Tax treatment of pension products, including the pan-European personal pension product

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The Committee on Economic and Monetary Affairs adopted an own-initiative report from Sophia in't VELDs (ALDE, NL) on the tax treatment of pension products, including the pan-European Personal Pension Product (PEPP).

On 29 June 2017, the European Commission presented a proposal for a Regulation of the European Parliament and of the Council to enable pension providers to offer a pan-European personal pension product.

The Committee on Economic and Monetary Affairs adopted a report on this proposal on 6 September 2018.

Members noted that the internal market for individual retirement savings products remains highly fragmented, particularly with regard to tax reliefs. However, a study on the feasibility of a European Personal Pension Framework of June 2017 demonstrated that fiscal incentives are key to the uptake of the PEPP.

In order to enhance the uptake of the PEPP, the report called on the Council to **elaborate proposals regarding incentives for PEPP savers**.

Members suggested that the following approaches be considered:

- analysing existing tax incentives for personal pension products and assessing their costs, effectiveness and redistributive effects, and, where applicable, addressing inefficiencies and regressive effects;

- granting the same tax relief to PEPP as that granted to national personal pension products, even in cases where PEPP features do not fully match all the national criteria;

- granting specific tax relief to PEPP, harmonised at Union level, to be laid down in a multilateral tax agreement between Member States.

Members recalled that Member States have exclusive competence in the field of direct taxation and that they have the possibility to participate in enhanced cooperation.