



Minister Coughlan announces the introduction of mandatory access for employees to PRSAs

Mary Coughlan TD Minister for Social and Family Affairs today set the 15th September as the deadline for employers to provide access for their employees to a Standard Personal Retirement Savings Account (PRSA).

The measure is aimed at employers who do not operate a pensions scheme or where some employees are not eligible to participate in a company scheme.

Minister Coughlan said mandatory employer access would help to bring pension awareness into the workplace and onto the factory floor.

”I am concerned that the level of pension coverage amongst the workforce has remained at a 50 per cent level despite the workforce increasing in size from 1.2million five years ago to 1.8million today.

”I am also concerned that just 44 per cent of women have pension coverage on comparison to 55 per cent of men,” said the Minister.

”If this aspect of the pension reform programme is managed properly, it offers the best chance we have of achieving our overall targets. In line with the proposed Social Partnership Agreement, the Government aims to increase supplementary pension cover amongst the workforce from its current level of 50% to 70%,” she said speaking at the annual dinner of the Irish Association of Pension Funds in Dublin.



The Minister also announced that she was strengthening the powers of the Pensions Board in this year's Social Welfare Bill to enable it to respond more flexibly where pension schemes are unable to meet the actuarial funding requirements of the Pensions Act arising from the current equity market difficulties.

The Minister said that a Consultation Document, setting out the issues and concern in relation to these pension funding requirements in the longer term would be issue within the next few months.

ENDS
27th February 2003