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## Ireland to adopt auto-enrollment, follow 'roadmap' to pension reform

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By Editorial Staff      Thu, Mar 8, 2018

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Ireland plans to introduce an auto-enrollment system to boost pension saving as part of a major set of reforms laid out by the government this week, *IPE.com* reported.

Taoiseach Leo Varadkar, head of the Irish government, announced on Wednesday a five-year [“roadmap for pensions reform”](#) encompassing the state pension as well as both private sector and public sector provision.

Varadkar said the government wanted to “create a fairer and simpler contributory pension system where a person’s pension outcome reflects their social insurance contributions, and in parallel, create a new and necessary culture of personal retirement saving in Ireland.”

Ireland was “facing a number of challenges” from changing demographics and its impact on government finances and retirement security. In the next 40 years the ratio of working age people to pensioners is expected to fall from 4.5 to one to 2.3 to one, said Varadkar, a former minister for social protection.

The government’s announcement follows months of debate over pension policy. Lawmakers have lobbied for scrapping the mandatory retirement age and measures to stop employers abandoning underfunded defined benefit (DB) schemes.

The six “strands” of the reforms cover:

- A “total contributions approach” to the state pension, including maintaining its value at 34-35% of average earnings;
- Automatic enrollment, starting in 2022 to address Ireland’s “significant” pension savings gap;
- Improvements to the sustainability of DB schemes and protections for members;
- Changes to public sector pension rules;
- The implementation of the IORP II directive
- New flexibilities to allow people to work past their default retirement age

The government has been under pressure to improve pension protections after several high-profile problems with underfunded DB plans. More than a quarter (26%) of Irish DB plans failed to meet the required funding standard, the government found.