

An Roinn Coimíre Sóisialaí  
Department of Social Protection

## My Future Fund

### Ireland's Auto-enrolment Retirement Savings System

Version February 2025

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## What is auto-enrolment?



- Auto-enrolment (AE) is a new savings and investment scheme for employees where financial returns are paid out to participants on retirement, in addition to the State Pension
- Auto-enrolment is essential as not enough people have occupational or supplementary pension coverage to help maintain a standard of living in retirement more closely aligned to that enjoyed during a person's working life
- The system will be called "My Future Fund" and will commence on 30<sup>th</sup> September 2025.

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## Why auto-enrolment is being introduced?





Only 1 in 3 private sector workers have supplementary pension coverage.



Individual retirement savings are too low.



Leading to a reduction in living standards on retirement.

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## Who will be auto-enrolled?



An estimated **800,000** workers who:

|   |   |  |
|---|---|--|
| Earn over €20,000 per year<br><input checked="" type="checkbox"/> | Are aged between 23 and 60<br><input checked="" type="checkbox"/> | Are not already in a pension scheme<br><input checked="" type="checkbox"/> |
|---|---|--|

- ✓ Includes employees on probation, casual, seasonal or part-time contracts
- ✓ Voluntary opt-in for employees outside age and income thresholds

Those currently excluded:

- x Self-employed
- x Non-earning
- x Existing members of occupational schemes and PRSAs

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## Multiple Employments



|                     | Gross Salary   | Employee                        | Employer                        | State                           |
|---------------------|----------------|---------------------------------|---------------------------------|---------------------------------|
| Job A<br>No pension | €10,000        | 1.5% of €10,000<br>€150         | 1.5% of €10,000<br>€150         | 0.5% of €10,000<br>€50          |
| Job B<br>No pension | €15,000        | 1.5% of €15,000<br>€225         | 1.5% of 15,000<br>€225          | 0.5% of €15,000<br>€75          |
| <b>Total</b>        | <b>€25,000</b> | <b>1.5% of €25,000<br/>€375</b> | <b>1.5% of €25,000<br/>€375</b> | <b>0.5% of €25,000<br/>€125</b> |

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## Multiple Employments



|                           | Gross Salary   | Employee                        | Employer                        | State                          |
|---------------------------|----------------|---------------------------------|---------------------------------|--------------------------------|
| Job A<br>No pension       | €10,000        | 1.5% of €10,000<br>€150         | 1.5% of €10,000<br>€150         | 0.5% of €10,000<br>€50         |
| Job B<br>Existing pension | €15,000        | No AE contribution              | No AE contribution              | No AE contribution             |
| <b>Total</b>              | <b>€25,000</b> | <b>1.5% of €10,000<br/>€150</b> | <b>1.5% of €10,000<br/>€150</b> | <b>0.5% of €10,000<br/>€50</b> |

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## Who will run the scheme?



### The National Automatic Enrolment Retirement Savings Authority (NAERSA)

- Collects contributions
- Allocates investment returns
- Operates the online portals for employees and employers
- Facilitates one pot following member through their working life
- Monitors compliance
- Communicates and provides information

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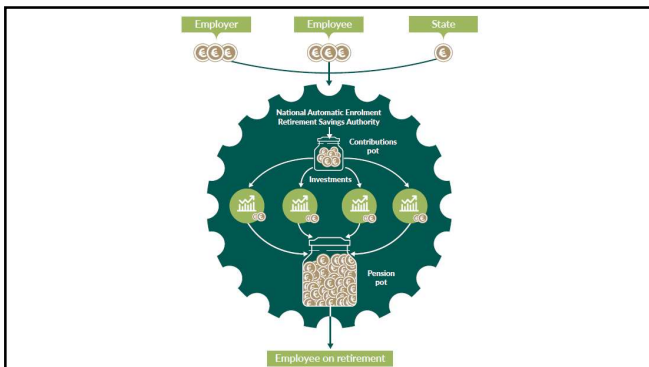
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## How will auto-enrolment work?



- Eligible employees identified through Revenue data
- No waiting period for employee
- Payroll notification is sent through payroll software
- Employer must apply payroll notification

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## How will auto-enrolment work?



Contributions based on gross pay collected from employer and employee



Contributions are invested on behalf of employee



Pot follows employee through their working life

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## What are the contribution rates?



|             | Employee | Employer | State |
|-------------|----------|----------|-------|
| Year 1 to 3 | 1.5%     | 1.5%     | 0.5%  |
| Year 4 to 6 | 3%       | 3%       | 1%    |
| Year 7 to 9 | 4.5%     | 4.5%     | 1.5%  |
| Year 10+    | 6%       | 6%       | 2%    |

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## Example of a worker on €20,000 a year



|             | Employee yearly contribution | Employer yearly contribution | State yearly top-up | Total yearly contributions |
|-------------|------------------------------|------------------------------|---------------------|----------------------------|
| Year 1 to 3 | €300                         | €300                         | €100                | €700                       |
| Year 4 to 6 | €600                         | €600                         | €200                | €1,400                     |
| Year 7 to 9 | €900                         | €900                         | €300                | €2,100                     |
| Year 10+    | €1,200                       | €1,200                       | €400                | €2,800                     |

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### Can employees opt out of auto-enrolment?



- Employee must be enrolled for 6 months
- Employee can opt out during months 7 and 8
- Employee gets a refund of their contributions
- Employer and State contributions stay in the pot

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### Can employees opt out of auto-enrolment?



- After a contribution rate change in the first ten years of the scheme
- Employee must wait 6 months after rate change
- Opt-out during months 7 and 8

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### Can employees suspend auto-enrolment?



- Any time after the 6-month mandatory participation period
- Suspend for a minimum of 1 year, maximum of 2 years
- No refund of contributions – all contributions stay invested in the pot

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## Automatic re-enrolment



Employees who opt out or suspend contributions are automatically re-enrolled after 2 years if they still meet the eligibility criteria.

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## What are some other key features?



Pot-follows-member



Investment



Retirement Drawdown

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## What does it mean for employers?



### Minimal administration for employers

- Employers will face **minimal admin** tasks
- **Contributions** calculated automatically by payroll software
- **National Automatic Enrolment Retirement Savings Authority (NAERSA)** will identify eligible employees based on payroll data submitted to Revenue

### Compliance

- Employers will have to ensure that they are acting in accordance with the **legislation**
- **Resolution** process for non-compliance and complaints
- **Fines and penalties** will be imposed in the case of non-compliance

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### What are the benefits to employers?



- Not having to pay to set up a company pension scheme
- Not having to administer a company pension scheme
- Ensuring that employees are looked after
- Increased competitiveness and attractiveness as an employer
- Employer contributions will be deductible for corporation tax purposes

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### Planning for auto-enrolment



- Budgeting for contributions
- Register with NAERSA
- Current pension coverage
- Software updates for payroll in advance
- How to inform staff of changes

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### Questions you might be asked



- Effect on State Pension entitlements
- Investment risk
- Extra contributions
- Is AE more beneficial than a current PRSA

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### 4 points to note

Registration on Employer Portal

There is currently no minimum standard for existing pensions

There will be no waiting periods for auto-enrolment

Income from multiple employments is considered for auto-enrolment

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## Learn more at [gov.ie/autoenrolment](https://gov.ie/autoenrolment)

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### Auto-enrolment

[Access the latest news about auto-enrolment.](#)

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#### What auto-enrolment is

Auto-enrolment is a new retirement savings system for employees that will be introduced on 30 September 2025.

People who do not have a pension scheme, earn more than €20,000 per year and are aged between 23 and 60 will be automatically enrolled into the new system. This means that they will have extra money when they retire and won't have to rely on the state pension alone.

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## YouTube playlist @DSP-SocialProtection

**Why is auto-enrolment being introduced?**

- Only 1 in 3 private sector workers have supplementary pension coverage.
- Individual retirement savings are too low.
- The need for a reduction in living standards on retirement.

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# Questions and Answers



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