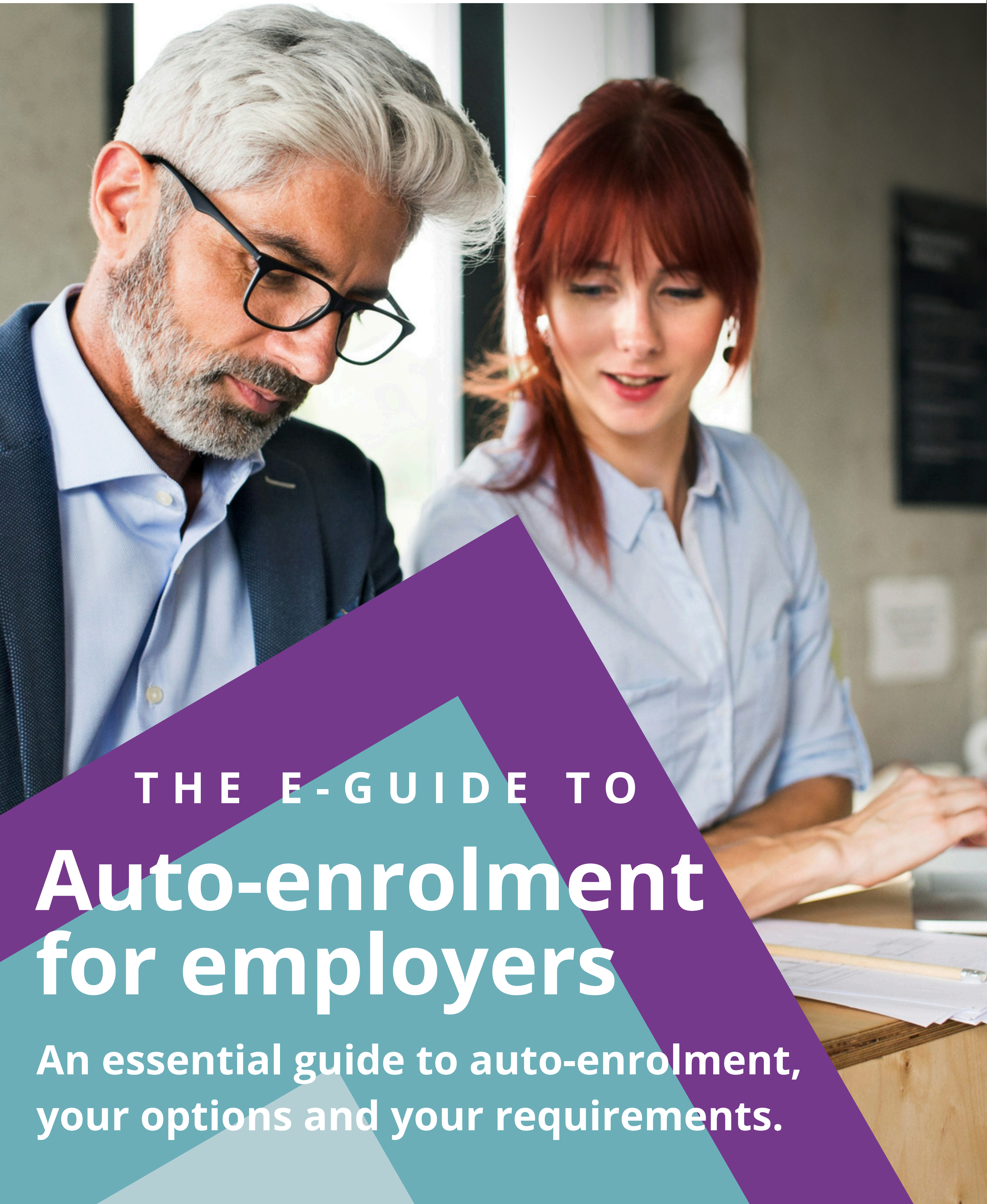
Hennelly Finance

Solving Financial Matters



THE E-GUIDE TO

Auto-enrolment for employers

An essential guide to auto-enrolment, your options and your requirements.

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We're passionate about providing our clients with pension solutions that add value to their employee community as well as their bottom line.

At Hennelly Finance, we understand navigating auto-enrolment can feel daunting. We are dedicated to making the process easy and providing ongoing support that gives our clients confidence.

RUTH HENNELLY

FINANCIAL PLANNING DIRECTOR

HENNELLY FINANCE

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ABOUT

Auto-enrolment for employers

Is your company ready for auto-enrolment? Starting on 30 September 2025, businesses will be required to enrol eligible employees in the auto-enrolment scheme, which is designed to help them save for retirement.

As an employer, it's crucial you understand your responsibilities because failure to meet the State's requirements can result in penalties and even prosecution. This e-guide provides information on the steps you need to take to get ready for this important change.

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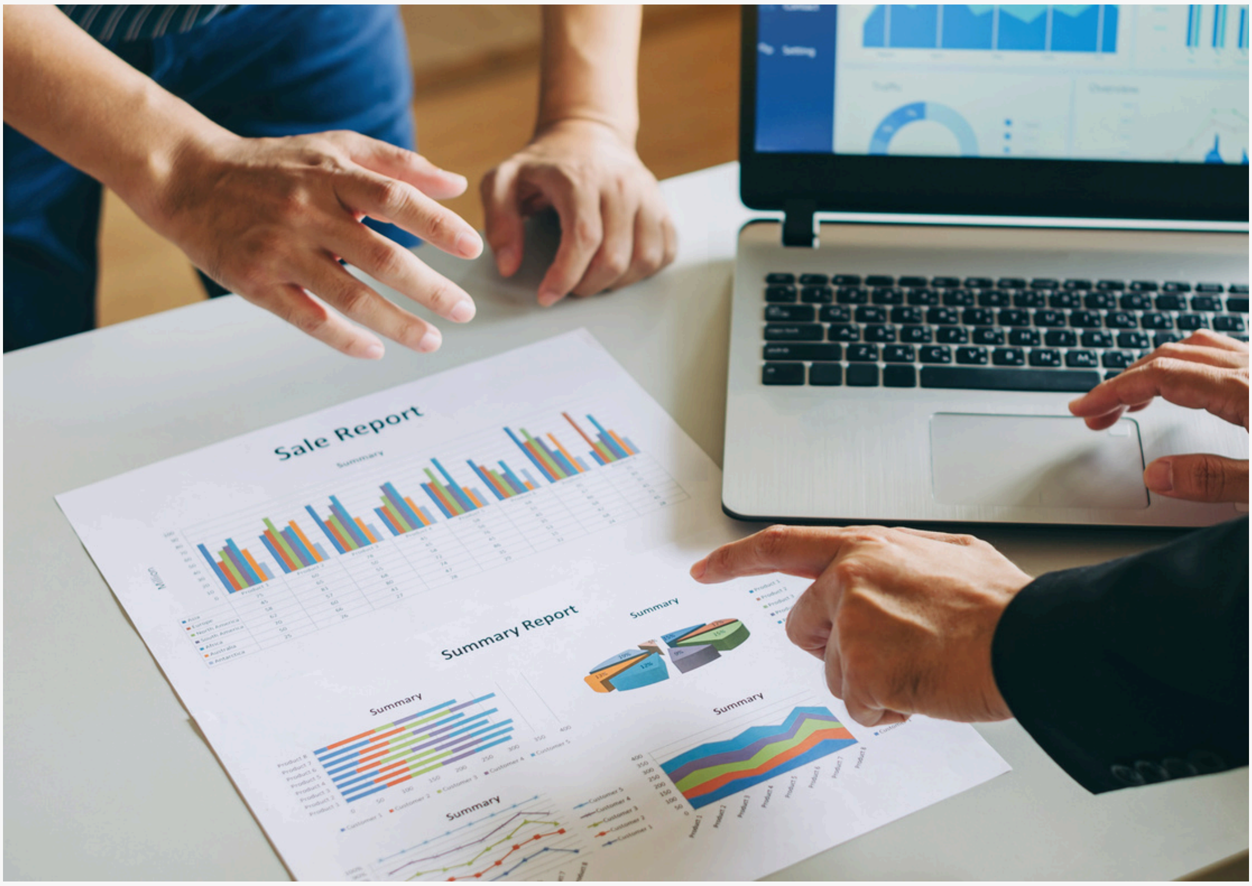


AUTO-ENROLMENT

What is auto-enrolment?

Auto-enrolment is a government initiative to encourage employees to save for retirement by automatically enrolling them in a workplace pension scheme.

Under auto-enrolment, the employee, employer, and State will each contribute to the employee's pension fund. The scheme applies to employees who meet the eligibility criteria and do not contribute to a Defined Contribution (DC) pension scheme or a payroll-deducted PRSA.

The State places the onus on the employer to ensure eligible employees are enrolled in the scheme. If you fail to do so, penalties and prosecution may apply.

Employers will be legally required to enrol eligible employees, deduct employee contributions, match those contributions and comply with regulatory requirements or else face penalties.

INFORMATION FOR EMPLOYERS

How will the scheme work?

To begin, a contribution of 1.5% each will be made by both the employee and employer.

This will be accompanied by a 0.5% State contribution (equating to €1 for every €3 contributed by the employee). Every three years contributions will increase by 1.5% from both the employee and employer.

By year 10, the total annual contributions will reach 14% made up of 6% each from the employer and employee alongside a further 2% contribution from the State. Employer and State contributions are capped at earnings of €80,000 per year.

The scheme will operate a default strategy, which will be operated on a *lifecycle* basis. This means the risk level of the employee's investment will be decreased as they get closer to retirement.

If an employee would like to choose an investment strategy, they will be able to choose from the following options:

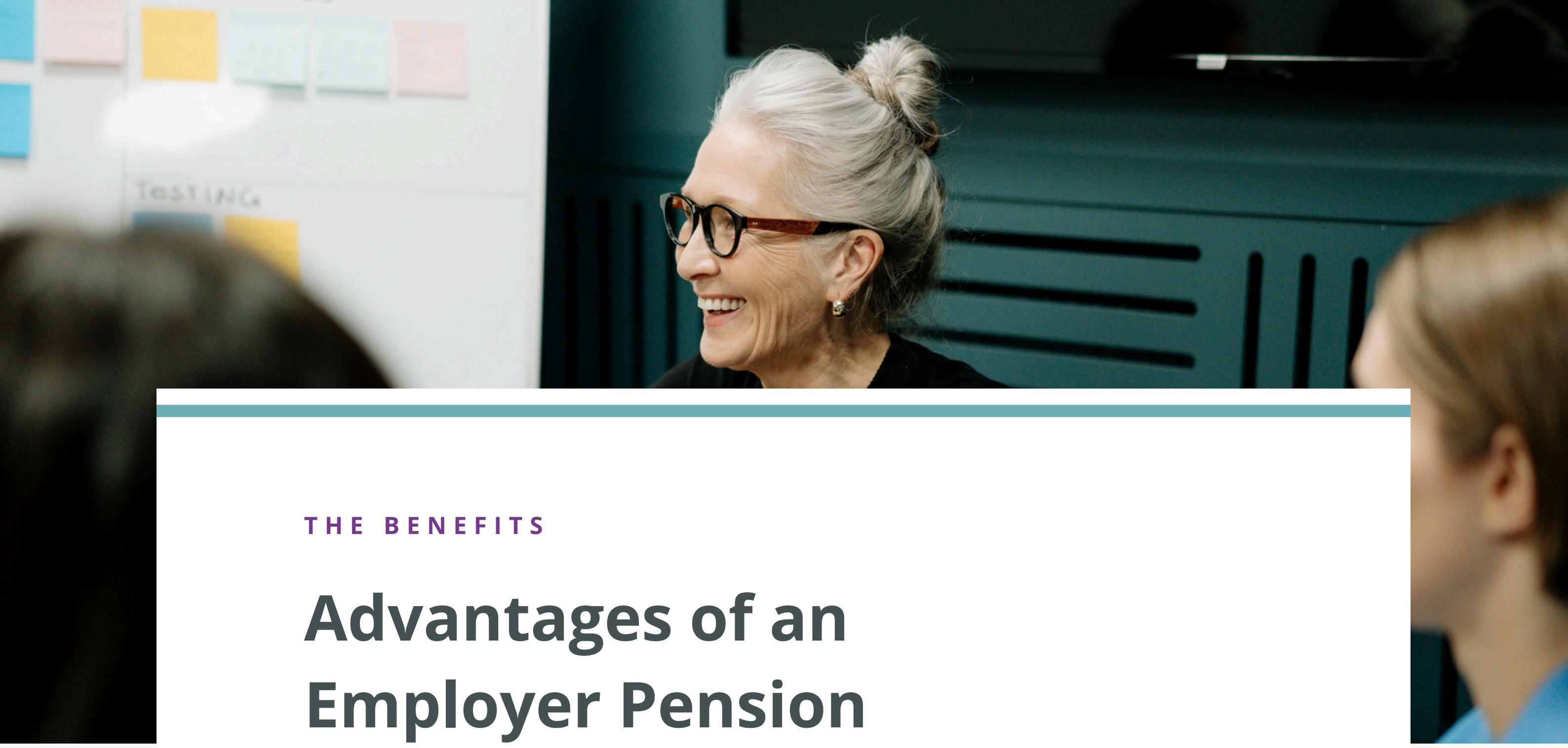
- high risk
- medium risk
- low risk

There are a number of differences between auto-enrolment, and a DC pension scheme or a PRSA; these are discussed on the following page.

COMPARATIVE ANALYSIS

Auto-enrolment vs Pensions / PRSA

AUTO-ENROLMENT	PENSION (DC) / PRSA
Fixed eligibility – everyone over age 23, earning over €20,000 p.a. without a DC or PRSA scheme will be enrolled	Inclusion is flexible
Contribution rate highly structured up to €80,000 p.a.	Flexible contributions for employee and employer to Revenue limits
Once-off contributions not allowed	Members can make once-off contributions
State subsidy of 33% of employees' contributions is paid - equivalent to tax relief of 25%	Tax relief at the marginal rate (subject to maximum contribution rules)
Retirement is at State Pension Age (66) but could increase depending on government policy. Benefits can be accessed early due to ill health.	Members can retire early from age 50. In cases of very serious ill-health, members can retire before then
A choice of investment strategy is available between high risk, medium risk and low risk	A wide selection of choice is available
The value of the your investment will be payable on death to your estate	Lump Sum and Dependants' Pensions can be paid on death (PRSA fund paid directly to deceased's estate)
It is proposed charges are capped at 0.5% per annum (services are not specified)	Charges are negotiated between schemes and providers and can cover a range of services
No guidance available from a trained professional at this time.	Guidance and advice available with a trained professional 1-1 or on screen
Income tax and USC is payable on retirement income. PRSI may be applicable and may cease at age 66 in most circumstances.	Income tax and USC is payable on retirement income. PRSI may be applicable and may cease at age 66 in most circumstances.



THE BENEFITS

Advantages of an Employer Pension

Talent attraction

Tax efficient retirement savings can be used as a talent attraction and retention strategy

Customisation

Schemes can be tailored to include additional benefits like health insurance and critical illness insurance

Tax relief

Employees can get up to 40% at the marginal rate of tax relief which more beneficial for high earners

Specialist advice

Members have access to tailored advice and guidance specific to their situation, including investment advice and a broad range of funds

Savings boost

Lump sum contributions are allowed, which can boost the employee's pension pot

Early retirement

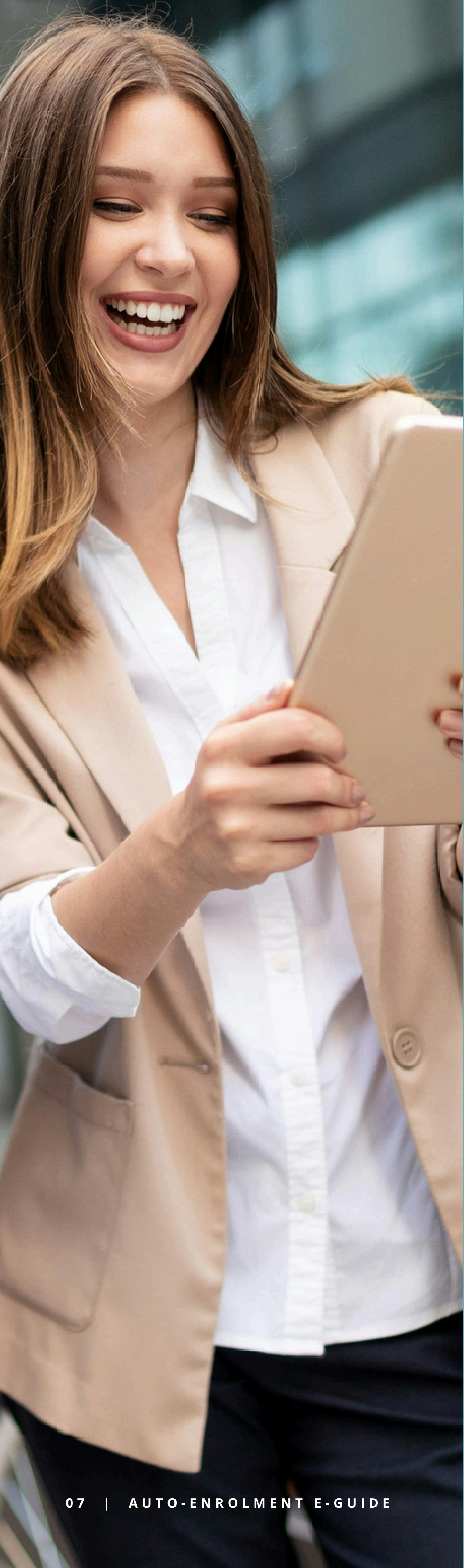
Early retirement from age 50 (in certain circumstances and subject to revenue rules)

ABOUT US

Why Work With Hennelly Finance

Since 2000, we have supported companies throughout Ireland to secure comprehensive pension packages that attract and retain employees and enrich their working lives.

- Almost 25 years' pensions industry experience.
- Expertise in navigating financial complexities.
- Tailored solutions to meet corporate needs.
- Comprehensive employee benefits solutions including pensions, life cover, protection, and health insurance.
- Partnered with leading firms like Zurich, Aviva, and Irish Life.
- Dedicated support and personalised guidance.
- Irish Life Health Corporate Broker of the Year 2023.
- Proven track record of client satisfaction.
- Committed to excellence in service delivery.



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HOW WE HELP YOU

Our process

STEP ONE

We meet with you

We learn about your company, your employees, and your challenges and opportunities for the future.

STEP TWO

Analysis and strategy development

Our employee benefits specialists analyse collected data and consider your company's goals, employee needs and pension options.

STEP THREE

Tailored plan development and implementation

We create a customised pension plan based on the analysis and will facilitate enrolment for your employees.

STEP FOUR

Ongoing Support and Guidance

Our employee benefits specialists provide continued support for your company and its employees, acting as your outsourced benefits department.

Our Partners

Irish Life

Irish Life health

ZURICH

HIVE Insurance Services

Spry FINANCE

BROKER SOLUTIONS

Standard Life

BLUE INSURANCES

BCP

CANTOR Fitzgerald

AVIVA

greenman

DAVY SELECT

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TALK TO US

Secure the future of your organisation.

Contact us today to find out more auto-enrolment, employer pensions and which is best for your company.

LOCATION

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