Upcoming Employer Pension Obligations:

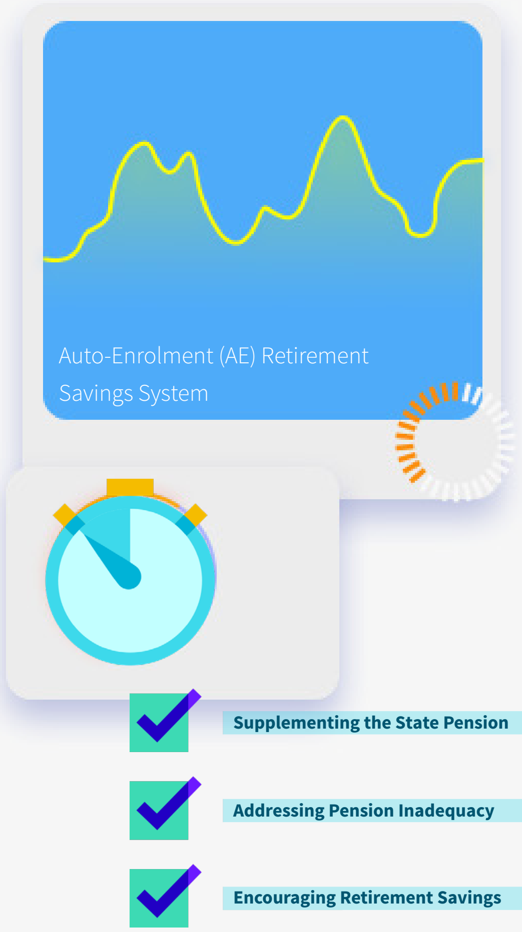
Are you ready for January 2026?

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.



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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