



Society of Actuaries in Ireland

Actuaries propose mandatory private pension regime from 2019

The Society of Actuaries in Ireland is recommending to Government that a mandatory pension system should be developed over the next 5 years for all workers as the best way of increasing private pensions coverage and improving the adequacy of pensions for individuals in Ireland.

In March 2013, the Society of Actuaries set up a Working Party on pensions policy, with a view to assisting policymakers and contributing to the debate on whether a mandatory system was preferable to other potential approaches, such as auto-enrolment (sometimes called “soft mandatory”), to complement the State pension.

In its conclusions, the Society states that it “is conscious that, in Ireland, auto-enrolment may appear more palatable than a mandatory system in the current economic environment. However, in our view a mandatory system is superior to an auto-enrolment regime for a number of reasons.”

The reasons given by the actuaries include:

- A mandatory regime is more effective at increasing private pensions coverage than auto-enrolment, as demonstrated by international experience;
- A mandatory system should be easier to run than an auto-enrolment regime, since opt-out and opt-in issues will not arise;
- Establishing the more complex system of auto-enrolment and subsequently introducing the mandatory regime could potentially be a waste of resources.

In a roadmap for implementation, the Society of Actuaries envisages that it would take at least five years to bring a mandatory scheme into operation. The Society therefore stresses the need to move ahead with decision-making and planning promptly.

The Society’s full position paper is available on www.actuaries.ie.

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Media contact

Michael Moloney
Setanta Communications Ltd
087 258 7264

mail@setanta.ie

Society of Actuaries in Ireland

The Society of Actuaries in Ireland is the professional body for actuaries practising in Ireland. Actuaries provide advice on and relevant solutions for financial, business and societal issues involving uncertain future events. Most of the Society's members work in the financial services industry, and the profession has a statutory role relating to the supervision of pension schemes and insurance companies.

The Society seeks to make an impartial contribution to public debate on social policy and public interest matters where an actuarial perspective can add value.



Clanwilliam House,
Clanwilliam Place,
Dublin 2, Ireland
Tel: +353 1 634 0020
Fax: +353 1 634 0039
Email: info@actuaries.ie
Website: www.actuaries.ie