Auto enrolment pension – My Future Funds – info for Employers.

The Minister for Social Protection has announced that the collection of contributions for the auto-enrolment system, called MyFutureFund, will begin from 1 January 2026.

The Department of Children, Disability and Equality held a bespoke service provider online session to provide information for the ELC and SAC sector on Monday 3rd November. The link to the recording is here: https://youtu.be/0y5oNbuPxl4

Automatic enrolment rules

- Auto-enrolment is a new employment right, each employer has the responsibility to ensure that all eligible employees have access to the scheme.
- Staff aged between 23 and 60;
- Staff not currently part of a pension plan;
- Staff who earn €20,000 or more per year, both an employer's and the Government's contributions are capped at €80,000 gross annual salary;
- Employer contributions will be deductible for corporation tax purposes.

Frequently Asked Questions

Do family or small companies have to implement Auto-enrolment?

All companies with employees in Ireland, regardless of size or structure, will have to facilitate the auto-enrolment scheme for **employees** who meet the eligibility criteria and for those who wish to opt in.

What's in place to ensure employees aren't under pressure from employers to opt out?

Employers who prevent their employees from joining the scheme, or who force their employees to opt out or suspend contributions, may be prosecuted and will be subject to fines and penalties. Withheld or underpaid contributions will attract interest payments. The Workplace Relations Commission will be responsible for dealing with cases where employees are hindered from joining auto-enrolment and/or are penalised for doing so. NAERSA will also publish a list of employers who have been convicted of non-compliance.

Does an employer have to make contributions if an employee opts out of the scheme?

Once enrolled there will be a 6 month period before staff can opt out, if an employee opts-out or suspends contributions, this will also mean employer contributions are suspended.

Does an employer have to make contributions if an employee is not being paid (e.g. service is closed outside of 'term time')?

If an employee is not being paid, and is therefore not making contributions, employer contributions are not required.

Do I have to enrol my employees on the employer portal?

No, all an employer has to do is register their company details and set up a payment method on the employer portal through the MyFutureFund website (MyFutureFund).

The portal will remain open for employers to register at all times, however, to make sure that employers are ready to begin making contributions in time for the launch of MyFutureFund on 1 January, you they should ensure that they have completed their registration in advance. In the case that they have not completed the company profile or setup a payment method in advance of contributions being due, they will run the risk of fines, penalties and potential prosecution.

As with the bulk of the administration associated with MyFutureFund, NAERSA will take care of individual employee registration. NAERSA will consume payroll data from Revenue and run the eligibility checks. When NAERSA has identified an employee as meeting all of the eligibility criteria, NAERSA will enrol them and send an updated Automatic Enrolment Payroll Notification (AEPN) to their employer's payroll to notify them of their enrolment. All the employer will have to do is apply the AEPN when running payroll.

If an employee falls outside of the age and earnings threshold but still wants to opt-in, NAERSA will handle this as well. In this case the employee will contact NAERSA directly, either online or through the contact centre. As an employer you won't have to know about your employee's intention to opt-in, and they will have the same rights and protections that they would if they had been automatically enrolled. NAERSA will issue an AEPN in the same way as they do for employees that are automatically enrolled.

Will I have to tell my employees when they've been enrolled?

Under the auto-enrolment legislation, employers are obliged to inform their employees when they have first been enrolled, and to inform them of the date of enrolment. To make this as easy as possible for employers, welcome letters for employees, containing their enrolment date will be available on the employer's secure mailbox on the employer portal. Employers will be able to download these and send them to their employees to notify them of their enrolment.

The welcome letters have been designed to comply with the legislation. By using these letters, employers can be sure that they are meeting their legal obligations to inform employees of their enrolment.

From 1 January, employees will also receive a detailed welcome letter to their secure mailbox. However, this letter will not negate the obligation on employers to inform their employees of their enrolment.

Who is considered an employee for the purposes of auto-enrolment?

An employee for the purposes of auto-enrolment is the same as an employee for tax and PRSI purposes. It is a worker who works for and is paid by an employer, and is not self-employed.

Will Community Employment, Job Initiative, Rural Social Scheme or Tús participants be enrolled in Auto-enrolment?

Participants of Community Employment, Job Initiative, Rural Social Scheme or Tús schemes will not be eligible for the auto-enrolment scheme.

Will Community Employment, Job Initiative, Rural Social Scheme or Tús Supervisors be enrolled in Auto-enrolment?

Supervisors in the Community Employment, Job Initiative, Rural Social Scheme or Tús schemes will be automatically enrolled once they meet the eligibility criteria.

Will company directors be enrolled?

This depends on the PRSI class that you are contributing as a company director. If you pay PRSI as an employee and meet the eligibility criteria, then you will enrolled. But if you are registered as self-employed then you will not be eligible.

Will new employees be auto-enrolled straight away?

There are no waiting periods for the auto-enrolment scheme. New employees who have an earnings record with Revenue where they have earned €20,000 or more in a year will be automatically enrolled. For new employees who have no previous earnings record or a gap between their previous and new employment, enrolment may take up to 13 weeks while it is established if they will likely meet the earnings threshold.

Will I have to tell my employees when they've been enrolled?

Under the auto-enrolment legislation, employers are obliged to inform their employees when they have been enrolled, and to inform them of the date of enrolment.

How will self-employed people be identified?

PRSI classes will be used to exclude self-employed people from auto-enrolment.

Will employees who have opted for cash in lieu instead of joining a pension scheme be enrolled?

If these employees don't have pension contributions paid through the payroll and if they meet the age and income eligibility criteria, they will be automatically enrolled.

Will employees who have a pension in another country but are paid through payroll in Ireland be enrolled?

If data provided to the Revenue Commissioners in Ireland does not show active pension contributions and they meet the age and income eligibility criteria, they will be automatically enrolled.

How will the employee's salary be assessed for eligibility?

Any income reported in the gross pay field on payroll will be assessed. For some employments, it will be clear on ‘Day 1’ that an employee meets the minimum earnings criterion. For others, it might take up to 13 weeks for NAERSA to apply a ‘look back’ at an employee’s earnings in a pay reference period.

Will employers have to contribute to personal pensions now?

No, there are no plans to force employers to contribute to personal pensions if that is outside the terms and conditions of your employment. It will be mandatory for employers with eligible employees to contribute to automatic enrolment when it is launched.

What if employers already have a pension scheme in place for their employees?

Any existing pension scheme will run in parallel to auto-enrolment. Any employees that have a record via payroll of either employee contributions and/or employer contributions will not be enrolled in the scheme.

Can employers automatically enrol employees in their existing company pension scheme?

The auto-enrolment legislation does not provide for employers to automatically enrol their employees into their existing pension scheme. That is a matter for employers and trustees of their pension schemes. Essentially, it depends on the employment contract you have set with your employees.

Will employers still have to provide access to a PRSA?

The Automatic Enrolment Retirement Savings System Act 2024 Act does not affect existing legislation, so you will still have an obligation to offer access to a PRSA for employees who wish to avail of it.

Do existing schemes need to meet standards to be exempt?

No, once there is a pension contribution paid through payroll from an employee or employer, the employee will be deemed as having pension coverage already and won’t be enrolled with respect to that employment. However if you have another employment for which you are not contributing to a pension through payroll, you may be enrolled in respect of that employment.

By the end of year six of the operation of the auto-enrolment scheme, at the latest, standards for the exemption of existing pension schemes will be developed with the assistance of the Pensions Authority.

If an employee opts out do employers still need to pay their contribution?

You won’t have to keep paying employer contributions if your employee opts out of the scheme. When the employee is re-enrolled, a new payroll notification will be available and all contributions will start again.

If an employee is earning over €80,000 across multiple employments (for example two employers paying €50,000 each), how does each employer know how much to pay?

NAERSA will issue the Automatic Enrolment Payroll Notification (AEPN) through payroll software to both employers as normal. When the employee reaches the income threshold of €80,000 within the tax year, the payroll notification to both employers will be updated to reflect that no further contributions are to be paid. A new payroll notification will issue at the start of the next tax year to restart contributions if the employee still meets the eligibility criteria.

Do employers have to also pay contributions for employees who choose to opt in?

Yes, employees who choose to opt in will be treated the same as those who are automatically enrolled, and that means the employee, employer and State will contribute the set rates as outlined above.

Do the contribution rates for my existing scheme have to match the contribution rates under auto-enrolment?

No. The set contribution rates only apply to the auto-enrolment scheme. However, by the end of year six of the operation of the auto-enrolment scheme, at the latest, standards for the exemption of existing pension schemes will be developed with the assistance of the Pensions Authority.

What is included in the definition of salary or earnings for auto-enrolment?

An employee's gross earnings will be assessed for the income threshold and for the calculation of contributions.

How will contributions be paid?

Employers will pay employee and employer contributions directly to NAERSA. It is anticipated that different methods will be available, including variable direct debit. Employers will be able to set this up on the employer portal. More information will be made available closer to launch date.

Will there be additional employer returns to be made by employers or will all the pension deduction information be processed through existing Revenue PAYE returns?

As an employer you will need to make a separate return through payroll directly to the National Automatic Enrolment Retirement Savings Authority. Information on how this process will work will be made available to employers closer to go-live.

The calculation of contributions will be made through your existing payroll software.

Do we need a broker to manage auto-enrolment for us?

No, auto-enrolment will be administered by a central body, the National Automatic Enrolment Retirement Savings Authority, so there is no need to engage the services of a broker.

Will State funding for the ELC and SAC sector increase to cover the cost of auto-enrolment?

Core Funding has increased annually, starting at €259 million in 2022 of which €210.8 million was entirely new funding to the sector, and now exceeding €390 million for the current and fourth year of the scheme. This is an increase of over 50% since the scheme began in September 2022. The additional funding is supporting further capacity growth, the maintenance of a fee management system to benefit families and significant improvements to pay and conditions in this valued sector.

The base rates in Core Funding have been developed using the various components associated with the cost of delivery of service provision such as; staff pay and conditions, including contact and non-contact time, holiday pay, sick pay and other employer costs such as pension contributions; administrative staff/time and non-staff overhead costs. These components have been factored into the calculation of the budget for Core Funding since the scheme began in 2022.

Although, the cost of delivery components such as improvements to staff pay have been used to derive the base rates the eligible areas of expenditure of the Core Funding grant are much broader. Partner Services can choose how to spend their Core Funding grant in accordance with the approved areas of expenditure outlined in the Funding Agreement.

There will be no further increases to the Core Funding allocation for the current programme year, which finishes in August 2026. However, Minister Foley announced further investment in Core Funding in Budget 2026 which will take effect from September 2026. The additional funding being made available in 2026 will see the allocation for Core Funding in the next programme year which begins in September 2026 increase to almost €437 million. That is an additional €44 million on the current full year allocation, or an 11% increase. This increased investment will support the sustainability of the sector while maintaining Core Funding affordability measures for families. Full details of Core Funding 2026/2027 will be made available to the sector in 2026.

In addition to the increased level of Core Funding for year 4 of the scheme and signalled in Budget 2026, there are wider financial supports available from the Department where a service is experiencing financial difficulty or has concerns about their viability, which can be accessed while remaining within Core Funding.

The Department offers Sustainability Funding to services where issue/s have been identified through the Case Management process that have the potential to have serious consequences for their viability. As part of the Case Management process, in which local City or County Childcare Committees (CCCs) assist services with issues and difficulties that arise, the CCC may refer Core Funding Partner Services facing difficulties to Pobal and the Department to be considered for Sustainability Funding.

Sustainability Funding is intended to prevent significant issues that threaten the viability of a service from occurring in first instance, and any service seeking these supports should contact their City or County Childcare Committee.

For further information on auto enrolment please see the links below

- gov.ie - Auto-enrolment (www.gov.ie)
- Auto-enrolment explained - YouTube
- gov.ie - Auto-enrolment: Your questions answered (www.gov.ie)
- Auto-enrolment latest news and events
- MyFutureFund

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