



**Minister Says Fact That Only Half Of Country's Workforce Of 2 million Have Personal Pensions Starkly outlines Need For Urgent Action**

***Minister Brennan - Coming Weeks Crucially important For Future Of Pensions As Green Paper Published & EUR7 Billion In SSIA Savings Mature For 500,000***

The Minister for Social Affairs, Seamus Brennan T.D., said today that the gap in the various sectors of current employment between those who have made provision for additional income in retirement, and those who appear to be relying solely on the State pension in their later years, is a stark reminder of the substantial pensions challenge facing this country.

Minister Brennan said that the most up to date statistics show that out of a total workforce of over 2 million people - made up of 1.1 million men and 880,000 women - almost 930,000 have no supplementary pensions, of which 494,000 are men and 435,000 are women.

When further broken down by age groups, the statistics show that in the 20-24 years group 69,000 have personal pensions while 181,000 have made no provision; this ratio improves in the 25-34 year olds with 323,000 with pensions and 286,000 without; at ages 35-44 the ratio is 314,000 to 168,000; for 45-54 age group the figures show 251,000 have pensions and 141,000 have not, and the gap closes in the 55-69 age category in which 140,000 have supplementary pensions and 123,000 have made no pensions provision.

Minister Brennan was speaking when launching this years National Pensions Action Week from Monday 12th - Sunday 18th March. The week is part of a national awareness campaign run by The Pensions Board for which Government funding this year has been doubled to EUR1 million. The campaign started in 2003 following the launch of the Personal Retirement Savings Accounts which now provide pensions for over 95,000 people. The Pensions Board is running different initiatives throughout the week to focus on different target groups including women, younger people, areas of the economy with low pensions coverage, including the hospitality and agri-



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sectors which have the lowest coverage. The pension needs of immigrants are also being addressed.

The Minister unveiled statistics detailing the numbers with and without pensions in the various sectors of the economy showing that:

- Of the 288,300 employed in the retail sector over 197,000 people have no occupational pensions compared with just over 81,000 who have and 9,800 who answered "don't know" or "not applicable" when surveyed.
- In the hotel and catering sectors, of the 116,600 currently employed, just over 12,000 have pensions while over 101,000 do not and 3,000 "don't know".
- In construction, where over 281,000 are employed, the statistics reveal 107,289 have pensions, 163,328 have none and 10,982 "don't know".
- For agriculture, where 115,800 are employed, the numbers with pensions is 29,650, those without number 67,280 and 18,870 "don't knows".
- In other production industry, employing 292,100, the figures are 176,428 with pensions, 107,200 without and 8,470 "don't know".
- Transport with just over 117,000 employed, those with pensions number over 70,000 and over 43,000 have none.
- The financial sector, which has 278,000 employed, over 154,000 have pensions and almost 118,000 have none with over 6,000 undecided.
- In health, with over 182,000 employed, over 110,000 have pensions and close to 67,000 do not , while in education, employing 139,600, the figures show almost 99,000 with pensions and over 38,000 without.
- The healthiest picture emerges from the public administration sector, employing over 105,000, where more than 97,000 have occupational pensions and 7,462 do not.

Minister Brennan said: "These statistics, when taken with our changing demographics which will see the number of people aged 65 and over treble inside the next few decades, graphically spell



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out the pensions challenges we are now facing up to in order to ensure all of our people will have decent pensions and security and dignity in their later years.

The coming weeks will see two very significant developments that should have a major bearing on future levels of pensions cover, and on the reforms and policies that will lay out the stepping stones towards a lasting pensions solution for decades to come. Between now and the end of April some 500,000 people will share in a payout of some EUR7 billion from the maturing SSIA scheme. This represents a really important opportunity for us to appeal to people to take advantage of the incentives introduced last year by the Minister for Finance to encourage the transfer of SSIA savings into pensions with the offer of a top up of EUR2,500 for all eligible savings transferred to a pension fund.

The Government Green Paper on the future of pensions policy will be completed by the end of March. This will deliver a comprehensive analysis of international experience, lessons from abroad, on what works and what doesn't work. It will assess the best routes towards bringing about a new consensus on the future direction of pensions and means of saving for retirement. Also, and crucially, it will closely examine the need to ensure that pensions are adequate and avoid the risk of poverty. It will also fully explore all of our options to increase pensions coverage - including the possible need for some form of mandatory pension provision, or a soft mandatory system. On the road to making decisions on whether or not mandatory is the best route to take, we should also look at the idea of tapping further into the success of the SSIA scheme and build on the savings habit that has been created".

Minister Brennan said that great strides have been made in recent years in improving social welfare pensions which increased to EUR200 and over per week in Budget 2007.

The Minister said: "However, most of us would probably feel that we will need to supplement the social welfare pension if we are to continue to maintain our standard of living and lifestyle in retirement. The Pensions Board research shows that 79% of those interviewed who do not at present have a pension consider that the social welfare pension will not meet their needs in retirement. Despite this, only 50% of these people plan to do anything about their pension in the next three years. If we translate that into hard numbers we have about 1 million people without



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any supplementary pension cover and based on the Pensions Board research it is possible that up to 800,000 do not think the welfare pension will be adequate for their needs. Yet 400,000 are making no plans to do anything about this in the next three years”.

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