



2017/0143(COD)

4.4.2018

DRAFT OPINION

of the Committee on Employment and Social Affairs

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council
on pan-European Personal Pension Product (PEPP)
(COM(2017)0343 – C8-0219/2017 – 2017/0143(COD))

Rapporteur for opinion: Heinz K. Becker

AMENDMENTS

The Committee on Employment and Social Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1 a) In 2015, 11,3 million EU28 citizens of working age (20 to 64 years old) were residing in a Member State other than the Member State of their citizen and 1,3 million EU28 citizens were working in a Member State other than their Member State of residence.

Or. en

Amendment 2

Proposal for a regulation

Recital 1 b (new)

Text proposed by the Commission

Amendment

(1 b) The PEPP is to provide an additional voluntary choice for retirement savings for citizens of the Union and will reinforce the portability of citizen's entitlements. It will also complement the national pension systems and Directive 2014/50/EU.

Or. en

Amendment 3

Proposal for a regulation

Recital 1 c (new)

Text proposed by the Commission

Amendment

(1 c) The gender pension gap also caused by irregular contributions to pension schemes due to interruptions of work or contributions because of motherhood or childcare persists in the Union. The pension of a retired woman between the ages of 65 and 79 in the Union is on average almost 40 % lower than that of her male counterpart. The PEPP can provide them an extra option to accrue an adequate pension.

Or. en

Amendment 4

Proposal for a regulation

Recital 1 d (new)

Text proposed by the Commission

Amendment

(1 d) The PEPP should be primarily a long-term support instrument for the purpose of securing a good standard of living after retirement, especially for young citizens of the Union. The PEPP can effectively improve the ability to cover the costs needed to maintain individual standard of living after retirement.

Or. en

Amendment 5

Proposal for a regulation

Recital 1 e (new)

Text proposed by the Commission

Amendment

(1 e) The Union is facing growing demographic challenge, which will eventually lead to the current old age

dependency ratio of 1:4 decreasing to 1:2 by 2060. For every citizen aged 65 or over, there are 4 people aged between 15 and 64 and by 2060 there will be 2 people in that age bracket for every citizen over 65 year old.

Or. en

Amendment 6

Proposal for a regulation Recital 1 f (new)

Text proposed by the Commission

Amendment

(1 f) PEPP as a European framework for personal pensions is specifically needed and useful for those who do not qualify for an adequate pension or would like to have a complementary saving plan next to the national schemes.

Or. en

Amendment 7

Proposal for a regulation Recital 20 a (new)

Text proposed by the Commission

Amendment

(20 a) Lifelong pensions and additional financial security to cover risks such as disability, death or long-term care are essential features of a comprehensive retirement provision product. Pension products should provide the customer a long-term, secure and stable additional income after retirement.

Or. en

Amendment 8

Proposal for a regulation Recital 20 b (new)

Text proposed by the Commission

Amendment

(20 b) Contribution plans should be accompanied by prognoses focusing on the value of the funds, return on investment, estimated inflation and economic growth.

Or. en

Amendment 9

Proposal for a regulation Recital 68 a (new)

Text proposed by the Commission

Amendment

(68 a) The PEPP is a new, complementary instrument to pension schemes for all citizens of the Union. In national tax systems, the PEPP should benefit from the most favourable tax treatment applicable for the national pension saving products.

Or. en

Amendment 10

Proposal for a regulation Article 12 – paragraph 2

Text proposed by the Commission

Amendment

2. In case of using the portability service, PEPP savers are entitled to retain all advantages and incentives granted by the PEPP provider and connected with continuous investment in the same PEPP.

2. In case of using the portability service, PEPP savers are entitled to retain all advantages and incentives granted by the PEPP provider and connected with continuous investment in the same PEPP.
The costs of using the portability service

shall be reasonable.

Or. en

Amendment 11

Proposal for a regulation

Article 12 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

In situations where a PEPP saver changes domicile by moving to another Member State and no compartment is offered by the PEPP provider in that Member State, the PEPP saver shall be offered the possibility to switch to another provider free of charge.

Or. en

Amendment 12

Proposal for a regulation

Article 13 – paragraph 2

Text proposed by the Commission

Amendment

2. When proposing a PEPP, the PEPP provider or PEPP distributor shall provide potential PEPP savers with information on which national compartments are immediately available.

2. When proposing a PEPP, the PEPP provider or PEPP distributor shall provide potential PEPP savers with information on which national compartments are immediately available ***in the key information document.***

Or. en

Amendment 13

Proposal for a regulation

Article 15 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) any relevant information about possible modifications in the adopted investment strategy or other elements.

deleted

Or. en

Amendment 14

Proposal for a regulation

Article 15 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The available compartments shall be disclosed in the contract between the PEPP saver and the PEPP provider. The provider shall offer at least the compartments as listed in the PEPP contract and in the PEPP key information document.

Or. en

Amendment 15

Proposal for a regulation

Article 23 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The PEPP key information document shall be designed in an understandable way for the customer and shall enable a fair product comparison. In addition, the product characteristics of a retirement product shall be clear. The following information shall be provided: the period of saving process, the level of guarantees in the end of saving phase, the total cost during the savings phase as a share of the estimated pension and the total payout amount.

Amendment 16

Proposal for a regulation Article 23 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. Marketing communication should, above all, exploit the opportunities offered by digitization and present the advantages of the PEPP in a particularly simple and easy to understand, attractive and user-friendly way.

Or. en

Amendment 17

Proposal for a regulation Article 23 – paragraph 5

Text proposed by the Commission

Amendment

5. Potential PEPP savers shall also be provided with information on the past performance of investments related to the PEPP scheme covering a minimum of ***five*** years, or, where the scheme has been operating for fewer than ***five*** years, covering all the years that the scheme has been operating, ***as well*** as with information on the structure of costs borne by PEPP savers and PEPP beneficiaries.

5. Potential PEPP savers shall also be provided with information on the past performance of investments related to the PEPP scheme covering a minimum of ***20*** years ***with figures for each individual year***, or, where the scheme has been operating for fewer than ***20*** years, covering all the years that the scheme has been operating, ***together with the past performance of the benchmark chosen by provider, if any***, as with ***clear*** information on the ***total costs and the*** structure of ***those*** costs borne by PEPP savers and PEPP beneficiaries.

Or. en

Amendment 18

Proposal for a regulation Article 34 – paragraph 1

Text proposed by the Commission

1. PEPP providers shall offer ***up to five*** investment options to PEPP savers.

Amendment

1. PEPP providers shall offer ***at least the default PEPP and/or several*** investment options to PEPP savers.

Or. en

Amendment 19

Proposal for a regulation Article 34 – paragraph 3

Text proposed by the Commission

3. ***All*** investment options shall be designed by PEPP providers on the basis of proven risk-mitigation techniques which shall ensure sufficient protection for PEPP savers.

Amendment

3. ***The default*** investment options shall be designed by PEPP providers on the basis of proven risk-mitigation techniques which shall ensure sufficient protection for PEPP savers.

Or. en

Amendment 20

Proposal for a regulation Article 35 – paragraph 1

Text proposed by the Commission

The PEPP saver shall opt for ***an*** investment ***option*** upon conclusion of the PEPP contract.

Amendment

The PEPP saver shall opt for ***one of the several*** investment ***options*** upon conclusion of the PEPP contract.

Or. en

Amendment 21

Proposal for a regulation

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Article 37 – paragraph 1

Text proposed by the Commission

1. The default investment option shall ensure capital protection for the PEPP saver, on ***the basis of*** a risk-mitigation technique that results in a safe investment strategy.

Amendment

1. The default investment option shall ensure capital protection for the PEPP saver, ***based*** on a risk-mitigation technique that results in a safe investment strategy. ***If that capital protection is only nominal (i.e. not taking into account the cumulative impact of inflation on the real value) it shall at least be accompanied by a stated objective and prognoses to compensate for the inflation, and a prominent warning about the impact of inflation over time on the purchasing power of PEPP savings.***

Or. en

Amendment 22

Proposal for a regulation Article 38 – paragraph 1

Text proposed by the Commission

1. If PEPP providers offer alternative investment options, ***at least one*** of them shall offer a ***cost-effective investment*** option to PEPP savers.

Amendment

1. If PEPP providers offer alternative investment options, ***all*** of them shall offer a ***default*** option to PEPP savers.

Or. en

Amendment 23

Proposal for a regulation Article 42 – paragraph 1

Text proposed by the Commission

PEPP providers ***may*** offer PEPPs with an option ensuring the coverage of the risk of biometric risks. For the purpose of this Regulation, "biometric risks" mean risks

Amendment

PEPP providers ***shall*** offer PEPPs with an option ensuring the coverage of the risk of biometric risks. For the purpose of this Regulation, "biometric risks" mean risks

linked to longevity, disability and death.

linked to longevity, disability, *long-term care* and death.

Or. en

Amendment 24

Proposal for a regulation

Article 48 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Costs for using portability shall be reasonable for all customers.

Or. en