OPSG

Combined Stakeholder Pensions Report - EIOPA 2026 Consumer Trends Process

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European Insurance and Occupational Pensions Authority

Below is a two-page **executive summary designed**, consolidating the main messages from the four stakeholder contributions: **Portugal, Romania, Italy and Malta**.

Executive Summary – OPSG 2026 Consumer Trends Process: Pensions

The stakeholder contributions identify several common challenges affecting pension consumers across Portugal, Romania, Italy and Malta, although the maturity and structure of supplementary pension markets differ considerably. In particular, occupational pension arrangements are often embedded in employment relationships, social and labour law and collective arrangements, which should be taken into account when assessing consumer-protection considerations. **The most recurrent themes are limited participation in supplementary pensions, financial literacy and behavioural barriers, value for money, transparency and comparability, retirement adequacy, and the growing role of digitalisation.**

A central concern across the contributions is the relatively limited participation in supplementary or occupational pensions and the resulting risk of insufficient retirement income. Financial literacy, limited awareness of pension products, low or constrained disposable income, behavioural biases and lack of trust in financial products are repeatedly identified as barriers to long-term retirement saving. Portugal highlights the importance of incentives and participation mechanisms, while Romania points particularly to income constraints, inflation and the limited availability of occupational pension alternatives. Malta reports very low occupational pension participation and a strong reliance on the public pension, while Italy identifies low income, non-standard employment and lack of trust as important barriers, particularly affecting younger people and women.

Auto-enrolment emerges in several of the contributions as one of the most important potential responses to the pension gap, where appropriate in the relevant national pension, social and labour-law context. Italy reports a significant reform introducing auto-enrolment for employees newly hired in the private sector from July 2026, accompanied by changes to contributions and lifecycle investment strategies. The reform aims both to increase participation and improve retirement-income adequacy. Malta is also considering an auto-enrolment occupational pension regime, while the Romanian contribution identifies automatic workplace enrolment with an opt-out mechanism as a potential solution to consumer inertia.

Value for money, transparency and consumer information

Value for money (VfM) remains an important consumer protection consideration. Costs, investment performance, product design and the ability of consumers to understand and compare pension products all influence long-term outcomes. Italy stresses that high costs, low returns relative to risk and ineffective governance can undermine VfM, but also notes that pension products should not be assessed solely on financial returns: employer contributions, tax incentives and the relationship with statutory pension provision are also relevant.

Portugal similarly identifies the relationship between costs, performance and product characteristics as important, while Malta highlights the absence of comparison websites and limited visibility of providers' performance as obstacles to informed consumer choice. Romania places particular emphasis on inflation: historically high inflation has eroded the real value of pension savings, while conservative investment approaches can make it difficult to preserve purchasing power over the long term.

The contributions point to the importance of clear, understandable and, where appropriate, comparable information. Italy notes that standardisation and comparability can support value for money in systems where members bear risks and have meaningful choices, while also stressing that, given the significant heterogeneity of pension arrangements across and within Member States, such approaches may be most effective when designed at national level. Romania highlights the value of intuitive information on projected pension outcomes after inflation and costs.

Digitalisation and transparency

Digitalisation is generally viewed as an opportunity to improve access to pension information and consumer engagement. Romania reports significant improvements through mobile applications and digital platforms that provide real-time balances, historical performance and easier onboarding. These developments have increased transparency and reduced information asymmetry.

At the same time, digitalisation introduces new consumer risks. Romania highlights cyber-attacks, phishing, ransomware and other digital vulnerabilities. Italy also stresses the risk of excluding consumers who are less comfortable with digital tools and the increased exposure of such consumers to scams. Consequently, digital innovation should complement rather than replace accessible and understandable consumer information.

Pension tracking systems are also identified as a potentially valuable tool to improve awareness and provide individuals with a more comprehensive overview of their pension entitlements, supporting long-term retirement planning.

Positive developments and outlook for 2026–2027

Despite the challenges, the contributions identify several positive developments. **Italy's forthcoming auto-enrolment regime, lifecycle investment approach and new income-drawdown options represent significant structural changes**, accompanied by initiatives to improve pension awareness and access to comparable information.

Romania reports improvements in digital access and pension fund performance during 2025, with returns recovering relative to inflation. Portugal reports increasing policy attention to retirement adequacy and supplementary pensions, although this has not yet resulted in a major change in consumer participation or behaviour. Malta highlights financial-literacy initiatives and preparations for a possible auto-enrolment occupational pension regime.

Overall, the four contributions suggest that closing the pension gap will require a combination of increased participation, appropriate incentives, stronger financial literacy, improved value for money, simpler and more comparable disclosures, and well-designed digital tools. Auto-enrolment and other behavioural mechanisms appear particularly promising, but their effectiveness will depend on appropriate product design, consumer safeguards, transparency and adequate investment and decumulation arrangements.

Background

EIOPA is required under its Regulation to collect, analyze and report on consumer trends[1]. The term 'consumer trend' is not defined in EIOPA's Regulation. EIOPA therefore devised the following working definition: "*Evolutions in consumer behavior in the insurance and pensions markets related to the relationship between consumers and undertakings (including intermediaries) that are significant in their impact or novelty*".

The term 'trends' is understood in a broad sense: it covers, for example, evolutions in volumes of business or in the relationship between customers and undertakings/intermediaries, as well as the emergence of new products or services, or other linked financial innovations. The trend may already be consolidated for a number of years, but it may also be only emergent, with the possibility of becoming significant in the future.

The aim of the qualitative and quantitative data collection exercise is to inform EIOPA in the identification, prioritization and development of targeted policy proposals or issues requiring supervisory measures. EIOPA seeks to identify possible consumer protection issues while highlighting the positive developments of the identified trends.

Recently EIOPA has decided to publish the Consumer Trends Report on a biennial basis, while maintaining an annual publication schedule for the Conduct Risk Heatmap. For the development of 2026 Consumer Trends Process, EIOPA follows an agreed upon methodology, which includes collecting inputs from stakeholders. These inputs are crucial not only for developing the Conduct Risk Heatmap, but also for informing EIOPA's planning and prioritization efforts. By gathering feedback from stakeholders, EIOPA aims to ensure that its initiatives are tailored to address the most relevant consumer trends and conduct risks in the insurance and occupational pensions sector.

Questions

As in previous years, EIOPA would like to collect informal input from stakeholders to complement the other sources of information available for its 2026 Consumer Trends Process. In addition to relevant information/answers, it would be very useful if supporting documents/links could be provided to complement your contribution. References to specific examples observed at national or European level are also encouraged.

The deadline to provide your input is 6 August 2026.

[1] Article 9(1)(a) of the Regulation 1094/2010 establishing EIOPA

1. Pension related trends

You are invited to indicate using (+ for increase, - for decrease and = for no particular trend observed) in the column(s) what best reflects the evolution, trends, and issues observed for the respective product, during 2025. In the column further to the right please include, in brief, additional explanatory information to highlight any other issues/developments for the relevant product.

Issues:

	Design issues (e.g. limited investment options in DC schemes, no consideration of long retirement periods, inflation hindering the adequacy of retirement benefits)	Issues with the information provided to members and prospective members (e.g. poor disclosure, poor advice)	Value for money issues (e.g., due to high costs and/or low returns)	Low levels of financial literacy	Risks brought by digitalization, including AI	Limited choice of pension products (e.g. low number of PPPs and PPP providers)	Please highlight any other issues/developments in your market(s) for this product
IORP-Occupational pension scheme - DB	**Portugal:** = **Romania:** N/A	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Romania:** In Romania, the framework for Institutions for Occupational Retirement

							Provision (IORPs) is established under Law no. 1/2020 on occupational pensions (which transposed the EU IORP II Directive). This system represents Pillar IV of the Romanian pension landscape. However, there is a major distinction between what is theoretically allowed by law and what is actually available as active, operational products on the Romanian market today. IORP – DB's status: completely unavailable.

IORP-Occupational pension scheme - DC	**Portugal:** = **Romania:** NA **Italy:** +	**Portugal:** = **Italy:** =	**Portugal:** = **Italy:** =	**Portugal:** = **Italy:** +	**Portugal:** = **Italy:** =	**Portugal:** = **Italy:** =	**Romania:** IORP – DC: While the legal structure has been ready for years, the market implementation has been slow or nearly non-existent. No major institutional players aggressively market or actively administer dedicated domestic Pillar IV IORP funds because of historical gaps in payout legislation (which were addressed via Law 2/2026 on Private Pension Payments, set to enter into full force by January 2027).

							Status: legally available, but practically inactive.
IORP-Personal pension product	**Romania:** + High inflation in Romania has significantly eroded the future purchasing power of fixed or low-return occupational pension benefits. **Italy:** +	**Romania:** + There is a persistent lack of clear, jargon-free communication and personalized projections for occupational scheme members. **Italy:** =	**Romania:** = While administrative fees remain highly regulated by the Financial Supervisory Authority (ASF), investment returns struggle to consistently outperform inflation. **Italy:** =	**Romania:** + A major segment of the Romanian workforce remains unfamiliar with how voluntary occupational pensions operate compared to mandatory pillars. **Italy:** +	**Romania:** = Basic online portal access is improving, but algorithmic transparency and AI integration risks are not yet a primary concern for the average consumer. **Italy:** =	**Romania:** The primary driver is the delayed and highly bureaucratic implementation of the IORP II Directive into national law (Law 1/2020) in Romania. This forces consumers who want supplementary retirement savings to rely solely on standard Pillar III voluntary pensions, which may not offer the same employer-matching efficiency or cost-structures as a fully	**Romania:** Status: available on the market, but legally distinct from IORPs. Personal or voluntary pension products in Romania fall squarely under Pillar III, governed by Law no. 204/2006, rather than the IORP Law 1/2020.

						developed IORP market. **Italy:** =	
Life insurer-Occupational pension scheme - DB	**Romania:** +	**Romania:** +	**Romania:** _	**Romania:** +	**Romania:** =		
Life insurer-Occupational pension scheme - DC	**Romania:** + **Malta:** =	**Romania:** + **Malta:** =	**Romania:** _ **Malta:** =	**Romania:** + **Malta:** =	**Romania:** = **Malta:** =	**Malta:** =	**Malta:** =
Life insurer-Personal pension product	**Romania:** + **Malta:** =	**Romania:** + **Malta:** =	**Romania:** _ **Malta:** =	**Romania:** + **Malta:** =	**Romania:** = **Malta:** =	**Malta:** =	**Malta:** =
Other provider-Occupational pension scheme - DB	**Romania:** +	**Romania:** +	**Romania:** _	**Romania:** +	**Romania:** =		
Other provider-Occupational	**Romania:** +	**Romania:** +	**Romania:** _	**Romania:** +	**Romania:** =		

pension scheme - DC							
Other provider- Personal pension product	**Portugal:** = **Romania:** +	**Portugal:** = **Romania:** +	**Portugal:** = **Romania:** _	**Portugal:** = **Romania:** +	**Portugal:** = **Romania:** =	**Portugal:** =	
Other (please explain)							

Improvements:

	Increased savings/pensions offering, including innovation	Improvements in financial literacy and awareness	Improvements in value for money	Opportunities brought by digitalization, including AI	Improvement in selling practices (e.g. improvements in advice)	Improved access to information by members and prospective members (e.g. cost disclosures)	Increase in initiatives aimed at increased participation (e.g., auto-enrolment)	Improvements regarding decumulation (e.g. increase of options, improvement on advice)	Please highlight any other issues/developments in your market(s) for this product
IORP-Occupational	**Portugal:** = **Romania:** N/A	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** =	

pension scheme - DB									
IORP-Occupational pension scheme - DC	**Portugal:** = **Romania:** N/A	**Portugal:** + **Italy:** +	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** =	**Portugal:** = **Italy:** +	**Portugal:** = **Italy:** +	
IORP-Personal pension product	**Romania:** +	**Romania:** + **Italy:** +		**Romania:** +	**Romania:** =	**Romania:** =	**Romania:** +	**Romania:** + **Italy:** +	
Life insurer-Occupational pension scheme - DB	**Malta:** =	**Romania:** + **Malta:** =	**Malta:** =	**Romania:** + **Malta:** =	**Romania:** = **Malta:** =	**Romania:** = **Malta:** =	**Romania:** + **Malta:** =	**Romania:** + **Malta:** =	**Romania:** The Romanian private pension market is undergoing major reforms spanning 2026 and finalizing in January 2027 to align with OECD standards and enhance institutional stability. The

									essence of these updates is the transition from lump-sum payouts to staggered monthly withdrawals, which protects retirees against inflation by keeping remaining capital actively invested while providing fund managers with long-term predictability to keep assets secured within the domestic economy via government bonds and the Bucharest

									Stock Exchange.
Life insurer-Occupational pension scheme - DC	**Malta:** =	**Romania:** + **Malta:** =	**Malta:** =	**Romania:** + **Malta:** =	**Romania:** = **Malta:** =	**Romania:** = **Malta:** =	**Romania:** + **Malta:** =	**Romania:** + **Malta:** =	**Romania:** idem
Life insurer-Personal pension product	**Romania:** + **Malta:** =	**Romania:** + **Malta:** =	**Malta:** =	**Romania:** + **Malta:** =	**Romania:** = **Malta:** =	**Romania:** == **Malta:** =	**Romania:** + **Malta:** =	**Romania:** + **Malta:** =	**Romania:** idem
Other provider-Occupational pension scheme - DB									
Other provider-Occupational pension scheme - DC									
Other provider-	**Portugal:** =	**Portugal:** +	**Portugal:** +	**Portugal:** =	**Portugal:** =	**Portugal:** +	**Portugal:** =	**Portugal:** =	

Personal pension product									
Other (please explain)									

2. Pension: Key Consumer Protection Issues

You are invited to identify and report the most significant Pension Consumer Protection issues observed in your market during 2025. Please specify, to the extent possible, the type of provider, the line of business, the type of affected product, and provide a brief description of each issue.

Portugal: The main consumer protection issues observed relate to a set of structural and behavioural factors affecting both occupational pension schemes and personal pension products, particularly within supplementary pension arrangements in Pillar II and Pillar III.

First, the evolving regulatory and supervisory framework has continued to strengthen governance and transparency. However, recent adjustments to the implementation timeline of new regulatory initiatives, together with the still limited visibility regarding certain of their developments, create an enhanced adaptation context for pension fund management companies. In this context, the need to ensure consistent application and effective operationalisation of regulatory requirements may, on a transitional basis, influence the pace of progress towards greater simplification and comparability of the information provided to participants.

Second, financial literacy remains a key structural factor influencing consumer decision-making, with a continued need to enhance awareness of long-term retirement savings, in a context where household disposable income may constrain saving capacity.

Third, participation in supplementary pension schemes remains relatively limited, reflecting income, behavioural and, in particular, incentive-related factors. The role of effective financial and non-financial incentives, as well as participation mechanisms, is therefore critical in supporting broader coverage and improving long-term retirement adequacy.

Finally, value for money remains a relevant consideration, particularly regarding the relationship between costs, performance and product features. While progress has been made in enhancing transparency, continued efforts to support consumer understanding remain important.

Romania: The primary consumer concern is the erosion of real savings value due to historical inflation spikes in Romania. Consumers feel that conservative investment mandates limit the funds' ability to protect long-term purchasing power. Additionally, when changing employers, portability rules and continuous disclosure of accumulation tracking remain overly bureaucratic.

Malta: Financial Literacy is key to influencing consumer decision-making to bring about awareness and the need for retirement planning.
Malta has very low participation in occupational pensions. So once legislation of auto-enrollment with voluntary opt-out is introduced, we should see this change.
I also believe that value for money is important and consumers need to see good performance of products before they are encouraged to buy them. They cannot see this without comparison websites as these are non existent in Malta. Also pension plan providers do not advertise their performance.

3. Pension: Future Consumer Protection Issues

You are invited to identify emerging or persisting key consumer protection issues in the pension sector for the years 2026 and 2027. Please specify, to the extent possible, the type of provider, the line of business, the type of affected product, and provide a brief description of each issue.

Portugal: In the coming years (2026-2027), consumer protection priorities in the pension sector are expected to be increasingly shaped by structural factors influencing participation and long-term retirement outcomes, alongside the continued evolution of the regulatory framework.

The implementation of ongoing supervisory and regulatory initiatives is expected to further strengthen governance and transparency. However, continued adjustments to implementation timelines and the still evolving nature of certain requirements are likely to sustain an enhanced adaptation context for pension fund management entities. In this context, ensuring consistent application and effective operationalisation of regulatory requirements will remain a key challenge, with implications for the comparability and clarity of disclosures provided to participants.

A central area of focus is expected to relate to participation in supplementary pension schemes. Structural constraints, including income dynamics and behavioural factors, are likely to continue limiting participation levels. In this regard, the design and effectiveness of incentives and participation mechanisms will be critical in supporting broader and more sustained engagement, ultimately contributing to improved retirement adequacy and long-term sustainability.

Financial literacy is expected to remain a key enabling factor, as improving consumer understanding of long-term savings, risk profiles and retirement needs continues to be essential to informed decision-making.

Finally, while value for money will remain relevant, it is expected to play a more supportive role within a broader policy focus centred on participation, adequacy and long-term outcomes.

Romania: For 2026 and 2027, a persistent issue is the lack of diverse investment strategies or lifecycle funds that can effectively shield consumers' savings from cumulative long-term inflation. Without products that guarantee real positive returns or offer inflation-linked protections, the real value of the accumulated pension capital at retirement is projected to shrink significantly. Also, due to rigid administrative frameworks and insufficient fiscal incentives for employers, consumers face an absolute lack of choice in occupational schemes. Employees are deprived of the opportunity to access workplace-sponsored pension schemes with favorable employer-matching contributions, forcing them into retail alternatives that carry higher relative fees.

Malta: Recent Government-linked survey
An important addition is the financial literacy and investment-behaviour survey carried out between July and September 2025, involving more than 1,500 Malta residents aged 16–79. It was conducted under an EU Technical Support Instrument project involving the MFSA, European Commission, OECD and Malta's Ministry for Finance; results were publicly presented in February 2026. It is therefore particularly useful as a contemporary indicator of pension consumer vulnerability in 2025.
The findings are significant for pension consumer protection. Overall financial literacy was slightly above the OECD average and saving/budgeting behaviour was relatively strong, but investment knowledge and actual investment participation remained weak. Knowledge of bonds and more complex investment instruments was limited, with poorer outcomes among lower-income and lower-education groups. Most importantly from a pensions perspective, around two-thirds of respondents expected to rely primarily on the public pension in retirement, while only about one-third expected to supplement retirement income with private savings or pension schemes. That picture reinforces the principal conduct risk associated with Malta's intended expansion of private retirement saving: a substantial part of the population may move from a relatively understandable state-pension environment into investment-linked retirement products without extensive investment experience. Consequently, product simplicity, cost transparency, suitability, default investment design, switching safeguards and protection against aggressive sales practices

will become increasingly important, especially if private pension auto-enrolment proceeds. This is an inference from the survey and the supervisory findings rather than a formal MFSA conclusion. The 2025 survey evidence adds a broader vulnerability: consumers are being encouraged towards greater private-pension participation at a time when investment knowledge and private-pension engagement remain relatively limited.

Government's 2025 Strategic Pension Review

The Government also tabled the 2025 Strategic Review on the Adequacy, Sustainability and Solidarity of Malta's Pension System in December 2025. The report was prepared by the Pension Strategy Group pursuant to Article 64B of the Social Security Act and expressly asks how the Government's planned auto-enrolment private pension system should be designed so that it strengthens retirement saving.

The Review itself provides a useful measure of the challenge. It reports that membership in locally established private pension plans grew more than five-fold between 2020 and 2023, but still represented **less than 2% of the working-age population**. Separately, 2021 household-finance data indicated that only 2.8% of people aged 25–64 had been contributing to a pension plan for up to six years; the Review notes that some of those arrangements may have been held abroad. The Review also explicitly identifies financial capability as a pension-policy issue: **weaknesses in investment knowledge, budgeting and long-term planning can lead to insufficient retirement savings, poor investment decisions and excessive dependence on the state pension.**

4. Pension: Key Pension Positive Developments

You are invited to identify and report the most significant positive developments in the pension sector observed in your market during 2025. Please specify, to the extent possible, the type of provider, the line of business, the type of affected product, and provide a brief description of each issue.

Portugal: In 2025, developments in the pension sector have remained at a relatively early stage and have not yet translated into material changes in market dynamics or in consumer behaviour. Positive elements have mainly been observed at the level of public debate, policy reflection and preparatory work.

There has been an increase in the visibility of pension-related challenges, particularly regarding the adequacy of future retirement incomes and the role of supplementary pension schemes. The topic of long-term retirement savings has gained greater prominence in policy discussions. However, this increased attention has not yet translated into a broad-based shift in consumer perception or behaviour, partly reflecting the still relatively high replacement rates provided by the public pension system.

In parallel, initiatives aimed at promoting financial literacy have contributed to raising awareness of long-term savings and retirement planning, although their impact remains gradual and limited in terms of participation outcomes.

Relevant policy discussions have also taken place regarding the potential introduction of structural mechanisms, such as auto-enrolment and pension tracking systems, following recent European Commission recommendations. Industry-level proposals have been developed and submitted to national authorities; however, these remain at a preparatory stage and have not yet led to concrete regulatory measures or observable market developments.

Additionally, in early 2025, the Portuguese Government established a dedicated working group to assess the long-term sustainability of the Social Security System and propose concrete reform measures. Its mandate includes, among other areas, the promotion of medium and long-term savings through complementary retirement schemes for both companies and individuals.

Overall, while these developments represent an important step in framing future policy directions, their practical impact on participation and pension adequacy remains limited at this stage.

Romania: During 2025, providers in Romania significantly upgraded their digital ecosystems. Beneficiaries experienced a streamlined onboarding process through advanced biometric identification and electronic signatures. Most major providers launched or optimized dedicated mobile applications, allowing consumers real-time visibility over their accumulated capital, historical performance charts, and direct access to tax-exempt contribution simulators. This substantially lowered transaction costs and boosted retail consumer engagement. Regarding mandatory (Pillar II) and voluntary pensions (Pillar III), after a prolonged period of high inflation, 2025 marked a significant positive turnaround in fund performance. Due to proactive portfolio rebalancing by managers—leveraging high-yield Romanian government bonds and resilient local equity markets (BVB)—the funds achieved nominal returns that outpaced inflation. From a consumer perspective, this development restored confidence, as individual account balances demonstrated real purchasing power recovery after the macroeconomic shocks of previous years.
In 2025, there was a coordinated effort between the regulatory body (ASF) and pension fund

managers to standardize annual benefit statements, making them easier to read for average consumers. Providers launched joint nationwide educational campaigns focusing on the benefits of compound interest and the fiscal advantages of voluntary pensions. This systemic shift toward transparent, consumer-centric communication helped demystify long-term voluntary savings for a broader demographic of the Romanian workforce.

Malta: Hopefully we shall see the introduction of auto-enrollment in Malta. The Government issued a Consultation Document Proposal for an Auto-Enrolment Occupational Pension Regime in June 2025. The Association for Consumer Rights Malta (ACR) responded wth a suggestion for a fair value for money auto-enrolment system.
The Malta Financial Services Authority had obtained EU funds to increase financial literacy. They contacted ACR Malta to be able to organise FS classes.

5. Pension: Future Positive Developments

You are invited to highlight emerging or persisting key positive developments in the pension sector for the years 2026 and 2027. Please specify, to the extent possible, the type of provider, the line of business, the type of affected product, and provide a brief description of each issue.

Portugal: Over the period 2026–2027, potential positive developments in the pension sector are likely to depend primarily on the extent to which ongoing policy discussions are translated into concrete measures.

A key area where progress may materialise relates to the strengthening of the tax framework applicable to supplementary pension products in both Pillar II and Pillar III. In the Portuguese context, the main constraint continues to relate less to the availability of products and more to the limited effectiveness of incentives supporting long-term retirement savings decisions.

The potential introduction of structural participation mechanisms, notably auto-enrolment frameworks, may also constitute a significant development. If implemented, such mechanisms could play a decisive role in addressing behavioural barriers and improving participation levels.

In 2026, the working group referred to in the previous question submitted its report to the Government, including proposals for possible reforms. At this stage, it is not yet known whether the report, or its proposals, will be made public. However, the proposals may address, among other areas, the development of mechanisms aimed at increasing participation in supplementary pension schemes, including auto-enrolment.

Further progress may also be achieved in the development of pension tracking systems, which could enhance transparency and provide individuals with a more comprehensive view of their retirement entitlements, supporting better long-term planning.

More broadly, continued policy focus on the sustainability and adequacy of the pension system may contribute to a more structured reform agenda. However, the timing, scope and practical impact of these developments remain uncertain.

Overall, while these elements point towards a potentially more supportive framework, their effectiveness will depend on the adoption of concrete measures, particularly those aimed at strengthening incentives and facilitating participation.

Romania: The Romanian personal and private pension market is undergoing major legislative adjustments spanning 2026 and taking full effect in January 2027. While some adjustments—such as structural payout limits—have sparked intense domestic debate, the overall reform package is viewed as a highly positive step toward market maturity, institutional stability, and alignment with OECD accession requirements. Additionally, corporate and cross-border portability processes for private pensions are being structurally simplified. These updates driven by the EU's Supplementary Pensions Package and alignment with the OECD Code of Liberalisation target Pillar III (voluntary) and Pillar IV (occupational) products to allow consumers to seamlessly maintain and transfer their retirement assets.

Italy: Introduction of AE starting from 1 July 2026, and of income drawdown option that will be phased in by October 2026.
AE applies to employees hired for the first time in the private sector. Under the new system, AE in the sectoral IORP applies from the very first day of employment, unless the worker explicitly opts out within 60 days. The opt-out can be reversed at any time. Rules on contributions have also changed to strengthen the adequacy of retirement income, since the new mechanism affects both employer and employee contributions, not just the TFR (severance payment), as was the case under the old regime. Another significant change concerns how contributions are invested; they now flow into a life-cycle strategy, whereas under the old regime, the TFR was invested in a guaranteed line. The reform represents a structural shift in Italian supplementary pension policy. It moves from a system that relied on worker inertia after a long assessment period to one that assumes membership upon hiring, expands what is contributed beyond just the TFR, and updates the default investment approach to better match workers' time horizons. The aim is twofold: to

increase participation rates (thereby addressing longstanding concerns about the coverage gap in Italy's second pension pillar) and to strengthen the adequacy of retirement income. Three drawdown options have been introduced into the legislative framework to increase flexibility in the payout phase, they complete the options already available: lump sum (up to 50% of the pension pot) and lifetime annuity.
The NCA has provided guidance to supplementary pension providers to ensure members receive a comprehensive information package regarding the new payout options. Subsequently, the NCA will update the regulations concerning the information provided to prospective members, current members, and beneficiaries.
This information must be available on the scheme's website, as well as in the KID and PBS through dedicated annexes. It must focus on the features of the new options and their related risks, particularly investment and longevity risks.

Malta: The potential introduction of auto-enrollment may bring about a significant development. Hopefully it will surmount behavioural barriers and improve participation rates.

6. Focus topics

a. <u>Pension focus topic: Value for money</u>

Value for money (VfM) is an important aspect for pensions and may influence retirement outcomes as well as trust and the overall attractiveness of private pensions. Several NCAs have reported that poor scheme/product design may lead to poor VfM in occupational and personal pension products, due to high costs and/or low returns. High fees and conservative investment strategies can contribute to low returns, which in turn may reduce consumers' trust in and willingness to save through supplementary pensions. A focus on VfM can also help explore positive developments, including increased supervisory pressure, competition, improved cost structures and transparency, and the use of VfM benchmarks. This section aims to collect information on the scale of VfM issues, their drivers and impacts, and measures or initiatives in place to improve consumer outcomes.

1. In your opinion, what are the main drivers of poor value for money in pension products? Please, indicate if your reply refers to occupational pensions products or personal pension products.

Romania: The primary drivers of poor value for money in Romania are strict investment limits that push funds into low-yielding government bonds, combined with rigid and high asset management fees that fail to adapt to periods of fund underperformance, thereby unfairly shifting all macroeconomic risks and purchasing power erosion onto less financially sophisticated consumers. Also, due to the fact that the Romania is not in Eurozone, for the products in the local currency (leu) the high, persistent inflation erodes the value of the portfolio and the returns.

Italy: High costs, low returns compared to the underlying risks and ineffective governance are the main drivers of poor VfM in pension products, both personal and occupational.

However applying a pure financial logic to evaluate VfM of pension products, especially occupational, is not appropriate. Pension products should be evaluated taking into account the role that the income stemming from a supplementary pension would have in the overall pension income; it implies considering the role of statutory pensions and other personal savings as well. These features affect the risk profile of the pension product and consequently the expected returns and the cost profile. For instance, in Italy, the regulation explicitly require providers to set up the investment policy of pension products (IORPs and PPPs) considering the needs of members at retirement, also in light of the coverage offered by the first pillar.
The IORP framework ensures an effective governance in terms of VfM, for that reason Italian Parliament decided to extend the directive also to PPPs.
Other meaningful factors to consider when evaluating VfM of pension products are the emplyers' contribution and the fiscal incentives as they have a huge impact on benefit.

Malta: The current high costs and low performance for insurance based pension products.

2. Which pension products or schemes are most affected by VfM issues? (DB, DC, Personal pensions – insurance-based (e.g. life insurance-based pension products, including unit-linked and traditional policies), Personal pensions – non-insurance-based (e.g. pension savings products offered by asset managers, banks, or pension funds), PEPP, Other). Why?

Romania: Voluntary Pensions (Pillar III), as these directly transfer market and inflationary risks to the consumer.

Italy: In principle all pension products should be affected by VfM issues; schemes where members bear risks are the most affected

Malta: The Authority had stated that we only have two IORPS. Rest are insurance based pension products. No PEPPs are sold.

3. Based on your experience, what are the main observed impacts of poor VfM on consumers (e.g. delayed retirement planning)?

Romania: Consumers face reduced confidence in supplementary savings, leading to lower contribution rates and a heightened risk of relying solely on the state social security system (Pillar I) upon retirement.

4. Have you observed improvements in value for money in pension products in the past two years? Please describe the improvements, the factors that contribute to those improvements and the main products benefitted.

Romania: Yes, over the past two years, value for money in Romanian pension products has improved through continuous asset reinvestment during the payout phase, driven primarily by Pillar II and III regulatory updates and OECD alignment. Minor improvements have been seen in digital transparency, as some providers introduced mobile apps to track contributions and fund balances more efficiently.

Italy: When members bear risks and have choises, disclosure, standadisation and comparability are effective tools to improve VfM. These are longstanding practices in Italy. Huge heterogeneity in pension landscape across and within MSs implies that disclosure, standardisation and comparability would be more effective if managed at national level.

5. What benefits and risks do you see digitalisation bringing to value for money aspects?

Romania: Minor improvements have been seen in digital transparency, as some providers introduced mobile apps to track contributions and fund balances more efficiently.

Italy: Digitalisation could help in making disclosure, standardisation and comparability more effective and up-to-date, especially towards members more familiar with digital tools. However those less familiar with digital tools would risk to not benefitting. Ditial tools also hampers the risk of scams, higher for those not used to digital tools.

6. What in your view constitutes the most effective (industry or supervisory) approach or initiative to enhance value for money?

Portugal: One supervisory approaches to enhance value for money is the development of public comparison tools that provide consumers with simple, objective and comparable information on costs, performance and risk.

In Portugal, the Insurance and Pension Funds Supervisory Authority (ASF) has launched a comparison platform for personal Retirement Savings Plans (Planos de Poupança-Reforma, PPR) under its supervision, including those set up as Pension Funds and as Insurance products. The tool allows consumers to compare information on commissions, returns and risk levels, thereby supporting more informed savings decisions and increasing market transparency. The Portuguese Securities Market Commission (CMVM) has also made available a comparator for PPR set up as Mutual Investment Funds.

Romania: Digitalisation in the Romanian private pension market has enhanced value for money by easily reaching the beneficiaries and offering real-time account tracking, though these advancements have simultaneously heightened risks related to: cyber-attacks, deepfake investment related campaigns, sophisticated phishing campaigns targeting subscriber credentials, institutional ransomware threats, and algorithmic vulnerabilities during digital asset transfers.

Malta: Same as Portugal, one supervisory approach to enhance value for money, is the development of public comparison tools to provide consumers with simple, objective and comparable information on costs, performance and risk. Pension providers never advertise this information and consumers buy blindly from a pension provider.

b. Pension focus topic: Behavioural initiatives to foster retirement savings

Beyond existing supply-side issues and broader social and labour law aspects, demand-side aspects also contribute to the pensions gap. NCAs continue reporting that limited financial literacy, low awareness of pension products and behavioural biases can lead to poor decisions and delays in starting long-term investing. Consumers are often unfamiliar with the features of pension products and with the products available in the market. Some Member States have implemented initiatives such as targeted campaigns, educational activities, digital tools and nudging strategies to address these barriers. This section aims to collect information on existing demand-side issues and measures, with a focus on identifying effective strategies to encourage long-term retirement engagement and improve pension outcomes for consumers.

1. In your opinion, what are the main behavioural barriers to retirement savings (lack of financial literacy, lack of awareness of pension products, complexity of pension products, low income constraints, …)?

Portugal: The behavioural barriers identified in the question are relevant, but there are two other additional factors particularly important. First, the lack of sufficiently effective tax incentives reduces the attractiveness of long-term supplementary retirement savings. Second, the prevailing public narrative that the pay-as-you-go pension system will continue to provide adequate retirement income, reduce the perceived need for complementary pension savings.

Romania: Present bias (prioritizing immediate consumption over distant retirement needs), low financial literacy regarding compound interest, and a general distrust in long-term private financial institutions.

Italy: The main behavioural barriers to retirement savings are low income constraints and the situation in the labour market where non standard jobs are more and more widespread. Lack of trust towards financial products plays an important role.

Malta: All the above mentioned points are relevant yet I believe the current 25% tax incentive capped at 750 euros per year is too low. Also the Maltese trust a lot in property investment and that is where their money is being invested for retirement purposes as they get good returns (approx. 8%) and their property value has been rising every year. Buy-to-Let home loans are popular in Malta.

2. Which consumer groups are most affected by these barriers?

Romania: Young Romanian professionals entering the local labor market and low-to-middle-income workers earning near the national minimum wage. These groups heavily rely on the mandatory public system (Pillar I) and mandatory private system (Pillar II), while viewing Pillar IV occupational pensions or Pillar III voluntary pensions as an unaffordable luxury rather than a structural necessity.

Italy: Young, women

3. Have you observed in your market initiatives aimed at improving consumer engagement with pension savings? Please describe them.

Romania: 1. Pension fund managers in Romania have optimized their mobile applications and digital platforms to give consumers real-time access to account balances and historical investment performance.
2. Standardized annual statements: The financial supervisory authority (ASF) and providers worked to simplify the annual benefit statements, making them easier to read for average citizens through visual charts and clearer language.
3. National financial education campaigns: Joint initiatives like the "Financial Education Week" conducted by the ASF and the private pension association (APAPR) specifically targeted young workers through social media to explain the benefits of compound interest and Pillar III tax deductions.

Italy: The rules on AE have been recently overhauled (please refer to Q. 5 Pension: Future Positive Developments)
In connection with the entry into force of the new rules on AE and income drawndown a new

important initiative on pension awareness landed. The Ministry of work and social security has launched the Portal on supplementary pensions, in cooperation with Mefop and the National Youth Council. The Portal aims to promote comprehensive information and greater awareness regarding supplementary pensions, providing citizens and workers with reliable, up-to-date, and easily accessible information.
This initiative falls within the framework of public policies aimed at strengthening social inclusion, informed membership and retirement planning. Furthermore, the Portal contributes to spread information supporting employment services, local administrations, and other public and private stakeholders involved in active labor market policies. Finally, the Portal serves as a tool for public labor and welfare policies, facilitating access to transparent and comparable information on the most common forms of supplementary pensions. Throung a citizen-centric approach it helps strengthen trust between citizens and the pension system, emphasizing the value of individual choice within a framework of collective safeguards.

4. What in your view constitutes the most effective (industry or supervisory) behavioural informed approach or initiative to reduce those behavioural barriers?

Portugal: The most effective approach would be the introduction of automatic or default-based participation mechanisms, supported by adequate incentives, simple contribution structures and clearer communication.

Romania: The most effective behaviorally informed approach to reduce this consumer barriers in Romania could be the implementation of automated workplace enrolment into voluntary pension schemes with a clear option to opt out, which directly counters employee inertia. This system should be paired with default contribution escalation clauses that automatically increase contribution rates during salary raises to mitigate present bias. Additionally, providers and supervisors must replace complex projections with simplified interactive mobile simulators that translate abstract future balances into tangible monthly purchasing power. Finally, sending targeted fiscal notifications via digital portals right before tax deadlines will visually demonstrate the immediate benefits of tax deductions, driving active consumer engagement.

Malta: The introduction of auto-enrollment, adequate tax incentives and comparison websites

c. Cross-sectorial focus topic: Transparency and innovative trends in terms of disclosure and provision information

On the one hand, disclosure and provision of information continue being reported as one of the main conduct issues (e.g.unclear or overly technical wording or complex information provided in pensions benefits statements and other documents). On the other hand, improvements are also reported, specifically thanks to digitalisation, which allows for a tiered approach to disclosures. Notably, digital channels now play an important role. NCAs and stakeholders report improvements including personal pension products are now better integrated with apps, providing customers with better offers and a clearer overview of their savings.

1. Taking into account the whole market and trends you have observed, in your opinion what is the most concerning issues in relation to disclosures and provision of information of pension products? Please indicate the products (IORP, provided by life insurers, DC, DB, personal pension products, other) that are more affected by the issues described.

Portugal: The most concerning issue remains not so much the absence of information, but rather the difficulty in ensuring that information is sufficiently simple, comparable and decision-useful for consumers.

Romania: The most concerning issue in Romania is the lack of standardized, inflation-adjusted decumulation simulations within Pillar III voluntary and Pillar II mandatory defined contribution (DC) pension portals, which leaves consumers with an unclear view of their future monthly purchasing power despite recent improvements in digital balance tracking.

Malta: Like already stated if there is no public information on costs and performance comparability, the public will have no confidence to place their money in pension plan savings.

2. Have you observed any significant improvement regarding disclosures and provision of information in the past 2 years? If so, please specify which ones and regarding which product (IORP, provided by life insurers, DC, DB, personal pension products, other).

Romania: Over the past two years, significant improvements have been observed in Romania through the widespread rollout of dedicated mobile apps and digital portals by Pillar III defined contribution (DC) pension fund managers, which have greatly streamlined access to real-time account balances, historical performance data, and simplified annual statements.

Italy: In Italy, thank to the standardisation of the mandatory information package of IORPs and PPPs (pre-contractual document-KID-, PBS), members are allowed to assess and compare pension product.

3. Is there a connection between those pension products mainly distributed online and the products where more transparency issues are observed?

Romania: No, there is no negative connection in Romania, as the Financial Supervisory Authority (ASF) maintains strict regulatory oversight, ensuring that digital distribution channels for Pillar III products actually serve as a proactive consumer protection tool by delivering superior fee disclosures, mitigating mis selling risks, and granting savers direct, transparent control over their retirement data compared to traditional intermediaries.

Italy: The mandatory information package is the same for all supplementary pensions, no matter the distribution channel.

4. Is there a connection between those pension products mainly distributed online and the products where more transparency related improvements are observed?

Romania: From a financial consumer protection standpoint, there is a clear positive correlation in Romania, as digital-first distribution and management of Pillar II and Pillar III defined contribution products have structurally minimized information asymmetry, leading to the market's most meaningful transparency upgrades through consumer-centric interfaces, instantaneous cost disclosures, and auditable digital statement trails, although persistent information gaps still remain regarding complex long-term payout projections.

5. In your market, are there any specific provisions in pension products regarding systemic events (e.g., war, cyber-attacks, or pandemics)?

Portugal: Yes. These risks are expected to be taken into account in the risk assessment, in line with supervisory expectations and regulatory requirements, including those arising from DORA.

Romania: From a financial consumer protection standpoint in Romania, systemic risk mitigation is enforced through strict regulatory mandates by the Financial Supervisory Authority (ASF) rather than individual product clauses, ensuring that consumers are shielded from catastrophic events such as wars, pandemics, or cyber-attacks. The core consumer protection mechanism relies on the absolute legal segregation of pension assets from the fund manager's balance sheet, meaning that even during severe systemic shocks, consumer savings remain legally insulated from institutional failure. Furthermore, ASF regulations prohibit fund managers from invoking systemic crises to arbitrarily freeze or reduce accumulated consumer benefits; instead, managers are legally required to maintain robust operational continuity plans, cyber-defense protocols, and mandatory financial reserves to guarantee uninterrupted asset protection and access for savers.

Italy: No

6. What in your view constitutes the most effective (industry or supervisory) approach or initiative to improve transparency practices across the pension market, and why?

Romania: From a consumer rights perspective, the most effective approach is a supervisory-led mandate for standardized, interactive "total cost and payout" dashboards that simplify disclosure. In Romania, where the average consumer still faces low financial literacy and is not highly sophisticated in complex financial instruments, traditional disclosures remain far too technical. Forcing providers to use a uniform, visually intuitive layout that presents net projected payouts—explicitly adjusted for both inflation and cumulative management fees—dramatically reduces this information asymmetry. This allows less sophisticated savers to easily grasp the real purchasing power of their future pensions and make informed long-term choices without being confused by complex jargon or misled by nominal figures.

Italy: The standardisation of information, in systems where comparisons matter. Information should be provided avoiding jargoun and using behavoral economics tips.

Malta: As already stated we need comparison tools.

d. Cross-sectorial focus topic: Pensions gap

The issue of the pensions gap remains a critical concern for policymakers and supervisors. The pension gap reveals significant disparities across various demographic groups. While issues persist, some positive trends can also be observed thanks to different initiatives (e.g. auto-enrolment).

1. In your opinion, what is the leading reason why consumers in your market opt not to save through complementary and/or supplementary pensions?

Portugal: The main reason lies in the limited effectiveness of incentives and participation mechanisms currently available, in a context where the still relatively high replacement rates of the public system reduce the perceived need for complementary long-term retirement savings.

Romania: The leading reason why Romanian savers opt out of supplementary pensions is the lack of sufficient disposable income among low-to-middle earners, combined with persistent financial literacy gaps that cause less sophisticated consumers to view Pillar III as unaffordable luxuries rather than protective long-term necessities.

Italy: Please refer to Pension focus topic: Behavioural initiatives to foster retirement savings - 1

Malta: As stated already Maltese believe in property investment for good returns. State pension also has provided reasonable income so far.

2. Which could be potential solutions to reduce the pension gap (e.g. changes in the design of the supplementary pension products,

adjusting contribution rules, improving transaprency, improving value, etc.)

Portugal: The introduction of auto-enrolment mechanisms, supported by adequate tax incentives and simple default contribution structures, would be key to increasing participation in supplementary pension schemes.

Complementary tools such as pension tracking systems and clearer financial communication could further support awareness and engagement.

More fundamentally, while product quality and value for money remain relevant, the priority should be on establishing effective incentives and behavioural mechanisms to drive participation, as this is the primary constraint in the Portuguese context.

Romania: Potential solutions to reduce the pension gap in Romania include introducing automated workplace enrolment with an opt-out clause for Pillar III and for the future Pillar IV schemes to counter consumer inertia, updating tax frameworks to raise the far too low non-taxable contribution ceilings, and legally mandating lifecycle investment products that automatically shift to safer assets as savers age to guarantee long-term value for money. Additionally, integrating a national pension tracking dashboard that displays net, inflation-adjusted future payout projections would significantly demystify voluntary savings for less financially sophisticated consumers.

Italy: AE alongside provisions on contributions allowing members to maximise the level of premiums.

Malta: Auto-enrollment should help overcome lack of participation. Pension tracking systems once introduced properly should also help. Better tax incentives.

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