

Engaging with your Pension

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Head of Information

The Pensions Board

www.pensionsboard.ie



An Bord Pinsean
The Pensions Board

The Pensions Board

Established by the Pensions Act, 1990

Operations:

- Supervision, regulation and enforcement
- Policy, legal and actuarial
- Information and awareness

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Numbers in Pensions

- **Company pension scheme**
586,488 members in 1,287 DB schemes
266,909 members in 82,939 defined contribution schemes
- **Personal Retirement Savings Accounts (PRSAs)**
170,862 PRSA contracts in force
(89,959 employers had signed up with a PRSA provider)
(Figures at end December 2009)
- **Personal pension plans and Retirement Annuity Contracts (RACs)**
200,000 plus contracts (Irish Insurance Federation)

The National Pensions Framework

Introduced by the Minister for Social Protection in March 2010

The Framework proposes to:

- increase the State pension age to 66 in 2014, 67 in 2021, 68 in 2028
- introduce auto-enrolment into a pension for those aged 22 years or over and in employment from 2014
- ensure matching contributions from the employer and the State
- offer an opt-out mechanism for employees

An Implementation Group has been established to progress the specific elements of the National Pensions Framework.

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Why have a pension?

Changing Demographics

	2006	2026	2056
No's at Work	2,000,100	2,268,000	2,125,000
Aged over 65	464,000	844,000	1,532,000
No's at work per person over 65	4.3	2.7	1.4

Today's World

- People are living longer
 - More contract work
- More mobility in careers
- Changing work patterns
- More part-time working
- Single parent households
 - Smaller families
- Separation and divorce

Why have a pension?

Pension = Income in Retirement

Current State pension = €230.30 per week

- The average person retiring today aged 65 has a life expectancy of 20 -23 years
- Independent Consumer Market research shows that approximately 8 out of 10 people say - that the State pension will not meet all their needs in retirement
- Income Tax and PRSI relief on employee contribution
- Part of your retirement benefit may be paid as tax-free cash sum

Types of Pensions

- Company Pensions
 - a. Defined benefit schemes
 - b. Defined contribution schemes
- Personal Retirement Savings Accounts (PRSAs)
- Retirement Annuity Contracts (RACs) or Personal Pensions

Tax Relief on Personal Contributions

The maximum contribution rate as a percentage of total pay/net relevant earnings on which you can receive tax relief is:

<u>Highest age at any time during the tax year</u>	<u>Limit</u>
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 and over	40%

Note: Contributions will also be relieved from the PRSI and the Health Levy, if you pay these charges.

Visit the Pensions Calculator on www.pensionsboard.ie

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Pensions in the workplace

“A good pension is a valuable asset, don’t leave work without it”

- The workplace is the optimum location for pension provision and for pension information and education
- There is a stronger commitment from employees to participate in pension schemes where the employer makes a contribution
- A company benefits from having:
 - a reputation and respect as a good employer
 - a workforce that feels valued and important
 - increased loyalty and commitment from staff
 - an enhanced staff recruitment, reward and retention package

Employers' Obligations/ Opportunity

Access for all Employees

- By law an employer must provide **ALL** employees with some form of access to a pension, whether they are in full-time, part-time, temporary, contract or casual employment
- All employers regardless of the size of their workforce are obliged to provide access to a Standard PRSA if those employees fall into the category of “excluded employees”
- Pensions Board also encourages all employees to ask the employer about their pension rights

Keeping Track of Your Pension

General disclosure regulations

- It is important to engage with the pension process
- Members of pension schemes should receive information regarding the operation and rules of the scheme plus details of benefits
- Some information is provided automatically and some must be provided on written request
- Regular updates on the performance of your scheme/fund should also be provided

Visit www.pensionsboard.ie for further information

www.pensionsboard.ie



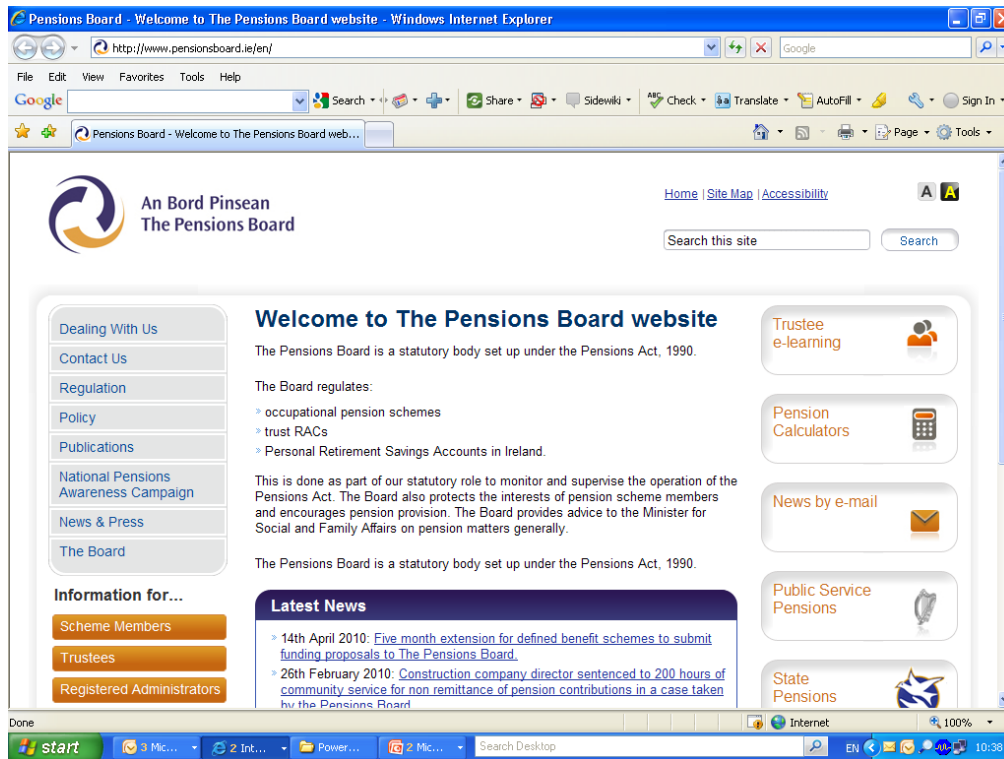
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To Recap

- It's never too early to start a pension
- We are all living longer
- Continue to engage with your pension
- Check and seek regular information on your pension
- Avail of the workplace to get and share pension information



Pensions Information



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