

Upcoming Employer Pension Obligations:

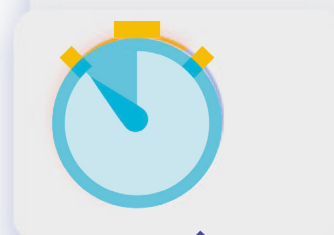
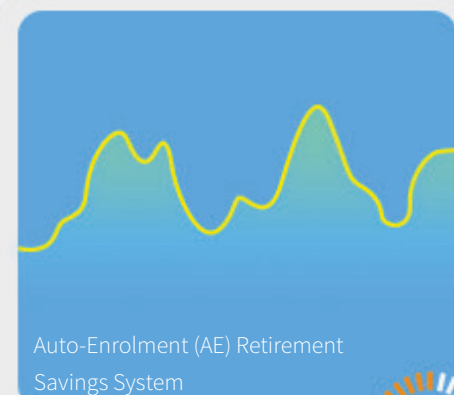
Are You Ready for January 2026?

Starting **January 1st, 2026**, Ireland introduces a **Mandatory Auto-Enrolment (AE) Retirement Savings System** called “**My Future Fund**”.

If you employ **staff aged 23–60** earning over **€20,000 annually** who are not already in a pension, you'll need to comply.

- **Automatic enrolment:** Employees are signed up without needing to opt in
- **Contribution split:** For every €3 the employee pays, you pay €3, and the State adds €1 — totalling €7.
- **Rising contributions:**
 - Starts at 1.5% of gross pay,
 - Increases gradually over 10 years to 6%.
- **Opt-out:** Employees can leave after six months but will be re-enrolled every two years if still eligible.
- Employees outside of the automatic enrolment criteria above can opt to be in the scheme

Note: If you already provide an adequate occupational pension or a properly structured PRSA scheme, you may be exempt.



Supplementing the State Pension



Addressing Pension Inadequacy



Encouraging Retirement Savings



Is AE the Right Fit for Your Business?

Before defaulting to AE, consider:

- **Do you already provide pension benefits?**
If yes, you might not need AE, depending on contribution levels and scheme design.
- **Do you want flexibility?** AE is rigid, with fixed rates and no salary sacrifice options. Occupational pensions and PRSAs offer tailored contributions, investment choices, and tax efficiencies.
- **Is your workforce stable or high turnover?**
AE works well for high turnover, but a stable workforce may benefit more from a tailored occupational scheme.
- **Do you want to reward or retain key staff?**
Occupational pensions allow higher employer contributions and more generous tax-free lump sums — attractive for senior or long-service employees.

Why Might an Occupational Pension or PRSA Be Better?

- Up to **40% tax relief** on employee contributions (vs. AE's 25% State top-up).
- **Additional Voluntary Contributions (AVCs)** allowed.
- Early retirement options (from age 50) possible.
- Larger tax-free lump sums at retirement (up to 1.5 × final salary).
- Investment flexibility tailored to employee risk profiles.



Your Action Checklist



- ✓ **Review your current pension arrangements**
Ensure they meet or exceed AE standards, or you'll need to enrol eligible employees.
- ✓ **Communicate with employees**
Help staff understand how AE impacts them.
- ✓ **Plan for cost increases**
Employer contributions will rise over the next decade. Budget accordingly.
- ✓ **Seek advice**
Talk to your financial advisor or pension consultant to explore whether an occupational scheme or PRSA might better suit your business.



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For more information or the terms of any benefits outlined, please don't hesitate to reach out to your Human Resources team.