



An Bord Pinsean -  
**The Pensions Board**

Authority for Pensions

### **Press Release**

## **64,000 employers questioned by The Pensions Board**

**Thursday 2 September 2004, Dublin:** The Pensions Board today issued 64,000 letters and questionnaires to employers who do not have an Occupational Pension Scheme registered with The Pensions Board or who appear to have failed to sign up with a Personal Retirement Savings Account (PRSA) Provider to ensure their staff have access to a Standard PRSA.

In today's letter, Head of PRSAs at The Pensions Board, Philip Dalton, explains that as part of the Board's statutory responsibilities "we are writing to employers identified from our database as possibly having *excluded employees*, to ascertain whether they are compliant with this legal obligation."

Under pensions' legislation, all employers were required by 15 September 2003, to have entered a contract with a PRSA Provider so that access to at least one Standard PRSA would be available for all excluded employees on and from that date.

A key area of concern for The Pensions Board is among small employers particularly in the services, hospitality, retail and farming sectors where there is a higher proportion of part-time and seasonal employees with little or no tradition of pension provision.

The employers questioned have been requested to complete and return the straight forward questionnaire consisting of five questions, which demonstrates their compliance with the law or to clarify their position. Setting a deadline of 30 September 2004 for response to its statutory enquiry, Mr. Dalton warns employers that failure to comply with their pension obligations is a criminal offence that could lead to possible significant criminal sanctions.

In September 2003, the Board adopted a PRSA Compliance Strategy (available on the Board's website) which sets out, inter alia, the procedures for dealing with 'whistle-blow' reports received by the Board. Under this strategy the Board is carrying out random and targeted monitoring of employers who do not have occupational pension schemes registered with the Board and who have not designated a PRSA provider for their excluded employees. Monitoring of employers in relation to providing access to PRSAs is a high priority for The Pensions Board in 2004.

In addition, Social welfare inspectors have recently been empowered to carry out checks on employers to ensure they are either providing a pension scheme for their employees or facilitating access to a PRSA. These powers allow Social welfare inspectors who are carrying out an examination or inquiry in relation to PRSI to also determine whether an employer is compliant with the pensions legislation and where necessary to report issues of non-compliance to The Pensions Board. It is envisaged that some 8,000 employer inspections will be carried out each year.

**What happens when an employer does not comply with the statutory requirements to provide access to a Standard PRSA?**

*Failure to comply with the legislation in relation to employer obligations is a criminal offence and could result in a fine of up to €12,700 and/or up to 2 years imprisonment.*

The most recent quarterly figures released by The Pensions Board in early August 2004 demonstrated a continuous steady increase in uptake in PRSAs by employees. However, against the backdrop of a national policy objective of driving pension coverage from 50% to 70% of the workforce, the Board continues to give a high priority to monitoring of employers' obligations.

An analysis done by the Board shows that where employers have signed up with a PRSA provider, there is an increased effort on the part of pension providers to get employees involved in making provision for their retirement.

The Board continues to encourage all employees who do not currently have a pension to ask their employer about access to one. The Board operates a Lo Call phone line at 1890 656565 and the public can call this number for information or log onto The Pensions Board website - [www.pensionsboard.ie](http://www.pensionsboard.ie).

Ends/

**Editor's notes:**

1. The complete text of The Pensions Board letter, and accompanying questionnaire, is attached below.
2. The National Pensions Awareness Campaign 2004 (N-PAC) will stage a *National Pensions Awareness Week* from 13 to 19 September, a joint communications initiative targeted at key groups with low pension coverage supported by the social partners and pension providers.
3. Media queries should be made to:

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**Sample of the letter:**

**FAILURE TO COMPLY WITH PENSIONS LEGISLATION IS A CRIMINAL OFFENCE AND COULD RESULT IN A FINE OF UP TO €12,700 OR EVEN A PRISON SENTENCE**

Dear Employer,

By law, all employers are required to enter a contract with a PRSA Provider so that access to at least one Standard PRSA is available for all "*excluded employees*". *Excluded employees* are:

- ☐ Employees of an employer who does not offer an occupational pension scheme, or
- ☐ Employees included in an occupational pension scheme for death in service benefits only, or
- ☐ Employees included in an occupational pension scheme that does not permit the payment of additional voluntary contributions, or
- ☐ Employees who are ineligible to join the occupational pension scheme and who will not, under the rules, become eligible to join the scheme for pension benefits within 6 months from the date they commenced employment.

The Pensions Board is the statutory body whose responsibilities include enforcing employers' compliance with their legal obligation under Part X of the Pensions Act, 1990 as amended, to provide pension access for *excluded employees*. As part of this responsibility, we are writing to employers identified from our database as possibly having *excluded employees* to ascertain whether they are compliant with this legal obligation.

**Failure to comply with the legislation in relation to employer obligations is a criminal offence and could result in a fine of up to €12,700 and/or up to 2 years imprisonment.**

The Pensions Board is requesting employers to answer the **Questionnaire** below and return the completed form in the freepost envelope provided.

To avoid a Pensions Board audit and possible future criminal proceedings please complete and return the questionnaire by **30 September 2004**.

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PHILIP DALTON  
Head of PRSAs

**Questionnaire**

Employers PPSN:

Please fill in Employers PPSN in the space provided above, if available.

Please tick appropriate boxes

Q1 Do you have an occupational pension scheme (scheme) ☐ Yes ☐ No  
that provides a pension for all your employees at retirement?

Q2 Are there any restrictions on entry/eligibility into the scheme? ☐ Yes ☐ No

Q3 Is there a facility for all members of the scheme to ☐ Yes ☐ No  
pay Additional Voluntary Contributions (AVCs)?

Q4 Have you entered into a contract with a PRSA provider to ☐ Yes ☐ No  
give employees access to a Standard PRSA?

Q5 If you have entered into a contract with a PRSA provider, ☐ Yes ☐ No  
have you notified your employees of this contract?