Auto Enrolment Webinar

Hosted By

Jason Collins	CollSoft Limited
Peter McElroy	Investor Care Limited
David Bell	The HR Department

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 have been enrolled in MyFuture Fund.
- CollSoft Payroll will automatically check with NAERSA at the beginning of every payroll period

Who will be Automatically Enrolled?

Employees will be automatically enrolled if they:

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

Who will NOT 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 do not have to enrol employees.
- NAERSA will receive a weekly feed of payslips from Revenue (every Thursday night)

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?

- Through their Payroll Software using your ROS Digital Certificate to;
  - Download AEPN File. (This file lists all employees who have been auto enrolled)
  - Perform Calculation
  - Make electronic Submission to NAERSA on or before the date of payment to the employee
- The process is very similar to how employers interact with Revenue.
- CollSoft Payroll will provide seamless integration via the existing payroll process.
- Tax Agents and Accountants will be able to access their clients AE data using their own Agent Certificates.
- An online Employer Portal

Do employers need to register with NAERSA?

- Yes, employers will need to initially register with NAERSA via the NAERSA Employer Portal Website.
- Provide some basic employer information;
    - Company Name
    - Company Trading Name (Optional)
    - Business Sector
    - Number of employees (user selectable range)
    - Method of communication (electronic by Secure Mailbox or paper by Post)
    - Language for communication – English/Irish
    - Company Address

Do employers need to register with NAERSA?

- Primary Contact
  - Firstname, middle name, surname
  - Telephone number
  - Email address
- Payment Method
  - Direct Debit – payment will be collected by NAERSA automatically by direct debit a shortly after the employee's payment date.
  - Debit/Credit Card – payment must be made manually by the employer on or before the employee's payment date. If the employer does not make the payment by 6:30PM on the employee's pay date then they may face interest and penalties.

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 Salary, Overtime, Bonuses, Commission, BIK and Share Based Remuneration.
- Gross Pay is the amount of pay before any salary sacrifices are taken.

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.

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 between the ages of 18 and 65 can choose to opt-in regardless of income provided that they are not;
  - In a Community Employment
  - In an employment where they already make a pension contribution through payroll (CWPS, Pension, PRSA)
  - Are not PRSI Class S or M
- 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

Item	Auto Enrolment @6%	Company Pension
Basic Salary	Yes	Yes
Overtime	Yes	Possibly not
Bonus	Yes	Possibly not
Commission	Yes	Possibly not
BIK – Company Car	Yes	Possibly not
BIK – Share based remuneration	Yes	Possibly not
BIK – Health Insurance	Yes	Possibly not