



EU PAN-EUROPEAN PERSONAL PENSION REGULATION PUBLISHED

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A regulation establishing a voluntary [pan-European personal pension product](#) (PEPP) will take effect in July 2020, one year after its publication in the EU's Official Journal on 25 Jul 2019. The PEPPs will complement public and occupational pensions and increase retirement savings choices for all individuals, especially mobile workers. The European Commission and European Insurance and Occupational Pensions Authority (EIOPA) will publish delegated acts setting out definitions and other details for PEPPs, which likely will become available in late 2021.

KEY FEATURES

The regulation outlines several standards for PEPPs:

- **PEPP registration/distribution.** EIOPA will maintain a central registry of PEPP providers approved by “national competent authorities.” Once registered, a PEPP provider will have access to the whole EU market. While national authorities will supervise PEPP providers, EIOPA will have the power to issue a temporary ban or restriction on providers or products to ensure uniform consumer protections across the EU.
- **Minimum contents of PEPP contracts.** PEPP providers will have to disclose product costs and fees using a standardized disclosure document (the Key Information Document). The cost of a basic PEPP won't exceed 1% of the accumulated capital per year. PEPP providers could offer different forms of payments, including annuities and lump sum distributions, and will have to advise savers on the optimal payment form at the time of decumulation. Member states could set the conditions for the saving phase and the payout of capital, including provisions for tax incentives.
- **Investment policy.** PEPP savers could choose an investment option and modify it at least every five years.
- **Switching of providers.** If asked, PEPP providers will have to let savers switch to a new PEPP account every five years.

- **Cross-border provision and PEPP portability.** PEPP savers will be able to continue contributing to their existing PEPP account if they move to another member state.

RELATED RESOURCES

Non-Mercer Resources

- [Regulation \(EU\) 2019/1238 on a Pan-European Personal Pension Product \(PEPP\)](#) (EurLex, 25 Jul 2019)
- [Background on PEPP Regulation](#) (European Commission)

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- [EU Advances Pan-European Personal Pension Product \(PEPP\) Proposal](#) (11 Apr 2019)

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