

National Pensions Summit 2025

Key Takeaways

February 2025

A better life with Irish Life



Introduction

Thanks to so many of you for joining us at the 2025 National Pensions Summit!



Oisín O'Shaughnessy,
Managing Director, Employer Solutions at Irish Life

It was great to see our industry out in force, ready to learn, share and reconnect.

As hard as it can be to block out the time to attend events like these – especially in January – your feedback tells me it was more than worthwhile. The agenda was jam packed and the breadth of insights and expertise on stage was incredible; I certainly walked away feeling invigorated and enlightened.

With incredibly strong engagement on the day, you were keen to tell us which items on the agenda mattered most to you! So, now we'll focus on those, which included:



**Key things to
know about Auto
Enrolment (AE)**



**Closing the Gap: Redefining
women's pension journeys to
level the playing field**



**Engaging members:
Competing for attention
in a busy world**



**AI: Leveraging AI
Solutions in the
world of pensions**



**The Big Switch:
The master trust
journey continues**



**Trump 2.0
and Investment
Markets**

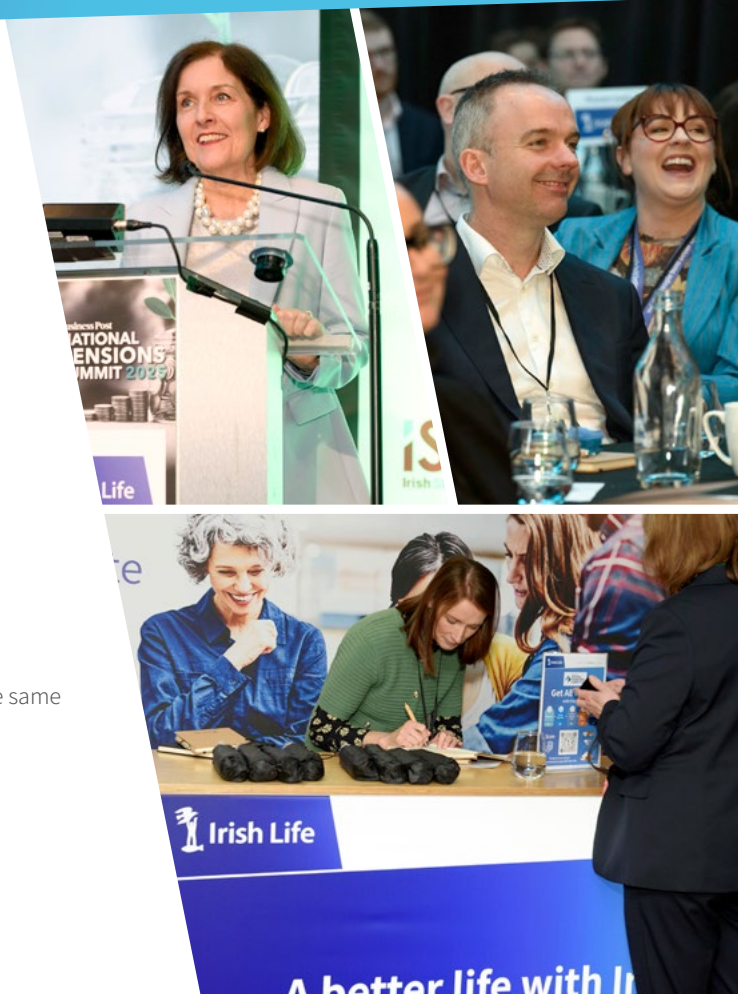


Key things to know about Auto Enrolment (AE) in 2025

AE Challenges on the horizon

AE will put pensions in the spotlight this year and boost pension coverage significantly, which is great for the industry and the country. However, our experts see some challenges ahead:

- More men than women will be included, due to the €20,000 minimum earnings threshold.
- In most cases, existing workplace plans will be the most beneficial option for employees versus the AE model, so many firms are looking to get as many employees as possible into the existing plan before the AE rollout.
- While AE will vastly improve coverage, it will not deliver adequacy, which is a concern.
- The differential between the AE model and existing workplace plans is likely to create confusion, likely to drive questions and employee support requirements in workplaces.
- Looking to the UK experience raises particular issues:
 - Many AE savers will think that simply 'having a pension' is enough, which will not be true for the majority; yet no member support is built into the AE model to help people understand what their pension is likely to provide for them later in life.
- Though the auto-inclusion default will mean most people will stay in rather than opting out, we may also see coverage increase below the threshold too as people actively opt in, which can raise affordability challenges. 1/5 of people in UK financially vulnerable categories were found to be saving into a pension when they possibly needed to prioritise other expenses. In Ireland, the data shows that the financially vulnerable (Quintile 1 and 2) here are less likely to be impacted, though the experts say it does need to be monitored.
- While in the UK AE has increased coverage from 1/3 to 70% and removed all differentials like age, gender etc. over time, the Irish AE model poses challenges from a gender perspective and will likely bake in the Gender Pension Gap over time due to issues like:
 1. The salary bar in the eligibility criteria will exclude more women than men.
 2. No flexibility in contributions or capacity to pay Additional Voluntary Contributions (AVCs) will limit women's capacity to make up for any gaps, as will a mandatory retirement age.
- While new hires can be auto-opted into a workplace plan going forward, the same amendment is not always applicable to the existing workforce.






Closing the Gap: Redefining women's pension journeys to level the playing field

The key drivers of the gender pension gap are the gender pay gap and women taking more time out of work than men, often to fulfil caring responsibilities. Women face very specific challenges throughout their careers and savings journey. Data driven insights from the panel included:

6 years
Women in Ireland take an average of
out of work over their careers ¹



47% of men feel that women are appropriately remunerated
v just 27% of women ⁶



71%
of women have taken a career break at some point in their working life ²

Women are facing a **confidence issue** when it comes to pensions and finances ⁷



60%

of women (v 40% men) expressed the need to work on post-retirement ³



Women are 2X

as likely to be in the lower earnings category, while men are almost 2X as likely to be in the higher earnings category ⁵



Proactivity is closely linked to larger pension funds, with people making AVCs looking at

150%
larger pension funds ⁸



68%



of women (v 32% men) said they will be heavily reliant on the state pension, showing women are paying a real price for the gap ⁴

Women find it **hard to prioritise their personal finances** over competing priorities ⁹



The panel agreed that advocacy, awareness and education are central to close the gap and early intervention is key. Gender specific messaging and 1-1 support was highly recommended.

Workplaces and providers need to focus on female financial empowerment and boosting women's financial literacy to build confidence and position women to take control of their financial futures.

When female focused supports are offered, demand is strong. All 1000 spaces in Irish Life's recent Women & Pensions webinar were taken up overnight and another 777 spots filled up as soon as they were made available.



The compounding nature of pensions means the earlier the gap in savings,

the bigger the impact.

This is underscored by women living longer,

with women 50% more likely

to experience old age poverty ¹⁰





Engaging members: Competing for attention in a busy world

When it comes to getting the time and attention of our members, we are not just competing with other providers, banks, or Bitcoin. The competition is far more serious; Instagram, TikTok, and Netflix. So, how do we cut through the noise? Our experts highlighted 5 key focus areas in the member space for 2025:

1. Personalisation is key

Member communications need to be personalised to compete for people's attention. Personalisation is expected now and makes content more relevant and compelling.

Messaging often needs to be tailored for specific audiences such as:

- Men and women
- Deferred and active members
- Groups with different pension sources
- People at different retirement journey stages

Managing expectations is also important, so messaging needs to be appropriately positioned; people need to be able to quickly understand who the content is designed for and what it will deliver.

2. Access: A mix of touchpoints and formats is crucial

Simply 'having a pension' is rarely enough to deliver a dream, or even adequate, retirement, so people need to be engaged along the way and helped to understand what they have and what they are aiming for.

We need to meet people where they are, making it easy for them to engage by offering support in multiple formats and on channels that they want to consume, from video content, webinars and on-site seminars, to 1-1s and face to face as well as one-to-many formats.

Offering members the opportunity to avail of 1-1 support is crucial, given the complexity of the subject matter, combined with the intensity of the competition for member's attention.

3. Leveraging insights: the cornerstone for future success

Organisations invest heavily in pensions as part of their people strategy, so providers need to be able to demonstrate performance tracking to evaluate the Return on Investment, both for their business and their workforce.

Data and insights around how the communications programme is performing and how well members are engaging with it is crucial to ensure the programme continuously evolves in line with the organisation's needs.

4. A holistic focus: financial wellness to benefit members and employers

The cost of living crisis means employees are facing funding challenges in their life after work, yet people who feel more in control of their finances are more satisfied, healthier and more productive. A holistic focus is needed in workplaces to benefit both employers and employees.

Setting goals and objectives across the financial spectrum can provide clarity, a renewed focus and sense of control, positioning people to contend better with any challenges along the way.

5. A universal industry challenge: earlier engagement

As an industry, we need to start engaging people earlier on the journey.

Education and a focus on boosting financial literacy in the early days is key to ensuring that people have the building blocks needed to make informed life decisions along the way.

The industry needs to innovate to deliver here, possibly looking to international markets to learn from recent experiments with social media and influencers (like Scottish Widows on TikTok and the Gemma Collins campaign) to start thinking and engaging people differently.



AI: Leveraging AI Solutions in the world of pensions



John Lonsdale,
CEO, CeADAR, Ireland's Centre for AI

John Lonsdale of CeADAR, Ireland's Centre for AI, shared his insights on leveraging AI successfully, posing that it is essential to ensure you are using the right tool in the right way for the right job. The 5 key layers that go into an AI solution include: enabler, big data, AI methods, use test cases and finally the business layer.

When a business is adopting AI, senior leadership needs to decide what the objective is, what it is that the business wants to achieve and then layer in the technology that addresses that goal.

Pension specific challenges that AI could be leveraged to address include member engagement, product complexity and regulatory compliance.

Potential uses of AI in the wider financial services industry include:



Investment portfolio management: trend tracking, forecasting, portfolio balancing



Advisor tools and training: augmentation tools, digital personas and call assistants



Customer education: interactive programmes and product compliance



Enhancing interactions and transparency



Identifying weaknesses in compliance

AI adoption hinges on companies getting innovative and identifying key focus areas and ways to use AI. Focus areas could include delivering productivity gains through process automation or augmenting the workforce or increasing customer demand through enhanced propositions.

A new AI act will focus on transparency rules for all and risk management, classifying different levels of risk and eradicating those deemed unacceptable.



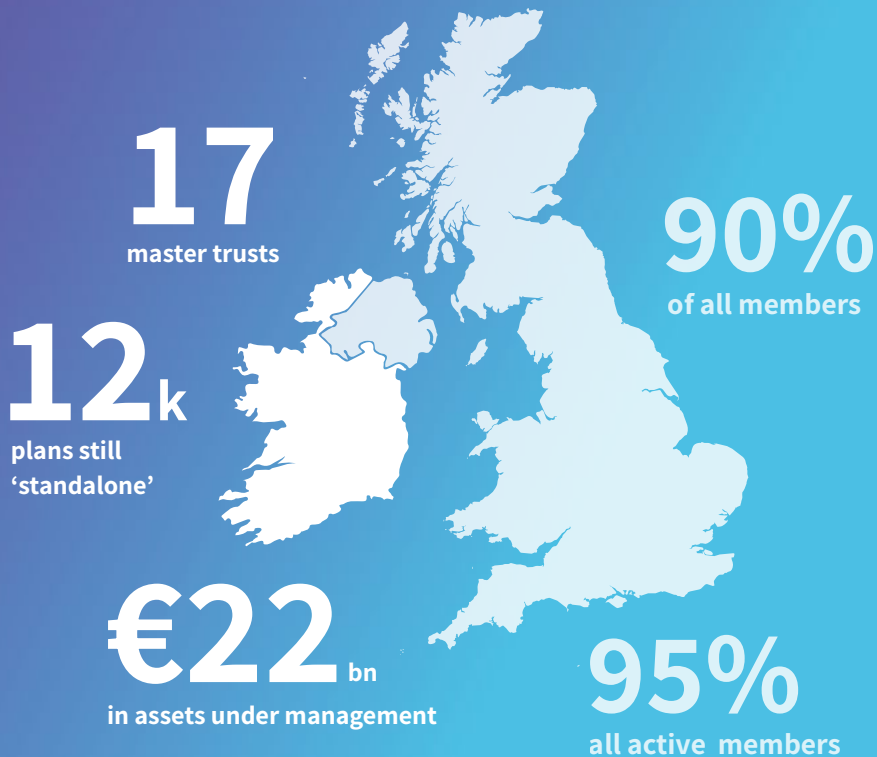


The Big Switch: The master trust journey continues

Master trusts in the UK now account for **90% of all members** and **95% of active members**. 80% of all members are now in the Top 5 Master trust plans, with further consolidation expected. Investment strategies are a key focus, with a wave of innovation forecasted now, designing to and through strategies.

In Ireland, most recent Pensions Authority figures show we have **17 master trusts**, holding **circa €22bn in assets**. **12,000 plans are still 'standalone'**, though most remaining plans are small, without dedicated pension resources and are likely to ultimately be picked up in master trust. Some larger standalone plans have adopted a wait and see approach, with the intention to make the switch eventually, once they understand the market and key players better.

Master trust enhancements and innovations are setting a high bar, particularly in the area of member experience, and experts forecast that standalone plans are likely to find themselves under pressure to keep up. This, combined with the inevitable switches from smaller and larger standalone plans, makes significant further consolidation likely in 2025.





Trump 2.0 and Investment Markets

US President Trump is likely to dictate the global economic agenda as the America First policy agenda sets the tone for the year ahead. Policies aimed at domestic US growth such as tax cuts, deregulation and tariffs are likely to bolster US economic dominance. Some of the campaign promises won't translate, so some concerns will dissipate as his term gets underway.

We are net positive overall on the global economic picture, which investors should benefit from, led by strong US. However, tariffs may mean the rest of the world could potentially be weaker economically.

That fragmentation could lead to some volatility in investment markets and will not set the scene for a smooth journey for investors over the next couple of years, particularly in light of the chaotic nature of administration and decision making.

Staying invested and diversified will be key to mitigate those risks and bouts of volatility.



Be a fox, not a hedgehog

To round off the day, our lock note from Dr Maureen Gaffney focused on getting older, wiser and happier and still becoming your best self, with some really thought-provoking insights from her work as a clinical psychologist.

Though much of her content focused on how to live and age better, I found a lot of the lessons she shared could easily be adapted to guide best practice in business and the workplace, like:

**Why trust is so much easier to lose than gain.
So, do no harm!**

The power of harnessing emotional connection because while facts can convince, feelings actually motivate.

How closeness can be built through psychological availability, a safe haven and a secure base.

Why resilience is essential.

As an industry focused on helping people build better futures, another highlight centred around the importance of treasuring the gap between the age you are and the age you feel. We could all take a lesson from that!

The key thing I took away from the locknote was:

“Be a fox, not a hedgehog!”



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Information correct as at February 2025.

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