



**Pension Policy Research Group, Trinity College Dublin
in association with
TASC – The Think Tank for Action on Social Change
INTO – The Irish National Teachers Organisation**

Notice of Special Seminar

**THE FAILURE OF CURRENT PENSION TAX ARRANGEMENTS AND TOWARDS POLICIES GUARANTEEING PENSIONS FOR ALL
TERESA GHILARDUCCI
THE NEW SCHOOL FOR SOCIAL RESEARCH, NEW YORK**

**Date: Friday 6 August at 10:30 a.m.
Venue: School of Business, Aras an Phiarsaigh, Trinity College Dublin**

Please register to attend the seminar by sending an email to gehughes@tcd.ie

The nature of supplementary pension coverage in Ireland is changing from defined benefit to defined contribution schemes. The *National Pensions Framework* proposes to accelerate this trend by adopting a new voluntary approach to supplementary pensions in which employees will be automatically enrolled in individual retirement accounts similar to 401(k) plans in the United States. Underlying this proposal is a belief that auto-enrolment, supported by new tax incentives for retirement saving, will increase national savings and provide an adequate income in retirement in combination with the State Pension for low and middle income earners, even though the Government will not provide any guarantees on investment returns.

In this seminar Teresa Ghilarducci will show that economic theory cannot answer the question of whether people save more if the reward is higher. She will provide evidence from a number of studies in the United States, including her own research, which shows that tax breaks for voluntary individual retirement accounts have had little, if any, effect in increasing national savings and that they are inefficient because they go predominantly to high income earners who need them the least.

To ensure that the tax subsidies go to those who need them the most, low and middle income earners, Teresa Ghilarducci has proposed subsidised mandatory Guaranteed Retirement Accounts to provide security for all workers in retirement. She will outline how these accounts would work and argue that mandatory non-commercial based accounts would achieve broader coverage and increase savings more than voluntary commercial accounts based on behavioural economics.

Teresa Ghilarducci is the Bernard and Irene Schwartz Chair of Economic Policy Analysis and the director of the Schwartz Center for Economic Policy Analysis at the New School for Social Research, New York. Her recent book *When I'm Sixty Four: The Plot Against Pensions and the Plan to Save Them* investigates how to revive the promise of retirement to working Americans.
