## **EIOPA Staff Paper on the future Pan-European Pension Product (PEPP)**

### **CBBA Webinar**

Will the PEPP finally take off? Discussion with providers interested in offering (also) occupational PEPPs

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## WHY THE PEPP SAW LIMITED SUCCESS

### Structural – rather than circumstantial – factors limited the PEPP

#### **Supply-side factors**



#### **Demand side factors**



# Limited actions by Member States

- 1% cost cap limits providers' ability to offer the PEPP given inherent expenses of offering PEPPs
- However, cost cap only applies to basic option
- Limited market size
- Market structure

- Low pension participation and awareness
- Only 8% of EU citizens reported knowing what the PEPP is
- Lack of disposable income due to cost of living crisis

- Several Member States published their PEPP national provisions late
- Existence of heterogenous tax regimes



### POSSIBLE MEASURES TO ENHANCE THE PEPP

### Building on the positives of the current PEPP and addressing its limitations

#### **Supply-side measures**



#### **Demand side measures**



#### **National and EU measures**

- Expand potential PEPP market
- Combine occupational and personal PEPP in a single pension product
- Focus on value for money
- Create a PEPP label for national products
- Allow transfers into PEPPs
- Reduce administrative burden

- Tackle overall low pension participation
- Introduce auto-enrolment in the PEPP
- Leverage pension tracking systems for PEPP adoption

- Grant the PEPP the same tax treatment as national personal pension products
- Implement national or EUwide pension dashboards



### **CONCLUSION**

## PEPP can help EU citizens save for retirement

The fundamentals of the PEPP and its objectives remain valid

A revised PEPP is a sound option for the future

The PEPP is tailored for retirement savings

#### **Future EIOPA work on the PEPP**

Gather input from stakeholders

Develop specific proposals

Contribute to the PEPP's review



## **THANK YOU!**

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