

# EFAMA'S RESPONSE TO THE EUROPEAN COMMISSION CONSULTATION ON GREEN PAPER ON AGEING

April 2021

## **What role could supplementary pensions play in ensuring adequate retirement incomes? How could they be extended throughout the EU and what would be the EU's role in this process?**

### ***Action 9 of the Commission's new CMU action plan***

We fully support the message of the Pension Adequacy Reports that people need to accumulate additional savings to secure an adequate retirement income. The High-Level Forum on the CMU also stressed this point, as well as the Commission in its new CMU Action Plan, which noted that *“people should be encouraged to supplement public pensions with life-long saving and investment, including through more active participation in occupational pension schemes.”*

In this context, we welcome the Commission's decision to launch a study to analyse auto-enrolment practices because pension auto-enrolment can significantly increase the number of employees saving towards a pension. We also agree that the Commission could play a key role in monitoring pension adequacy in Member States through the development of pension dashboards, and in encouraging EU citizens to save enough for retirement by encouraging the set-up of national tracking systems.

### ***Actions to promote the pan-European Personal Pension Product (PEPP)***

A necessary condition for the success of the PEPP is that Member States agree to grant the same tax relief to the PEPP as is granted to national personal pension products. We recommend that the Commission monitor the actions that will be taken by Member States to fulfill this requirement.

We also recommend that the European Commission and/or EIOPA create a database that would highlight the tax treatment applied to the PEPP in each Member State as well as all the requirements that need to be fulfilled to get access to the tax incentives. This would enhance the capacity of potential providers to offer the portability service to PEPP savers.

### ***Action to supplement existing occupational pension plans***

We believe that the Commission should ask EIOPA to develop a policy framework to establish a pan-European defined-contribution occupational pension plan, taking into account the lessons learned from the developments of the PEPP regulation and existing best practices observed at national level. This framework would offer an additional and complementary workplace retirement savings solution that could be managed on a pan-European scale.

### ***Action to promote awareness for the need to save more for retirement***

To take action to prepare for their own retirement, citizens need to receive appropriate information on questions such as the planning and management of their financial future. To contribute to this effort, EFAMA, together with Insurance Europe and PensionsEurope, have decided to launch an annual 'European Retirement Week', during which stakeholders and policymakers will have the opportunity to engage into discussions on the pension challenge and the importance of saving enough for retirement. We have invited other associations to contribute actively to the initiative and we will also invite the Commission to take an active role in the launch of the week.



## About EFAMA

EFAMA, the voice of the European investment management industry, represents 28 Member Associations, 58 Corporate Members and 24 Associate Members. At end Q3 2020, total net assets of European investment funds reached EUR 17.6 trillion. These assets were managed by more than 34,200 UCITS (Undertakings for Collective Investments in Transferable Securities) and almost 29,400 AIFs (Alternative Investment Funds). At the end of Q2 2020, assets managed by European asset managers as investment funds and discretionary mandates amounted to an estimated EUR 24.9 trillion.

More information is available at [www.efama.org](http://www.efama.org).

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