



ARTHUR COX

Auto-Enrolment to commence in 2025: time to prepare!

Automatic Enrolment (AE) introduces new mandatory retirement savings requirements into Irish law for the first time. These requirements are due to commence on 30 September 2025. As this is now less than nine months away, employers familiarise themselves with the new requirements and the steps necessary to ensure compliance.

What steps do employers need to take?

Existing pension arrangements:

As a first step, employers should decide whether they wish to use their existing pension arrangement to meet the requirements of AE or whether they will operate a dual system, i.e. continue the existing arrangement alongside the AE system. At present membership of a pension scheme or Personal Retirement Savings Account ("PRSA") with any level of employer/employee contribution means employees will not be automatically enrolled into the AE system. If existing arrangements are to be used alone there are a number of key steps to take:

- Ensure all employees who are not currently members of the scheme, join the scheme;
- An employee communication exercise will be required to inform employees of the changes;
- Amendments will likely be required to scheme documentation, in particular regarding membership provisions. Employers should consider whether there are cohorts of excluded employees and whether (and how many) employees have opted out of the scheme and why.

No existing pension arrangements:

For employers who do not currently operate pension arrangements, now is the time to consider the best option for their employees and their business. Consider:

- is it preferable to allow employees to be automatically enrolled into the AE system; or
- would membership of a Master Trust, occupational pension scheme or PRSA be a better choice into the future?

The clock is ticking on these decisions and we would encourage employers to have completed their considerations and implemented any required actions by the beginning of July of this year. A July implementation date will hopefully avoid any administrative difficulties that might arise as the new Authority implementing the AE system can apply a "look back" period of up to 13 weeks to determine the correct pay reference period for an employee, to assess whether they are in scope for AE.

Please sign up to our mailing list for further updates on the AE system as they occur. If you require assistance with your path to compliance, please contact any member of our Pensions Group or your usual Arthur Cox contact.

JANUARY 2025

Start your AE compliance journey

MARCH 2025

NAERSA (the new AE Authority) to be established

30 SEPTEMBER 2025

AE system commences

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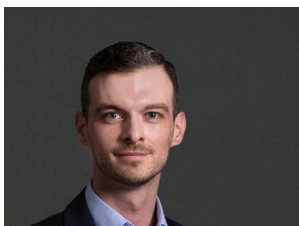
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