulated;
    c. Where applicable, costs charged for a capital guarantee must be disclosed explicitly and separately.
4. In paragraph (3)(c) (xviii) is added, which requires the disclosure of information that all registered PEPPs are available in the central public register referred to in Article 13, including the internet link to that register.

MS broadly agreed with amendments introduced by the COM proposal to reflect the revised features of the Basic PEPP and tailored PEPP with the requirements to indicate that the PEPP

can be Basic or tailored and their main differences. Specifically, that for the Basic PEPP, a lifecycle investment strategy is applied and for the tailored PEPP a risk mitigation technique which must be described. The amendments also require a description of the range of investment options offered by the provider, where a tailored PEPP encompasses a capital guarantee. The proposal of the COM states that the costs of the guarantee must be explicitly and separately disclosed and requires the inclusion of information that all registered PEPPs are available in the central public register referred to in Article 13, as well as the hyperlink to the register.

MS also called for maintaining the KID as a concise, clear and user-friendly document. Several MS cautioned that the proposed additional requirements risk overloading the document and reducing its accessibility, and therefore called for a balanced approach, possibly relying on simplified disclosures particularly of the cost information, complementary information tools and focused on decision-relevant information for savers. Alignment with the PRIIPs was also mentioned by certain MS.

In light of the above no changes would be proposed in points 1 and 4 above and the PCY suggests to maintain the COM's proposal.

Q9: Would MS agree with PCY's suggestions above?

Regarding point 2 and the addition in relation to the voluntary employment contributions to a PEPP within workplace arrangements, the PCY is proposing the following options:

Option 1: keep the COM proposal

Option 2: delete the COM proposal and provide clarifications in recital:

Drafting suggestion:

Considering the requirement that the KID should be consistent with any binding contractual documents provided to savers and in order to ensure the protection of employees who are auto-enrolled into a PEPP, where a Member State has provided for its use as part of a workplace arrangement. it is important that they receive essential information on their rights linked to the auto-enrolment arrangement. Since the existing requirements in Article 28 already require the disclosure of conditions for the accumulation phase and possible forms of out-payments, information such as opt-out rights, applicable vesting rules, and default decumulation pathways should be considered as already falling within the scope of those requirements and make the

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introduction of a separate disclosure requirement unnecessary. However, such information should be explicitly disclosed to the PEPP saver, where relevant.

Q10: Which option do MS prefer?

Regarding point 3 above that concerns the enhancement of the cost disclosures the PCY would put forward the following options:

Option 1: Maintain COM proposal

Option 2: Simplified approach

Under this option, the PCY proposes to simplify the newly introduced elements by removing the reference to the compound effect of costs over the previous 12 months and focus instead on a single, clear illustration of the impact of costs on the investment. The estimation of the impact of costs on the final capital accumulated would be maintained, accompanied by an indication that it does not constitute a prediction of future performance.

Drafting suggestion

Article 28(3)(f) under a section titled 'What are the costs?', the costs associated with an investment in the PEPP, comprising both direct and indirect costs to be borne by the PEPP saver, including one-off and recurring costs, presented by means of summary indicators of those costs and, to ensure comparability, total aggregate costs expressed in monetary and percentage terms, to show *the impact* ~~the compound effects~~ of the total costs on the investment over the previous 12 months and an estimation of the impact of the costs on the final capital accumulated*, accompanied by an indication that such estimation does not constitute a prediction of future performance*. Where applicable, the costs charged for the capital guarantee shall be explicitly and separately disclosed.

Q11: Which option do MS prefer?

4. PEPP Benefit Statement (PBS) – Art 36

Overview of the discussions

The proposal introduces limited amendments to the information provided to savers through the PBS. Specifically, the amendments introduced in Article 36 include the following:

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1. In paragraph 36 (1) point (d) is amended to include a favourable scenario, in addition to the existing best estimate scenario and unfavourable scenario. This aligns the scenarios under the PBS with those under the PEPP KID.
2. Additionally, paragraph 36 (1) (f) is revised to enhance the information disclosed to PEPP savers on the level and impact of costs incurred. The point (f) of the existing Regulation requires a breakdown of all costs incurred directly and indirectly over the previous 12 months. The proposal adds that this breakdown of costs should also be provided on a compound basis since the start of the contract term. It is moreover provided that these costs should be expressed in both monetary terms and as a percentage of contributions on a compound basis over the previous 12 months and since the start of the contract term. The proposal maintains the breakdown of costs into administration, safekeeping, portfolio transactions, and other costs.
3. Finally, a new point 36 (1) (m) is added, requiring the PEPP Benefit Statement to include an indication that EIOPA maintains a central public register of all PEPPs allowing for the comparison of costs and performance, together with a reference to the internet link to the register referred to in Article 13(1).

From MS comments and discussion in the CWP, even though the majority of the MS welcomed the objective of enhanced transparency and consumer protection through the PBS, a number of MS stressed that changes to Article 36(1) should not result in turning the PBS into a technical report of excessive complexity. Several MS suggested improving the content of the PBS with the aim of providing more comprehensive and useful information to the PEPP savers, mainly by streamlining the cost information and by applying total costs over the previous 12 months, expressed as a percentage rather than in monetary values. Specifically, several MS highlighted that the use of detailed and multi-layered cost disclosures (i.e. cumulative costs since inception and compound effects) may reduce the clarity of the PBS and that by adding the compound effect of costs on and the estimated impact of costs on the final PEPP benefits may prove difficult for tailored PEPPs that may function like multi-option products, adding significant burden for PEPP Providers. Alignment with the PRIIPs was also mentioned by certain MS. In addition, various MS pointed out that any change should not offset the overall burden reduction and simplification objectives.

In light of the above no changes would be proposed in point 1 and 3 above and the PCY suggests to maintain the COM's proposal.

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Q12: Would MS agree with PCY's suggestions above?

Regarding point 2 above that concerns the enhancement of the cost disclosures the PCY notes that existing Art. 36(1) (f) the Regulation and Article 8(3)(f) of the PRIIPs Regulation require that the costs are expressed both in monetary and percentage terms. The COM's proposal enhances the PBS by including information on costs on a compounded basis since the start of the contract term and information on the costs for any capital guarantee.

Having in mind that the vast majority of MS supported the concept of enhanced information to be provided with the calculation of costs a compounded basis since the start of the PEPP contract term and the presentation of costs for any capital guarantee, on the basis that cost transparency and comparability are important, no changes would be proposed and the PCY suggests to maintain the COM's proposal.

Q13: Would MS agree with PCY's suggestions above?

5. Pension Tracking Systems (PTS) (Art. 51a)

The COM's proposal is introducing Article 51ain the PEPP review, instructing MS, where PTS are in place in their territories, to ensure that they provide savers with comprehensive, reliable and up-to-date overview of their accrued entitlements. At the same time, it is pointed out that the establishment of PTS is a Commission recommendation. The aim of the Commission seems to be the accomplishment of a degree of consistency between the structure and format of transmitted data to the PTS and the PBS, and the support of comparable information disclosure practices. In addition, it seems to be an attempt to limit the risk of providers being subject to divergent national requirements, thereby reducing administrative burden by aligning with existing disclosure obligations under Article 37.

From MS comments, even though the MS welcome the issue of PTS as a COM's recommendation, there is clear opposition to Article 51a, pointing out that it should not be in the regulation. More specifically, besides one MS which expressed no specific opinion, and another that did not oppose to the article but suggested certain modifications, all others declared their opposition and directly or indirectly pointed out removal of the article. A number of MS supported the concept of PTS stressing out at the same time that the development, structure, format and the way PTS work should be a national competence. It was also pointed out by some MS that currently well-functioning PTS should be respected. One MS suggested as an alternative the inclusion of an additional recital to explain the role and importance of PTS

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and the reasons PEPPs should be included in them. The same MS pointed out that where the KID and PBS are fully and properly applied PTS may not be necessary.

Having outlined the above the PCY would like to suggest the below options:

Option 1: Delete Article 51a and include a recital explaining the importance of PTS and the reasons for the inclusion of PEPPs in PTS.

Drafting suggestion for a recital:

To enhance transparency and enable individuals to access comprehensive information on their pension entitlements across all pillars, the European Commission has issued a recommendation on the 20.11.2025 recommending the establishment of a comprehensive pension tracking system in Member States. [To maximise the utility of these systems for savers, there would be merit in integrating the PEPP into national pension tracking systems. Including PEPPs in such systems would provide a more holistic overview of an individual's personal savings, particularly for mobile workers, thereby supporting the broader objective of ensuring adequate and transparent retirement income across the Union.]

Option 2: Delete Article 51a

Q14: Which option do MS prefer?

6. Central Public Registry - (Art 13 (1) and Recital 11)

Regarding Article 13 (1), on Central Public Registry and following the discussions in the Council Working Parties and the written comments from MS, there is a clear indication for preference by the majority of MS for option 2 proposed by the PCY, which stated the following:

Maintain the COM proposal that reflects the current structure of the EIOPA central register and extend its scope, while clarifying in a Recital that this extension should not entail any additional administrative burden neither for PEPP providers nor for the NCA's compared to the current situation. The only minimal additional burden would be for EIOPA that will need to extract the relevant performance information from the PEPP KID and present it in the register in the form of average past performance over the previous one, three, five and ten years.

In light of the above, the PCY would propose the following drafting suggestion in Recital 11:

To ensure that the most cost-efficient products attract a growing share of savings, thereby contributing to the consolidation and development of the personal pension sector, competition in the PEPP market should be fostered. To support that objective and help prospective savers make informed choices, the central public register maintained by EIOPA should be extended to include information on the past costs and performance of PEPP products. That extension should be done without creating undue reporting burdens *neither* for PEPP providers *nor for the NCA's, compared to the current situation,* as the relevant information ~~will~~ *should already* be ~~available~~ *reflected through* ~~in~~ the Key Information Document. To ensure accuracy and comparability, the information in the register should be updated at least annually.

Q15: Would MS agree with PCY's suggestion?

7. Collaboration platforms - (Art 65a and Recital 12)

Regarding Article 65a on Collaboration Platforms and following the discussions in the CWP and the written comments from MS, the views are split between option 2 and 3 with a slight preference by MS to the proposed by the PCY option 3, which stated:

"Modify Article 65a (1) in order to align it with Solvency II provisions in order to frame the specific reasons that may trigger the setting up of a collaboration platform and remove para 6 (EIOPA onsite inspections) and also delete the right of EIOPA to step in on its own initiative in case of disagreement as per para 5. EIOPA would be involved only when invited by at least one competent authority.

In light of the above and since the option 2 and 3 are moving to the same direction to aligning Article 56a(1) with Solvency II and by limiting EIOPA powers, the PCY therefore proposes to proceed with option 3.

Drafting suggestion:

'Article 65a
Collaboration platforms

1. EIOPA shall perform a facilitation and coordination role, *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

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coordinate a collaboration platform, to strengthen the exchange of information and to enhance collaboration between competent authorities.

2. Paragraph 1 shall be without prejudice to the right of the relevant competent authorities to set up a collaboration platform where they all agree to do so.

3. The setting up of a collaboration platform pursuant to paragraphs 1 and 2 is without prejudice to the mandate of the supervisory authorities of the home Member State and host Member State provided for in this Regulation.

4. Without prejudice to Article 35 of Regulation (EU) No 1094/2010, at the request of EIOPA, the relevant competent authorities shall provide all necessary information in a timely manner.

5. Where two or more competent authorities of a collaboration platform disagree about the procedure or content of an action to be taken, or inaction, EIOPA may, at the request of any relevant competent authority ~~or on its own initiative~~, assist the competent authorities in reaching an agreement in accordance with Article 19(1) of Regulation (EU) No 1094/2010.

~~6. Where EIOPA identifies a need to investigate possible detriment to the interests of PEPP savers or beneficiaries EIOPA may call for the home PEPP competent authority to carry out an on-site inspection. The competent authority of the home Member State shall launch the on-site inspection without delay and shall invite EIOPA and other competent authorities concerned to participate in it.~~

Recital 12:

(12) Effective supervision of cross-border PEPPs is essential to maintain trust in PEPPs and to protect savers. To ensure consistent application of Union rules and address cases where the competent authority of the home Member State fails to take appropriate measures, it is necessary to grant EIOPA powers to ~~directly~~ intervene in problematic cross-border cases. Such powers should include the possibility to settle disagreements in accordance with Article 19 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council, thereby ensuring coherent and effective supervision across the Union~~, or to require the home authority to organise a joint onsite inspection with host authorities and EIOPA, to swiftly address risks to PEPP savers~~.

Q16: Would MS agree with PCY's suggestion?

8. Basic and tailored PEPP

8.1 Advice

Regarding Article 34, on Advice and following the discussions in the Council Working Parties and the written comments from MS, there is an indication for preference by the majority of MS to option 2 proposed by the PCY, which stated the following:

"Keep the COM proposal which removes the mandatory requirement for advice for the Basic PEPP but delete the definition of advice on an independent basis. Additional clarification stressing the link with the concept as per other FS legislation would be introduced in the Recital in order to avoid confusion and ensure consistency."

Therefore, based on the above conclusion the following drafting changes are proposed:

Article 34(3):

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.

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 after disclosing the cost of the advice. ~~The PEPP provider or the PEPP distributor shall provide advice on an independent basis.'~~

Article 4a will be deleted:

~~By way of derogation from paragraph 4, where advice is provided in relation to distribution of the Basic PEPP, the PEPP provider or PEPP distributor shall be under no obligation to obtain information on the prospective PEPP saver's knowledge and experience.~~

Regarding the definition of independence advice, the deletion of the concept is suggested which means deletion of Article 2(1)(34):

~~'(34) 'advice on an independent basis' means advice in relation to which the PEPP provider or PEPP distributor:~~

~~(a)assesses a sufficiently large number of personal pension products available on the market which are sufficiently diversified with regard to their type and product providers to ensure that the prospective PEPP saver's objectives can be suitably met and shall not be limited to personal pension products issued or provided by entities having close links with the PEPP provider or PEPP distributor;~~

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~~(b)does not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to prospective PEPP savers;~~

For further clarification and in order to avoid confusion and to ensure consistency, the following addition is proposed in Recital 20:

To ensure ~~the quality of advice and to safeguard~~ the interests of prospective PEPP savers, *upon the request of the client* advice *should be given in accordance with the applicable obligations under Union Law.* ~~any advice provided in relation to the Basic PEPP should be given on an independent basis and only upon the request of the client.~~ ~~*Where such advice is provided, it should be given in accordance with the applicable obligations under Union Law.*~~ ~~Considering both the non-complex nature of the Basic PEPP and the independent character of the advice, it is appropriate to provide that, where such advice is given, the PEPP distributor is under no obligation to obtain information on the prospective PEPP saver's knowledge and experience. That approach ensures that the advice remains objective, proportionate and efficient for distributors, while maintaining a high standard of investor protection and promoting the accessibility of the Basic PEPP across the Union through a variety of distribution channels.~~ For the tailored, more sophisticated PEPPs, advice remains essential to provide the most suitable and tailor-made offer to prospective savers, taking into account their knowledge, financial situation, and risk appetite.

Q17: Would MS agree with PCY's suggestion?

8.2. Life-cycle investment strategy

Regarding the definition of life-cycle investment strategy, MS showed overall support but many MS requested adjustments. Following the discussion in last CWP and the comments from MS, views appeared to be split on the options proposed to adjust the definition of life-cycle investment strategy. While Option 1 maintained a closer alignment with the Commission's proposal and Option 2 introduced greater personalisation, both shared the underlying goal of updating the default investment framework. Option 2 received slightly more support. In light of the above, the PCY would propose a revised drafting as a compromise.

The definition of the life-cycle investment strategy is refined to bridge consumer protection with market flexibility. The revised definition upgrades the strategy from a purely age-based formula to a more flexible and personalised model that integrates individual risk appetite and cohort-specific data. By requiring a gradual and prudent risk reduction it aims to ensure that savers are protected from large losses both in the accumulation and decumulation phase. The

reference to minimise large losses is kept in the Article, but, in line with our option 1 and taking into account MS remarks, to ensure legal certainty and supervisory convergence, Recital 19 is amended to clarify the concept.

(35) 'life-cycle investment strategy' means an investment strategy that adjusts the level of risk attached to investments according to a predetermined glide path directed at mitigating investment risk and providing a reasonable degree of long-term appreciation, taking into account the individual's age or retirement date *on an individual or cohort basis, as well as the saver's risk appetite*, and where relevant, the pay-out profile of the product, to minimize the risk of large losses. *Such strategy assumes a higher level of risk when the saver's remaining investment horizon is long, while reducing that level gradually and prudently as the saver advances through the accumulation phase and, where applicable, the decumulation phase.*

In Recital 19

".....To preserve consumer protection and ensure that the Basic PEPP remains a simple product suitable for retirement purposes, it should be designed with an embedded life-cycle investment strategy, providing a suitable balance between growth and risk mitigation *and designed to protect retirement outcomes by mitigating the risk of large losses. A 'large loss' should be understood as any significant drop in the value of accumulated capital that would significantly jeopardise an individual's ability to meet their retirement income goals. The impact of such a loss is heightened by the lack of recovery time as the saver approaches the retirement date; therefore, investment strategies should be calibrated to minimize the probability of substantial value fluctuations, as the time to retirement decreases. While the glide path should remain flexible enough to accommodate different market models, approaches and saver's risk appetite, it should ensure that the asset allocation shifts gradually and prudently toward high-quality, low-risk assets in the final stages of the accumulation phase to safeguard the value of accumulated savings, or during the decumulation phase in the case of annuity.."*

Q18: Would MS agree with PCY's suggestion?

8.3 Risk mitigation techniques

On the qualitative criteria for risk-mitigation techniques by EIOPA for tailored, the previous CWP PCY paper presented three options proposing: Option 1 to frame in a Recital the scope of the RTS mandate, option 2 to delete the mandate and Option 3 to amend and restrain EIOPA's mandate in Article 46(3). While option 2 found limited support, the discussion and comments showed MS broadly spilt in two main groups between option 1 and 3 with broader

support for option 3. In the spirit of compromise and in light of the fact that the two more favoured options are not in antithesis, the PCY would propose a combination of two which would entail highlighting in a Recital that the mandate is strictly limited to qualitative criteria and refining the RTS mandate and introducing more guidance for the delineation of the criteria specifying in Level 1 the core protection objectives and performance outcomes that any technique must target (to provide appropriate level of protection to PEPP savers).

Recital

The PEPP's risk-mitigation techniques are essential to foster appropriate investment strategies that are capable of achieving better pension benefit outcomes. In order to promote a flexible and investment-led framework, clear criteria are needed to enable the assessment of the effectiveness of these techniques in a consistent way. Such criteria should be qualitative and should not use rigid quantitative thresholds or mandatory stochastic modelling that may unduly restrict investment freedom or market adaptation. By focusing on key principles such as the structural integration of risk management within the investment strategy, the security of accrued capital, and the equitable treatment of savers, the framework remains neutral to the specific technical methods employed. This approach ensures that the regulation is open to any new, innovative risk-mitigation techniques that can foster better retirement outcomes while remaining subject to robust governance and product oversight.

Art 46(3)

In order to ensure the consistent application of this Article, EIOPA shall, after consulting the other ESAs, develop draft regulatory technical standards specifying the minimum qualitative criteria that the risk-mitigation techniques have to satisfy, taking into account the various types of PEPPs and their specific features, as well as the various types of PEPP providers and the differences between their prudential regime, where relevant and applicable depending on the type of the risk mitigation technique offered. The criteria shall not impose maximum probabilities of losses or stochastic modelling. *Those criteria shall ensure that risk-mitigation techniques are effectively designed to pursue capital preservation and the maintenance of the purchasing power of the accumulated capital. The criteria shall specify requirements regarding:*
(a) the effectiveness of the risk-mitigation technique in addressing the PEPP saver's or group of PEPP savers specific retirement objectives and risk profile, ensuring that the risk exposure remains appropriate for the remaining duration of the accumulation phase and the intended decumulation form;
(b) the use of broad diversification and asset quality standards to mitigate the risk of significant capital shortfalls;

(c) the implementation of safeguards to protect the capital accrued, particularly in the years leading up to the decumulation phase;
(d) general principles for a robust governance framework and monitoring process, particularly in response to adverse economic developments, and
(e) safeguards for transparency and non-discrimination, aiming to ensure equitable treatment of PEPP savers having selected the same investment option.
EIOPA shall submit those draft regulatory technical standards to the Commission by [PO= please insert 6 months after entry into force of this Regulation]

Q19: Would MS agree with PCY's suggestion?

8.4 Investment rules – Art 45

On this item both the discussion in the CWP and the comments from MS showed a clear divide between those MS being more cautious and prioritising a prudent and more consumer protection focused approach (as in option 1 of the previous CWP PCY paper which proposed to stick with COM proposal of 5% limit) and those seeking higher yield potential through flexibility (with option 2 proposing to raise the limit to 15% and options 3 suggesting to remove the limit but include buffers and safeguards). In addition, few MS took an even more conservative stance by asking to delete the 5% limit so that 100% of the assets of a Basic PEPP were invested in non-complex assets in accordance with MiFID. In their view, this would make the Basic PEPP a truly non-complex product, more suitable to be sold on execution only. One MS also referred to the fact that 5% limit would build on top of the already existing 10% quota on illiquid assets as provided by UCITS Regulation. It should, however, be highlighted that such a quota would not be applicable to all PEPPs but only to those investing in UCITS.
In light of the above and under the assumption that the overall goal of the Basic PEPP is to have a simple, cost-efficient and low risk product the PCY would suggest to stick with COM original proposal and leave the threshold to 5%.

Q20: Would MS agree with PCY's suggestion?

9. Employers Contributions – Art 47 and Recital 22

The Commission proposal introduces paragraphs 3-5 in Article 47, where the interaction of the PEPP with workplace arrangements is described. In an effort to increase participation in supplementary pensions, it is pointed out that MS shall not prevent employers from voluntarily contributing to a PEPP for their employees who are already PEPP savers and who agree to this,

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stressing out at the same time that national, social, labour law and existing occupational pension schemes will be respected.

MS showed broad understanding of the overall target of the Commission proposal and the effort to increase participation in supplementary pension savings, particularly in territories where occupational pension schemes do not exist or are limited. At the same time, several MS expressed reservations on the provisions of the Article, pointing out that such arrangements should remain entirely at the discretion of the MS, highlighting the importance of maintaining a clear distinction between Pillar II and Pillar III pension schemes.

During the March 2026 CWP MS were invited to consider the following 3 options regarding Article 47:

Option 1: Maintain the Commission Proposal
Option 2: Maintain the Commission Proposal in Article 47 and clarify the interaction with Pillar II in Recital 22.
Option 3: MS were invited to outline other options to facilitate PEPP participation through employer contributions, specifically for employees without access to occupational pension schemes or whose employers do not provide occupational pesnion schemes.

From MS comments there is clear preference to option 2, that is to maintain the Commission Proposal and to give clarification in Recital 22 with regard to interaction between Pillar II and Pillar III. Based on the above the following drafting is proposed for Recital 22.

Drafting suggestion:
Recital 22:
(22) Employers' contributions, including through auto-enrolment arrangements, have proven effective in overcoming behavioural barriers to savings, including inertia or lack of financial literacy, while fostering trust, engagement, and participation in supplementary pensions. *It is appropriate to clarify that the PEPP remains a personal pension product within the third pillar, intended to complement existing pension arrangements.* Explicitly recognising that employers are allowed to make voluntary contributions to a PEPP could significantly enhance the visibility, relevance, and uptake of PEPPs, particularly among underserved groups, including low-income and part-time workers and young workers early in their careers. Similarly, allowing employers *to facilitate access to a PEPP in a workplace context, including through arrangements using autoenrollment,* ~~select the PEPP in the context of a workplace arrangement using auto-~~

~~enrolment~~ could further strengthen the uptake of the PEPP and offer employees, especially in Member States with less developed occupational pension systems, the possibility to invest their savings for retirement in well-regulated and cost-effective products. *Without prejudice to the personal, third pillar, nature of PEPP,* Member States should ~~therefore~~ not prevent employers from contributing to PEPPs and should ensure that such contributions are supported by clear rules on the provision of information to employees. Without prejudice to the personal nature of the PEPP, Member Stats should also be able to allow PEPPs to be provided *in a workplace context, including through* ~~as part of a workplace~~ arrangement*s* using auto-enrolment, where this is in line with national social and labour laws, compatible with the organisation of pension systems and with collective agreements, and does not interfere with the existing occupational pension schemes. *Workplace arrangements facilitating access to a PEPP should not replace or interfere with existing occupational pension schemes, not affect Member States' competences in organising their pension systems. In cases that a PEPP is used in a workplace context the conclusion of a PEPP contract should remain subject to the consent of the PEPP saver, and the contractual relation between the PEPP saver and PEPP provider. PEPP savers should be able to opt out or discontinue contributions in accordance with national law.* To facilitate the use of the PEPP in a workplace context, several amendments to Regulation (EU) 2019/1238 are necessary to ensure that no undue obstacles hinder employers' contributions and to adapt the relevant framework to the specificities of workplace arrangements.

Q21: Would MS agree with PCY's suggestion?

10. Equal Tax treatment (Art. 3)

The PCY notes almost all MS have expressed their opposition to the amendment in Art 3 of COM's proposal or concerns towards the envisaged direction of travel. In order to facilitate progress on the file, the PCY would invite MS to reflect on the following options for the way forward:

Option 1: Delete Art. 3 and include a recital pointing out the Recommendation of the European Commission.

Drafting suggestion to recital:
Tax incentives can take different forms and play an important role in encouraging the take-up of personal pension products (PPPs) in a number of Member States. In many Member States the contributions paid for PPPs qualify for some form of tax relief, be it explicit or implicit. Following the launch of the PEPP, Member States are encouraged to take into consideration Commission

Recommendation (EU) 2017/4393 and to extend the benefits of the tax advantages they grant to national PPPs also to the PEPP.

Option 2: Delete Art. 3

Q22: Which option do MS prefer?

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