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By email:  
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11<sup>th</sup> December 2025

Dear Minister

**Re: Minimum contribution regulations**

I am writing to you on behalf of the members of the Irish Association of Pension Funds regarding your Department's stated intention to implement minimum contribution regulations in December. We acknowledge the concerns that prompted the proposal to implement minimum contribution regulations; however, we believe that proceeding without full and meaningful consultation will create significant disruption for occupational pension schemes and risks undermining decades of progress in improving retirement outcomes for workers. Such an approach would have consequences that risk damaging the existing pensions landscape by discouraging employers from offering occupational pension schemes.

The Department has been clear that auto-enrolment is designed for employees who are not members of an occupational pension scheme. One of the notable successes of auto-enrolment is that thousands of employees, who previously had not joined their employer's pension plan, are now participating and will enjoy better financial security in retirement.

Occupational pension schemes differ significantly from MyFutureFund. Direct comparisons are inappropriate because of key differences, including the application of tax relief, and design features that enhance member engagement and long-term outcomes, such as:

- Matching employer contributions
- Options for members to take contribution breaks or flexible benefits arrangements
- Tiered contribution rates that increase with age or service
- Valuable death in service benefits

Defined benefit pension schemes add further complexity because employer contributions cannot be assessed in the same way as contributions to MyFutureFund. Any regulations that attempt to create a simplistic comparison between the two will be flawed.

Another difference between occupational pension schemes and MyFutureFund is that employers cannot compel employees to contribute. This means that any minimum required contribution could fall solely on the employer.

Employers have invested heavily in their pension schemes to meet the high governance standards required under IORP II. Providers have also committed substantial resources to establish Master Trusts that meet demanding standards and consolidate schemes for efficiency and compliance. Rushed regulations risk destabilising this strong and well-regulated system.

We are particularly concerned about any operational changes to how MyFutureFund deducts contributions. Such changes could result in unplanned and unbudgeted costs for employers, particularly where members receive significant bonuses or variable pay concentrated in a single period. In these cases, the employer's contribution, typically a percentage of salary, could fall short of the auto-enrolment comparable for that month, creating unnecessary complexity and compliance risk. The impact and quality of a pension scheme should not be assessed based on any single pay period.

Our recommendations are:

- Introduce a consultation period to consider how to achieve minimum contribution standards without destabilising the pensions system.
- Avoid operational changes to the MyFutureFund deduction process.
- Assess whether the Pensions Authority's planned scheme authorisation regime could be used as an effective mechanism to ensure pension schemes meet required standards.

We urge the Department to take these concerns into account and to engage with stakeholders before proceeding. We would welcome the opportunity to meet with you to discuss our recommendations in detail.

Yours sincerely

Joyce Brennan  
Chief Executive Officer

Copy:

John McKeon, Secretary General, DSP

Tim Duggan, Assistant Secretary, Pensions, DSP

Brendan Kennedy, Chief Executive Officer, The Pensions Authority

Roma Burke, Chairperson, NAERSA