



## Irish minister reiterates support for auto-enrolment introduction

20 hours ago



IRELAND – The Irish government has reiterated its support for the introduction of auto-enrolment, with the Department of Social Protection confirming the development of a pension scheme compatible with soft compulsion.

Speaking at an industry conference last week, minister for social protection Joan Burton told delegates the government was committed to the notion of universal pension coverage first outlined in the National Pensions Framework (NPF) by former Taoiseach (prime minister) Brian Cowen's government.

The NPF, published in March last year before the country was forced to ask the European Union and IMF for a bailout, made the introduction of such reforms dependant on the economic environment in 2014.

Burton told a conference organised by Irish Life & Permanent that she was committed to increasing the number of pension savers, as well as the volume of assets set aside.

"The Government is committed to progressively achieving universal coverage, with a particular focus on lower-paid workers," she told delegates. "That is why we are currently working on the development of an auto-enrolment scheme."

It comes after Burton's department in May tendered a framework agreement that would see as many as 70 consultants advise on the implementation of the NPF.

The Labour TD also conceded there had been a "negative" reaction to the introduction of a 0.6% pensions levy and that she was aware of the industry's concerns.

However, she said the pension industry's "very significant" contribution was aiding the country's economic recovery – while stressing she had opposed the levy's introduction.

"But you also have to understand that, at a time of economic crisis, everybody must play their part," Burton said.

Addressing the impact of the pension levy on asset management fees, she said: "I would urge you to look at your own cost base – in particular, the charges levied on your own customers, in order to recoup some of the damage that those customers have suffered as a result of the levy."

Irish Life & Permanent previously said in its half-yearly report that the pensions levy had reduced earnings in the six months to June.

Burton briefly touched on a recently concluded consultation on a new defined benefit system for the country, which she said would emphasise enhanced sustainability across such schemes.

She said that linked to all this were plans for a revised minimum funding standard, currently being discussed at the Pensions Board.

"The Pensions Boards is anxious to announce new dates for the submission of funding proposals," she said. "I am keen to see that happen."

Outlining its strategy for 2011-15, as well as justifying the new funding standards, the country's pensions regulator recently argued that it could not be assumed that scheme trustees would "of their own volition" achieve sufficient funding through sustainable contribution levels without regulatory interference.

In the strategy document, the Board further argued that it was not "practical" to trust that schemes would develop adequate risk management and investment strategies without its "guidance and intervention".

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