



[PensionsEurope Newsletter 2026/01](#)

1. EC’s supplementary pension Package.....	1
2. PensionsEurope launches strategic work on auto-enrolment thematic report	3
3. EIOPA publishes report on its “Strategy Towards 2030”	4
4. Omnibus I provisional agreement reached on simplifying CSRD and CSDDD frameworks	5
5. EIOPA 2025 IORPs stress testing.....	6
6. FASTER level 2	7

1. EC’s supplementary pension Package

On 20 November 2025, the European Commission published a [package](#) aimed at boosting supplementary pensions to help ensure adequate retirement income, as part of its broader Savings and Investments Union (SIU) strategy.

The package presented legislative initiatives, including a proposal on the [IORPII review](#) and another on the [PEPP review](#), as well as non-legislative initiatives through a [recommendation](#) on pension tracking systems, pension dashboards, and auto-enrolment. A [communication](#) supports all of this.

The Council started scrutinising the two legislative initiatives with a preliminary discussion in early December 2025. The Danish presidency of the Council passed the baton to the Cypriot presidency on 1st January 2026.

For the two reviews, the ongoing presidency indicated that *“The Cyprus Presidency aims in advancing the reviews as much as possible and in a balanced and practical way as it is intrinsically linked to the future financial security of citizens and to long-term investments”*.

At the end of December 2025, political groups at the EP agreed on splitting the files with **PEPP review to Renew, IORPs II review to the Greens**, SFDR going to Renew, MISP Master Regulation (incl. ESMA changes) to EPP, MISP Master Directive to S&D, and Settlement Finality Regulation to ECR.

I. Legislative initiatives

Council:

IORP II review

On 30 January 2025, the Cypriot presidency of the Council organised a meeting to discuss the IORP II review proposal. They prepared a [document](#) to support the discussions. The purpose of this paper was to provide the basis for discussions on the proposed amendments to Directive (EU) 2016/2341 (“the IORP Directive”) for several selected subjects.

Those subjects were the following:

- Scope, definitions, activities of IORPs and provision by IORPs of personal pension products
- Proportionality criteria - Authorization, multi-sponsor IORPs, and operating requirements
- Establishment and freedom of services, cross-border activities and procedures

For each subject, the paper included a description of the contents of the proposed amendments, the views already received from Member States in relation to that subject, and any relevant clarifications already received from the Commission.

Overall, Member States raised questions regarding the scope of the Directive, what is covered and what is not. Some called for the explicit exclusion of compulsory employment-related pension schemes, while others sought clarification on the treatment of small institutions and stressed the importance of scoping them out.

Moreover, Member States expressed diverging views on the proposed deletion of the reference to size. While few supported the change, several others opposed it or questioned its rationale and practical implications.

Finally, regarding the IORP definition, concerns were expressed about the scope and interpretation of the inclusion of reference to personal retirement provision therein, and its impact on the recognition and classification of IORPs.

PensionsEurope reaction:

After receiving the relevant information, PensionsEurope prepared a [short note](#) expressing our existing views concerning the topics to be discussed. PensionsEurope sent this note to all the financial attaches in the Permanent Representations, the Cypriot Presidency, and the European Commission before the meeting on 30 January 2026.

PEPP review

On 29 January 2025, the Cypriot presidency of the Council organised a meeting to discuss the PEPP review proposal. They prepared a document to support the discussions.

The [paper](#) summarizes the feedback received from the MSs on the proposal, focusing on the (1) framework, (2) Basic and tailored PEPP features, (3) PEPP treatment under National Personal Pension Frameworks, (4) Interaction with Pillar II, and (5) EIOPA role.

Overall, the paper shows that MSs are critical of several components of the Commission proposal, especially on the workplace PEPP, the tax treatment of PEPP, and the EIOPA role, while broadly supporting the need to improve the attractiveness of the PEPP.

It highlights that “Some MS expressed reservations about extending the PEPP into workplace settings, noting the importance of maintaining a clear distinction between occupational and personal pensions”. The legal complexity of such new provisions has been raised.

However, it also shows that another group of MSs is “cautiously supportive approach, recognising the potential benefits of voluntary employer contributions and auto-enrolment, provided these remain fully optional for MS, strictly subject to national social and labour law, and do not interfere with established pension systems. ». Ultimately, “there is broad agreement that any workplace use of the PEPP should remain firmly at MS discretion ».

As expected, Member States also asked the Council's legal service to express an opinion on the Commission provisions regarding the tax treatment of the PEPP (to recall that the EC considers that it is a non-discrimination issue) because they raise doubts on whether the EC has the competence to do so. The new intervention powers given to EIOPA have also criticized by the “number of MS” as well as the power to establish collaboration platforms because of the importance to ensure a balance between national competence and EU level supervision.

Other issues were also highlighted by MSs, for instance, the removal of the mandatory advice for the Basic PEPP because certain MSs emphasized the importance of ensuring consumer protection. Having an embedded life-cycle investment strategy is also not unanimously accepted because “Some MS preferred guarantee-based approaches”.

European Parliament:

We are still waiting for the official appointment of the rapporteurs and shadow rapporteurs at the European Parliament. PensionsEurope will finalize in due time our positions concerning the Pension Package, and we will communicate those to all the relevant MEPs.

II. PensionsEurope advocacy:

On 3rd December 2025, we exchanged with the Cypriot presidency. On 5th December 2025, we also exchanged with the APA of MEP Markus Ferber (EPP, DE).

On 20 January 2026, PensionsEurope had a meeting with MEPs Jussi Saramo (GUE, FI) and Evelyn Regner (S&D, AT). On 21 January 2026, PensionsEurope also exchanged with MEPs Sirpa PIETIKÄINEN (EPP, FI), Dirk Gotink (EPP, FI), and Eero Heinäluoma (S&D, FI).

The next Council’s meetings on the legislative reviews will take place at the end of February 2025. The EP draft report on both reviews can be expected for April/May 2026.

2. PensionsEurope launches strategic work on auto-enrolment thematic report

PensionsEurope has launched work on its upcoming thematic report, titled “Auto-enrolment in focus: Expanding pension coverage and adequacy in Europe”, under the Standing Committee on the Future of Pensions. The project will run from February to November 2026 and aims to provide a structured,

policy-oriented analysis of automatic enrolment (AE) as a tool to expand participation in supplementary pension systems across the EU.

The first meeting of the Standing Committee will take place on 4 February 2026, at which members will be presented with the concept note and invited to discuss the scope, objectives and methodology of the project. This will be followed by the circulation of a detailed member questionnaire in mid-February 2026, designed to gather comparable input from countries where AE is already in place as well as from those assessing its feasibility.

The report is being developed in the context of recent EU policy developments, notably the [European Commission’s November 2025 non-legislative Recommendations](#) on pension tracking systems, dashboards and auto-enrolment, issued as part of the wider pensions package. It also takes into account EIOPA’s work on the DC Toolkit and technical input to the review of the IORP II framework, as well as broader EU initiatives on long-term savings, capital markets development and competitiveness.

Substantively, the report will examine coverage gaps in supplementary pensions, with particular attention to underserved groups such as atypical workers, the self-employed and low earners, and to distributional issues including gender gaps. It will provide a comparative analysis of different AE models, including country experiences in the UK, Ireland, Poland and Lithuania, focusing on participation outcomes, design features and governance arrangements rather than descriptive system overviews.

Building on PensionsEurope’s earlier analytical work, namely the [Road to DC](#) (2024) and [Decumulation in Focus](#) (2025), the project addresses the participation stage of the DC life cycle. Draft chapters will be discussed in a series of Standing Committee meetings throughout 2026, supported by external expert input where relevant.

The final report is scheduled for publication in late October or early November 2026, and will set out a consolidated set of policy lessons and recommendations for Member States, EU institutions and social partners.

This project reinforces PensionsEurope’s role as a reference point on supplementary pensions as EU institutions and Member States consider how to expand coverage and improve adequacy. By combining member experience with comparative analysis and policy recommendations, the report will support engagement on the Commission’s 2025 recommendations, the IORP II review and broader discussions on long-term savings, while helping ensure that future EU guidance remains proportionate, nationally adaptable and aligned with social partner autonomy.

3. EIOPA publishes report on its “Strategy Towards 2030”

EIOPA has recently published its [“Strategy Towards 2030”](#) report, setting out its long-term priorities for supervising and supporting the insurance and occupational pensions sectors across the European Union. The strategy is framed against a backdrop of demographic ageing, rising living costs, economic uncertainty, and increasing risks related to pension adequacy and protection gaps. It places a strong focus on strengthening societal resilience and safeguarding the interests of consumers, including pension scheme members and beneficiaries.

The strategy is guided by two overarching objectives: first, to ensure strong and consistent protection of consumer interests throughout the EU; and second, to strengthen the stability and sustainability of the EU insurance and occupational pensions sectors.

To operationalise these goals, EIOPA structures its work around three strategic pillars.

Pillar 1: Strengthening Single Market Integration focuses on promoting high-quality, convergent supervision through the development of common supervisory frameworks, methodologies and tools. It also includes technical support and knowledge exchange with National Competent Authorities (NCAs), more consistent supervisory responses to prudential and conduct risks, and enhanced global engagement through coordination of EU positions in international forums and monitoring of third-country developments.

Pillar 2: Enhancing Market and Societal Resilience Against Risks aims to reinforce risk assessment and crisis preparedness via improved monitoring, early-warning mechanisms and joint threat exercises. This pillar also emphasises raising awareness of protection gaps, including in pensions, natural catastrophes, cyber and health risks, and promoting transparency, fairness and accessibility of insurance and pension products.

Pillar 3: Simpler, Better Regulation Supporting Supervision seeks to improve regulatory effectiveness through early, evidence-based technical advice and a stronger focus on simplification, proportionality and reduced complexity, particularly for smaller and less complex entities. It also highlights the use of supervisory technology (SupTech), digital innovation and stronger EU-wide data governance to improve risk detection, decision-making and reporting efficiency.

4. Omnibus I provisional agreement reached on simplifying CSRD and CSDDD frameworks

On 9 December 2025, negotiators from the Council of the European Union and the European Parliament reached a [provisional political agreement](#) on the Omnibus I package, which aims to simplify the EU's corporate sustainability reporting (CSRD) and corporate sustainability due diligence (CSDDD/CS3D) frameworks. The agreement seeks to reduce administrative burden while maintaining a risk-based approach to sustainability and value-chain oversight.

Key elements of the provisional agreement:

Corporate Sustainability Reporting Directive (CSRD):

Higher thresholds: Scope limited to companies with more than 1,000 employees and net annual turnover above €450 million. Listed SMEs and financial holding companies would be exempt.

Transition exemption: "Wave 1" companies that were originally required to report for FY 2024 but fall out of scope under the new thresholds would be exempt for 2025–2026.

Future review: A review clause allows for potential adjustments to the scope of both CSRD and CSDDD at a later stage.

Corporate Sustainability Due Diligence Directive (CSDDD / CS3D):

Higher scope thresholds: Obligations limited to companies with 5,000+ employees and €1.5 billion+ turnover, targeting firms with the greatest leverage in value chains.

More flexible, risk-based approach:

Removal of the strict limitation to "direct" business partners.

Companies may focus on areas of the value chain where risks are most likely or most severe, with the option to prioritise direct partners where risks are equal.

Replacement of detailed mapping with a general scoping exercise based on reasonably available information, reducing information pressure on SMEs.

Climate plan requirement removed: No mandatory climate transition plan under CSDDD.

Civil liability, penalties and timing:

No harmonised EU civil liability regime, with a review clause for possible future reconsideration.

Penalties: Maximum fine set at 3% of worldwide net turnover, with Commission guidelines to follow.

Implementation timeline: Transposition deadline moved to 26 July 2028, with company compliance required by July 2029.

PensionsEurope [has welcomed](#) the agreement's objective of proportionality and simplification, while stressing that transparency and decision-useful sustainability data must be safeguarded. Pension funds rely on reliable and comparable ESG information to manage risks and support long-term, sustainable investment.

Moreover, Matti Leppälä, CEO of PensionsEurope highlighted that *“Simplification is welcome, but transparency cannot be sacrificed. Pension funds need reliable and comparable sustainability data to manage risks and support the sustainable transition. Omnibus I must protect key investment-relevant information so long-term investors can make informed decisions.”*

PensionsEurope has underlined in particular:

CSRD: Higher thresholds may ease compliance but risk shrinking the ESG data universe.

ESRS: Key disclosures, such as Scope 3 emissions and Principal Adverse Impact (PAI) indicators, should be preserved.

CSDDD: Greater proportionality is welcome, but removing the civil liability regime could lead to divergent national rules and reduced legal certainty for cross-border investors.

Regulatory alignment: Omnibus outcomes should be reflected in the upcoming SFDR review to avoid inconsistencies between corporate and financial-sector disclosures.

Next steps:

The provisional agreement now requires formal endorsement by both the Council and the European Parliament. The European Parliament formally approved the deal on 16 December 2025.

5. EIOPA 2025 IORPs stress testing

On 17 December 2025, EIOPA published the [results](#) of its liquidity stress test of IORPs in which 156 IORPs from 18 countries participated, representing approximately 60% of IORPs' assets in the European Economic Area (EEA).

This stress test is an asset-only exercise that focuses on liquidity risks and utilizes two scenarios. One is a “*yield curve up*” (YCU) scenario with interest rates increasing rapidly because market participants are anticipating adverse economic developments in a context of the escalation of geopolitical tensions. The second one is a “*yield curve down*” (YCD) scenario with interest rates decreasing sharply because market participants are internalising an unexpected prolongation of geopolitical tensions.

The results highlighted the resilience of EEA IORPs in managing liquidity risks, even under severe stress conditions.

At the end of December 2024, **under the yield curve up scenario**, the liquidity position of IORPs (aggregated data for both DB and DC schemes) has been reduced from a baseline of €74 billion to -€60 billion under stress but improved to €15 billion following management actions.

Considering all types of liquid assets, the sustainability indicator of IORPs decreased from €1.444 billion to €1.138 billion under stress, but recovered to €1.202 billion after management actions.

At the end of December 2024, under the yield curve down scenario, the liquidity position of IORPs (aggregated data for both DB and DC schemes) stayed positive, moving from €74 billion at baseline to €56 billion under stress, and further improving to €70 billion after management actions.

Considering all types of liquid assets, the sustainability indicator of IORPs slightly decreased from €1.444 billion to €1.381 billion under stress but improved to €1.353 billion after management actions.

PensionsEurope publication: On 18 December 2025, we published a [press release](#).

Matti Leppälä, CEO/Secretary General, PensionsEurope, underlined: *“The results of the 2025 EIOPA Stress Test demonstrate the robustness of EEA IORPs in navigating uncertain geopolitical environments. While the two scenarios tested the liquidity position of IORPs in stressed situations, the ability of IORPs to implement effective management actions underscores their commitment to safeguarding the longterm interests of pension beneficiaries. The availability of a sufficient cash reserve and adequate management actions is also crucial in ensuring that IORPs can withstand the simulated shocks simulating adverse economic developments.”*

On 9th February, we will have a WG meeting to discuss the outcomes of the stress test. We will pursue liaising with EIOPA accordingly.

6. FASTER level 2

Background:

On 10 January 2025, FASTER was published at the OJEU ([here](#) for all EU language versions).

The directive aims to improve the efficiency of withholding tax procedures. The level 1 text empowers the EC to deliver 7 ITSs and one RTS.

Member states will have to transpose the directive into national legislation by 31 December 2028, and the text will become applicable from 1 January 2030.

Last developments:

The Commission has set up a FASTER task force with some MSs to develop the FASTER reporting model. Thus, the Commission is currently prioritising an implementing act combining (1) reporting elements, (2) quick refund request, (3) registered owner’s declarations, and (4) indirect investments request.

The objective of the Commission is to adopt this implementing act in Q1 2026. To do so, it interacts as indicated above with MSs but also with stakeholders in working groups and large groups. Work on guidelines and other instruments will follow.

PensionsEurope advocacy: We are participating in the large EC group, which is frequently updated on the work on FASTER levels 2 and 3 related measures. The last meeting took place on 12 December 2025. The next meeting will take place on 13 February 2025.