Auto Enrolment Webinar

1st October 2025 @ 12PM

This webinar will start shortly

3 Key Concepts

Before we begin our discussions of the project known as "Auto Enrolment" lets break it down into 3 simple concepts

1 - MyFuture Fund: A new retirement savings scheme (pension) that will be open to all employees in Ireland between the ages of 18 and 65.

2 - NAERSA: A new state body who will administer MyFuture Fund

3 - Auto Enrolment: The process by which NAERSA will automatically enrol employees, aged between 23 and 60, earning more than €20,000 per annum and who do not have their own private pension deducted through payroll. Employees who are not automatically enrolled by NAERSA into MyFuture Fund will be able to enrol themselves.

What is Auto Enrolment (AE)?

- Auto Enrolment is a new retirement savings system for employees that will be introduced on 1st January 2026.
- It is primarily aimed at private sector employees who do not have their own private pensions.
- It will be known as **MyFuture Fund**.
- It will be administered by an independent statutory authority called **National Automatic Enrolment Retirement Savings Authority** (**NAERSA**)

Are all Employers required to operate Auto Enrolment?

- YES - From 1st January every employer in the State will be required to regularly check with NAERSA to if they have any employees who are enrolled in MyFuture Fund.
- This verification should be performed by every employer at the beginning of every payroll run.

Who will be Automatically Enrolled?

Employees will be automatically enrolled if they:

- Are aged between 23 and 60.
- Earn more than €20,000 per year.
- Don’t have any Pension or PRSA contributions reported to Revenue via Payroll.
- Paying PRSI at Class A, B, C, D, H & J.

Who will <u>NOT</u> be Automatically Enrolled?

- Self Employed people.
- Community Employment participants.
- Employees paying CWPS contributions.
- Employees who pay PRSI @ Class S or M.
  - Class S would include certain company directors
  - Class M applies to certain employments including private pension payments.

How much are the contributions?

The initial rates for 2026, 2027 and 2028 are as follows

- The Employee will contribute 1.5% of Gross Pay
- The Employer will contribute 1.5% of Gross Pay
- The State will contribute 0.5% of Gross Pay

Contributions will cease for earnings in excess of €80,00 per annum

How much are the contributions?

The rates will increase every 3 years until the rate reaches 6%

AE Rate	2026 - 2028	2029 - 2031	2032 – 2034	From 2035
Employee	1.5%	3%	4.5%	6%
Employer	1.5%	3%	4.5%	6%
State	0.5%	1%	1.5%	2%

Are AE contributions tax allowable?

- No, AE contributions are not tax allowable.
- AE will be deducted from the employee’s Net Pay
- The employee will receive a “Top-Up” contribution from the State
- For every €3 that employee contributes, the State will contribute €1

Identifying Employees to Auto Enrol in MyFuture Fund

- The National Automatic Enrolment Retirement Savings Authority (NAERSA) will be responsible for identifying employees who will be Auto Enrolled.
- The Employer has no choice in the matter.
- NAERSA will receive a weekly feed of payslips from Revenue

Identifying Employees to Auto Enrol in MyFuture Fund

- NAERSA will receive a weekly feed of payslips from Revenue.
- Using this data NAERSA will identify the following employees
  - Paying PRSI at Class A, B, C, D, H & J
  - Does not have any Pension/PRSA contributions on their payslips
  - Has annual earnings of more than €20,000 per annum across all employments.

How Does NAERSA determine if you earn over €20,000 per annum?

- NAERSA will continuously analyse payslips on a rolling 13 week basis and where an employee has earned more than €5,000 in that 13 weeks the employee will be Auto Enrolled.
- NAERSA will start analysing 13 weeks of payslips from the last quarter of 2025 in order to identify employees who will be enrolled for 1st January 2026.
- Once an employee is enrolled they will not be removed from the scheme, even if their Gross Pay drops below €5,000 in another 13 week period.

How will Employers interact with NAERSA?

- Payroll Software using your ROS Digital Certificate to;
  - Receive an “Automatic Enrolment Payroll Notification” (AEPN) file which lists all employees who have been Auto Enrolled.
  - Make statutory return of contributions collected.
  - This Payroll Interface is operated by NAERSA and is completely separate from the Revenue Payroll interface (RPNs and Payroll Submissions)
- Tax Agents and Accountants will be able to access their clients AE data using their own Agent Certificates.
- An online Employer Portal

The Automatic Enrolment Payroll Notification (AEPN)

- This is the instruction from NAERSA to the Employer for each employee who is Auto Enrolled.
- It is very similar in concept to the Revenue RPN.
- Employers must check for AEPNs at the start of every Payroll Run
  - Identify any new employees who have been enrolled
  - Identify any employees who have opted out or suspended AE
- Employers must inform employees when they have been Auto Enrolled – This will be handled by the Payroll Software

The Calculation

The calculation of both the Employee and Employer AE contribution is straightforward

- Employee Contribution = Gross Pay @ 1.5%
- Employer Contribution = Gross Pay @ 1.5%

The Employee Contribution is not tax allowable and is deducted directly from Net Pay.

Gross Pay

- Gross Pay for the AE calculation is the Gross Pay as reported to Revenue on your Payroll Submissions.
- It includes items such as BIK and Share Based Remuneration.
- Gross Pay is the amount of pay before any salary sacrifices are taken.

Submitting AE Contributions to NAERSA

- Employers will make a Contribution Submission to NAERSA similar to the Payroll Submission that they make to Revenue.
- This Contribution Submission will list all the individual AE contributions collected.
  - It does not include employees who are not enrolled, or employees who are enrolled but have zero pay
- The Contribution Submission must be filed on or before the date of payment of wages to the employee – similar to Revenue.

How are Contributions Collected by NAERSA?

- Employers will be required to register their Bank Details with NAERSA via the Employer Portal when the scheme commences.
- Tax Agents / Payroll Bureaus will be able to register their client employers.
- Employers are liable to pay the contributions to NAERSA on the date of the payslip.
- NAERSA will generate a SEPA Direct Debit file every night for all payslips dated that day, and payment will be collected from the employers in 1 or 2 days when the banks have processed the DD

Can I make Corrections to my Payroll?

- NAERSA will allow employers to correct their submissions up until 6:30PM of the payment date of the employee. That is the Payment Date as reported to NAERSA for each payslip.
- Corrections cannot be made to any payslips once this 6:30pm threshold has passed.
- One exception is where your correction results in an increased AE contribution. In this case you may submit a new contribution for the additional contribution collected.
- Payslips cannot be deleted after the 6:30PM threshold

How will it work in Payroll?

- CollSoft Payroll will provide a seamless process for Auto Enrolment;
  - Payroll uses your existing ROS Digital Certificate to interface with NAERSA
  - Payroll will automatically check for AEPNs when you check for RPNs
  - Payroll will generate notification letters for employees who have been enrolled.
  - Calculations will be carried out automatically by the software. Employers will have no discretion in the calculation or enrolment process.
  - Payroll will automatically file your AE Contribution Submissions as part of the existing Payroll Submission process.

The €80,000 earnings threshold

Remember that Gross Pay includes BIK, Share Based Remuneration and does not allow for Salary Sacrifices.

The €80,000 threshold for contributions refers to gross pay earned in a calendar year. Once an employee has reached the €80,000 gross pay threshold in a given year, they will cease to make contributions on earnings **after** the pay period in which the threshold is breached. This means that there will be scenarios where contributions (both employer and employee) are paid on gross pay above €80,000.

The €80,000 earnings threshold

- *Example*
- An employee paid monthly, reaches €79,500 annual gross pay to date in September.
- The next payroll submission shows their gross pay to be €2,000 in October.
- Their annual gross pay-to-date is now €81,500.
- NAERSA will take and invest the employer and employee contributions on the €2,000 gross pay reported in October.
- NAERSA will create a new AEPN at this point which will be available in payroll for the next pay run.
- The new AEPN will include a contribution rate of 0% so that no further contributions are to be paid in that calendar year.
- When the new calendar year starts a new AEPN will be available in payroll with the prevailing contribution rate to be applied.
- There will be no refunds on the contributions paid on the €1,500 above the €80,000 gross pay threshold.

Employee Opt-Outs

- Employees can choose to “Opt-Out” of Auto Enrolment, however, they can only do this once they have been enrolled for at least 6 month, and not more than 8 months.
- Employees will receive a refund of their own employee contributions, however the contributions of their employer and the State will remain in their fund.
- Once an employee has opted out, they will be automatically re-enrolled again in 2 years still meet the eligibility criteria.
- Employers cannot ask or force employees to opt out.
- NAERSA will issue a new APEN to relevant employers indicating that the employee has opted out and applies a contribution rate of 0%

Employee Suspension

- An employee can suspend (pause) their AE contributions at any time after the first 6 month.
- The employee will not receive any refunds of their contributions.
- All contributions including the Employer and State contribution will be suspended.
- Employees who suspend their contributions must wait 12 months before they can recommence them.

Employee's right to Opt-in

- Any employee who is over the age of 18 and is under pensionable age has the right to Opt-In to MyFuture Fund as long as their employment is not an exempted employment (e.g. Community Employment).
- Employee will Opt-in via the Employee Portal.
- NAERSA will issue an AEPN to all relevant employers.
- Employers cannot refuse an employee who has Opted In

When will CollSoft Payroll be ready for AE?

- CollSoft Payroll 2026 will be fully integrated with the NAERSA direct B2B API.
- Integration will be seamless with existing online Revenue processes.
- Payroll 2026 will be released early in December 2025.

Useful Links

- Official Auto Enrolment Information Page
- Official Auto Enrolment Videos (YouTube)
- Business Process Guide
- Legislation

Questions & Answers