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MALTA BUSINESS BUREAU

POLICY BRIEF
DECEMBER 2025

The Supplementary Pensions Package

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Background Information

On 20 November 2025, the European Commission adopted a package of measures designed to strengthen supplementary pension systems across the European Union. This initiative forms part of the Commission's Savings and Investments Union Strategy, which seeks to expand capital-market opportunities for citizens to build personal wealth, while supporting the EU's economic growth and competitiveness.

The Malta Business Bureau presents this policy brief to summarise the European Commission's Pensions Package within the Savings and Investments Union, comprising:

- A proposal for amending Directives (EU) 2016/2341 and 2016/97 as regards the strengthening of the framework for occupational retirement provision
- A proposal for amending Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP)
- Recommendation on Pension Tracking Systems, Pensions Dashboards and Auto-Enrolment.

Strengthening Occupational Pension Schemes

The European Commission's proposal for the amendment of Directive 2016/2341 aims to address the persistent fragmentation of the supplementary pensions landscape, by supporting the diversification of occupational pension schemes and raising pension management standards across the EU.

The main elements of this proposal include:

- The authorisation of Institutions for Occupational Retirement Provisions (IORPs) by competent authorities and their inclusion in a national register.
- Introduction of simplified procedures for the domestic transfers of IORPs through clear timelines and decision-making processes, while ensuring the protection of members and beneficiaries.
- Strengthening the fit and proper requirements for the administrative, management or supervisory bodies of IORPs to ensure sound and prudent management.
- Reinforcing transparency for members and beneficiaries by providing clear and timely information during the pension accumulation and decumulation phases, improving awareness of entitlements.
- Enhancing the powers of prudential supervision by strengthening the role of competent authorities to ensure the full implementation of the Directive.

Revitalising the Pan-European Personal Pension Product (PEPP)

With the proposed revision of Regulation 2019/1238, the European Commission aims to increase the attractiveness of the pan-European Personal Pension Product for both savers and financial market participants.

With a very limited number of PEPP providers across the EU at the end of 2025, the Commission aims to increase the uptake by enabling diversification and flexibility in PEPP development and design.

The key proposed initiatives include:

- Simplifying account management for PEPP providers to reduce operational complexity and support the development of PEPPs.
- A shift towards investment of assets in accordance with the Prudent Person Principle to promote flexibility, innovation and portfolio management, considering ESG risks and long-term impacts of investment decisions.
- Ensuring greater flexibility for PEPP providers in determining the number and nature of investment options, offering tailored solutions to prospective savers.
- Enhancing transparency on PEPPs fees and costs to enhance citizens' perceptions of supplementary pensions.
- Guaranteeing the most favourable tax treatment available under national legislation for PEPPs, safeguarding non-discrimination and comparability with national pension products.

Boosting the Uptake of Supplementary Pension Schemes

The European Commission introduces **three overarching recommendations** focused on strengthening private pension coverage and transparency:

1. Automatic Enrolment in Supplementary Pensions:

The European Commission recommends the introduction and promotion of automatic enrolment in supplementary pension schemes. This measure should be complemented by well-designed opt-out and re-enrolment possibilities, fully respecting the role and autonomy of social partners.

2. Pension Tracking System:

The European Commission recommends the establishment of a nationwide system across all Member States, providing citizens with an overview of their individual accrued pension entitlements across all enrolled pension schemes. The Pension Tracking System should cover statutory pensions, occupational pension schemes and personal pension products and support financial planning and transparency.

3. Pension Dashboards:

Member States are recommended to establish a systematic platform to monitor the overall adequacy and sustainability of their multi-pillar pension systems through data collection. This enables the identification of pension gaps and demographic bottlenecks.

Way Forward

The Supplementary Pensions Package constitutes a pivotal regulatory initiative, offering Member States a strategic roadmap to bolster the sustainability of their pension systems and enhance the adequacy of future retirement income. By addressing both the supply and demand sides of supplementary pensions schemes, the European Commission's proposed package aims to foster higher and more reliable retirement funds.

In the context of Malta's evolving pension landscape and policy direction, the proposed measures enable citizens to build diversified retirement income, improving their long-term financial security amidst an ageing population. Furthermore, the Supplementary Pensions Package is poised to inject diversification into the local financial market by providing new investment pathways and unlocking untapped business opportunities.

The full EU Joint Communication can be found [here](#).

Disclaimer: This is a policy brief to create awareness about the legislative proposal and for information purposes. It is not an official position of the Malta Business Bureau.

For questions or more detailed information please contact MBB Executive Jasmine Cassar on infobrussels@mbb.org.mt

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