



IGP Country Profile 2022

Ireland

Prepared by:
Irish Life Assurance plc





Preface

This Country Profile has been prepared by **Irish Life Assurance plc** for the International Group Program (IGP).

The International Group Program (IGP) is a network of major life insurance companies (Network Partners) operating throughout the world, who work together to meet the group insurance and pension needs of international corporations and their affiliates, branches, and subsidiaries.

Since 1967, the International Group Program has been an industry leader in the field of international benefits management, serving more multinational companies than any other network. IGP is represented in around 70 countries throughout the world and is known for the flexibility and quality of service we provide to our clients.

Working closely with our headquarters' staff in Boston, our regional offices in Brussels and Singapore, IGP Network Partners offer corporate clients the advantages of experienced local insurance management coupled with the resources of a professionally trained staff that specializes in international employee benefits.

IGP is managed by John Hancock Life Insurance Company (U.S.A.), the U.S. operation of Manulife Financial Corporation, a leading financial services group based in Toronto, Canada. Manulife offers its clients a diverse range of financial protection products and wealth management services. Both Manulife Financial and John Hancock are internationally recognized brands that have stood for financial strength and integrity for more than a century.

The information contained in the IGP Country Profiles is considered proprietary and any material extracted from a profile must be attributed to IGP.

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Your Local Link to IGP in Ireland: IGP Partner

Irish Life Assurance plc **The IGP Network Partner in Ireland**

Irish Life has been the established market leader in the life and pensions business in Ireland for over 70 years, with over 1,000,000 personal policyholders and over 300,000 pension scheme members. It is one of Ireland's largest investment managers with assets under management of approximately €69 billion (USD 79 billion).

In July 2013, Irish Life became part of the Great West Lifeco group, one of the world's leading life assurance organizations. Founded more than a century ago in Winnipeg, Canada, Great-West Lifeco and its subsidiaries have a record for financial strength, earnings stability and consistently high ratings from the independent rating agencies. The Great-West Life Assurance Company has an A+ (Very Strong) rating for insurer financial strength from Standard & Poor's.

Irish Life has been a major force in the growth and development of pension arrangements in Ireland. It provides an impressive selection of insurance, investment, actuarial, and administrative services for clients, who range from some of the country's largest employers to smaller companies and individuals. Pension plans are specifically designed and regularly updated to reflect the changing needs of clients, with an emphasis on flexibility and reliable service.

Irish Life Corporate Business (ILCB) is a separate division within Irish Life Assurance that is solely focused on the provision of group employee benefit arrangements to employers. ILCB's scale and experience in this business allows it to offer the full range of value-added services. ILCB's main strategic focus is to deliver excellent customer service, and this has been facilitated by the retention of experienced staff through continuing employee satisfaction and engagement programs, and through continuous investment in cutting-edge administration technology.

Irish Life has been an IGP Network Partner since 1972.

Key Products

Insurance

- Group life cover for employees – both lump sum and dependent's pension
- Group Income Protection cover for employees
- Optional supplemental life cover plans
- Group Specified Illness cover plans

Pensions

- Comprehensive administration services for both DC and DB pensions
- Irish Life Investment Managers range of leading investment options including the Irish Life Consensus Fund
- A range of specialist and sectoral investment funds for specialist investors

Social Security Benefits and Customary Private Employee Benefits

Introduction:

With only a few exceptions, all employed persons aged 16 years and over must, regardless of their income, be covered by Pay Related Social Insurance (PRSI). The main classes of employment not compulsorily covered are those involving employment by relatives.

Contributions to PRSI are calculated on an employee's reckonable earnings up to a prescribed ceiling and shared by the employee and employer. Reckonable earnings consist of the employee's gross pay less any superannuation contributions that are allowable for income tax purposes. For the majority of employees, PRSI contributions are collected by the Revenue Commissioners through the Pay-As-You-Earn (PAYE) income tax system. For certain classes of employees, notably those in the civil service and public sector, a reduced rate of contribution is payable for a reduced range of benefits.

In April 1988, the Social Insurance Scheme was extended to include the self-employed; their entitlements consist of old-age, widow's/widower's and orphans' pensions, subject to the normal qualifying conditions that apply to employees.

Historical Background Private Employee Benefits

Prior to the early to mid 1970s, the provision of employee benefit plans was mostly confined to senior employees in larger companies. Around this time and influenced greatly by the practice of the many multinational companies that established subsidiaries in Ireland, there was a huge growth in both the provision and membership of benefit plans. Since then, benefit trends in Ireland have tended to follow those set internationally. Particularly, for example, in the switch from defined benefit plans to defined contribution arrangements.

Private Employee Benefits Scheme Structure

To ensure that appropriate tax relief and regulatory approval are received, a pension scheme must be established under Trust overseen by Trustees. This ensures that the assets of the scheme are solely for the benefit of the members and are kept separate from the assets of the employer. The Trustees can be individual employees or a professional trustee company. Regulations require that where there are more than 50 employees, the employees have a right to involvement in the process for the selection of a number of the Trustees.

Since February 2003, a new personal pension plan, set up in the name of an individual, called a Personal Retirement Savings Account (PRSA), has been available. These are intended as a simple low-cost product to encourage those without pension cover to provide for themselves. However, employers can sponsor PRSAs for employees by agreeing to make deductions from pay to submit to a selected PRSA provider and also by contributing towards them if they wish.

Social Security Contributions:

PRSI contribution (employee ceiling removed)

	%	Income
Employer*	11.05%	No limit
	8.8%	If income is € 410 p/w or less
Employee** (class A1)		
PRSI	4%	No limit**
Universal Social Charge	0.5%	Up to € 12,012***
	2%	The next €9,283
	4.5%	The next €48,749
	8%	The remainder

* Employer PRSI relief on employee pension contributions reduced by 50% from January 1, 2011 and was abolished in January 2012.

** Employees earning € 352 or less p/w are exempt from PRSI. In any week in which an employee is subject to full rate PRSI the first € 127 of weekly earnings are disregarded.

*** Individuals with total income below € 13,000 are not subject to the Universal Social Charge. If you have income of €13,001 you will pay 0.5% on income up to €12,012 and 2.5% on income between €12,012 and €13,001.

Self-employed PRSI (rate change)

	%	Income
PRSI	4%	No limit*
Universal Social Charge	0.5%	Up to € 12,012***
	2%	The next €9,283
	4.5%	The next €48,749
	8%	The remainder < €100,000
	11%	over €100,000

* Minimum annual PRSI contribution is € 500

** Individuals with total income below € 13,000 are not subject to the Universal Social Charge

The various social insurance benefits and the required contribution conditions are outlined below:

In considering the benefits, it should be noted that prior to April 1, 1974, non-manual workers earning more than €2,032 per annum were not required to make compulsory contributions. While voluntary contributions were possible, few persons decided to make them. In considering the contribution requirements for the various benefits, it must be borne in mind that some employees may have started contributions in April 1974.

DEATH BENEFITS											
Social Security Benefits	Customary Private Employee Benefits										
<p>Qualifying Criteria</p> <p>A contributory spouse's pension is payable to the widow/widower, regardless of age, if the contribution conditions are satisfied on either his/her late spouse's insurance, or on his/her own insurance record at the date of his/her spouse's death. The two insurance records may not, however, be combined in order to qualify. The contribution conditions are as follows:</p> <p>a) There must be at least 260 weekly contributions paid between the date of entry into insurance and the date the spouse died or reached pension age.</p> <p>and</p> <p>b) There must be a yearly average of at least 39 weekly contributions paid or credited in either the three or the five tax years before the pensioner died or attained age 66. For the maximum benefit, a yearly average of 48 weekly contributions is required. (Please refer to note above.)</p> <p>or</p> <p>A yearly average of at least 24 paid or credited contributions from the year of first entry into insurance until the year of death or reaching pension age. If this average is used then an average of 24 will entitle the person to a minimum pension. The person will need an average of 48 per year to receive the full pension.</p> <p>Weekly Benefits (effective from March 2018)</p> <p><u>Spouse's Contributory Pension</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Personal rate - under age 66:</td> <td style="text-align: right;">€ 213.50</td> </tr> <tr> <td>Age 66 and under age 80:</td> <td style="text-align: right;">€ 253.30</td> </tr> <tr> <td>Aged 80 and over:</td> <td style="text-align: right;">€ 263.30</td> </tr> <tr> <td>Increase for each dependent child:</td> <td style="text-align: right;">€ 40.00</td> </tr> <tr> <td>Living alone allowance:</td> <td style="text-align: right;">€ 22.00</td> </tr> </table>	Personal rate - under age 66:	€ 213.50	Age 66 and under age 80:	€ 253.30	Aged 80 and over:	€ 263.30	Increase for each dependent child:	€ 40.00	Living alone allowance:	€ 22.00	<p>Lump-sum death-in-service benefits without dependent's pensions are the most common. The usual benefit is a lump-sum of between two and four times annual salary.</p> <p>Where provided, the dependent's pension is usually a spouse's pension equal to 50% of the member's aggregate pension (in defined benefit schemes) with percentage additions for dependent children. In defined contribution schemes the benefit is generally expressed as a fraction of the member's salary (one-third would be the norm). Where dependents' pension is provided, a reduced lump-sum benefit of one time or two times salary is common. Some private plans provide children's pensions of 12.5% of the member's pension, which is doubled if both parents have deceased.</p> <p>Death-in-service benefits (and disability benefits) are usually priced on recurring single premium rates with the larger funds opting for a with profit (dividend) contract in respect of the death-in-service benefits.</p>
Personal rate - under age 66:	€ 213.50										
Age 66 and under age 80:	€ 253.30										
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ILLNESS/DISABILITY BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<p>Illness Benefit A person may get Illness Benefit (until 2006 known as Disability Benefit) if they cannot work because they are sick or ill. The person must be under 66 years of age and covered by social insurance (PRSI).</p> <p>If the person is not entitled to sick pay from work they may get Illness Benefit if they have enough (PRSI) social insurance contributions.</p> <p>A person must apply for Illness Benefit within 7 days of becoming ill. No payment is made for the first six days of illness.</p> <p>To get Illness Benefit a person must have:</p> <ul style="list-style-type: none"> • At least 104 weeks PRSI paid since first starting work • And have 39 weeks PRSI paid or credited in the relevant tax year (a minimum of 13 weeks must be paid contributions*) • Or have 26 weeks PRSI paid in the relevant tax year and 26 weeks PRSI paid in the tax year immediately before the relevant tax year. <p>* If a person does not have 13 paid contributions in the relevant tax year, the following years can be used to meet this condition:</p> <ul style="list-style-type: none"> • The 2 tax years before the relevant tax year, • The last complete tax year, • Or the current tax year. <p>The Relevant Tax Year is the second last complete tax year before the year in which the claim is made. So, for claims made in 2021, the Relevant Tax Year is 2019.</p> <p>The Illness Benefit is equal to € 208.00 per week. If the disabled person has a dependent adult partner, an additional amount of € 138.00 per week will be granted.</p> <p>Invalidity Pension An invalidity pension is payable, instead of a flat rate Illness benefit, to insured persons who have been incapable of work for at least 12 months and who satisfy the contribution conditions, which are as follows:</p> <ul style="list-style-type: none"> • No fewer than 260 weekly contributions must have been paid, and • No fewer than 48 weekly contributions must have been paid or credited in the tax year immediately preceding the year in which the claimant became permanently incapable of working. <p>Normally, before qualifying for an invalidity pension, an insured person will have received illness benefits for at least 12 months.</p> <p>An invalidity pension is payable for as long as the recipient remains permanently incapable of work. Payment may, in fact, continue after age 66, but payment will stop if the claimant is awarded any other pension from the government, except disability pensions.</p> <p>The Invalidity pension is equal to €213.50 per week. If the disabled person has a dependent adult partner, an additional amount of € 152.50 per week will be granted.</p>	<p>Long Term Disability Benefit The customary waiting period is 26 weeks; shorter periods are not generally found.</p> <p>A provision can also be included so that the benefit will escalate at a fixed rate each year (normally 3% per year, restricted to the level of increase in Consumer Price Index if this is lower).</p> <p>When a member is in receipt of a disability benefit, he or she generally continues in the main plan for full pension and death benefits.</p>

MEDICAL BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<p>Health Services</p> <p>Any person ordinarily residing in the Republic of Ireland has either full or limited eligibility for health services, depending on his or her income. Low-income residents, known as “Medical Card Holders,” receive the full range of services at no cost. Other residents have some form of cost sharing.</p> <p>Low-income persons with full eligibility (“Medical Card Holders”) are entitled to the full range of health services:</p> <ul style="list-style-type: none"> • General practitioner services. • Prescribed drugs and medicines. • All in-patient public hospital services in public wards (including consultant services). • All out-patient public hospital services (including consultant services). • Dental, ophthalmic and aural services and appliances. • Maternity and infant care services. This includes the services of a family doctor during pregnancy and family doctor services for mother and baby for up to six weeks after the birth. • A maternity cash grant for each child born. <p>Persons with limited eligibility are entitled to:</p> <ul style="list-style-type: none"> • All in-patient hospital services in public wards (including consultant services) subject to certain charges. • Out-patient public hospital services (including consultant services) subject to certain charges but excluding dental and routine ophthalmic and aural services. However, the latter exclusion does not apply in the case of referrals from a child health clinic or school health examination. • A maternity and infant care service. • A refund of expenditure on prescribed drugs and medicines over € 120 per month. • Drugs and medicines free for the treatment of certain specified illnesses under the Long-Term Illness Scheme. <p>Treatment Benefits Covered Include:</p> <ul style="list-style-type: none"> • Dental Benefit • Optical Benefit (including contact lenses) • Hearing Aids <p>Qualifying Conditions</p> <p>Benefits are available to insured persons who satisfy the contribution conditions. The benefits may in certain circumstances apply to the dependents of insured persons. The contribution requirements for treatment benefits are:</p> <ul style="list-style-type: none"> ➤ Aged under 21 A person aged under 21 may qualify if they have at least 39 contributions paid at any time. 	<p>Coverage by the State is provided for all insured persons. Persons who wish to have access to better facilities than the State allows (e.g., private and semi-private hospitals) can take out personal insurance. It is estimated that at least 30% of the population has some form of supplementary private health insurance. Group schemes can also be set up, and some employers contribute to the cost of private medical insurance.</p> <p>There are currently three insurers in Ireland offering private medical insurance – Irish Life Health, Voluntary Health Insurance Board (VHI) which is a semi-state body, Laya Healthcare.</p> <p>Medical insurance in Ireland is community-rated, which means that health insurers must charge the same premium to everyone in a plan, regardless of the individual’s age or health status.</p>

MEDICAL BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<ul style="list-style-type: none"> ➤ Aged 21 - 24 Between these ages a person may qualify if they have at least 39 contributions paid and <ul style="list-style-type: none"> • At least 39 paid or credited in the governing contribution year (2019 is the governing contribution year for claims made in 2021); • 13 paid contributions in a recent contribution year, or • 26 paid contributions in each of the second and third last contribution years. For claims made in 2021, the second last contribution year is 2019 and the third last contribution year is 2018. ➤ Aged 25 - 65 From the age of 25 onwards, a person must have at least 260 paid contributions and <ul style="list-style-type: none"> • At least 39 paid or credited contributions in the governing contribution year; • 13 paid contributions in a recent contribution year, or • 26 paid contributions in each of the second and third last contribution years. For claims made in 2021, the second last contribution year is 2019 and the third last contribution year is 2018. ➤ Aged 66+ There are special rules for people aged 66 and over. Basically, they must have 260 contributions paid at any time; and must have 39 paid or credited contributions in any of the two contribution years before reaching age 66 and they must have 13 paid contributions in a recent contribution year (recent to reaching age 66). There are, however, a number of exceptions to this: <ul style="list-style-type: none"> - If a person reached 66 before July 6, 1992, they do not need 13 recently paid contributions. - If they reached age 66 before October 1, 1987, they need 156 paid contributions instead of 260; if they reached 66 between October 1, 1987 and July 6, 1992, they need 208 paid contributions. 	

RETIREMENT BENEFITS																					
Social Security Benefits	Customary Private Employee Benefits																				
<p>In order to qualify for this pension:</p> <ul style="list-style-type: none"> • The person must be aged 66, • must have started paying social insurance before reaching age 56 • must have a certain number of social insurance contributions paid • and must have a certain average number over the years since starting to pay. <p>If you reach pension age on or after April 6, 2012, you need to have 520 paid contributions (10 years paid contributions). In this case, not more than 260 of the 520 contributions may be voluntary contributions.</p> <p>The normal average rule states that you must have a yearly average of at least 10 appropriate contributions paid or credited from the year you first entered insurance or from 1953, whichever is later to the end of the tax year before you reach pension age (66). An average of 10 entitles you to a minimum pension; you need an average of 48 to get the maximum pension.</p> <p>The increase for a qualified adult paid with the State Pension (Contributory) is paid at a reduced rate if the personal rate of pension is based on an average of less than 20 contributions.</p> <p>Weekly Benefits (March 2018 rates):</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Personal Rate - under age 80:</td> <td style="text-align: right;">€ 253.30</td> </tr> <tr> <td style="padding-left: 20px;">Increase for a qualified adult under 66:</td> <td style="text-align: right;">€ 168.70</td> </tr> <tr> <td style="padding-left: 20px;">Increase for a qualified adult age 66 or over:</td> <td style="text-align: right;">€ 227.00</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 20px;">Increase for child dependents:</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Each child (subject to income conditions):</td> <td></td> </tr> <tr> <td style="padding-left: 60px;">Child Under 12</td> <td style="text-align: right;">€ 40.00</td> </tr> <tr> <td style="padding-left: 60px;">Child Over 12</td> <td style="text-align: right;">€ 48.00</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 20px;">Living alone allowance for pensioner age 66 or over:</td> <td style="text-align: right;">€ 22.00</td> </tr> </table>	Personal Rate - under age 80:	€ 253.30	Increase for a qualified adult under 66:	€ 168.70	Increase for a qualified adult age 66 or over:	€ 227.00			Increase for child dependents:		Each child (subject to income conditions):		Child Under 12	€ 40.00	Child Over 12	€ 48.00			Living alone allowance for pensioner age 66 or over:	€ 22.00	<p>The usual benefit consists of a pension with the option to commute part of it into cash. Defined Benefit plans are generally on a final salary (average over the last one or last three years) basis, and generally incorporate Social Welfare benefits using the salary offset method (e.g., for a plan providing a maximum pension of two-thirds salary, the offset is 1.5 times the Social Welfare retirement pension). The common pension fraction is one-sixtieth (1/60th), although some plans operate on a fraction of one-eightieth (1/80th). Credit is almost invariably given for full past service prior to the commencement date, even in contributory plans.</p> <p>In recent years, there has been a major move from defined benefit plans to money purchase or defined contribution arrangements. This switch has been accelerated by the introduction of accounting requirements, by the enactment of pension legislation that will impact both funding standards and preservation of benefits and by the effect of lower interest rates and asset values.</p> <p>The usual retirement age is 65. It is usual to provide the same benefits for staff and manual workers although additional "top hat" benefits for senior staff are quite common (either under the main plan by giving augmented benefits or by means of separate arrangements).</p> <p>Commutation of a portion of the pension is usually allowed at retirement up to one and a half times final annual salary (for members with 20 or more years of service at retirement). This benefit is tax-free. The remaining reduced pension is taxable as income in the normal manner.</p> <p>Most plans either provide a spouse's pension as an additional benefit or give the member the right to surrender part of his or her own pension to provide a spouse's pension. The benefit level is usually equal to 50% of the member's aggregate pension in defined benefit plans or one third of the member's salary in defined contribution plans.</p> <p>Increases in pensions in the course of payment can be provided on a guaranteed basis (e.g., 5.0% per annum), or the pensions may be reviewed periodically at the employer's discretion.</p> <p>While it appears that the majority of pension plans in Ireland are still non-contributory, the tendency has been for larger companies to request a member contribution. However, there is no evidence to suggest that contributory plans provide higher benefits. When member contributions are made, they are usually expressed as a percentage (ranging between 3% and 5%) of pensionable salary; i.e., salary less the Social Welfare offset in defined benefit plans, or as a percentage of actual salary in defined contribution plans.</p> <p>The Pensions Act 1990 requires the preservation of benefits for early leavers after two years of qualifying service.</p>
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RETIREMENT BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
	A full range of insured plans, managed funds, and self-administered plans are available. In recent years, there has been a distinct move by larger companies away from the insured, deferred annuity approach. Most medium to large-sized funds now adopt the managed fund approach to investment management, with a limited number of large funds choosing the self-administered route.

Customary Private Retirement Benefits – Additional Information

Pensions Act 1990:

The main purpose of the Pensions Act is to establish standards and provide a regulatory framework for the supervision of pension schemes. The main provisions of the Act are as follows:

Establishment of a Pensions' Board:

The Pensions' Board was established to regulate and monitor the development of occupational pension schemes and their compliance with the legislation. The Board also has an advisory role to the Minister for Social and Family Affairs.

Preservation of Benefit:

Schemes are required after January 1, 1991 to preserve and maintain the pension entitlements of early leavers who meet certain service qualifications. These preserved benefits relate to total service and contributions both prior to and post January 1, 1991.

There are revaluation requirements for preserved benefits under defined benefit schemes, starting from January 1, 1996. The rate of revaluation shall equal the annual rate of increase in consumer prices or 4% per annum, whichever is the lesser.

As an alternative to preserved benefits, members have the right to request a transfer payment to another occupational pension scheme or to a life office annuity contract.

Refunds of members' contributions are prohibited for periods where members are entitled to preserved benefits.

Funding Standards:

Funding standards apply to defined benefit schemes to ensure that, over a period, there are sufficient funds to meet liabilities in the event of the scheme being wound up.

Schemes are allowed ten years to fully fund certain past service liabilities. This is being done by requiring "Actuarial Funding Certificates" to be submitted to the Pensions Board at regular intervals for the purpose of certifying whether or not the scheme satisfies the funding standards at the effective date.

There are limits on self-invested scheme assets and the maximum percentage that can be concentrated in a single investment. These limits do not apply to certain investments including cash, insurance policies, government securities, managed funds, and unit trusts.

Disclosure of Information:

Schemes are required to produce periodic reports and accounts and to disclose a wide range of information to scheme members and other interested parties.

Annual reports, audited accounts, and actuarial valuations are compulsory, with certain exceptions. In addition, member benefit statements must be sent annually to members of defined contribution schemes.

Trustees:

The principle duties and responsibilities of Trustees are outlined as follows:

Social Security Benefits and Customary Private Employee Benefits

- To ensure, in so far as is reasonable, that the contributions payable by the employer and members of the scheme, where appropriate, are received;
- To provide for the proper investment of the resources of the scheme in accordance with the rules of the scheme;
- Where appropriate, to make arrangements for the payment of the benefits as provided for under the rules of the scheme as they become due;
- To ensure that proper membership and financial records are kept;
- If the scheme is wound up, to apply the resources of the scheme in discharging its liabilities without undue delay in accordance with the rules of the scheme.

Member participation in the appointment of Trustees was implemented from January 1, 1994.

The Act also provides that the monitoring body can petition the High Court to remove and replace unsatisfactory Trustees.

The Trustees have a duty to register pension schemes with the Board.

Equal Treatment for Men and Women:

The 1990 Pensions Act set out the principle of equal treatment, which prohibits discrimination on the basis of sex in respect to any matter relating to an occupational benefit scheme.

The actual requirements set out in the Act are equal access to pension schemes, equal treatment in respect to members' personal benefits and contributions, except where different employer contributions are paid to defined contribution schemes for the purpose of removing or limiting differences in benefits and equal retirement.

Regulations provide for the implementation of the principle of equal treatment for men and women in occupational benefit schemes. The regulations implement the following:

- Pension schemes must change their rules to ensure compliance with the principle of equal treatment. Any scheme rule changes required must have retrospective effect to at least May 17, 1990.
- If, after January 1, 1993, scheme rules discriminate between men and women, the more favorable treatment under the rules applied to one sex must be applied to the other, at least in respect of service from May 17, 1990.
- Schemes are permitted to maintain acquired entitlements based on pre-May 17, 1990 service for up to 25 years in the case of retirement ages and for up to 6 years in any other case, without affording similar treatment to persons of the other sex.
- Trustees are now responsible for ensuring that the scheme rules comply fully with the principle of equal treatment, and employers must afford access to the pension scheme on an equal treatment basis.

The implementation of the Pensions Act does not fully resolve the equal treatment issue for pension cases. The recent judgments in the various equal treatment cases have made it necessary to look again at the requirements implemented by the Pensions Act from January 1, 1993.

Finance Acts 1999/2000

These acts introduced new provisions governing the use of pension fund monies available upon retirement to self-employed people and directors of companies who

Social Security Benefits and Customary Private Employee Benefits

hold more than 5% of the shares in their company. The provisions also apply to any funds consisting of voluntary contributions made by employees.

In addition to the existing option of buying an annuity for life, the new provisions also provide the following two options for the categories mentioned:

If these individuals can show that they have a guaranteed income for life from other sources of at least € 12,697 a year, they may take the funds as cash, subject to marginal income tax rate. If they do not have a guaranteed income of € 12,697, they must either invest € 63,487 or the rest of the fund, whichever is lower, in an Approved Minimum Retirement Fund (AMRF) and they can take the rest as cash, subject to income tax. An AMRF grows tax-free, but the capital invested can only be accessed from age 75 and is then subject to marginal tax rate.

Instead of taking the rest of the fund as taxed cash, they can invest it in an Approved Retirement Fund (ARF). An ARF allows the investor flexibility in terms of how to use the fund, from taking a regular income, to random withdrawals or even complete withdrawal for purchase of property for example. The fund grows tax-free but any withdrawals are taxable at the marginal rate of income tax.

Pension Reform 2018-2023

The Irish government has released a 'roadmap' for Pension Reform over the years 2018-2023. The roadmap proposes a comprehensive reform of the entire pension system and details specific measures presented under six strands to modernise the Irish pension system.

Strand 1: Reform of the State Pension - including the 'Total Contributions Approach'

Strand 2: Building Retirement Readiness - A New Automatic Enrolment Savings System

Strand 3: Improving Governance and Regulation - including the EU Pensions Directive 'IORP II'

Strand 4: Measures to Support the Operation of Defined Benefit Schemes

Strand 5: Public Service Pensions Reform

Strand 6: Supporting Fuller Working Lives

Other Social Security Benefits

Maternity Benefit:

Maternity benefit is a payment for employed and self-employed women who satisfy certain PRSI (Pay Related Social Insurance) contribution conditions on their own insurance record. It is only payable if the claimant is insured at PRSI Classes A, E, H, or S. Maternity benefit is normally payable for 26 weeks.

The contribution conditions are as follows:

For employees:

At least 39 weeks PRSI paid in the 12-month period before the first day of maternity leave

Or

At least 39 weeks PRSI paid since first starting work and at least 39 weeks PRSI paid or credited in the relevant tax year or in the tax year immediately following the relevant tax year. For example, if going on maternity leave in 2022, the relevant tax year is 2019 and the year following that is 2021.

Or

At least 26 weeks PRSI paid in the relevant tax year and at least 26 weeks PRSI paid in the tax year immediately before the relevant tax year. For example, if going on maternity leave in 2022, the relevant tax year is 2020 and the year before that is 2019.

For self-employed:

52 weeks PRSI contributions paid at Class S in the relevant tax year. For example, if going on maternity leave in 2022, the relevant tax year is 2020.

Or

52 weeks PRSI contributions paid at Class S in the tax year immediately before the relevant tax year. For example, if going on maternity leave in 2022, the tax year immediately before the relevant tax year is 2019.

Or

52 weeks PRSI contributions paid at Class S in the tax year immediately following the relevant tax year. For example, if going on maternity leave in 2022, the tax year immediately following the relevant tax year is 2021.

If a person is now self-employed but was in insurable employment before becoming self-employed, the PRSI contributions (Class A, E and H) in that employment may help the person qualify for Maternity Benefit if a person does not satisfy the self-employment conditions as stated above.

Standard Rate: € 250.00

Paternity Leave was introduced in September 2016. With effect from 1 September 2016, new parents (other than the mother of the child) are entitled to statutory paternity leave of 2 weeks following birth or adoption of a child. It must be started within the first 6 months following the birth or adoption placement.

Social Security Benefits and Customary Private Employee Benefits

Occupational Injuries Benefit:

Benefits are payable under the Occupational Injuries Scheme to insured persons who are injured in the course of their employment, or to those who contract certain occupational diseases. The benefits payable under the scheme are injury benefits, disablement benefits, medical care, and survivors' benefits.

Injury Benefit:

Payment of injury benefits is normally made from the 4th day of incapacity.

Injury benefits are paid while the insured person remains unfit for work, but the maximum period for which they can be paid is 26 weeks commencing with the date of the accident or onset of the disease.

Injury Benefit (weekly rate):

Personal Rate:	€ 208.00
Increase for a dependent adult:	€ 138.00
Increase for each dependent child:	€ 40.00

Disablement Benefit:

From 2011 if you have 100% disablement, your maximum personal pension is € 239.

A lump sum may be payable up to a maximum of € 15,670 from 2011.

If you have between 20-90% disablement, your maximum personal pension is as follows:

Level of disablement	Weekly Payment in 2022
-90%	€ 215.10
-80%	€ 191.20
-70%	€ 167.30
-60%	€ 143.40
-50%	€ 119.50
-40%	€ 95.60
-30%	€ 71.70
-20%	€ 47.80

Up to 19% disablement: a lump sum may be payable.

Disablement benefit is a long-term means-tested weekly allowance made to people with a disability from the age of 16 onwards. The disability must be expected to last at least a year and allowance is subject to medical suitability.

Benefits are paid weekly:

Personal Rate:	€ 208.00
Person with adult dependent:	€ 138.00
Increase for each dependent child:	€ 40.00

Additional allowances may also be paid in certain circumstances.

Medical Care:

The occupational injuries insurance scheme covers the cost of medical care reasonably and necessarily incurred as a result of an occupational accident or disease to the extent that these expenses are not already met under the provisions of the State.

Survivors' Benefits:

When an insured person dies, as a result of an occupational accident or disease, death benefits under the Occupational Injuries Scheme may be payable. The death benefit includes a spouse's pension or gratuity, orphan's pension, dependent parents' pension, and funeral grant. Death benefits may also be payable to dependents of a person, if at the time of his/her death he/she was in receipt of a disablement pension of 50% or more, regardless of the cause of death.

Social Security Benefits and Customary Private Employee Benefits

Social Assistance Benefits:

Social assistance benefits are payable, subject to a means test, to persons who have no insurance or who have insufficient insurance to satisfy the contribution requirements for insured benefits or who have exhausted their entitlement to insured benefits. Generally, the rate of benefit payable is slightly less than the minimum rate of contributory insured benefits.

Jobseekers Benefit:

In order to qualify for Jobseeker's Benefit, a person must pay Class A, H or P PRSI contributions. Class A is the one paid by most private sector employees. Class H is paid by soldiers, reservists and temporary army nurses, who do not qualify for Jobseeker's Benefit until they have left the army.

At least 104 weeks PRSI paid since starting work
And

Have 39 weeks PRSI paid or credited in the relevant tax year (a minimum of 13 weeks must be paid contributions*)

Or

Have 26 weeks PRSI paid in the relevant tax year and 26 weeks PRSI paid in the tax year immediately before the relevant tax year.

* If a person does not have 13 paid contributions in the relevant tax year, the following years can be used to meet this condition:

- The 2 tax years before the relevant tax year
- The last complete tax year,

Or

- The current tax year.

The Relevant Tax Year is the second last complete tax year before the year in which the claim is made. So, for claims made in 2022, the Relevant Tax Year is 2020.

There are a number of circumstances in which a person will be awarded credited contributions.¹ For example, pre-entry credits are given when a person starts employment for the first time in their working life. However, a person will only qualify for Jobseeker's Benefit when they have 104 contributions actually paid. Credits are also normally awarded while a person is getting certain social welfare payments, including Jobseeker's Benefit (provided it is for 6 days), Jobseeker's Allowance or Illness Benefit.

Contributions a person has paid in other member states of the EU/EEA will be added to the Irish contributions. If a person is applying for Jobseeker's Benefit and needs the contributions paid in another EU/EEA country to help them qualify, then the last contribution must have been in Ireland.

Capable of work:

A person is capable of work unless they can prove otherwise. They must produce medical evidence to prove that they are not able to work. If they have spent some time incapable of work, they must produce a final medical certificate to prove that they are now fit for work.

If they are ill and incapable of work, they may be entitled to Illness Benefit¹.

Available for and genuinely seeking work:

A person must be available for work and actively looking for work to qualify for Jobseeker's Benefit. A person may be asked to show evidence that they are actively seeking work. For example, letters showing job applications or failure to get a job.

¹Additional information is available at:
<https://www.citizensinformation.ie/en/social-welfare/>

Social Security Benefits and Customary Private Employee Benefits

Unavailable for work:

A person can be regarded as not being available for work and not entitled to Jobseeker's Benefit (JB) if they put unreasonable restrictions on the following:

- The nature of the employment
- The hours of work
- Rate of pay
- The duration of the employment
- The location of the employment

In any case where a Deciding Officer is of the opinion that they have placed unreasonable restrictions, they will be interviewed and given the opportunity to respond.

Loss of employment:

A person must have suffered a substantial loss of employment in any period of six consecutive days in order to be eligible for Jobseeker's Benefit. This means, they must have lost at least one day's employment and as a result of this loss be unemployed for at least 3 days out of 6 days. Earnings must also have been reduced because of the loss of employment. A person may be disqualified from getting Jobseeker's Benefit for 9 weeks if they:

- Left work voluntarily and without a reasonable cause
- Lost their job through misconduct
- Refused an offer of suitable alternative employment or suitable training
- Are aged under 55 and get a redundancy payment of more than €50,000. The exact length of disqualification (up to nine weeks) will in practice, depend on the precise amount of redundancy payment received - see below.

Work and Jobseeker's Benefit:

To get Jobseeker's Benefit a person must be unemployed or have lost at least one day's employment and as a result be unemployed for at least 3 days out of 6 days. They may continue to get Jobseeker's Benefit if they can only find part-time or casual work.

Sample Employee Benefit Plans

Retirement Pension Plans:

Pension formula is normally 1/60th of final salary for each year of service (maximum pension limited to two-thirds of final salary), integrated with State benefits. In the case of staff employees, it is fairly common to provide a spouse's pension of 50% in the event of the member's death during retirement. Pension increases are provided in only a minority of cases.

Retirement Pension Plan - Pharmaceutical Firm

Eligibility:	Full-time, permanent employees over age 25, under age 65 after one year of service.
Normal Retirement Age:	Age 65, males and females.
Pensionable Salary:	Salary, less a reduction for Social Security benefits, equal to 1½ times the single life Social Welfare benefit.
Pensionable Service:	40 years maximum, males and females.
Retirement Benefits:	N/60ths of final pensionable salary, where: N = pensionable service. Final pensionable salary = average of the best three consecutive pensionable salaries in the last ten years.
Early Retirement Benefit:	Per revenue regulation.
Pre-Retirement Death Benefit:	
Lump-sum:	A lump-sum amount equal to four times salary (plus a refund of contribution). Interest, if applicable, is added to the benefit (in cases where there is a delay from date of death to date of benefit payment).
Spouse's Pension:	50% of member's aggregate pension.
Post-Retirement Death Benefit:	
Spouse's Pension:	50% of member's pension.
Children's Pension:	20% of spouse's pension per child up to a maximum of three children. Benefit doubled on death of spouse. Payable to age 18, or age 21 if student, or for life if disabled.
Orphan's Pension:	Continuation of spouse's pension ceasing at age 18 or age 21 if in receipt of full-time education or if mentally or physically handicapped.

Sample Employee Benefit Plans

Group Life/Insurance Plans:

Lump-sum benefits of three to four times salary for married members and two times salary for single members are common in the case of staff employees. A spouse's pension may be provided, normally at the rate of 50% of the member's pension or one-third of the member's salary.

Group Life Insurance Plan - Food Products

Eligibility:

- Executives: All full-time permanent employees who are members of the executive management team, or report directly to a member of that team.
- Staff: All full-time permanent employees.

Benefits are effective immediately on joining for both categories of employees.

Death-in-Service Benefit:

- Executives: A lump-sum amount equal to three times annual salary.
- Staff: A lump-sum amount equal to two times annual salary.

Income Protection Plans:

Mostly provided for non-manual employees. The usual benefit is the member's projected pension at retirement, or two-thirds of salary less twice the single person's social welfare disability benefit. Normally, benefit becomes payable after a waiting period of 26 weeks.

Employee Contributions:

Most plans are contributory. When a plan is contributory, it is normally at a rate of between 3% to 5% of pensionable salary (i.e., salary less Social Welfare offset) in defined benefit plans, or a percentage of actual salary in defined contribution plans.



Sample Employee Benefit Plans

Sample Group Life, Pension and Disability Plan - Computer Software Firm

Eligibility:

- Retirement Benefits: Full-time permanent staff employees and employees who work at least 20 hours per week and are at least 18 years of age.
- Death Benefits & LTD (Salary Protection): Same as above; however, members must be under 65 years of age.

Death Benefit:

An amount equal to four times annual salary.

Aggregate Pension:

The plan is defined contribution. The benefit on retirement is based on the accumulated fund available. Members have the option to take a tax-free sum of up to one and one half times final earnings with the balance being used to purchase an annuity for themselves and their dependents. The format of the benefit purchased only needs to be decided on retirement.

Spouse's Pension:

One third of member's salary.

Orphan's Pension:

Continuation of spouse's pension.

Disability Benefit (Salary Protection):

Two-thirds of salary less two times the single person's state disability benefit, deferred over 26 weeks, 5% escalation and premium protection of 12.5% of pensionable salary.

Contributions:

Employer pays 8% of salaries for pensions and employees pay 5%. Employees have the option to voluntarily pay additional contributions up to an aggregate limit of their own contributions of 15% of salary.

The employer pays the cost of the death and disability benefits in addition to the pension contributions.



Useful Links

Citizens' Information – Health, Social Welfare
& Employment

<https://www.citizensinformation.ie/en/>

Demographic information:

[CIA World Factbook](#) (please select the country to review)

Macro-Economic indicators:

[CIA World Factbook](#) (please select the country to review)

More information on the IGP Network Partner:

[IGP – Your Local Link in Ireland](#)

Corporate:

www.irishlife.ie

Investments:

www.ilim.ie