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

2018/2002(INI) - 04/04/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 358 votes to 85, with 53 abstentions, a resolution 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.

Parliament 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.

Moreover, in the internal market all providers and products must be treated equally, regardless of nationality or Member State of origin.

In order to enhance the uptake of the PEPP, the European Parliament 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.