

My Future Fund Auto-Enrolment

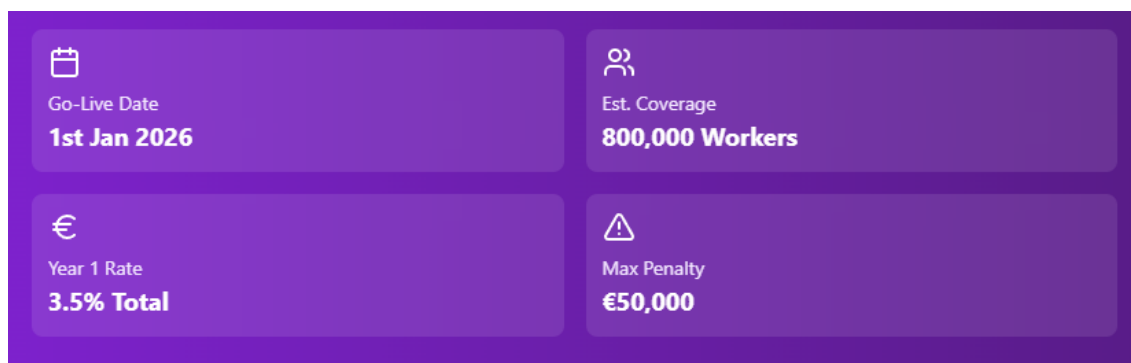
Client Briefing Report for Irish Employers

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Prepared by PurpleTree | October 2025

Quick Stats



€3 Becomes €7: The Power of My Future Fund

For every €3 an employee contributes, the employer adds €3 and the State tops up with €1 — turning employee contributions into €7 in retirement savings.

Preamble

This Client Briefing Report has been prepared by PurpleTree to provide Irish employers with a comprehensive understanding of their obligations under Ireland's new automatic pension enrolment scheme, officially known as "**My Future Fund**". The report is based on the **Automatic Enrolment Retirement Savings System Act 2024**, enacted in July 2024.

This document explains employer responsibilities, contribution structures, implementation timelines, employee rights, and practical steps for compliance. It includes calculation examples, risk management strategies, and an action plan to prepare your business before the mandatory 1 January 2026 start date.

⚠ Disclaimer: This report is provided for informational purposes only and does not constitute legal, financial, or professional advice. The information is based on current Irish legislation and official government guidance as of October 2025, but regulations may be subject to change. Employers should consult with their legal and compliance advisors to ensure full compliance with My Future Fund requirements. PurpleTree is not responsible for any actions taken based solely on this report.

Executive Summary

My Future Fund is Ireland's new mandatory automatic pension enrolment scheme requiring all Irish employers to automatically enrol eligible employees into a workplace pension from **1 January 2026**. The scheme will be administered by the National Automatic Enrolment Retirement Savings Authority (NAERSA), based in Letterkenny, Co. Donegal with co-location in Dublin. Approximately 800,000 workers will be covered by this legislation, with Budget 2026 providing €154 million to cover State contributions.

Critical Reminders:

- ✓ **Mandatory compliance** – employers cannot opt out
- ✓ **Criminal liability** for non-compliance (up to €50,000 and 3 years imprisonment)
- ✓ **Minimal administrative burden** – NAERSA handles eligibility assessment
- ✓ **Gradual 10-year phase-in** of contribution rates
- ✓ **Immediate preparation essential** – only 3 months remaining
- ✓ **Employer coercion prohibited** – it's an offence to hinder employee participation

Key Features of My Future Fund

"Pot Follows Member"

Your retirement savings automatically move with you as you change jobs. No need to worry about joining new schemes, transfer values, gaps in saving periods, or transfer fees. The fund is personal to the employee and portable across all employments.

Your Personal Property

The funds belong to you, not the State. Your My Future Fund savings are held in your name in a personal retirement account. They are not part of the State's assets, and the State cannot use them for general expenditure. Your savings remain your personal property, accessible at the prevailing State Pension age.

Three Investment Options

Employees can choose from three retirement savings strategies with different risk/return profiles. If no choice is made, a default "life-style" or "life-cycle" investment profile is provided, with low-risk investments and reputable investment companies regulated by the Central Bank.

Favourable Tax Treatment

At drawdown, you'll receive a tax-free lump sum of up to 25% of your fund, with the balance subject to income tax. Revenue will apply 'trivial pensions' treatment where appropriate, making withdrawals more tax-efficient.

Contribution Structure: 10-Year Phase-In

Year	Employee	Employer	State	Total
Years 1-3 (2026-2028)	1.5%	1.5%	0.5%	3.5%
Years 4-6 (2029-2031)	3.0%	3.0%	1.0%	7.0%
Years 7-9 (2032-2034)	4.5%	4.5%	1.5%	10.5%
Year 10+ (2035 onwards)	6.0%	6.0%	2.0%	14.0%

Earnings Cap

Maximum assessable earnings: €80,000 per annum. No contributions are required on earnings above this threshold.

Fee Structure

An administrative fee will apply to cover NAERSA's operational costs, along with an investment management charge based on a percentage of participants' savings. The exact fee structure will be confirmed by the Department closer to the launch date.

Employee Rights & Flexibility

Opt-Out & Suspension Options

Months 1–6: Mandatory participation — no opt-out permitted during initial period

After Month 6: Can opt-out completely and receive refund of personal contributions made

Anytime: Can suspend contributions whilst keeping existing savings invested, restart anytime

Re-enrolment: After 2 years, employees who opted out will be automatically re-enrolled if still eligible. There are no penalties for repeated opt-outs.

⚠ Critical Warning for Employers

It is a criminal offence, subject to penalties including fines and imprisonment, for employers to:

- Take any action that hinders or attempts to hinder an employee from participating in My Future Fund
- Force or coerce employees to opt out of the scheme
- Mislead employees that they must join an employer-sponsored scheme to avoid My Future Fund

Note: There is no legal obligation for employees to join employer-sponsored pension schemes unless explicitly stated in their employment contract.

🔔 **IMPORTANT:** Preparing Existing Pension Schemes Ahead of Auto-Enrolment

Recommended Action Date: Mid-November 2025

The Department of Social Protection has indicated that employments already making pension contributions through payroll will not be enrolled into the new My Future Fund auto-enrolment (AE) system.

While not legislated, Revenue has indicated that a 13-week look-back period is likely to be applied operationally (covering September–November 2025) when identifying employees for auto-enrolment in early December 2025.

What This Means for Employers:

- If you plan to enrol eligible employees in your own company pension scheme (instead of My Future Fund AE), it is strongly recommended to have initial pension contributions processed via payroll by mid-November 2025.
- This ensures that the contributions are visible in Revenue data during the look-back period, reducing the risk of employees being automatically enrolled into My Future Fund.
- Contributions must be made through payroll for the specific employment to qualify for exemption.

⚠ Action Required:

If you intend to establish or use a company pension scheme for eligible employees, contact your pension provider and payroll administrator as soon as possible to ensure the scheme is set up and contributions are processed before mid-November 2025.

Financial Impact: Calculation Examples

Example: Employee Earning €30,000	
Year 1 (2026) €450 1.5% employer contribution	Year 10+ (2035) €1,800 6.0% employer contribution

Budgeting Recommendations

- Conduct immediate financial modelling of contribution impact based on your eligible workforce
- Factor these costs into wage negotiations and long-term business planning
- Consider the impact on competitiveness and total employment costs
- Plan for gradual increases over the 10-year rollout period

Your Action Plan

● URGENT: Now – Mid-November 2025

⚠ **IF moving employees to company pension:** First contributions must be processed by mid-November to qualify for 13-week exemption

- ✓ Conduct legal audit of current workforce and pension arrangements
- ✓ Engage payroll provider to confirm NAERSA system readiness
- ✓ Complete financial modelling of contribution impact
- ✓ Develop employee communication plans

● Phase 2: November – December 2025

- ✓ System testing with payroll provider and NAERSA integration
- ✓ Employee briefings on changes (attend Department webinars)
- ✓ Final workforce analysis and eligibility confirmation
- ✓ Cash flow preparation and budget finalisation
- ✓ Review and update employment contracts if necessary

● Phase 3: January 2026 Go-Live

- ✓ Monitor first payroll runs closely
- ✓ Address any system issues immediately with NAERSA and payroll provider
- ✓ Provide ongoing support for employee queries
- ✓ Maintain comprehensive compliance documentation
- ✓ Watch for NAERSA instructions issued in early December 2025

Technical Requirements & Partners

NAERSA

National Automatic Enrolment Retirement Savings Authority

Based in Letterkenny, Co. Donegal with co-location in Dublin. Handles all eligibility assessments, administration, and oversight. Supervised by the Pensions Authority.

Managed Service Provider

Tata Consultancy Services (TCS)

Appointed as the managed service provider responsible for the provision and operation of the automatic enrolment retirement savings system infrastructure.

Payroll Integration

NAERSA-Compatible Software Required

The Department is working with the Payroll Software Developers Association (PSDA) to ensure all payroll systems are ready. Contact your payroll provider NOW to confirm their readiness and integration timeline.

Investment Managers

Procurement Process Ongoing

Investment managers are being appointed through a tender process. All will be fully regulated by the Central Bank of Ireland and will offer three investment strategies with different risk/return profiles.

AEPN System

Automatic Enrolment Payroll Notification System

Ensures automatic enrolment notifications are sent directly to NAERSA, separate from Revenue PAYE returns. Includes variable direct debit options and an employer portal for administration.

Support & Resources Available

Immediate Actions Required

- Conduct a workforce audit
- Engage with payroll provider immediately
- Begin financial planning and modelling
- Attend Department webinars (register at gov.ie)
- Seek professional HR and legal advice

Professional Support

- Legal counsel: Compliance and implementation advice
- Payroll providers: System integration support
- Pension advisors: Existing scheme optimisation
- PurpleTree HR: Expert guidance and preparation support

Official Resources

My Future Fund Website: gov.ie/autoenrolment Official information, FAQs, and updates

Citizens Information: citizensinformation.ie Employee-focused guidance

Pensions Authority: pensionsauthority.ie Regulatory oversight and supervision

Free Department Webinars & Videos

Information Webinars: The Department of Social Protection runs free information webinars for employers. Thousands of employers have already attended. Register at gov.ie/autoenrollment

YouTube Resources: Playlist of videos explaining how auto-enrolment works, who will be enrolled, contribution rates, and information for both employees and employers. Search "Auto-enrolment explained" on YouTube.

Email Support: autoenrolment@welfare.ie

Critical Reminders

Mandatory Compliance

Employers cannot opt out – compliance is legally required from 1 January 2026

Criminal Liability

Non-compliance leads to fines up to €50,000 and potential imprisonment

Immediate Action

Only 3 months remaining – engage payroll provider NOW

13-Week Deadline

First contributions must be by mid-November for company pension exemption

No Coercion Allowed

Cannot hinder, force, or mislead employees regarding participation

Budget Now

Plan for costs increasing from 1.5% (2026) to 6% (2035) employer contribution

Need Further Assistance?

PurpleTree is here to support you through auto-enrolment preparation and implementation. Our expert team can help with workforce analysis, payroll system readiness, financial planning, and ensuring full compliance.

Contact Us

 **Call us directly:** 1800 787 333

 **Email us:** hello@purpletree.ie

 **Visit our website:** purpletree.ie

Important Disclaimer: This briefing is for information purposes only and does not constitute legal advice. Specific professional advice should be sought for individual circumstances. All information is based on the Automatic Enrolment Retirement Savings System Act 2024 and official government guidance, and is correct as of October 2025.

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Get in Touch Today

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