

**Irish Institute of Pensions Management**

**Irish Association of Pension Funds**

Suite 2, Slane House

25 Lower Mount Street

Dublin 2, D02 V029

Email: [info@iipm.ie](mailto:info@iipm.ie); [info@iapf.ie](mailto:info@iapf.ie)

Website: [www.iipm.ie/www.iapf.ie](http://www.iipm.ie/www.iapf.ie)

**04 March 2026**

Mr. Dermot Griffin  
Chief Executive  
National Automatic Enrolment Retirement Savings Authority (NAERSA)  
TCS Drive  
Letterkenny Technology Park  
Letterkenny  
Co. Donegal

**By email**

Dear Mr. Griffin,

We would like to thank you again for taking the time to meet with us recently at the IAPF offices. We greatly appreciated the opportunity to discuss the early operation of auto-enrolment and the exemption framework directly with you, and we acknowledge the considerable work already undertaken by you and your team to bring the system into operation. Auto-enrolment is an important complement to the voluntary, employment-based pension system that has been serving members effectively for decades.

We are writing further to recent communications and discussions with officials working on MyFutureFund regarding potential forthcoming changes to the regulatory requirements applicable to occupational pension schemes. We understand that the emerging proposals under consideration may include significant measures such as the removal of vesting periods and a requirement for contributions to be calculated on total pay rather than basic salary. Given the scale of these possible changes and their potential operational impact on employers, trustees and providers, we respectfully request that a consultation process be undertaken before any material changes are implemented.

**1. Minimum contributions**

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As communicated to you in December, we remain concerned about the accelerated introduction of minimum contribution regulations at year-end. We strongly support the principle that no employee should be enrolled in a pension arrangement that delivers less value than MyFutureFund. Actions by a minority of employers that resulted in unfair outcomes for employees need to be addressed. However, the absence of

consultation and the lack of a reasonable notice period created significant and avoidable challenges for many employers that were acting in good faith.

For example, schemes that have long offered employees flexibility in setting their own contribution rates are faced with the need to make immediate, unanticipated adjustments to their pension plans, despite having received consistent prior indications that no changes would be required for several years.

The key difference that has caused difficulty for some employers is that minimum required contributions are expressed as a percentage of total earnings, whereas almost all pension schemes base contributions on basic salary. As a result, an employer with a low contribution rate and an annual bonus payment could fail the 13-week test that NAERSA will administer, even with higher overall contributions than MyFutureFund.

**We therefore request that consideration be given to an overall scheme quality test, assessing the total value of benefits over a minimum of one year, rather than applying a 13-week calculation.** We recognise that this would require a legislative amendment and we request that NAERSA consider supporting a legislative change to ensure that pension scheme outcomes are the primary metric and that high-quality pension plans are not disadvantaged.

Additionally, several employers who created new contribution categories last year now find these will not meet the new standards and wish to remove these categories, allowing affected employees to be included in MyFutureFund. They have received mixed information regarding when employees can move into MyFutureFund, and we would welcome clarity on the appropriate process and timing.

## 2. Industry analysis on minimum contribution standards

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Several providers from our memberships have completed reviews of their corporate scheme books to assess the likely incidence of contributions below the minimum standard. When extrapolated across the broader market, these findings indicate that as many as **two thousand employers and approximately sixty thousand employees in corporate schemes may be impacted**, with significant additional impact for retail pension arrangements including PRSAs. These figures highlight the scale of the challenge and reinforce the need for an exemption standard that is clear and workable.

Pension providers continue to work closely with employers to identify and address contribution gaps, particularly where assessments are based solely on basic salary, which can be verified directly against scheme data. However, in many instances, pension providers have no data on additional emoluments received by employees. Without this information, providers cannot reliably assess compliance risks without active engagement from employers. Close and ongoing collaboration with employers is essential.

## 3. Vesting periods

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NAERSA officials have communicated that vesting periods will be prohibited. This refers to practice by many pension schemes to pay a refund of contributions to employees who leave within 2 years. Without this

practice, we expect there would be hundreds of thousands of very small, unclaimed pension pots in the system.

We therefore recommend that any proposal to remove vesting periods be accompanied by:

- a national pension tracing system
- an efficient mechanism for consolidating very small pension pots.
- appropriate notice to allow employers to budget for this change.

#### 4. Consultation, Partnership, and Roadmap

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We request that employers are given appropriate notice of any future changes to minimum contribution regulations, particularly as contributions to MyFutureFund increase over the next decade. Employers currently adapting their schemes to meet the recently introduced requirements are doing so amid uncertainty about further changes.

To support stability and informed planning, we ask that a clear regulatory roadmap be made available, outlining the timing and nature of expected future reforms. Ireland's international reputation for stability, dialogue, and partnership has long been central to its economic success. Consultation is essential to avoiding disruption and unintended consequences.

We are asking that NEARSA engage with us to create workable minimum standards, grounded in the true value delivered by employment-based schemes. Our goal is to ensure that employment-based pension schemes and auto-enrolment complement each other, delivering the strongest possible retirement outcomes for every worker in Ireland.

Yours sincerely,



**Joyce Brennan**  
*Chief Executive Officer*  
Irish Association of Pension Funds



**Aaron Gaynor**  
*President*  
Irish Institute of Pensions Management

**Copies by email:**

Brendan Kennedy, Pensions Authority  
Roma Burke, NAERSA  
Tim Duggan, Department of Social Protection