



Auto-Enrolment Pension Scheme – What You Need to Know

- **Start Date:** The new auto-enrolment pension scheme begins **1 January 2026**.
- **Who Is Enrolled Automatically?**
 - Employees aged **23 to 60**
 - Employees on **PRSI Codes A & J**
 - Earning **€20,000 or more per year (up to a cap of €80,000)**
 - **Not already** in a workplace or private pension scheme
- **How Contributions Work:**
 - **Employee:** Starts at **1.5%** of gross salary taken from **Nett salary**
 - **Employer:** Matches the employee's contribution
 - **State:** Adds a top-up (e.g., €1 for every €3 contributed by employee)
 - Contributions **increase gradually** over 10 years to a maximum of **6%**
- **Points to Note:**
 - **Employees:**
 - Employees can opt out after 6 months
 - If still eligible employees will be re-enrolled every 2 years
 - If an employee changes jobs – Their Pension Pot follows them
 - If you or your employer on your behalf are already contributing to a qualifying (Any existing Occupational Pension Plan, PRSA / RAC) pension scheme and this processed through your payroll, you **won't be auto-enrolled**
 - Employees earning less than €20,000 and aged between 18 – 65 can opt in if they wish to do so but they will not be automatically enrolled until they meet the qualifying criteria
 - **Employers:**
 - Non-compliance may result in **finances, interest, or prosecution**
 - The **Workplace Relations Commission** will oversee enforcement
 - Contributions are **tax-deductible**
 - Submission / Payments of Pension will be in line with payroll frequency
 - Submission of Pension to NAERSA (National Automatic Enrolment Retirement Savings Authority) to be made by 18.30p.m. on pay date
 - Direct Debit will be taken after 18.30p.m. on the same day
- **Employer Action Steps:**
 - Review current pension arrangements
 - Decide whether to use auto-enrolment or maintain a private scheme
 - Prepare internal communications and update employment documents
 - Ensure payroll systems are ready by **January 2026**