

CASE STUDY

# The Pan-European Personal Pension Product (PEPP)

*With contributions from Dr. Francesco Briganti, Jorik van Zanden and Gianluca Mauro, and a focus on technology, innovation, and engagement*





The PEPP is a federal product designed at the European level and distributed across the EU without major local adaptations.”

- *Dr. Francesco Briganti*

# Executive Summary

*The Pan-European Personal Pension Product (PEPP) represents the EU’s boldest move to create a unified, digital and portable pension system for a mobile, modern population.*

Designed for private savers and supported by a strict regulatory cap, digital onboarding, and dynamic cross-border management, PEPP aims to solve decades-old fragmentation in Europe’s retirement landscape. Not only within the EU but also at the national level.

## AUTHORS

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### **Andrew Mugoya**

Innovation Consultant, Founder & Principal at Strawpath  
[linkedin.com/in/andrewmugoya](https://www.linkedin.com/in/andrewmugoya)

### **Songül Arslan**

Financial Economics Specialist  
[linkedin.com/in/songül-arslan-7393257](https://www.linkedin.com/in/songül-arslan-7393257)

## CONTRIBUTORS

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### **Dr. Francesco Briganti**

Secretary General, Cross Border Benefits Alliance-Europe (CBBA-Europe)

### **Gianluca Mauro**

AI entrepreneur and speaker, Founder of AI Academy

### **Jorik van Zanden**

EU Pensions Expert and Consultant



A mobile continent needs a portable pension wrapper; the PEPP design creates a real solution for the modern European workforce.”

- *Dr. Francesco Briganti*

## Why the PEPP Matters

*Many European workers (including younger generations, people with international or flexible careers, and the self-employed) often accumulate multiple small, stranded pension pots over the course of their working lives*

Designed for private savers and supported by a strict regulatory cap, digital onboarding, and dynamic cross-border management, PEPP aims to solve decades-old fragmentation in Europe’s retirement landscape. Not only within the EU but also at the national level.

Jorik van Zanden notes that for middle-income earners (the “donut’s middle”) PEPP-type solutions address a real pain point: “How do you build a product that works for people who are not poor but are also not rich enough to get private banking advice?” Mass-customisable, plug-and-play defaults are crucial for this market segment.

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“The PEPP was basically made to create a system that other countries could adopt to have safe investments. It should be easy to understand and transparent. Those are the three underlying assumptions.”

- Jorik van Zanden

# How PEPP Works



## Pan-EU standardisation

Allows individuals to access the same pension product across the EU under the same core features, ensuring transparency on costs and fees.



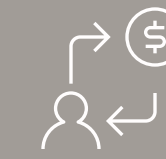
## Cross-border flexibility

Enables workers to maintain pension savings even when moving between EU countries, addressing gaps in national/occupational systems



## Local Authorisation

PEPP schemes are initially approved at national level by the provider's local regulator which enables multi-country operation, easing cross-border entry and lowering costs.



## National Sub-Accounts

A scheme is able to create national sub-accounts in specific EU countries, adapting tax, payout, and disclosure rules while retaining a single provider and login. This is optional and schemes may not be available as sub-accounts in certain countries.



## Portability

Savers can continue contributing to the same PEPP contract when moving to another EU Member State, either through national sub-accounts or by switching providers.

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# Adoption & Market Pulse



## Digital Entrants

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Finax (Slovakia) and LifeGoals (Cyprus) are among PEPP's early movers, launching digital-friendly products for both individuals and employer-linked schemes

## Barriers

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Fee caps, uneven national tax incentives, lack of occupational PEPP schemes, and some large country regulatory frictions have slowed scale.



Finax and Life Goals are both technology companies so can easily use digital channels. Some providers don't trust that digital channels would work for their clients so haven't created PEPPs yet."

- *Dr. Francesco Briganti*



The underlying assumption is that [with] more automation and defaults, other EU countries can adopt [PEPP] for safe, transparent investing, but a real challenge remains in winning the trust and participation of the middle-income market."

- *Jorik van Zanden*



"Expect a domino effect: once a few providers cover multiple markets, the rest will follow - if the EU curbs protectionism and clarifies tax treatment."

- *Dr. Francesco Briganti*



If you can solve [targeted, accessible advice]... value for money service with some kind of advice, also accessible for lower middle income, that's the golden target."

- *Jorik van Zanden*

# Technology as an Enabler



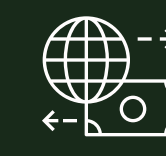
## Digital Onboarding, Remote KYC, e-ID

Onboarding is frictionless, remote, and tailored for transience.



## Automated, Personalised Advice

Mandated advice is mostly digital, with algorithmic tools guiding users through risk/return options.



## Cross-Border Tracking

The ETS (European Tracking Service) helps users find and consolidate scattered entitlements. This is a game-changer for mobile, international and flexible-work professionals.

### Example

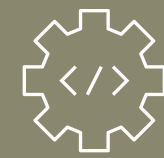
Life Goals plans sub-account in all EU countries. Finax lets users in different countries open and manage the same account without additional paperwork.

# Where Technology Can Improve Uptake and Impact



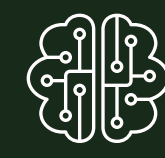
## Member Engagement

Despite advanced interfaces in pension platforms and apps, most users opt for defaults, rarely log in, and show inertia. Holistic, behavioral nudges and better scenario modeling can increase individualisation and motivation.



## API Integration & Data Sharing

More seamless connectivity between payroll, tax, and pension APIs is crucial for future-proofing the system.



## Machine Learning for Defaults

Jorik envisions AI-driven personalised defaults (“If you have five personas and can use tech to allocate to a persona, that saves an incredible amount of money”), but stresses the need for transparency and risk safeguards.

## NOTED GAPS

### Tax discrimination blocks adoption

Member states refuse to grant PEPPs the same tax incentives as domestic products, effectively protecting local markets. Differing tax treatments mean that member benefits still depend strongly on local rules.

### Lack of tax advantages

The current personal PEPP lacks the tax advantages that occupational pensions receive in most EU countries, making it economically less attractive than national workplace schemes and limiting employer adoption. This excludes the majority of workers who access pensions through their employers.

### Tech isn't a panacea

“No amount of UI fixes the real behavioral myopia or the deep cultural expectation that someone else (the state, family, employer) will ‘handle’ retirement for you.”

- Jorik van Zanden



AI has strong potential to make pension engagement more personalized. There are, however, risks. This does not mean such systems should not be built; it means they must be developed ethically from day one, with fairness and transparency embedded in their design.”

- *Gianluca Mauro*

# Recommendations



## Enforce tax parity

EU must mandate equal tax treatment between PEPPs and national pension products, with clear compliance timelines and consequences for non-compliant member states



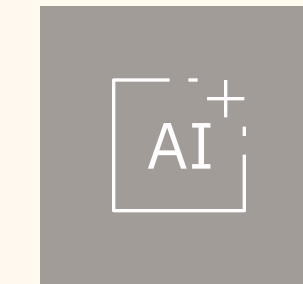
## Scale behavioural innovation

Move beyond basic digital interfaces to implement AI-driven personalised defaults, proactive nudges, and scenario modelling that counter member inertia and increase engagement



## Strengthen API integration

Mandate seamless data flows between payroll, tax authorities, and pension platforms through standardised APIs, reducing administrative friction for multi-country operations.



## Utilise Artificial Intelligence

Utilise emerging technologies such as AI to develop proactive behavioral nudges and scenario modeling to counter inertia.

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# Conclusion

*A truly portable, digital pension product has the potential to transform retirement savings across Europe by breaking down long-standing national barriers, empowering individuals to seamlessly manage their future, and paving the way for greater financial security in an increasingly mobile world.*

The coming years will be decisive: robust and consistent implementation, clear incentives, and ongoing digital innovation will determine whether the promise of cross-border pensions becomes a reality for the millions who need it most.

 [strawpath.com](http://strawpath.com)

 [explore@strawpath.com](mailto:explore@strawpath.com)

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