

- **Irish Life CEO warns of “crisis of confidence” in pensions policy**
- **85% of Irish Life pension customers earn less than €70,000**
- **Survey shows 70% believe Government is NOT actively trying to encourage private pension savings**

Gerry Hassett - the Chief Executive of Ireland's largest pensions company, Irish Life, - has warned of the danger of a crisis of confidence in pensions policy which could dissuade middle income earners from saving to fund their retirements. Hassett was speaking at a major conference on Pensions Policy organised by Irish Life. The conference was also addressed by the Minister for Social Welfare, Joan Burton TD.

Hassett revealed that 85% of Irish Life's pension customers earn less than €70,000 per annum and were trying to provide for relatively modest incomes in retirement; “the private pensions industry is built on the people of middle Ireland and they need to be supported in their efforts to make provision for retirement. There's a real danger that this noble objective could be forgotten because of the previous abuse of the system by a tiny minority of people.”

Amongst the key points made by Gerry Hassett were:

- A new survey undertaken by Amarach Market Research for Irish Life found that 70% of adults [age: 24 – 65] believe that the Government is NOT actively trying to encourage people to save for retirement. Just 30% believe that it is.

- Funding the average public servant's pension costs five times the amount that the average private sector worker has saved for their retirement [Defined Contribution scheme].
- The ratio of "workers to retirees" will drop by half by 2030 [from 6:1 to 3:1] with drastic implications for the country's ability to support pension payments for those dependent on state pensions.
- Should the Government move to end tax relief for pensions at the marginal rate, it would be hard to persuade middle income customers to put away money for 20 or 30 years.
- Without a private pension, someone earning €60,000 a year at present would face a drop of between 60% and 80% were they to depend only on the State Pension at retirement.

Hassett said that while the pensions industry was happy to play a role in addressing the economic challenges, the industry was being asked to do too much; "The industry is happy to play its part to tackle our economic problems but as of now it's being asked to do too much. Even without the pension levy, the industry was targeted to finance €1 billion of the total €15 billion fiscal adjustment for the public finances. Having signed up for that adjustment, the additional imposition of the pension levy has had a devastating impact." Hassett said that the pension levy had hit profits at Irish Life by €13 million in the first six months of the year.

Hassett acknowledged the need to do more for lower paid workers and for women. In the case of women, Hassett said that they faced particular challenges as "they

have less opportunity to build a pension pot given the more stop-start nature of their working lives.”

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