



**Speech by Minister Martin Cullen TD
Minister for Social and Family Affairs**

*Launch of Pensions in the Workplace Day
part of
National Pensions Action Week, 1-7 May 2008*

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Check against delivery

1. Chairperson of the Pensions Board, **Tiarnan O Mahoney**
2. Chief Executive of the Pensions Board, **Brendan Kennedy**
3. Principal Officer at the Department of Social and Family Affairs with responsibility for Pensions, **Dr Orlaigh Quinn**
4. Secretary General of the Department of Social and Family Affairs who is also with us today - **Bernadette Lacey**
5. Ladies and gentlemen:



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I am very pleased to be here this afternoon to launch together with the Pensions Board, *Pensions in the Workplace Day*, which is the first day of National Pensions Action Week 2008.

National Pensions Action Week begins tomorrow with this special focus on the workplace and will run until the 7th of May. Over the next seven days, the **Pensions Board** will focus their pension awareness initiatives at target groups who are considered to have lower-than-average pensions coverage. These groups include those employed in the hospitality and retail industries, members of the farming community, young people, women and international workers.

Tomorrow on **Pensions in the Workplace Day** itself, the Board will aim to make employees aware of the importance of a pension when they are considering employment options or career choices. They will highlight the workplace as the ideal location for pension discussion and promotion and will communicate the tax relief benefits available for pension contributions. I know Brendan you will expand later on the full action week programme of activity.

I would like to talk a little about the work the Pensions Board is doing through the annual National Pensions Action Campaign, - which is funded by my Department - to promote the idea of supplementary pensions and to encourage people to consider the type of retirement they want and how they might provide for it.

Over the last few years, the Pensions Board has, in conjunction with the Department done tremendous work in raising the level of awareness in relation to pensions issues amongst the general public. Awareness levels in relation to pensions are now extremely high, but our work in this area will not be productive if we cannot translate high awareness into more action at an individual level.



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Overall coverage levels have increased from about 52%, when our campaign started, to about 55%, with coverage for our key target group, those aged 30 years and over, rising from 58% to 62%. This improvement happened in a scenario where the labour-force itself was expanding, so the increase in the numbers with pensions is higher than the percentages would suggest.

The Pensions Board in its promotional material as part of Pensions Action Week and indeed in its campaigning work throughout the course of the year, stresses the need for people to start making provision as early as possible because, the more time passes the more difficult it becomes to set aside enough savings to ensure a good pension.

There is an urgent need, therefore, to ensure that people will be in a position to supplement the basic social welfare pension when they retire. I know it has been said on many occasions, but I think it bears repeating, that some **one million people** at present in the work-force, will rely on social welfare pensions for their main retirement income in the years ahead unless action is taken.

Today and tomorrow May 1st as I have said, our focus is on the workplace and what can be done in that context to encourage people to take out pensions. At present about 40% of the workforce are members of an occupational pension scheme, 12% are in private provision and about 3% have elements of both.

I think this shows the key role a person's employment can play in relation to their pension provision. In this regard we should acknowledge the huge commitment many employers make to ensure the welfare of their workers when they retire by sponsoring and contributing to pension schemes.



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In many employments where they are provided, membership of an occupational pension is compulsory. However, in some cases the decision to participate is left to the employee. In such circumstances, there is much which can, and should be done, to encourage employees to participate. I think employers and trade union representatives could be more pro-active in promoting such schemes.

Even where an employer does not provide an occupational pensions scheme s/he must facilitate access to a Personal Retirement Savings Account for employees. At the end of 2007 about 85,000 employers had made arrangements with a PRSA provider to provide access for employees but only 45,000 employees are availing of the opportunity. Again there is plenty of scope here to improve on the position and I think a more proactive approach at local level could yield dividends.

The importance of the workplace in the context of improving pension coverage has long been recognised by the **Pensions Board**. Over the last few years it has worked hard to forge and cement links with bodies such as **FÁS, Fáilte Ireland** and the **National Recruitment Federation** to inform people seeking employment as to the importance of a pension when they are considering employment or career choices. A pension is a valuable asset and it is so important that employees understand this and ask their employer and future employers what they are offering in this respect.

I know the Pensions Board is continually looking for opportunities to promote this message and I note that it is now working with the Great Place to Work Institute (Ireland) in this area and I would like to welcome representatives, including Managing Director **Cathal Divilly** from the Institute here today.

The Great Place to Work Institute is a research and management consultancy based in the US with international affiliate offices throughout the world, including



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Ireland. It is probably best known here for its annual publication of the *50 Best Companies to Work for in Ireland*.

Great Place to Work is committed to supporting its affiliates in their efforts to help organisations achieve lasting improvements in their workplace relationships that produce measurable business benefits.

The provision of a pension scheme for employees is one of the hallmarks of a good employer and I am pleased that the Institute will be promoting this in its dealings with its affiliates.

I would like to thank the Pensions Board for the work it is doing to promote and further progress Government policy in the pensions area and also the agencies and organisations such as **FÁS, Fáilte Ireland, The National Recruitment Federation, The Great Place to Work Institute, social partners** and the **pensions industry** who support and assist the Pensions Board in this work.

Before I conclude ladies and gentlemen, I would just like to say that on the 12th of June next, the referendum on the Reform Treaty will take place. The Treaty is a good agreement for Ireland and for Europe. Ireland has been transformed since joining the European Union in 1973. For 35 years, the European Union has been the key framework within which Ireland has developed economically, politically **and socially**. The growth in Ireland's economy is in large part, a result of its EU membership, and has facilitated significantly increased provision in the health, education and social policy areas in this country. The reduction in unemployment since joining the EU has released resources which have been targeted at groups such as older people, people with disabilities and the long term unemployed. Since 2000, all member states have undertaken to draw up national action plans on social inclusion. So while people might look to the economic and political



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benefits which have accrued to Ireland from being part of the EU, it is important to emphasize too the role the EU has played in addressing key social issues within Ireland and indeed in Europe.

Without the EU, we would not have made the gains we have registered in recent years. The decision we arrive at on the 12th June will be a decision not just about the wording of a European Treaty, but about our country's future. We have derived great benefit from Europe and we want to retain our place as an active and committed EU Member. A yes vote on the 12th is crucial to protect Ireland's vital interests.

Finally, I would like to briefly mention the Pensions Green Paper. Together with An Taoiseach, Bertie Ahern TD and the Tanáiste, Brian Cowen TD, I published a ***Green Paper on Pensions*** in October and an extensive consultation process on its contents is drawing to an end and will close at the end of May. In addition to the round of public meetings, one hundred and eighty submissions have been received to date and I would like to remind people that if they want to make a submission there is still time. Submissions can be made via the Green paper website www.pensionsgreenpaper.ie or to the Pensions Policy Unit headed by Dr Orlaigh Quinn in my Department.

Thank you all very much.

SPEECH ENDS