

SUMMARY

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So, to conclude I'd like to sum up on my main points:

- This government is to be congratulated for producing draft legislation on AE – and if they can take on board all or most of the suggestions for improvements that are being made, we could have the best system in the world, with the new AE scheme addressing major income and gender inequalities and filling the gap between people who have only the State Pension and people who are in good supplementary pension schemes;
- First we must recognise the tremendous social and economic benefits of having most of our future pensioners on good incomes that enable them to not only enjoy a happier and healthier life, but to contribute substantially to the Exchequer, to the economy and to society generally;
- The present simplistic way of calculating the 'cost of pensions' must be reformed so as to factor in those many social and economic benefits and to show net costs rather than gross costs, especially in relation to the State Pension; and the insulting and inaccurate terminology around 'pension costs' should be changed accordingly, so as to make people feel better about advocating and having good pensions. Meanwhile, there should be further moves to improve flexibility around retirement ages, with later and earlier access to the State Pension as well as to occupational and private pensions; adjustments to employment contracts so as to harmonise pension and retirement ages; and a rebuilding of the NPRF to help with future SP costs;
- The age of entry to the new AE scheme should be 16, as for PRSI, or whenever people start in paid employment or self-employment; and there should be no income threshold or upper age-limit for joining the new scheme;
- The total contribution of 14% towards the scheme should be shared by employers, employees and the state in the ratio of 7:5:2, rather than 6:6:2 as proposed; and there should be tax relief on employees' contributions, as for employers' contributions.
- The contributions to the new AE scheme should be managed and invested in a manner that's in accordance with strict guidelines on ESG – Environmental, Social and Governance issues – to ensure that they are made in sustainable and eco-friendly industries that help us to achieve our agreed climate-change targets; and there should be an oversight body representative of employer, employee and other relevant interests;
- Finally, serious consideration should be given to the suggestion that the accumulated AE funds could be used to augment people's State Pension, in agreed circumstances.
- In conclusion I should say again how glad I am that we have reached this point, of having draft legislation for auto-enrolment, and how much I hope that the improvements being suggested now can be taken on board, or at least evaluated properly with a view to doing so. Then as well as being the last in the OECD to introduce AE, we might also be the best.