

S&Ds defend pan-European personal pensions to make a greater difference during retirement age

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The Socialists and Democrats in the economic and monetary affairs committee abstained on the vote of the pan-European personal pension product (PEPP), for the report as supported by the right wing did not offer sufficient guarantees to savers. The PEPP is supposed to offer simple and innovative choice to citizens when saving for retirement and should be a third pillar voluntary personal pension complementary to the existing national pensions that could be bought across the EU.

S&D Group spokesperson on economic and monetary affairs, Pervenche Berès MEP, stated:

“We recognise that by giving more importance to the inclusion of environmental, social and governance factors in investment strategies, the vote in the economic and financial affairs committee is a step forward towards making the EU economic model sustainable. However, this was not enough and this is why we did not support the final agreement.

“The text, as supported by the right wing majority of this house, does not offer enough guarantees to savers, does not protect the long term nature of the PEPP, and does not secure that consumers will recoup at least the invested capital they have made, this is simply not acceptable.

“For us Socialists and Democrats it is crucial that greater choice goes hand in hand with protection and transparency, both legal and economic, and first of all for the basic PEPP. To this end, we fought to have a proper definition of the capital covered and to avoid any tax loopholes that would lead to a race to the bottom. We made sure that while European citizens can buy these products everywhere in Europe, the country of residence is the criterion when defining the tax treatment of pension products.”

