

Announcement by Minister Coughlan on pensions and PRSAs

Mary Coughlan, Minister for Social and Family Affairs, announced today (Thursday, 24 October) that from 1 January next, employers will be obliged by law to pay over pension contributions to the trustees of pension schemes within 21 days of the end of the month in which they are made. "These provisions will afford basic consumer protection to pension scheme members", she said.

The Minister also announced that employers will be required by law to provide access for their employees to Standard PRSAs (Personal Retirement Savings Accounts) from next summer (definitive date will be announced in due course). The Pensions Board will be accepting applications from providers of PRSA products from 11 November and it is hoped that the first PRSAs will be available early next year.

The new PRSA products will be approved and regulated by The Pensions Board and the fee structure in this regard will be as follows:

- a once off fee of €20,000 upon application for approval of one product,
- a once off fee of €5,000 upon application for approval of any additional product,
- an annual fee of €2,000 per registered PRSA product, and
- an annual fee of 0.05% of the PRSA assets under management by the provider.

In addition, the Minister has accepted a recommendation from The Pensions Board to increase its fee in respect of occupational pensions regulation to €9.50 per member from 1 January next year. The current fee of €6.35 has been in place since January 1998. There were 98,000 schemes and 670,500 members at 31 December 2001. These can vary from schemes catering for single members to those catering for hundreds.

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