

Head Office: Liberty Hall, Dublin 1. Tel: 01-8749731 Fax: 01-8748642

Public Relations Official: Barbara Kelly E-mail: publicrelations@siptu.ie

Head of Publications & Public Relations: Séamas Sheils E-mail: siptupublications@eircom.net

National Women's Forum

For immediate release: Monday June 18th 2001

For the attention of the News Editor, Economic, Business and Industrial Correspondent

WOMEN WORKERS LACK ADEQUATE PENSIONS COVERAGE

Less than one in three women working in the private sector are covered by occupational pension schemes, according to Anne Maher, Chief Executive of the Pensions Board. Describing the figure as frighteningly low at only 31%, she pointed out that throughout the economy as a whole only 43% of women workers are covered by an occupational pension as opposed to 58% of men.

"This is partly due to the kind of industries and occupations women work in, and in particular to the number of women who have part time or contract employment which has a low level of pension coverage," she said.

"It is also due to the old view that the man was the 'bread winner' and would provide the main source of income and pension for his family. And while younger women nowadays tend to assume that they will be working and earning and supporting themselves, at least till they have a family and a home, they still do not necessarily think about pensions.

Ms. Maher pointed out that current pension arrangements are generally less well suited to women since they tend to be based on long term contracts appropriate to people who will be working continuously for about forty years. Those who come and go in the workforce tend to face higher costs because of the initial and ongoing charge structures which operate.

The Pensions Bill 2001, to be published this month, will introduce a new pensions vehicle called the Personal Retirement Savings Account (PRSA) which "will be a low-cost, easy-access, long-term personal investment account available to all.

"The PRSA is a radical attempt to help those who are not already in pension arrangements to make provision for their retirement. It is intended to be particularly suitable for women, part-timers, contract workers and those in lower-paid employment.

"The new Pensions Bill will also introduce universal access to pensions for all employees," she added. "An employer who is not operating a pension scheme or whose scheme limits membership eligibility or imposes a waiting period will be obliged to provide access for his employees to at least one Standard PRSA. The employer need not contribute but, at the request of the employee, is obliged to make deductions from payroll in relation to PRSA contributions by the employee. This will mean that every employee in Ireland should have easy access to a pension arrangement and, having got that access, must be facilitated in maintaining it."

The Pensions Board has also recommended that the Government sponsor a pension awareness campaign to provide independent information "to encourage people to consider their own pension situation while there is still time to do something about it."

On the pensions position of part-time workers, Anne Maher pointed out that although many part-time workers have been denied access to company pension schemes, the recent EU Directive on part-time work requires that part-time workers be treated no less favourably than their comparable counterparts. The Irish legislation to give effect to this principle is to be enacted shortly.

"This will mean that if an employer provides a pension scheme for its full-time workers, then access to the scheme must also be possible for comparable part-time workers, unless exclusion can be justified on objective grounds. This is an important change for women because three quarters of part-time workers are women," she added.

ANNE MAHER is Chief Executive of The Pensions Board. She is a Board member of the Health Insurance Authority and of the Irish Accounting and Auditing Supervisory Authority. She is also a Board member of the Review Board established by the Accountancy Foundation in the UK and an Irish representative on the EU Pensions Forum. She is a law graduate from University College Dublin.

For more information contact
Anne Maher, Chief Executive, The Pension's Board,
Phone: 01 6393622
-end-