An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí
Department of Employment Affairs
and Social Protection

A Public Consultation on an Automatic Enrolment Retirement Savings System

Findings of the Consultation Seminars

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Introduction

On the 22 August 2018 the Minister for Employment Affairs and Social Protection, Regina Doherty T.D., announced the launch of a period of public consultation as part of the development and implementation of the Automatic Enrolment (AE) Retirement Savings System.[1]

This process included a series of seminars held to gather the views of both stakeholders' and members of the public on the issues that may inform the design and operational structure of the AE system. The seminars took place during October 2018 in Dublin (2), Galway and Cork. In total some 170 individuals attended. Details of the numbers that registered and of those attended are set out in Appendix 1 and Appendix 2. Using approximations, of those that attended, just over 50 per cent came from financial institutions/the pensions industry, just under 10 per cent represented employer organisations while about 6 per cent were advocates from the community and voluntary sector and academics. The rest of the participants (around 30 per cent) came from a variety of other organisations, such as payroll software enterprises, farming co-operatives and interested individuals. Each of the seminars was also attended by Minister Doherty and by representatives of the Automatic Enrolment Programme Management Office. Appendix 3 sets out the agenda that was used for each of the seminars.

In general there was strong agreement that an AE system was appropriate to address the low percentage of employees without supplementary pensions, particularly in the private sector. It was felt the Strawman proposal was, in the round, well thought out and touched on the key features where decisions need to be made.

However, there were divergent views across a range of issues regarding key operational aspects required to establish an AE system in Ireland. The following report attempts to capture these views and provide an impression of the degree of support apparent[2]. It is just one part of a wide-ranging national public consultation process on AE through which the Government will continue to engage with all interested parties throughout the design and development process for AE and which will be used to generate as much consensus as possible as to the best way forward as plans are developed and refined.

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[1] http://www.welfare.ie/en/pressoffice/pdf/pr220818.pdf

[2] While best endeavours have been made to represent the range of views in an accurate and balanced manner, it is not possible to capture the views of each participant on each matter. As such, some views may not be represented in the report.

Summary of Outcomes

This section summarise the key findings from the responses made by participants attending the four seminars. These findings are presented in line with the way the issues were discussed at each session and parallel directly with the themes as presented in the Strawman proposal.

Efforts have been made to present material in the manner views were represented by attendees at the seminars and to accurately reflect the views of those attending. The Department of Employment Affairs and Social Protection (DEASP) has deliberately not taken a position on the views expressed.

1. **There was strong agreement for the necessity of a Central Processing Authority.**

    - Employer groups were particularly disposed towards the establishment of a State run Central Processing Authority (CPA) as it would help to reduce their administrative burden.

    - Although there was wide support for a CPA type structure, views diverged significantly on the preferred scope of such an agency's responsibilities e.g. whether the CPA should handle member data, contributions, account administration and/or investment management. There was a common view that further analysis of the potential/optimal costs and scope of the CPA should be conducted. Questions were also raised as to how the CPA would be funded (e.g. State, Employer/Employee contributions, levy of providers).

    - A minority of participants were not in favour of a CPA being established as they thought that it would be a costly approach. Better for the contributions to go directly to the pension fund provider.

    - There was also the view that the State already has agencies that could perform the functions of a CPA.

2. **The majority of participants agreed that the number of Registered Providers should be limited.**

    - The number of investment options should be limited as the more choice that is available the less real choice there is, as the system becomes too complicated (choice paralysis).

    - Those not in favour of restricting the number of Registered Providers, thought the market would provide the range of investment options appropriate to the size of the population: e.g. "there are only seven providers who could realistically provide this service"

- If Registered Providers are set up, then the initial contract periods should be for longer than subsequent contract periods, so as to cover the operational set-up costs and ensure commercial viability.

3. **Many participants thought the eligibility criteria in terms of age (23+) and earnings (€20,000+) are about right, but others argued that such criteria should not be a feature of the scheme: the scheme should apply to all employees.**

    - In determining the target population, the gender perspective needs to be taken into account: women are more likely to be part time workers with lower earnings.
    - The optimum opportunity to enrol people is when they start work for the first time. Having someone start working at age 21 and then requiring them to make contributions from their salary when they reach 23 years of age could prompt opt outs. Starting to save early helps to form the habit of saving.

4. **There is general agreement that the employee contribution rate of 6% is about right but there was some disagreement as to whether the employer should match this contribution at the same rate.**

    - A number of participants suggested that people should have some flexibility in determining their contribution rate, particularly lower income earners who might have difficulty in finding 6% of their gross wages being put beyond their reach.
    - Some employer representative groups from the Small and Medium Sized Enterprises (SME) sector argued that the AE proposals will increase the costs of business, with little tangible benefit for employers. It will also disrupt the labour market with businesses hiring less people than otherwise might have been the case.
    - To mitigate the cost to employers, it was suggested that the lead-in time for the auto-escalation of the contribution rates from 1% to 6% should take longer than the six years set out in the Strawman (2022/2027).

5. **Whilst support was evident for the principle of the State matching member contributions (on a 1:3 basis), there were significant concerns about how this might operate relative to the current system of tax relief provisions for pensions[3].**

    - The potential for arbitrage between the two systems will create challenges in the operation of both systems. Financial advice would be needed to ensure members

[3] It is important to note the Strawman proposes a financial incentive in the form of matching contributions for an automatically enrolled population and does not take a position on tax relief utilised by individuals current saving.

optimised their savings. The system is already confusing, so would it not be better to have a unified simplified system.

- There are concerns that the 3:1 matching contributions rate (effectively a 25% contribution) will undermine the current system of tax relief for private pensions and that there will be a levelling down of support from the State. The current system is working for those already with private pensions, so it should be kept in place.

- On the other hand, the matching contributions approach is simple to understand and meets the need of the target population, many of whom would not pay sufficient levels of tax to get the benefit from tax relief on pension contributions. Therefore some participants thought that two systems could coexist.

6. **There was no clear consensus on the question of whether a public fund should be provided instead of, or alongside, private Registered Providers. While there was agreement that people will have to have confidence in the system, some thought having a State backed fund would instil confidence, while others thought the opposite.**

   - Some participants suggested that the CPA could operate the entire AE system bar contracting out the investment management element.

   - Other participants argued that a State scheme would pose political/fiscal risks: if there is a public fund, politicians may come under pressure to use it in the future or make good any losses arising.

7. **The provision for opting out (after six months, in months seven and eight) should be less stringent. People should have the opportunity to opt-out at their discretion. There should also be some flexibility in the provision of saving suspension periods.**

   - The discussion at this juncture raised many questions in relation to how periods of unemployment, caring, maternity/paternity/parental leave would be treated under the AE system and concerns for equity of access to the scheme when a person was not earning.

   - If saving suspension periods are to be provided, then the conditions for doing so should be tightly restricted, e.g. major life events, for limited periods of time.

   - Although not discussed in the Strawman, a number of participants brought up the issue of early access to funds, so that members could draw on their savings, for example to assist in purchasing a house. Others counter argued that this would diminish a person's retirement savings and would undermine the objectives of AE.

- A number of employers raised their concerns about the proposal for employer's contributions to be retained by the CPA when an employee decides to opt-out.

8. **Because of the complexity of the pensions market, most participants agreed that an in-scheme default drawdown option should be provided. For those who might be more active in their decision making, then the open market would address their needs.**

   - The deccummulation stage will be the point when people will need financial advice the most. However, the cost of such advice will need to be factored in as will the supervision and regulation of such advice.

   - It was generally agreed that extensive further work is required to ensure suitability and coherency in drawdown options available to members.

Themed Questions

Each seminar presented a series of themed questions to participants. The following section provides an overview of participants' responses. An impression of the aggregate response to each question is also presented with a colour coded system being used to indicate the relative level of support. The colour code system is shown below with the range going from 'some support' to 'most support'. Where there was no consensus in a particular seminar, all the cells in that location are denoted as yellow[4].

Colour coding for level of support

Some Most			

Question 1: AE Organisation Structure & Administrative Approach Do you agree with the necessity for a CPA type structure?	Dublin 1	Dublin 2	Galway	Cork
1. Yes				
2. No				

First Dublin seminar

- Participants displayed strong support in favour of a CPA type structure.
- However, the comments came predominately from those not in favour of this approach.
- One participant queried the rationale of setting up another 'civil service' body to manage the transfer of contributions from the employer to the Registered Provider. This would be a costly and expensive approach for the State to pursue. It would therefore be better for employers to deal directly with the four Registered Providers.
- There were concerns that the set-up costs for the CPA would be 'enormous', pointing towards evidence of computer system costs in other Government Departments and agencies.
- Another participant suggested that PRSAs could be used as a vehicle through which AE could be managed. While there are some inefficiencies in how PRSAs (Personal

[4] Whilst every attempt has been made to accurately indicate the aggregate level of support for each area, this should be interpreted as illustrative and some attendees would have held very different views to the aggregate presented.

Retirement Savings Accounts) are currently structured, there could be modifications to this product without the costly outlay of a new system being set-up.

- It was suggested that the State already has a mechanism for the collection of contributions through the PRSI system: why not use this?
- Another participant queried what would be the role of financial advisors in this new system. Even though AE is being designed on a basis that provides but does not require choice, people may need some advice to take account of individual circumstances.

Second Dublin Seminar

- The majority of participants supported the establishment of a CPA structure.
- Comments came mainly from those who were against this approach.
- A participant thought that the creation of a CPA might result in a duplication of the administrative capacity already available across the pensions industry: why can't contributions go from the employer directly to the Registered Provider?
- Another participant did not see the creation of a CPA as a necessity but was of the view that the Registered Providers and the carousel method of allocation were needed. The participant questioned whether there was a clear distinction between the CPA's function and that of the regulator (i.e. the Pensions Authority).
- The need for a tendering process at all for Registered Providers was queried by another participant. The market should determine the range of providers and would help to maintain competition and discipline.
- Particular concern was expressed in a scenario where one Registered Provider exited the market following a tendering process and then having to give up assets. In terms of regulation by the Central Bank, how would this scenario be managed, when the provider goes from having AE assets to no assets overnight?

Galway Seminar

- A clear majority in favour of the necessity for a CPA structure.
- Those who were not in favour of the CPA approach saw the creation of an extra administrative layer which would be costly.
- One participant suggested that in a scenario where the employee decides to opt-out of the scheme, the employer contribution should not be used for the funding of the CPA but should remain in an account, which the employee could recover if and when they re-enrolled.

Cork Seminar

- A significant majority were in favour of the CPA approach.
- Of those who were of the view that a CPA type of structure is needed, costs were cited as being of concern. Questions were raised as to how the CPA would be funded, the cost of computer systems being set up and the likelihood that the costs would overrun.
- One participant saw the potential for a delay in investment arising as the contributions were transmitted from the employer through the CPA to the Registered Provider. This could result in a risk that the employee loses out on an investment return (out of market risk).
- A participant who was in favour of the CPA approach thought that such a structure would suit a person working in the "gig" economy or a person who might be in multiple employments.
- Those who were in favour of the CPA approach saw the administrative burden being removed for the employer and this was to be welcomed.
- Some participants thought that the State already had agencies which could manage the system: Revenue for the collection of contributions and the NTMA (National Treasury Management Agency) for the management of investments.

Question 2: Organisation Structure & Administrative Approach **At 4, do you think the number of Registered Providers is?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. Too low				
2. Too high				
3. About Right				
4. No restrictions - any pension provider should be allowed to become a 'Registered Provider'				

First Dublin Seminar

- Majority of participants thought the number of Registered Providers – four – was about right.
- Some participants queried why there should be any restrictions on the number of Registered Providers at all. It was suggested there are only seven providers in Ireland who could do this anyway, why not just let them at it?

- Concerns were expressed with regard to the length of time a contract might be awarded. If tendering every five years, the first few years would not be profit making and a profit would only be made in the medium term. It would be hard to see a provider willing to take this loss and have the potential of losing out on the next round of tendering when some other provider could step in, take the members accounts and make money when the heavy lifting had been done.

Second Dublin Seminar

- The majority of participants thought that four Registered Providers was about right.
- Of those answering that there should be no restrictions on the number of providers, the following points were made:
  - Can one achieve the same goals without imposing restrictions?
  - Why can't the CPA do the scheme administration and have the investment work outsourced?

Galway Seminar

- Participants were split between the number being about right and that there should be no restriction on the number of providers.
- One participant saw the number as being too many. Four providers with three investment options each will give employees 12 plans to choose from. However, these are not real choices: what is the value in choice if all the choices are similar? The system is being made too complicated and overloads people with choice. People have the right to have a scheme they understand otherwise they are confronted with choice paralysis.
- Another participant expressed concerns about an undue burden being placed on employers and agreed that they should not have a role in the selection of their employees' plans (as per the Strawman).
- The question of who provides advice on the Registered Provider/fund choice was raised. Within the pensions market there is a myriad of different options offered in terms of low/medium/etc. risk. Plans that have similar risk profiles can employ different investment strategies. Who advises on the difference between risks?
- In terms of investment strategy, there is logic in having default fund in which as the member ages, the risk exposure is reduced. Conversely, the strategy should avoid investing in low value bonds/etc. at a time when one should capitalise on funds that might deliver higher returns.
- Another participant suggested that the CPA could be tasked with looking after the whole process, including investment management.

- One participant suggested that the State should have a stronger role in the delivery of AE and that the NTMA would be the appropriate agency to manage the investment of contributions.

- Concerns were expressed with the proposal to re-tender the Registered Providers every five years – the cost to the provider would not merit their participation.

- Of those who favoured no restriction on the number of Registered Providers, it was commented that by setting the criteria there is no need to set a limit, as the criteria will preclude those who can't deliver from tendering. Moreover, the Irish market is so small that the number of providers that could bid will be limited. Therefore, the market will answer the question here.

Cork Seminar

- Majority of participants thought the number of Registered Providers was in the right range and would provide a membership base which should achieve modest income growth for investment.

- The impact of having more Registered Providers would be to increase the number of investment options, while reducing the scale of the funds. It would be better to restrict the choices for employees.

- One participant queried the length of the contract period – five years was considered to be too short.

Question 3: Target Membership **Do you believe that the earnings threshold of €20,000 per annum above which employees will be automatically enrolled is about right?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. Yes				
2. No, the threshold should be lower (≤ €20,000)				
3. No, the threshold should be higher (≥ €20,000)				
4. There should no earnings requirements for enrolment (all income levels)				

First Dublin seminar

- The majority of participants thought the earnings threshold was about right, but a sizeable number were of the view that there should no earnings threshold.

- Many workers could be employed in two jobs, earnings below the threshold in both jobs but above the threshold in the aggregate. The employers won't know this. This aspect needs to be taken account of.
- There is a need to take account of the gender perspective: women are more likely to be part time workers and on lower earnings and many would be excluded if there was an income threshold of €20,000.
- Where an employee earning below €20,000 decides to opt-in, their employer should be required to contribute.

Second Dublin seminar

- There was a consensus that the earnings threshold should not be higher than €20,000.
- Some participants argued that there should be no earnings threshold and that even in cases where the employee cannot afford to contribute, then the employer should do so and help to establish a person's pension pot. The low paid shouldn't be penalised and should still receive the State contribution component.
- Having no threshold would help to instil the savings habit in people irrespective of their level of income.
- Having no threshold would increase coverage and decrease exclusion. It would also help to ensure that people would not experience a reduction in net take home pay as their earnings passed the threshold.
- Excluding people on lower incomes from participating effectively locks them into a minimum standard of living in their old age.
- Having a threshold could mean that a greater communications effort would be required to try and persuade people that in some cases it is in their interest to remain/opt-in.
- Having a threshold excludes lower income people from getting the saver bonus. Similar exclusion was experienced before with SSIAs (Special Savings Incentive Accounts).

Galway seminar

- The majority of participants were in favour of the €20,000 threshold.
- A concern was expressed that the threshold could lead to anomalies in the wages – employees won't want to earn €20,000 and have contribution rates of 6% applied, thereby reducing their take home pay.
- People can opt-out, so why not enrol all employees.

- Very few people earning below the threshold will have confidence to opt-in and say to employer they have to match the 6% contribution rate.

- Self-employed should be included, but the question would arise what would their contribution rate be, given that they have no employer *per se* to contribute 6% on their behalf. The incentive proposed would not be as advantageous as tax relief would be to them.

- Self-employed record income at end of the year and many make pension contributions to reduce their tax bill. Under the AE system they wouldn't get their tax back.

- Within the pensions industry and the DEASP there is a tendency to look too narrowly at retirement funding. There are alternative assets to pensions and individuals shouldn't find themselves reliant on one source of income. But a start needs to be made somewhere.

Cork seminar

- The majority of participants were in favour of the earnings threshold being set at €20,000 or thought it should be lower than that.

- One participant suggested that for those below €20,000, a taper rate should apply. This would help to smooth net income as earnings increase.

- Another participant queried whether the €20,000 threshold would be index linked. This needs to be examined further.

- A person working full time on the national minimum wage would qualify for the scheme. What would the impact of the policy be on wage inflation? It was suggested that UK experience indicates that there had been low levels of wage growth but further analysis will be required in this area.

Question 4: Target Membership **Do you believe the proposed age threshold of 23 is about right?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. Yes				
2. No – should be lower (≤ 23)				
3. No – should be higher (≥ 23)				
4. No age threshold – all employees should be enrolled.				

First Dublin seminar

- Participants were of the view that the proposed age threshold was about right or that there should be no age threshold.
- Of those arguing for a lower age, the rationale was for everyone to be provided with the opportunity to start saving. This would also help to instil the behaviour of saving.
- The optimum age to have people stay enrolled is when they start paying contributions as part of their first employment. Having someone start working at 21 and then require deductions from their salary when reaching 23 could prompt opt-outs.

Second Dublin Seminar

- The consensus amongst participants at this session was that the age threshold of 23 years was about right.
- Those who argued for a lower age saw the merit in instilling the habit of saving amongst employees when they are younger.
- When a person starts to work in a permanent job they should be enrolled: if someone starts a job at 20 years of age, then they may see AE as a pay cut when they turn 23.
- The issue of whether a person sees the reduction in their take home pay as a pay cut is one of perception: the provision of an annual statement of savings could demonstrate a different perspective.

Galway seminar

- The consensus was that the age threshold of 23 years was about right.

Cork seminar

- The majority of participants at this session were of the view that the age threshold of 23 years of age was about right while around a fifth thought that all employees should enrol.
- Those who argued in favour of all ages being eligible said that it is important to instil the savings habit from an early age and making savings normal.
- It was also argued that participation in the scheme should be seen as part of the terms and conditions of employment and it should be applied to all irrespective of age.
- In terms of setting the target population, the level that should be aimed for is what is achievable: start off with a particular group and expand to other groups.

- Consideration should be given to the inclusion of apprentices in the AE scheme. They start working while they are training and should be contributing to their pension pot.

- A number of participants perceived a tension for young people in saving for a pension and saving for a house. For a young person, saving for a housing deposit might be the priority and it might not be practical for them to be saving for both. On the other hand, enabling young people access their savings to assist them in purchasing a house could have a consequence in adding to housing inflation. Allowing people to access their savings might also give rise to political demands for access to savings for other reasons, such as ill-health.

Question 5: Contribution Rates **Do you agree with the proposed ultimate statutory contribution rate of 6% for the employee?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. Yes, I agree				
2. No – should be higher				
3. No – should be lower				

First Dublin seminar

- There was no consensus on the ultimate contribution rate for employees.

- Some participants argued that 6% of an employee's gross pay (without tax relief) would represent a significant contribution and would be a big challenge.

- Those in favour of the contribution rate saw it as a trade-off needed to achieve income adequacy in retirement.

Second Dublin seminar

- The majority of participants at this session were of the view that the contribution rate of 6% for employees was right.

- Some participants didn't agree with any of the options and questioned does it have to be 6%?

- A number of participants thought that members should be able to determine their contribution rates. However, the priority must be income adequacy in retirement and contribution rates of 14-17% are needed to achieve this. There should be caution in relation to allowing contribution rates to move down.

Galway seminar

- There was no consensus on the ultimate contribution rate for employees.
- Some participants thought the rate should be higher – 10%. This is what is needed to achieve income adequacy in retirement.
- Other participants thought the rate should be lower, so as to encourage participation. People should have some flexibility in determining their contribution rate.
- A number of participants queried whether the rate would deliver income adequacy for members where they are joining at different ages. 6% is about right for a 23 year old but not sufficient for a 45 year old who is starting their own retirement savings scheme for the first time.
- There is a risk that people might think that the default rate will achieve income adequacy in retirement, when this is not the case.

Cork seminar

- The majority of participants were of the view that the 6% contribution rate was appropriate.
- Those who thought that the rate would be too high thought that lower income earners would be hard pressed to find 6% of the wages being put out of their reach. To all intents and purposes, it would represent an additional tax.
- A number of participants thought that the capacity of employees to pay 6% would vary according to their level of income. For those at the lower end of the income scale, it would be challenging, for those higher up, less so.
- However, if lower rates were permitted, there would be a job for the system to 'nudge' people to increase their contributions with a view to achieving an adequate income in retirement.

Question 6: Contribution Rates **Do you agree that the employer should 'match' the employee contribution to an ultimate rate of 6%?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. Yes, I agree				
2. No – should be higher				
3. No – should be lower				

First Dublin seminar

- There was no consensus amongst participants as to whether the employer should match the employee's contribution rate.
- Target membership is more likely to be employed by small employers who can't afford an ultimate rate of 6%. The additional cost could put too much of a burden on small firms and put some of them out of business.
- For comparison, the current UK AE combined employer/employee rate of 5% was noted.[5]
- In order to achieve an adequate retirement outcomes, the higher the rate is, the better the outcomes. A combined rate of at least 14% was cited as what would be required in this regard.
- There is no real reason for the employers to provide a matching contribution, particularly for lower income workers. The State incentive should be sufficient.

Second Dublin seminar

- The majority of participants agreed that the employer should 'match' the employee contribution to an ultimate rate of 6%.

Galway seminar

- Most participants agreed that the employer should 'match' the employee contribution to an ultimate rate of 6%, but a representative from a smaller employer representative group argued against the matching proposal as being unsustainable.
- While something should be done, employers are already facing significant business costs. The question is, where is this additional 6% going to come from? 6% is too high and it is effectively a tax on employers. Furthermore, costs will go up, so employers will hire fewer workers. There is no tangible benefit from the scheme for employers, so why should they fund their employees' retirement, at the expense of saving for their own. Alternatively, why doesn't the Government pay 6% and employers pay 2%?
- A discussion followed on the rationale for employer contributions including collective responsibility for ensuring employees have an adequate income in retirement, the broader social good of such a policy approach and wage deferral/helping to achieve consumption smoothing over the lifecycle.
- A number of approaches were highlighted which could help to mitigate the costs for employers including allowing the cost to be set against corporation tax due and

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[5] The UK's contribution rate will to rise to 8% on 1st April 2019.

having a longer lead in time: increase the rate by 0.5% a year rather than 1%. It was noted that if a company isn't profitable, then they can't avail of corporation tax deductibility. Even if they are profitable, the requirement to make contributions will diminish the employers' ability to reinvest in the company.

Cork Seminar

- Most participants agreed that the employer should 'match' the employee contribution to an ultimate rate of 6%. A small employer representative group argued against the proposal.

- The introduction of AE will introduced more complexity into the pension system and there is a need for a certain degree of uniformity.

- At present many companies that provide pension schemes and who match their employees' contributions, do so at a rate of 5%. Will they be required to increase their contribution rates to match any (ultimately) higher AE rate?

- The contribution rate of 6% is substantial and will have an impact on competitiveness. It was noted that in the UK a combined rate of 8% is to be applied from 2019. In Australia, the rate is being increased from 9% to 12% and this is fully funded by the employer.

- Requiring employers to contribute to their staffs' retirement will result in less new staff being hired.

- Businesses face a number of rising costs, including an increase in the National Minimum Wage. These increases will have an impact on the ability of employers to reinvest in their businesses.

- The auto-escalation of the contribution rate to 6% over six years is very rapid. Measures will be needed to ameliorate this burden.

- During the discussion, DEASP research was cited that the combined contribution rate required to achieve the objective of an adequate income in retirement to maintain living standards is between 14% and 17%.

- One participant suggested that it could be insisted that the funds be invested in the domestic economy. This could help to address issues of national competitiveness. However, it was noted that it would be unlikely that this could be done as 'directed investment', given the fiduciary responsibility of Trustees to get the best return from investments.

Question 7: Contribution Rates **Do you believe an annual increase in contribution rates from 1% in 2022 to 6% in 2028 is necessary and achievable?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. Necessary				
2. Achievable				
3. Neither necessary nor achievable				

First Dublin Seminar

- Notwithstanding the more qualified responses given to questions five and six, a strong majority of participants were of the view that the annual increase of 1% a year to 6% in 2028 is both necessary and achievable.

Second Dublin seminar

- The majority of participants at this session believed that the rate increase of 1% a year over 6 years is necessary.
- A small number of participants argued it was neither necessary nor achievable. Don't need to go as go as high 14%/17%, as adequacy can be achieved with lower contribution rates and the right investment strategy.

Galway seminar

- There was no consensus amongst participants that the annual increase of 1% a year to 6% in 2028 is both necessary and achievable.
- One participant observed that the 14% rate is too low. When the final rate is achieved (i.e., 6/6/2), why not increase the State incentive to 3% as an additional incentive to save and stay in the system (6/6/3 is closer to 17% target).

Cork seminar

- Participants were of the view that an annual increase in contribution rates from 1% in 2022 to 6% in 2028 is both necessary and achievable.

Question 8: State Incentive Do you believe an AE State financial incentive using 3:1 'matching contributions' could operate alongside pensions tax relief?	Dublin 1	Dublin 2	Galway	Cork
1. Yes				
2. No				
3. I'm not sure				

First Dublin seminar

- There was no consensus amongst participants as to whether the AE financial incentive could operate alongside the current pensions tax relief regime.
- Some were of the view the two regimes could operate together. Others held the contrary view.
- The two regimes would lead to confusion and difficulties with communicating which would be more beneficial on an individual basis. It would be better to work out which regime will apply to current provision and then propose this as part of the AE system.
- Two savings incentive regimes existing side by side may require employees to acquire advice at a cost. Higher tax rate paying employees may need to be informed that they can get a better option though the tax relief on pensions regime.

Second Dublin seminar

- The majority of participants were not sure whether an AE State financial incentive could operate alongside pensions tax relief.
- One participant was of the view that the tax relief regime disproportionately benefited those on higher earnings and that the arrangements for those on lower incomes were not attractive.
- Questions as to how much the matching contributions would cost and where would the funding come from came were raised. This gave rise to a general discussion on pension reform more generally and the cost of pension incentives more widely. The estimated current cost of the pensions tax relief is some €2.5 billion a year. A provisional estimated cost of the matching contribution approach is around €300 million a year based on the parameters set out in the Strawman document.
- When AE is launched, there will be questions from individuals about what they should do with their PRSA. Who is going to give them this advice? There is a role for financial advice to smoothly transfer funds and ensure a greater degree of harmonisation within the pension system.

Galway seminar

- There was no consensus amongst participants as to whether the AE financial incentive could operate alongside pensions tax relief.
- One participant believed that the two regimes could operate side by side, as the target membership for the AE system is a predominately different market to that which caters for the private supplementary pensions market (i.e. lower earners paying 20% tax or no tax).
- Another participant suggested that to encourage take up at the start and to give the impression that the system is fair, the contribution rates should start at 5/5/5.
- Different incentive regimes will result in arbitrage between the two regimes and will create challenges in the operation of both. This could be resolved by bringing the two regimes closer together, and by integrating the current tax relief for pensions into the wider AE framework.
- The aim of the AE proposal is to increase coverage, so if the current system is already working for a certain number of individuals, it should be kept in place.
- SSIA experience shows the matching contributions approach is workable. Furthermore, the SSIA style approach is a good solution for the self-employed, given the variable nature of their income.
- Any form of tax relief/tax credit is taxpayers' money anyway – for the Exchequer to have funds, it has to tax individuals.

Cork seminar

- There was no consensus amongst participants as to whether the AE financial incentive could operate alongside pensions tax relief.
- A number of participants expressed concern how the establishment of a matching contribution approach would impact the current tax relief for pension arrangements. Problems could emerge for those who might be relatively better off in one regime but who are set up in the other. The risk of arbitrage emerging between the two regimes was identified and could lead to chaos.
- One participant suggested that it will be important to say to employers that their own scheme can be used to meet the requirements set under AE, provided they meet the statutory minimum conditions. Some employers may want to continue to operate the pension scheme that they are currently offering.
- The marginal rate of 40% tax relief is an important incentive to encourage people to start saving for their retirement and should be kept. If the 40% relief rate is reduced, then people might stop paying into pensions, thereby making the situation worse.

- Careful consideration is needed about how the two regimes might operate in conjunction with one another. The AE matching contribution approach should do nothing to undermine the current system.

- If there are two regimes and this prompts people to think about getting a better deal, then this is a positive thing.

- While simplification is the aim of the policy approach, caution should be adopted to ensure that a situation is not created that results in problems.

- The profile of the target membership should be borne in mind here. Many of the potential savers will not be paying tax or paying at the lower rate of 20%. They do not benefit from the tax relief regime. This raises fundamental questions about the equity of State support in this area. Some might argue that one set of people getting relief at 20% while others get relief at 40% is fundamentally unfair. Adding in a different method of treatment would perpetuate the unfairness of the system.

Question 9: Investment Options **Do you believe a public fund option should be provided instead of, or alongside, private 'Registered Providers'?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. No				
2. Yes - offered alongside private 'Registered Providers'				
3. There should be just one provider - a public fund				

First Dublin seminar

- There was no consensus amongst participants as to whether a public fund option should be provided.

- Some participants argued that there shouldn't be a public fund, because there is a lack of trust in the State and that it should operate well away from political influence. People need to have confidence in the system and if their money is with private providers, then this would be safer. Furthermore, it is not the role of Government to be providing investment services.

- Other participants suggested that the provision of retirement saving schemes should be open to all, including a Government backed option. This option could serve as the default option when members don't actively choose a provider.

Second Dublin seminar

- Participants who responded to this question mostly favoured the “just one provider – a public fund” option.
- A participant commented that the CPA would be doing most of the administrative work anyway, so it could just outsource the investment role to an asset manager.
- The issue of how the CPA will be funded was raised. The Strawman document states that the maximum charge will be 0.5% to the member.

Galway seminar

- Majority of participants were of the view that a public fund option should be offered alongside private ‘Registered Providers’.
- A number of participants suggested that a public fund option should be provided alongside private providers on the basis that political risk necessitated a State option being provided.
- One participant cautioned that different investment returns will emerge from different providers and some will do better than others. As the number of providers increase, the chance for differences in returns will increase. Individuals will obtain different results depending on what fund they go into. This could be tempered in a number of ways e.g. providing for returns to be smoothed/Collective Defined Contribution schemes which provides a risk sharing mechanism for members of Defined Contribution (DC) schemes.
- Another participant said that when financial markets wobble, the fees charged by providers will be questioned. This will lead to comparisons between public and private providers.
- Other participants argued that the consumer should be given the choice, including a public funded option. Given developments in the market (consumer comparison websites/etc.), individuals will choose the best performing funds.
- A few participants argued that there should only be one State fund offered; otherwise there is a doubling up on work in terms of administration and investment of the funds. While the State could manage the administration side, the investment side could be outsourced to international investment managers. A discussion followed where wider risks to the State in terms of financial outcomes were noted.

Cork seminar

- A clear majority of participants were of the view that a public fund option should be offered alongside private ‘Registered Providers’.

- A number of participants suggested that the State should be involved in managing the funds and that the NTMA had good experience in this regard. This would be a strong selling point which would help to build confidence in the system.

- One participant proposed that the funds could be used for societal ends: the establishment of a social fund which could help to provide housing.

- During the discussion, it was noted that by introducing a public fund, the private market would be undermined as people default into a State backed option.

Question 10: Opt Out **What is your view on an opt-out window of two months in months seven and eight of membership?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. A two month window is about right				
2. A two month window is too short a window				
3. A two month window is too long a window				
4. Members should be able to opt out at any time				

First Dublin seminar

- Most participants thought that members should be able to opt-out at any time.

- One participant thought that only allowing a member to opt out in months seven and eight was a PR battle not worth fighting. People should be allowed to opt-out immediately and then re-enrolled after one year.

Second Dublin seminar

- There was no consensus amongst participants as to when a member should be allowed to opt-out.

- One participant queried what would happen if a member became unemployed or became a carer or went on maternity/parental leave? The participant argued that the State should continue to make a contribution to their retirement savings fund, at a rate equal to the last contribution made on their behalf when they were working. The feasibility of accommodating breaks in employment was discussed and it was suggested that eligibility for contributions could be aligned with existing scheme rules for the State Pension Contributory.

Galway seminar

- Most participants agreed that the two month opt-out window in months seven and eighth of membership was about right.
- Some participants argued that people should have the choice to opt-out when they want to. There would be more positive engagement if people have the freedom to opt-out when they like. Having a narrow window of opportunity might act as a "lightening rod", focusing attention on the issue of opting out and thereby undermining the scheme.
- Another participant suggested that the options to opt-out be limited. People need to be shown what the benefits of the scheme are by letting their fund build up. The longer that they are prohibited from opting-out, the better.
- One participant queried why the employee will get their money back, but not the employer, if the employee opts out.
- It was queried whether the funds became vested after the opportunity to opt-out had passed – yes the funds are vested at this stage.

Cork seminar

- A majority of participants agreed that the two month opt-out window in months seven and eighth of membership was about right.
- One participant queried whether the employer could opt-out on the basis of financial difficulties.
- Another participant asked why the employee could get their contributions back but the employer wouldn't: why should the employer have to pay when it is not their decision.
- The issue of employers who have reduced their tax liabilities through by offsetting an employee's pension contributions and what would happen in respect of this deduction when that employee decides to opt out was raised.

Question 11: Opt Out Do you believe an AE should allow period/s of member 'Saving Suspension'?	Dublin 1	Dublin 2	Galway	Cork
1. Yes, but tightly restricted				
2. Yes, any time the member chooses				
3. No 'Saving Suspension' periods				

First Dublin seminar

- The majority of participants were of the view that members should be free to choose at any time periods when they can suspend saving.
- Some participants thought that saving suspension periods should not be allowed, so as to keep people in the habit of saving.

Second Dublin seminar

- Most participants thought that saving suspension periods should be allowed but that the conditions for doing so should be tightly restricted.
- Participants who argued for tightly restricted saving suspension period were of the view that there are certain life events where members should be allowed to suspend their contributions. Such events include buying a house, getting married, having a child, education. Moreover, the period that suspension should be allowed should be limited to six months. While the conditions for suspending savings should be tight, ultimately individuals should be allowed to make their own decisions as to whether they wanted to suspend their savings for a period.
- One participant cautioned that if loose conditions were set to enable saving suspensions, then the system itself would be compromised. Strategies would be needed to 'nudge' people back in.
- Another participant expressed concern that there would be difficulties in setting the conditions for saving suspension, how often such suspension periods could be taken and how long the gap between saving suspension periods should be.

Galway seminar

- Most participants thought that saving suspension periods should be allowed but that the conditions for doing so should be tightly restricted.

- Participants were of the view that there are going to be situations (e.g. mortgage/education) where members might need to suspend their contributions. However, the period should be restricted (up to six months). In such situations the Government and employer contributions should continue.

- An alternative approach would be to allow members to reduce the rate of their contributions rather than opting out.

- The issue should be considered in the context of the lifecycle: there are certain periods when savings suspensions should be accommodated e.g. saving for a house deposit/mortgage, children going to college.

- Flexibility should also be examined in terms of seasonal factors, e.g. those with interrupted incomes because of seasonal working.

- One participant suggested that there should be no savings suspension, but access to savings at certain points, e.g. to fund a house purchase.

- Another approach would be to make saving suspension available but not to advertise it, in the same vein as a mortgage moratorium, so that people don't really know about it.

- Another participant argued that facilitating people opting out/ suspending savings will add to administrative costs and will result in a less efficient system. This is a question of optimising trade-offs and so the system should not try to address the needs of all people. The more flexibility allowed, the greater number of people opting out, thereby undermining the system.

Cork seminar

- Most participants thought that saving suspension periods should be allowed but that the conditions for doing so should be tightly restricted.

- Those who favoured the conditions to be tightly restricted thought that the restriction should be linked to the duration of the saving suspension period.

- One participant argued that saving suspension periods would add to the administrative burden for employers.

- Another participant argued that while there shouldn't be saving suspensions, there is a political need for such arrangements.

Question 12: Benefit Drawdown **Do you believe in-scheme default drawdown options should be available from 'Registered Providers'?**	**Dublin 1**	**Dublin 2**	**Galway**	**Cork**
1. Yes, make available an in-scheme default option to enable members to drawdown their retirement income.				
2. No in-scheme option. Members should leave the scheme at retirement & choose from the retail market.				

First Dublin seminar

- There was no consensus amongst participants as to whether in-scheme default drawdown options should be available from Registered Providers.
- One participant argued that the market should be left open for members to choose from when they drawdown their retirement income. Products already exist which should meet their needs.
- Another participant asked where the advice for members will come from and will they have financial literacy or understanding to make an informed decision. Therefore a default option should be provided.

Second Dublin Seminar

- The majority of participants were of the view that in-scheme default drawdown options should be made available from Registered Providers to members.
- Those who were not in favour of a default option being provided at the deccumulation stage thought that such a step would be a step too far. The issue of deccummulation is too big for AE to solve.
- Some thought that the provision of in-scheme default options would present an opportunity for financial institutions to benefit themselves.
- Other participants argued that there is a need to get decummulation right from the start and that there should be an integrated approach. This raises the question as to when decummulation should begin, with some suggesting that it should start some 15 years before retirement. Other participants referred to the policy objective of AE in that it is supposed to provide an adequate standard of living to members for the duration of their retirement years. Annuity products would most align with these goals.

- Participants recognised that a lot of infrastructure will be required to assist members at this point. Given the complexity of the market, this will be the point when people will need financial advice the most.
- It was suggested that the provision of in-scheme drawdown options should be accompanied by advice. However, the cost of such advice will need to be factored in. Another aspect to be taken into consideration is accountability of advisors and policing of advice. Providers should be tightly regulated in relation to the default drawdown options they might offer.

Galway seminar

- The majority of participants were of the view that in-scheme default drawdown options should be made available from Registered Providers to members.
- One participant argued that people should have a choice and that the market would best suit the needs of members in this regard.
- Another participant suggested that because of the likely inertia amongst the target population that an in-scheme default drawdown option should be provided. For those who might be more active in their decision making, then the market would address their needs.

Cork seminar

- The majority of participants were of the view that in-scheme default drawdown options should be made available from Registered Providers to members.

Audience Open Question and Answers Session

This section provides an overview of the questions raised and comments made by participants during the open question and answer sessions of the seminars. The points raised are arranged in broad thematic groupings and the seminars that these points were made are identified (in brackets).

In some cases the points that were raised, whilst legitimate and important, might be considered more 'second order' issues rather than being queries/comments on proposals covered in the Strawman consultation document. As such, these will be considered as part of the ongoing design and development process. While officials present provided clarifications/responses to the points raised, in many cases participants also openly discussed and debated the policy issues and potential solutions/challenges amongst themselves.

General comments

- The structure contained in the Strawman looks good and very well thought out. (Dublin 1)
- What will the impact be on the economy more generally as a consequence of AE? Spending power will be reduced as income is deferred and this will have an impact at the macro level. (Dublin 1)
- The solution to income adequacy in retirement ought to be achieved through the first pillar by increasing the rates for the State Pension for all. Consideration should be given to the proposals for a Universal State Pension. (Dublin 1)
- If there is arbitrage between the systems AE provisions and the current supplementary pension provisions, AE will only serve to introduce further complexity and confusion. What will happen if a person starts off with an AE product and then goes into a separate employer pension scheme as their career progresses? Will they be able to consolidate their pension pots? (Dublin 1)
- There are reforms in other pension areas which are the subjects of a number of different consultation processes. The aggregate impact of these policies is not clear, so people do not know what they will get in terms of the State Pension. A comprehensive picture should be provided. (Dublin 2)
- The Roadmap for Pension Reform guarantees the State Pension and the role of the first pillar. In making the argument for AE, the reduction in the ratio of people of working age to pensioners over the next thirty years should not be used. Doing so calls into question the Government's commitment to safeguard the State Pension. (Galway)
- Will the Government's commitment to peg the State Pension at 34% of Average Earnings be provided in legislation? The discussion that followed this point

indicated that work on how this would be calculated and how this would be provided for in legislation would be needed. (Galway)

- A big problem is that lack of continuity in the workplace pension as people move from one employer to another. Only the Government can provide a system that facilitates a pot follows member approach and enables people to consistently save to one fund over their working life (as per provisions in the AE Strawman). (Cork)
- There shouldn't be a single age for when people can retire. People who engage in physical work would be less able to work into their late 60s. They could begin contributing earlier, but when might they be able to drawdown their funds? (Cork)

Registered Providers

- What will be the selection criteria for Registered Providers? What are the consequences of de-selecting a Registered Provider who was identified as a provider at the outset? (Dublin 1)
- Will members be allowed to transfer from one Registered Provider to another? (Dublin 1)
- On the role of the Registered Providers, will they target potential customers or will the carousel determine where customers are allocated? The AE system should not be set up along the lines of the current retail model. The CPA could be set up to provide a complete service, with the investment aspect outsourced. (Dublin 2)
- Will there be provisions to allow Registered Providers to outsource tasks? Some Registered Providers might be strong on administrative functions but weaker on the investment side and vice versa. If Registered Providers are strong in one area and weaker in another, how will their performance be measured? In the discussion that followed this point, fiduciary responsibility will be an important aspect that will need to be taken into account. Also communication with members will need to be managed well. (Dublin 2)
- What is the rationale for the carousel? The discussion that followed this question touched on the need for Registered Providers to understand their potential member inflows, given the up-front investment that they will need to make because of the scale of the system. (Cork)
- Should there not be just one default option, provided by the State? During the discussion that followed it was suggested that a State backed default option would essentially mean that there would be no private sector providers. (Cork)
- The only way the carousel will work is if all Registered Providers deliver the same results for members (as otherwise the automatically allocated members of less well performing funds would be unhappy). If this is the case, why then have a choice of providers? (Cork)

- The Government already has the systems in place in terms of collection of contributions and making investments (Revenue Commissioners, NTMA). Why not use them? During the discussion that followed this point it was argued that the State undertaking all tasks needed to implement AE would concentrate the responsibility and risk and may compromise the State's capacity to deliver on the primary role of minimum levels of protection for all (state pension): As per pension systems internationally, there is a need for responsibility to be shared amongst the State, employers and employees. (Cork)

Access to the AE scheme – income and age thresholds

- What is the definition of pay? How will components of pay be treated, e.g. overtime, bonuses? What is the definition of who is in the workforce? (Dublin 2)

- Will contributions be calculated on gross income and deducted from gross income or calculated on gross and deducted from net income? (Dublin 2)

- The Strawman sets a threshold at €20,000 for entry into the AE system. Does this not create an 'earnings trap' whereby a person just over the threshold who earns more than a person just under the threshold actually experiences a lower take-home pay? (Dublin 2)

- On the issue of age of access to the AE system, some sectors will have a higher proportion of younger people who are starting out their work life in, for example retail and hospitality. However, many would go on to work in a different sector during their working life. If the age or income thresholds for entry were set at low levels, this would then have a disproportionate impact on these sectors.

- Around 12% of the employed population come from outside the State. They are generally lower paid and mobile. Could they afford saving into a private pension scheme and is it in their interest to do so? What happens if migrants return home, thereby ceasing to make contributions? When might they be allowed to access their savings? This could potentially be for a very long time. Administrative issues will arise in having to keep tabs on people who have left the country. During the discussion that followed, the situation in the UK was referred to where there is evidence non-UK nationals do not opt out of AE in any greater number that UK nationals. (Dublin 1)

AE and early access

- Ask a person in their 20s and 30s why they aren't saving for a pension. It is because they are saving to purchase a house. For young people to buy into this proposal, then the issue of access to savings for purchasing a house needs to feature. The discussion that touched on this comment noted that early access to retirement funds is not a feature of Irish pension policy. To allow access to the retirement savings may compromise the objectives of the AE policy, i.e.

maintenance of living standards after retirement. Evidence elsewhere (such as in New Zealand) suggests that accessing retirement savings for purchasing houses can result in housing inflation and other unintended/unwanted consequences. (Dublin 1)

- Early access to savings should be allowed in order for people to make a deposit on a house. People need clarity as to what the benefits are to be. It is difficult to envisage what the returns might be from a retirement savings scheme in 40 years' time. (Dublin 1)
- People are working longer, but in many cases they are phasing their retirement by reducing the number of hours/days that they work in the years before they retire. Can a phased drawdown of funds be set up to align with this pattern? For example, a person could be permitted to draw down 20% of their funds before they are 66 years of age. Otherwise, people could opt-out if they feel that they can't access their funds until retirement age. (Galway)

Compliance and sanctions

- How would verification and compliance work? (Dublin 1)
- There is no transparency in the pensions industry with regard to costs. If something goes wrong are the structures in place to remedy the situation? The discussion that followed this point touched on the need to work on developing a compliance and sanctions regime. (Cork)

Charges

- The annual management charge of 0.5% set out in the Strawman is far too low. While there are administrative practices that could be put in place to lower the costs, including the use of web-based applications and issuing pension statements on an annual basis, the low rate is ambitious. (Dublin 1)
- How will the 0.5% maximum charges be allocated between the Registered Providers and the CPA? (Dublin 2)
- If there is to be choice in the AE system, this will require advice. Low earners cannot afford to pay financial advisors. (Cork)

Role of employers

- The administrative burden on employers should not be underestimated. Employers will be required to track the age of their employees, their work patterns and their level of pay, particularly if their eligibility is based on annualised figure of their weekly/monthly wage. It was highlighted that ensuring the burden on employers was kept to a minimum is one of key principles in designing AE. (Dublin 1)

- Employers need incentives to participate in the AE system, such as through reducing the employers' rate of PRSI when they contribute to an employee's AE retirement savings scheme. (Galway)

Investment approaches and risk

- The investment options set out in the Strawman are limited (low, moderate & medium). The low risk option will result in poor outcomes for members in terms of income adequacy. Consideration should be given to including a high risk option. (Dublin 1)
- The absence of a public fund means that the risk of losses is borne by the member. Should it not be the duty of the State to limit/reduce/control that risk? People will be automatically enrolled, will stay in, but will not understand risk. Should they not be protected from losses? Past experiences have shown that pension funds do make losses. The discussion that followed these points touched on shared responsibility and whether there was a State responsibility/capacity to guarantee supplementary pensions versus a primary responsibility to safeguard first pillar State pensions (and other benefits). (Dublin 2)
- New members should be provided with a risk profiling questionnaire with which a projection of potential returns can be made. (Dublin 2)
- It is positive to hear that we aren't talking about high risk investments for this group of people. (Dublin 2)
- Should the Registered Providers not bear the burden of risk if losses are incurred? (Cork)
- The default funds are to be low risk meaning that they will be passive. The NTMA could deliver returns for a passive fund as good as any other provider. Why not task the NTMA to manage the default fund? (Cork)

State incentives

- At each session, wide and varied discussion took place on the relative merits of a matching system as per the Strawman, the continued use of tax relief, the relative impacts of each and the potential for both systems to operate side by side.
- The issue of what might happen to tax relief for private pensions as a consequence of the introduction of AE was highlighted as being an issue of concern. (Dublin 1) (Dublin 2).

- The State incentive of €1 for every €3 contributed by employees is clear. What is not clear is how this would be treated in terms of tax on exit. How would other forms of tax treatment work in this system with regard to investment growth and lump sums? (Dublin 1)

Impacts on the labour market

- How will people who are employed in the "gig-economy" be treated in the context of AE? (Dublin 1)
- The introduction of AE will likely have an impact on wage demands as employees will want salary increases to compensate them from the reduction in their net pay. The cost of employment will go up. This was the experience in Northern Ireland when AE was introduced there. (Dublin 1)

AE and the self employed

- What will the situation be for the self-employed? Will they be allowed to opt-in?
- AE proposal will lead to small employers' own retirement being impoverished at the expense of their own employees whose retirements they will be funding. (Galway)

Impact on current occupational pension landscape

- What will happen where an employer already has a pension scheme but the contributions rates are lower than those under AE? Will there be a requirement to meet statutory minimum rates? (Dublin 2)
- Can an employee who starts out with an AE retirement saving scheme transfer to an employer's occupational scheme, which is likely to be more advantageous? (Dublin 2)
- If an employer's scheme does not meet the required contribution levels but they do meet an adequacy level, could this be accepted? How would adequacy be measured? Could this be done actuarially?
- Who will be responsible for ensuring compliance (and enrolling employees) if there is arbitrage between systems and how will this be managed?

Miscellaneous

- What happens if someone is so ill that they have to leave the workforce? What happens to contributions already made? Does the employer continue to make contributions? (Galway)

- What happens to the retirement savings fund if the individual dies before retirement age? Will it be transferable to the spouse tax-free? What will happen in cases where there is marital breakdown? (Galway)

- Will a retirement savings account established under AE be factored into the calculation of the means for a spouse's IQ? The discussion that followed this point indicated that the means assessment provisions won't be changed as a consequence of AE. (Galway)

- How will AVCs (Additional Voluntary Contributions) be accommodated in this system? (Galway)

- The reality is that people are not engaged with pensions and people only get engaged when something goes wrong. (Cork)

- There is a significant piece of work required in terms of communication with and the education of the Target Population. This should come under the remit of the CPA. (Cork)

Appendix 1 - Details of Consultation Seminars

Location	Date	Number Registered	Number Participated
Dublin - am	1 October 2018	115	78
Dublin - pm	1 October 2018	42	34
Galway	15 October 2018	28	16
Cork	19 October 2018	55	36

Appendix 2 – List of Attendees

List of Attendees - First Dublin Seminar

Name	Organisation
Ainsworth, Mike	Zurich
Bambrick, Laura	ICTU
Boylan, David	Davy
Bradley, Martin	CWPS
Brady, Crona	Chartered Accountants Ireland
Breheny, Regina	Irish Association of Investment Managers
Briggs, Gary	Vintage Corporate
Broderick, Mary	Pensions Authority
Burgess, Brendan	Ask about Money
Byrne, Paul	Thesaurus Software
Callaghan, Robert	Bank of Ireland
Casey, Alan	Bank of Ireland
Churchard, David	Bank of Ireland
Coghlan, Kevin	TierOne
Corry, Dermot	Milliman
Cosgrave, Patrick	WillisTowersWatson
Culhane, Tony	SAGE Ireland
Culligan, Michael	Milliman
Doherty, Ciaran	Irish Payroll Association
Dolan, Albert	BOI
Donohoe, Tony	IBEC
Ellis, John	
Feeney, Niall	NGA Human Resources
Fitzpatrick, Joe	INVESCO
Gallagher, Niall	DST Systems
Geoghegan, Michael	
Gough, Conor	New Ireland Assurance
Haran, Eileen	DST Systems
Jim Copeland	Hardware Association Ireland
Harte, Andrew	
Hegarty, Fiona	DST Systems
Hennessy, George	Construction Industry Federation
Hickey, Kevin	
James, Amanda	Trustee Principles
Kallewaard, Paddy	DST Systems
Kane, Roisin	LHW Financial Planning
Kavanagh, James	Trustee Decisions
Kearns, Grainne	Paul Ryan
Kehoe, Frances	Aon
Kelly, Richard	DAA
Keogh, Anne	CPAS

Killeen, John	New Ireland
Lane, Catherine	National Womens Council of Ireland
Leonard, Rose	Zurich
Lynch, Conor	WillisTowersWatson
Maher, Michelle	Maynooth University
Manning, David	Pensions Authority
Mansergh, Danny	Mercer
Maybury, Cyril	
McCann, Maurice	LHW Financial Planning
McCarville, Paul	
McDonagh, Mark	Ardbrook
McGovern, Rachel	Brokers Ireland
Moriarty, Jerry	IAPF
Mullen, Claire	INVESCO
Murphy, Fiona	
Murray, Sean	NGA Human Resources
Nielsen, Tommy	Independent Trustee
O Keeffe, Donall	Licensed Vitners Association
O'Brien, Tracy	Retail Excellence
O'Connell, John	Trident Consulting
O'Donoghue, Brid	INVESCO
O'Gorman, Tom	LGIM
O'Quigley, john	
Pelly, Darragh	Reitigh
Prendergast, Ann	State Street Global Advisors
pun, tanya	SAGE Ireland
Quinn, David	Pascal Software
Ryan, Pat	
Scannell, Bobby	
Snow, David	Quantum Software
Tyrrell, Ger	Zurich
Walsh, Kevin	CPAS
Walsh, Bernard	Bank of Ireland
Westlake, Marc	Global Wealth
Wilson, Des	
Murray, Catherine	Dept. Finance
Brennan, Sean	Dept. Finance

List of Attendees – Second Dublin Seminar

Name	Organisation
Aherne, Deirdre	Dept. Finance
Collier O'Brien, Elisha	Chambers Ireland
Connaughton, Mary	CIPD
Cotter, Brian	
Crowley, Niamh	Pensions Authority
Cunningham, Eleanor	McCannFitzgerald
Downey, Margaret	Pensions Authority
Doyle, Tony	AIB
Fagan, Colm	
Grimes, Karen	
Irvine, Russell	
Jackson, Declan	Insurance Ireland
Kavanagh, Peter	Active Ireland
Matthews, Tom	Bank of Ireland
McCabe, Eleanor	DMCCBS
McCague, Sarah	Arthur Cox
Mullen, Bruce	Trustee Principles
Murray, Pauline	RPC
Nolan, George	New Ireland
O'Reilly, Donough	
O'Dwyer, Munro	PWC
O'Mahony, Mairead	Mercer
O'Reilly, Zoe	McCannFitzgerald
O'Shea, Patrick	Irish Life
Richardson, Anne Marie	
Rooney, James	PWC
Scanlon, Gary	
Scully, Gerard	Age Action
Seoighthe, Nara;	
Small, Jonathan	CCPC
Smith, Gillian	Dept. Finance
Snow, David	GSS
Walsh, Richard	
Woods, Brian	

List of Attendees – Galway Seminar

Name	Organisation
Alexander, Albert	BOI
Concannon, Niall	Zurich
Costello, Brendan	Talk Financial
Gaughan, Peter	Convenience Stores & Newsagents Association
Greaney, Mary	Zurich
Hannon, Michael	Michael Hannon Financial Services
Lavan, Aoife	
Lohan, James	
Maloney, Maureen	NUI Galway
Mac Donncha, Aodan	
McCormack, Stuart	Stuart McCormack Financial Services Ltd.
McInerney, John	Aviva
McKenzie, Noreen	Sherry Fitzgerald
Nally, Linda	Acorn Life
O'Dwyer, Pat	City Life Galway
Wijertane, Dinali	NUI Galway

List of Attendees – Cork Seminar

Name	Organisation
Barriscale, Jonathan	Aon Ireland
Cahalane, Yvonne	
Cleary, John	New Ireland
Connolly, Ciara	Bank of Ireland
Cremin, John	Aon Ireland
Cruise O'Shea, Kevin	Musgraves
Delaney, Califf	Willis Towers Watson
Dennehy, Paul	Arachas Corporate Brokers Limited
Doorley, James	National Youth Council of Ireland
Fitzgerald, Michael	Fitzgerald Actuarial
Foley, Sarah	Cork Chamber of Commerce
Fuller, Joan	New Ireland
Glavin, Paul	Aon Ireland
Grant, John	Fitzgerald Actuarial
Hennebry, Michael	Biggs & Co.
Jennings, Vincent	The Convenience Stores & Newsagents Association
Kelleher, Alan	New Ireland
Kenny, Helen	O'Leary Life and Pensions
Kickham, Angela	Irish Farms Accounts Co-operative
Kubiak-Owczarzak, Katarzyna	Irish Farms Accounts Co-operative
Maher, John	Waterford Institute of Technology
McDonnell, Brid	Invesco
Monahan, Ray	Aon Ireland
Murphy, Marie	UCC
O’Brien, Paul	Willis Towers Watson
O’Driscoll, Alan	Navigation Wealth
O’Flynn, Denis	The Convenience Stores & Newsagents Association
McCarthy, Joe	
Reilly, Louise	Irish Farms Accounts Co-operative
Rice, Stephen	Aviva
Riordan, Richard	Navigation Wealth
Ruane, Jonathan	Massachusetts Institute of Technology
Smyth, Paul	Irish Creamery Milk Supplier Association
Twomey, John	New Ireland
Walsh, Janine	Irish Farms Accounts Co-operative
White, Lorna	Mercer

Appendix 3 – Seminar Agenda

9.45 - 10.00 Registration

10.00 - 10.05 Welcome – Tim Duggan – Assistant Secretary, Department of Employment Affairs and Social Protection (DEASP).

10.05 - 10.15 Opening Address by Regina Doherty T.D. Minister for Employment Affairs and Social Protection.

10.15 - 10.50 The principles behind AE and the Strawman proposals – Robert Nicholson – Principal Officer Automatic Enrolment Programme Management Office DEASP.

10.50 - 11.10 Tea/Coffee

11.10 - 12.30 Interactive session with audience - Themed Question & Answer/discussion session

- Strawman AE – Organisational Structure and Administrative Approach
- Target Membership
- Employer and Employee Contribution Rates
- Financial Incentives Provided by the State
- Investment Options
- Policy for Opt Out and Re-enrolment
- Benefits and the Pay-out Phase

12.30 - 13:00 Open Q and A