



Auto-enrolment guide for employers

Auto-enrolment is a new retirement savings system.
In 2024, eligible employees will be automatically enrolled.

Benefits for employers

- ✓ Not having to pay to set up a company pension scheme
- ✓ Employer contributions will be deductible for corporation tax purposes
- ✓ Increased competitiveness and attractiveness as an employer
- ✓ Ensuring that employees are looked after
- ✓ Not having to administer a company pension scheme
- ✓ Contribution rates will be phased in so that employers and employees are given time to adjust to the system

Why employers will contribute

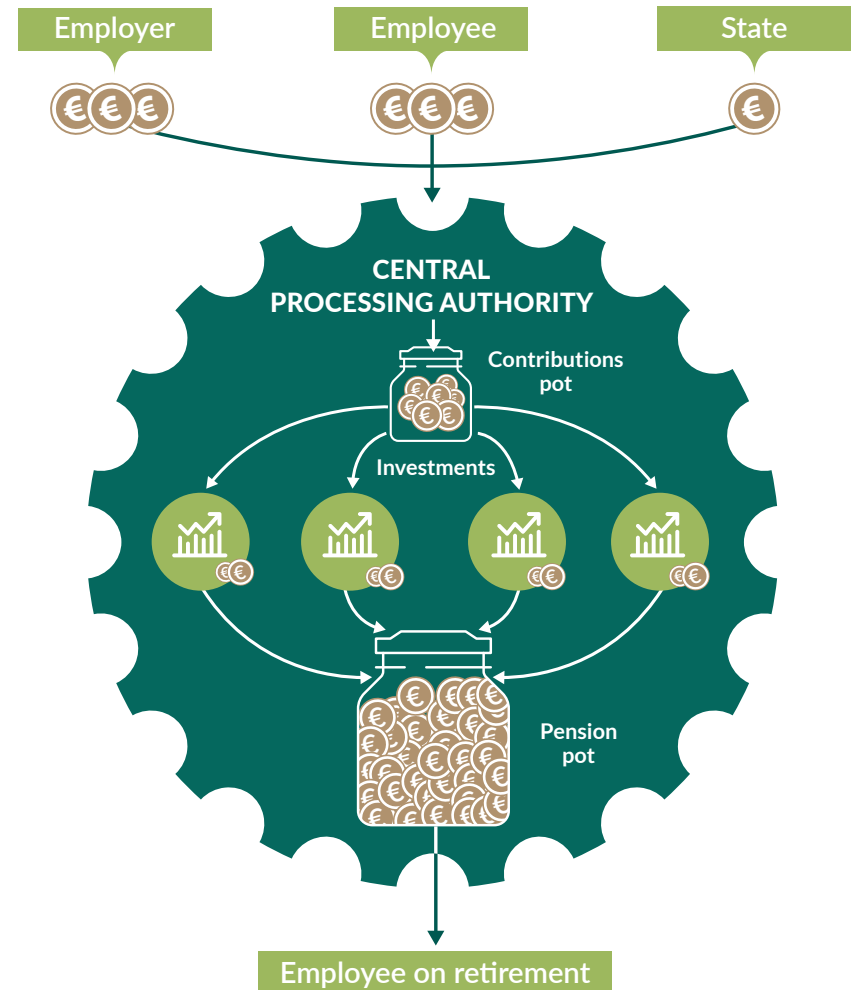
- Employers benefit from employees having retirement income security and a greater sense of wellbeing
- Retired people will have more money to spend in the economy in the future – this means more income for businesses
- It recognises that the cost of providing retirement income should be shared between all who benefit from it

For further information

Visit: gov.ie/autoenrolment | Email: autoenrolment@welfare.ie

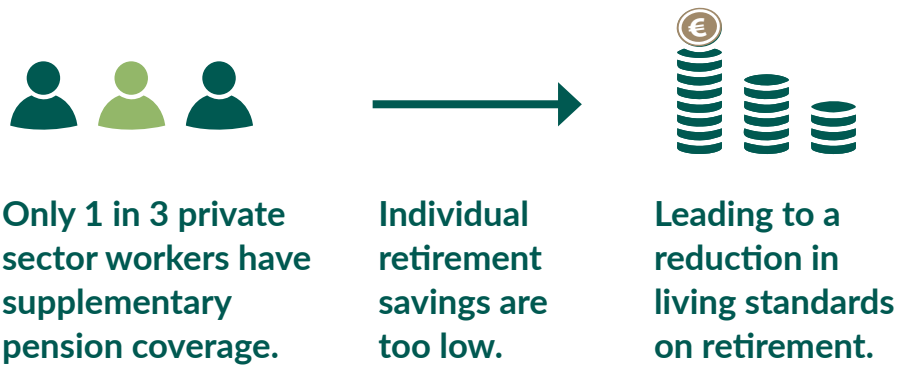
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How it works



Why auto-enrolment is being introduced

Not enough people have occupational or supplementary pension coverage to help them to maintain a reasonable standard of living in retirement when they rely on the State pension alone.



Who is being auto-enrolled

Employees in Ireland who:

Earn over €20,000 per year

Are aged between 23 and 60

Are not already in a pension scheme

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What auto-enrolment means for employers

- All of your employees who meet the eligibility criteria will be enrolled
- Contribution collection will be managed through payroll software
- Employer contributions will be deductible for corporation tax purposes
- You will be required to match employees' contributions up to an eventual maximum of 6%, applying to employees' gross salary up to €80,000

Contributions

Contribution rates will be phased in so that employers and employees are given time to adjust to the system.

Year 1 to 3	Year 4 to 6	Year 7 to 9	Year 10+
1.5%	3%	4.5%	6%

Failing to meet your auto-enrolment obligations may result in penalties and prosecution.

Case study example of worker earning €20,000 a year:

	Employee Yearly Contributions	Employer Yearly Contributions	State Yearly Top-Up	Total Yearly Contributions
Year 1 to 3	€300	€300	€100	€700
Year 4 to 6	€600	€600	€200	€1,400
Year 7 to 9	€900	€900	€300	€2,100
Year 10+	€1,200	€1,200	€400	€2,800