PROTECTION
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Navigating Auto Enrolment

Auto Enrolment the new mandatory government pension scheme is due to start in

January 2026

Employees who will be Auto Enrolled?

- ☑ Earn over €20,000 per year
- ☑ Are aged between 23 & 60
- ☑ Are not already in a pension scheme

Key Considerations

- Higher rate taxpayers are significantly better off in a DC scheme, as they get up to 40% tax relief vs an effective 25% rate through AE.
- Greater flexibility in DC schemes- AVCs , Lump Sums, Fund choice.
- Members receive no advice through AE.

For more information :

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What are the contribution rates?

Year	Employer Contribution	Employee Contribution	Government Top-Up	Total Contribution
1-3	1.5%	1.5%	.5%	3.5%
4-6	3.0%	3.0%	1.0%	7.0%
7-9	4.5%	4.5%	1.5%	10.5%
10 onwards	6.0%	6.0%	2.0%	14.0%

- Contributions include employee and employer contribution, with a government top-up equal to 1/3rd of the employee contribution.
- Contributions increase every 3 years over the first 10 years of the scheme
- Contributions are based on a salary ceiling of €80,000p.a.

Comparing AE with Traditional Pensions

Traditional Workplace Pensions

•Employee Incentive - Tax Relief for employee's up to 40%
•Flexible Retirement Ages (50 - 75)
•Flexible Contribution Rates (i.e AVCs, Lump Sums)
•Financial Advisor linked to Pension
•Broad Investment Choice

Auto Enrolment

•Employee Incentive - State Contribution effectively 25% rate.
•Access at State Pension Age (Currently 66)
•No additional contributions
•No financial advice linked to Pension
•Narrow Investment Choice

800,000 Employee's affected by AE

40% taxpayers at a significant disadvantage in AE system

Many 20% taxpayers may also favour the flexibility of a Traditional Workplace Pension