

Embargo: midnight, Wednesday 28 April 2004

Slow but steady progress for PRSA uptake

Dublin, Thursday 29 April 2004: The cumulative asset value of Personal Retirement Savings Accounts (PRSAs) is now in excess of €41 million, Pensions Board Chief Executive, Anne Maher told a conference of the Irish Insurance Federation (IIF) today (Thursday).

However, the Pensions Board chief issued a cautious warning that in spite of steady progress on PRSA uptake, total pensions' coverage could still fail to meet the national target of 70% of the workforce by 2006 – and that could cause Government to consider further mandatory options for employers and employees as recommended by the Board in its report on the National Pensions Policy Initiative.

Addressing the IIF conference's theme 'Closing the Irish Savings' Gap', Ms Maher said that the cumulative value of assets in PRSAs to 31 December 2003 is €41,006,543.10; the total number of PRSA contracts sold at that time is 19,022 with the vast majority being Standard PRSAs; the total number of employers who have designated a PRSA provider is 58,770. Figures for end March 2004 will be available next week.

Ms Maher commented that the first PRSA products were approved on 24 February 2003 and there are now 10 PRSA providers and 56 PRSA products – 23 Standard and 33 Non-Standard. While she told the conference that this represented a good supply of providers and products, the difficult environment for all pensions and savings products for the last couple of years made for a slow but steady start for PRSA uptake.

The Pensions Board chief commented that these figures reflected an early point in a long process in striving for a national goal of increasing pension coverage in Ireland from 50% to 70% of the workforce. According to Ms Maher, "the latest numbers represent a reasonable start in a difficult environment."

Monitoring of employers in relation to providing access to PRSAs is a high priority for the Board in 2004. From April of this year the Social Welfare PRSI Inspectorate will assist with the compliance process in which 10,000 inspections per annum are expected. However, Ms Maher told the IIF conference that employees are the best monitors of PRSA access. She said the Board would continue to encourage all employees in the workforce who do not currently have a pension to ask their employer about access to one. The Board operates a LoCall phone line at 1890 656565 and employees can call this number for information.

The Pensions Board is currently running a National Pensions Awareness Campaign, aimed at heightening public awareness of pensions with a view to increasing pensions uptake. In this context a range of information booklets is available free of charge from The Pensions Board.

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About PRSAs

A PRSA is a contract between an individual and an authorised PRSA provider in the form of an investment account that can be used to save for retirement. It is a personal pension plan where the contributions paid in are tax deductible and the investment return is tax exempted. There are two types of PRSA - a Standard PRSA and a non- Standard PRSA.

About the Pensions Board

The Pensions Board is the statutory body set up to regulate occupational pension schemes and PRSAs and to advise the Minister for Social and Family Affairs, and through her, the Government, on overall pension policy development.

Public Information

The Information Unit at The Pensions Board can be reached at the LoCall number 1890 656565 or on info@pensionsboard.ie The Pensions Board's website address is www.pensionsboard.ie.

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