



Press Release

Should I hold off starting a pension until auto-enrolment?

I'm in my early 30s. I haven't yet started a pension. My boss doesn't offer a company pension scheme so I'm considering setting up my own pension by opening a Personal Retirement Savings Account (PRSA). I am now wondering if I should hold off until auto-enrolment is introduced?

Answer: Mark Reilly, Pension Proposition Lead, Royal London Ireland

It certainly feels like we are getting closer to the implementation of auto-enrolment (AE) retirement in Ireland. The recent publication of the AE Retirement Savings System Bill 2022 is starting to put forward a framework within which AE will operate in Ireland. However, work is continuing on legislation to set up the scheme so it could still be some time before AE gets up and running in Ireland.

The earlier you start saving for a pension, the better. For this reason, it's worthwhile saving for your retirement by starting a PRSA. You can stop saving into your PRSA if and when AE is introduced, particularly if you are likely to build up a higher pension under AE than through a PRSA. You will not lose the pension benefit you have built up in your PRSA if you stop saving into it – the benefit will remain there until you can access it, which is usually around retirement age. Bear in mind too that while the Government is committed to introducing AE, there is no guarantee that it will go ahead.

To get a PRSA, you must enter into a contract with an authorised PRSA provider. You can get a list of authorised pension providers from the Pensions Authority.

You have a choice between a Standard and a non-Standard PRSA. There is a limit on the charges on your pension with a Standard PRSA. Talking to a Financial Broker can help you choose the right pension product option for you.

ENDS

Notes to the Editor:

About Royal London Ireland:

Royal London Ireland has a history of protecting our policyholders and their families for over 190 years in Ireland, and we're committed to continue to do so for a long time to come. Our businesses heritage in Ireland is nearly 200 years. The Caledonian Insurance Company's first office opened on Dame Street, Dublin 2 in 1824. Today we are owned by The Royal London Mutual Insurance Society Limited – the largest mutual life insurance, pensions and investments company in the UK, with assets under management of €174 billion as at 30 June 2022, 8.8 million policies in force and 4,267 employees as at 31 December 2021.

Royal London Ireland's office is based at 47-49 St Stephen's Green, Dublin 2.

www.royallondon.ie

Royal London Insurance DAC, trading as Royal London Ireland, is regulated by the Central Bank of Ireland. Royal London Insurance DAC is registered in Ireland, number 630146, at 47-49 St Stephen's Green, Dublin 2. Royal London Insurance DAC is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited which is registered in England, number 99064, at 80 Fenchurch Street, London, EC3M 4BY.

06/2023 2295.1