

8 MORE YEARS?

Gender Pension
Parity 2024



Foreword

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



“While the Gender Pay Gap gets plenty of attention across the globe, the Gender Pension Gap is lesser known, despite the Pension Gap being much larger. The answer simply cannot be women staying on and working for 8 more years¹ while the men around them retire.

As a leading pension provider in the Irish marketplace, Irish Life started the Pension Parity conversation in Ireland back in 2019, finding that salary disparity and time out of the workforce were the two main drivers of the Gender Pension Gap. This new report reaffirms those 2 key drivers and finds their current values - a 22% salary disparity² and 6 years out of the workforce³ - in combination now give rise to a Gender Pension Gap of 36%⁴. Looking at it through a different lens, this means a woman would need to contribute for 8 years longer than a man to accumulate the same pension pot.

Since 2019, we have implemented pension specific policies within our own organisation to mitigate the gap at source. So, we are in a unique position to continue to lead this conversation and support other organisations in finding solutions to help their people build better and equitable futures.”

“

The answer to achieving Gender Pension Parity simply cannot be women staying on and working for 8 more years while the men around them retire.

Oisín currently leads Irish Life's Employer Solutions business, delivering an extensive workplace benefit portfolio to corporate clients and their people. He is a qualified actuary, with 25 years industry experience in pensions and life assurance.

A strong advocate for all aspects of diversity and inclusion, Oisín also strives to position Irish Life to 'walk the walk' and really live its purpose of helping people to build better futures. Irish Life first started the Irish Pension Parity conversation back in 2019. Oisín is determined for Irish Life to continue to lead this conversation and drive the change that is needed to close the pensions gap.

Foreword

Teresa Kelly-Oroz

Group Company Secretary and Head of Public Policy
at Irish Life



“With Auto Enrolment on the horizon, there has never been a better time to gender proof the world of pension policy. As a market leader in this space, Irish Life is well positioned to shine a light on this issue and keep this conversation going. The solutions are clear. We need to arm our women with the knowledge to make informed choices and we need to provide corporates with the tools to make progress at an organisational level. However, support from state policy makers will also be crucial in closing the gap.”

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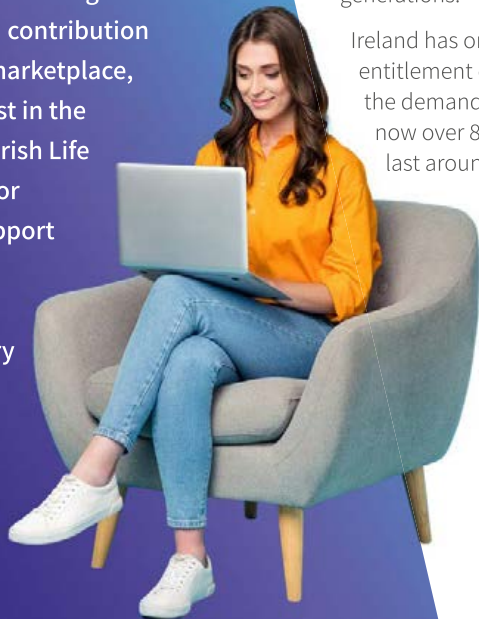
**Support from state policy makers will
also be crucial in closing the gap.**

Teresa led a key workplace policy change within Irish Life, which was designed specifically to address the Gender Pension Gap at source and was instrumental in helping Irish Life become an early signatory to Ireland’s Women in Finance Charter. Most recently, she presented Irish Life’s view on the proposed Auto Enrolment scheme to the Oireachtas Committee on Social Protection, with a particular focus on the scheme’s implications for women.

Teresa is a qualified barrister with a degree in Law and European Studies and a master’s in European Union Law. She is also the former chair of the Diversity and Inclusion Task Force for Insurance Ireland.

Executive Summary

As a major provider of pension, investment, savings and protection products in Ireland, a key facet of Irish Life's purpose is to help all people - regardless of gender - to build better financial futures. Our data and insights as the leading provider of defined contribution pension plans in the Irish marketplace, with the largest master trust in the country uniquely position Irish Life to identify trends, to look for answers and to provide support in remedying the Gender Pension Gap, which faces companies in every industry across Ireland.



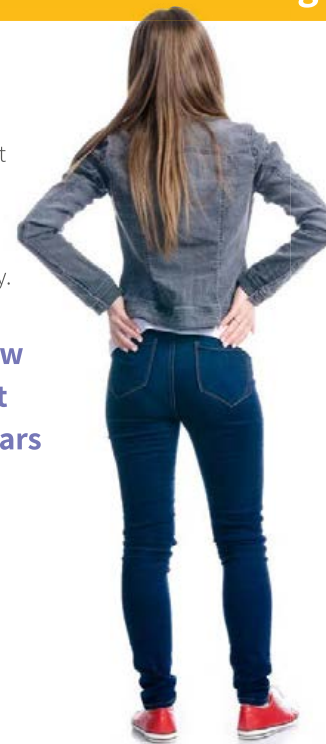
In our 2019 Gender Pension Parity Report, we first embarked on an in-depth analysis of the issues contributing to the Gender Pension Gap. Five years on, this new report takes a fresh look at the issue and explores some additional factors relevant to and impacting Gender Pension Parity today.

The Gender Pension Gap is very clearly related to Gender Pay Disparity. While Gender Pay Disparity is far more widely known, the Gender Pension Gap is in fact much larger because it is compounded over time. So, it's clear that there is still a lot of work to do in driving this Pension Parity conversation, in raising awareness and in finding robust solutions at societal, corporate and individual levels to remedy the issue, both for current and future generations.

Ireland has one of the highest retirement ages in the world, as state pension entitlement doesn't kick in until 66⁵, which may even have to rise further to meet the demands of an ageing workforce. The average life expectancy in Ireland is now over 84 years for women⁶, which means that the retirement phase will last around 20 years for those retiring at 65. Maintaining adequate living standards over these two decades is a major challenge for many.

The average life expectancy in Ireland is now over 84 years for women, which means that the retirement phase will last around 20 years for many.

While Gender Pay Disparity is more widely discussed, the Gender Pension Gap is in fact much larger



Executive Summary (cont'd)

Defined Contribution (DC) pension outcomes are primarily determined by three things:



- 1 how much someone saves or contributes into a pension plan
- 2 how long they save for
- 3 the investment return they earn

Our report examines these factors, contrasting men and women's behaviours across them, and considers the impact this could have on final pension outcomes.

When it comes to making pension contributions, the good news is our research finds no major differences in the ages that men and women begin saving into their pension, or in the percentage amount that they contribute⁷. Our findings also show no meaningful impact of any behavioural differences between men and women in their investment behaviour.

Our 2019 report found two main drivers of the Gender Pension Gap: salary disparity and time out of the workforce. Reaffirming those key drivers, this new report finds their current values - a 22% salary disparity and 6 years out of the workforce - in combination give rise to a Gender Pension Gap of 36%. This report also finds that this gap means a woman would need to contribute for an incredible 8 years longer than a man to accumulate the same pension pot.

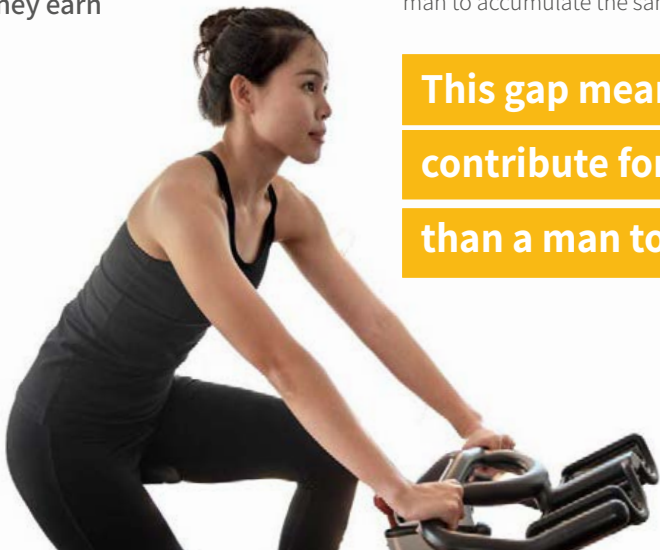
This gap means a woman would need to contribute for an incredible 8 years longer than a man to accumulate the same pot.

22%  **6 years** 
 > salary disparity out of the workforce

Our latest findings also add a new layer to the narrative.

By examining the extensive behavioural data that we have at our fingertips, we find that men are more likely to take certain actions, such as making additional voluntary contributions (AVCs) and are more likely than women to use the digital tools available, such as the Irish Life Pension Portal. Our data also shows that people who are more proactive with their pension are more likely to end up with better outcomes.

It's clear that women need lifestage specific information at key points on their journey (for example, if they are considering taking maternity leave), so they can understand their options and the impacts of any decisions they make. It's also clear that women are lagging behind men in terms of proactivity in this space. Which means we need to boost the financial literacy of the women around us to their unique challenges and position women to be more confident and more proactive in this space so they can take control of their financial futures.



Executive Summary (cont'd)

This report also looks at designing or adapting employee benefit strategies specifically to address the Gender Pension Gap. Since our last Gender Pension Parity Report, many companies have adopted more progressive Paternity Benefit policies, but there is still so much more to be done. Companies can also look to make pension specific reforms to their workplace policies, using our own workplace pension policy reforms as a reference.

Reforms designed specifically to bridge any potential gap that might stem from periods of leave are a great way of tackling one key contributing factor (time out of the workforce) head-on, mitigating the damage before it has a chance to compound.

2024 is set to be a landmark year for Irish pension reform, particularly with the recent publication of the Auto Enrolment bill. So, Ireland has a unique opportunity to make the right decisions to ensure that the Gender Pension Gap is eliminated for current and future generations to come.

Irish Life intends to continuously drive the Gender Pension Parity conversation in Ireland, with this report making a strong contribution to the debate. We would welcome additional thoughts, opinion and conversation on this subject. So, please reach out directly or get in touch through your Irish Life Relationship Manager to continue this very worthwhile discussion.

Thank You

Shane O'Farrell
Director, Employer Solutions at Irish Life



**Irish Life intends to continuously
drive the Gender Pension Parity
conversation in Ireland.**



Approach, Data & Insights

The Gender Pension Gap is undoubtedly a complex issue, with many contributing factors. As the leading provider of defined contribution pension plans in Ireland, Irish Life is well positioned to analyse the substantial data that we have available and shed some light on the story that unfolds from it.

Our defined contribution (DC) group or workplace pension plans serve as our primary data source, with over 130,000 defined contribution plan members included in the data set, though we also gleaned some useful insights from initial outputs of an ongoing research study which Irish Life funded with South East Technological University Waterford around young women's retirement planning in Ireland, which included both independent focus groups and substantial qualitative analysis.

Examining the Gender Pension Gap

Gender equality is a fundamental EU value that needs to be applied across all facets of every person's working life, including retirement. The Gender Pension Gap is defined as the difference in average pension pots accumulated by men and women at normal retirement age (NRA), which is most commonly 65⁸.

In 2019, Irish Life published its first Pension Parity Report to explore the area of Pension Parity and to identify and understand the main causes of the Gender Pension Gap in Ireland.



Our 2019 data found that women were likely to retire with €120,000 less in their pension pot than men. An Economic & Social Research Institute (ESRI) report in September 2019 identified a 35% Gender Pension Gap in Ireland⁹, with a retired man receiving €150 per week more than a retired woman on average¹⁰.

Since then, the wider area of the gender gap in financial outcomes has seen a wealth of commentary and focus, most notably through the requirement for companies to publish information on their Gender Pay Disparity.

**over 130,000 defined contribution
pension plan members were
included in the data set**

Examining the Gender Pension Gap (cont'd)

There is significant research now - including the Nobel Prize winning work of Claudia Goldin in researching the impact of the demands of balancing career and family on women - which shows that time spent out of the workforce, principally spent caring either for children or older relatives, and an often-linked reduction in working hours are two of the principal causes of Gender Pay Disparity. Similar findings are reflected in this report, with salary disparity tending to widen over time, so the most significant gaps are those emerging and sustaining from the 30s.

It's important to note that within this report, we are not examining Equal Pay or attempting to derive a Gender Pay Disparity figure. We are looking specifically at the Gender *Pension* Gap.

Let's explore that for a moment. Equal Pay refers to whether people are earning the same money for the same work, whereas the Gender Pay Disparity generally relates more to the wider gender representation gap, like men having higher paid jobs than women in an organisation for example. Separately, the Gender Pension Gap refers to the difference in average pension pots or funds built up by men and women at normal retirement age (NRA), which is most commonly 65 so also reflects the time spent contributing.

Factor 1: Salary disparity

Given the focus on the Gender Pension Gap, we have analysed pension member data only and identified **an average salary disparity of 22%** among pension plan members, which is higher than some of the recent Gender Pay Disparity focused reporting. We expect this comes down to a couple of factors. Firstly, the public sector, where the gap is significantly lower¹¹, is not included.

Secondly, pensions see lower pension participation rates among younger and lower paid employees. When 40% of people in Ireland with no supplementary pension say their decision comes down to affordability¹², it is likely that some groups will be under-represented within any pension specific data, accounting for this disparity. This under-representation also highlights the importance of the upcoming Auto Enrolment rollout.

The Gender Pension Gap refers to the difference in average pension pots built up by men and women at normal retirement age



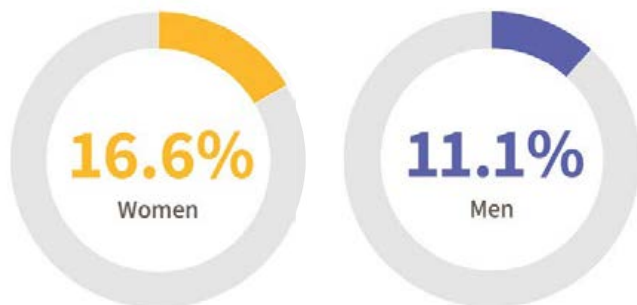
Factor 2: Time out of the workforce

In terms of time spent out of the workforce, we used 2023 Eurostat data¹³. Eurostat reports that on average women in Ireland take **6 years out of the workforce**, which effectively means they experience a 6 year contribution break.

The result?

This report shows that a combination of these two factors gives rise to a Gender Pension Gap of 36%. Looking at this data in a different way, the gap suggests that a woman starting with a 22% lower salary and experiencing a contribution break of 6 years at age 30 would have to contribute for 8 years longer than a man to acquire the same size pension pot.

Average old-age poverty rates

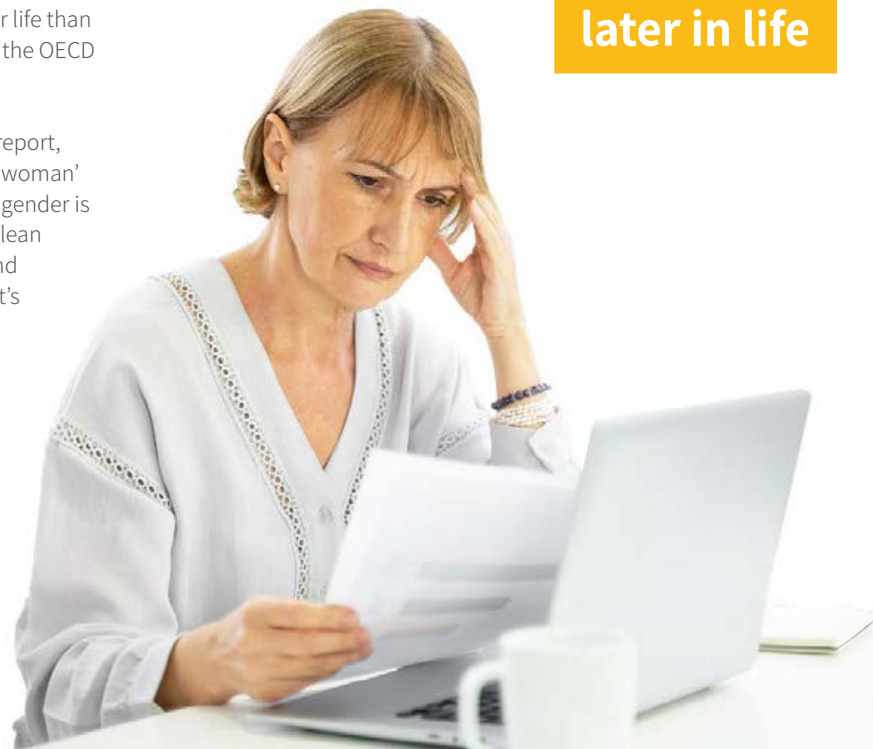


Not only does it appear that women are retiring with smaller pension pots, but they can also expect to live more than three years longer than men on average, with a life expectancy of 84.3 years, according to Eurostat¹⁴. So, depending on what women do with their pension pots at retirement, their smaller pot may have to sustain them for longer.

As a result, women are at greater risk of poverty in later life than men, with average old-age poverty rates for women in the OECD coming in at 16.6% in 2023 versus 11.1% for men¹⁵.

It's important to point out that for the purpose of this report, we examine gender purely from a traditional 'man' or 'woman' perspective. Whilst it's clear that the whole concept of gender is broader and more fluid than that, the data we use to glean the insights in this report differentiates only by men and women when it comes to gender at this time, though it's clear that in the future, this debate will evolve.

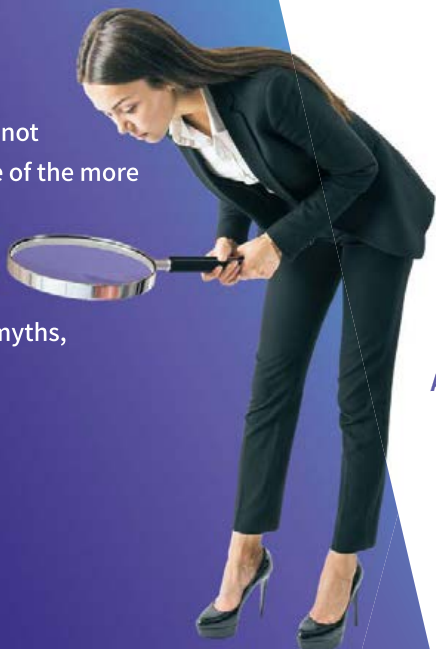
**As a result, women are
at greater risk of poverty
later in life**



The Whys: What's causing the Gender Pension Gap?

Myth busting:

Contrary to popular belief, the gap does not come down to some of the more obvious factors you might think of. So, let's bust some of the mainstream myths, right off the bat.



Do women start later or save less than men?

No is the answer, on both counts! Our data shows that women do not start saving into their pension later than men or save smaller percentage contributions than men. As you can see, the data shows no major differences in the ages that men and women begin saving into their pension¹⁶, or in the percentage amounts that they contribute¹⁷ until later in life, when women's contributions do drop off slightly by comparison to men's. This may be explained by affordability and the way in which women's salaries drop more so than men's as they get older, which is explained further in **Figure 4**.

Average joining age

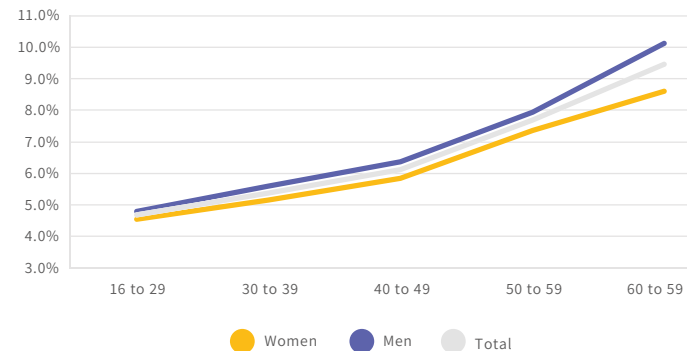
WOMEN
34

MEN
34

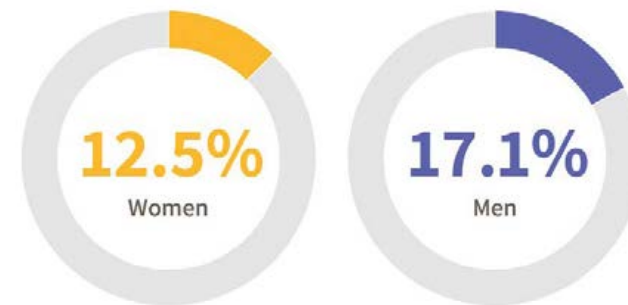
Are men more savvy investors?

Again, no! Pension plan members, who are confident enough to do so, can decide to make active choices as to how their pension savings are invested. However, the large majority of both men and women are in the 'default', or Personal Lifestyle Strategy, as it is better known. Our data shows that 17.1% of men choose their own investments versus 12.5% of women¹⁸. So, men are slightly more active in this space. However, as it is such a niche group, the broader impact is immaterial.

Figure 1: Percentage contributions by gender



People making their own investment choices



The Whys: What's causing the Gender Pension Gap? (cont'd)

Let's get to the root of it

Our 2019 Pension Parity Report found there to be two primary contributing factors causing the Gender Pension Gap: salary disparity and time out of the workforce. 5 years on, we take a fresh look at these two key contributors, and we also look at the gap through an individual lens, examining how proactivity also plays a key role in the narrative.

Salary Disparity

There's no doubt that Gender Pay Disparity and the Gender Pension Gap are still closely related and an improvement in Gender Pay Disparity would have a fundamental knock-on impact on the Gender Pension Gap.

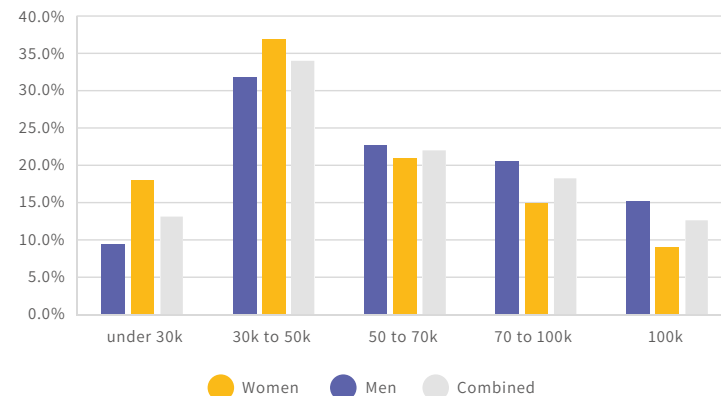
Since our 2019 Pension Parity Report, there have been some positive changes around Gender Pay Disparity Reporting in Ireland, on the back of the Gender Pay Gap Information Act 2021 (the Act), which requires companies of 250+ employees to report their Gender Pay Disparity. The scope of the Act will also widen to include employers with 150+ employees in 2024, and employers with 50+ employees in 2025. Gender Pay Disparity reporting alone will not solve the gender imbalance issue in Ireland, but transparent reporting should help company leaders identify and quantify imbalances and encourage a focus on finding possible causes and solutions. And any progress made in rectifying the Gender Pay Disparity will certainly have a direct and positive impact on the Gender Pension Gap.

An analysis of Irish Life's 2023 DC pension data found a 22% pay disparity between men and women. We know that the two factors driving the Gender Pension Gap are the base salary figure for people, which pension contributions are based on, and also time out of the workforce, which is more likely to happen for women than men.

Looking at our member data, **Figures 2 to 4** show some clear differences between men and women when it comes to salaries.



Figure 2: Salary bands by gender in percentage terms



Gender Pay Gap Information Act 2021



employees to report



employees to report by 2024



employees to report by 2025

The Whys: What's causing the Gender Pension Gap? (cont'd)

In summary, 9% of men are on a salary under €30k compared to 18% of women, meaning women are twice as likely to be in that lower salary category versus men¹⁹.

At the opposite end of the scale, 15% of men are on salaries above €100k, versus 9% of women²⁰.

Whilst the reasons for these disparities are multi-faceted and complex, the impact can be directly linked to the Gender Pension Gap.

Figure 3 shows the average salary of active DC plan members by gender and age. Salaries have increased for both genders since 2019 with women looking at an increase of €8,000 versus a €10,000 increase for men²¹.

Figure 3: Salaries by gender and age band

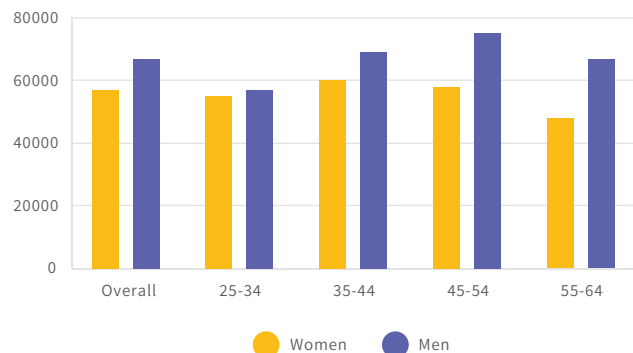
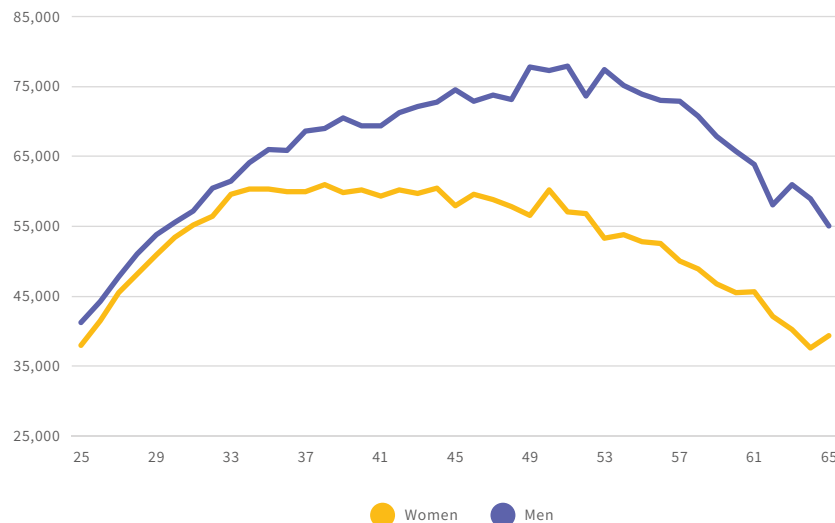


Figure 4 shows the average salaries for men and women throughout their careers. Men and women start their careers on a relatively equal footing. A split appears early in the thirties and that gap continues to widen from 30 onwards, reaching its divergent peak at age 50, with just under €20,000 in the difference²².

While average salaries for both men and women dip dramatically as they approach 65 – possibly because some people cut back on their hours later in life – women in this segment are hit hardest again, returning to income levels comparable to when they first started their careers²³.

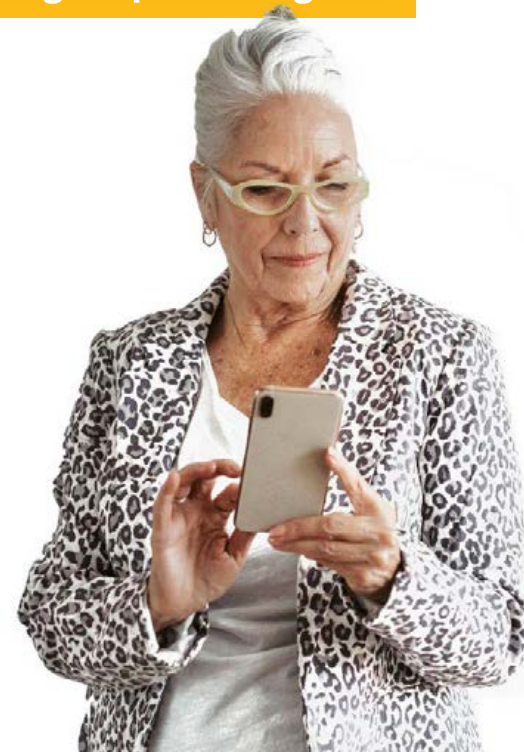
Figure 4: Average salary trajectory by gender



the gap continues to widen

from 30 onwards, reaching its

divergent peak at age 50



Time Out of the Workforce

Time spent in the workforce (and contributing to a pension) is a key factor when it comes to saving for *life after work*. Ireland has a significantly longer working lifespan of 42 years compared to the EU average of 36 years. European studies suggest that on average women spend 4.5 years less in paid employment than men, though in Ireland that gap is wider at 6 years, according to Eurostat²⁴.



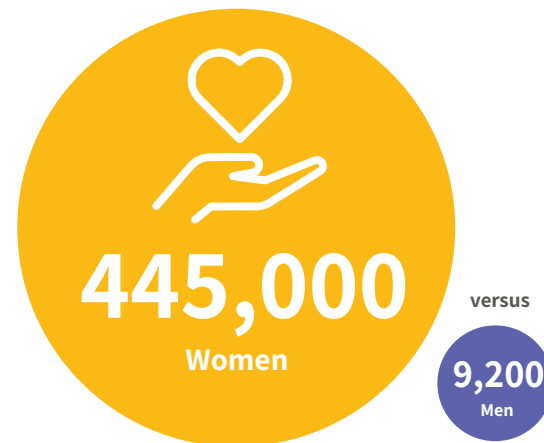
Maternity leave is one of the most prolific reasons for women taking time out of the workforce. When planning for it, many people will consider how they'll manage with the drop in income, but they are less likely to consider what happens to their pension savings during leave, and even less likely again to realise the significant impact that this will have over time on their income in retirement.

So, let's break it down: women get 26 weeks' maternity benefit from the state, after which they can take up to 16 weeks additional unpaid leave. While *some employers* will continue to pay a woman's salary for the first 26 weeks, thereby enabling contributions to continue, there is no obligation on them to do so. So, many employers simply do not provide this support.

And the reality is that women in a defined contribution pension plan lose out on pension contributions – both their own and their employer's – and the tax relief during **any** unpaid period. When compounded over time, this loss in contributions creates a significant savings gap.

CSO data shows that women are much more likely than men to take time out to have children or – even after maternity leave – to raise a family, with over 445,000 women identifying themselves as carers, or the person who looks after the family, while only a relative fraction of men (9,200) fill this role²⁵.

People identifying as carers



The reality is that women lose out on pension contributions -

both their own and their employer's - during any unpaid period.

Figure 5 illustrates the impact that 6 years' time out of the workforce has on women's pension funds, when taken at age 30.

Figure 5: Impact of 6 year career break for women

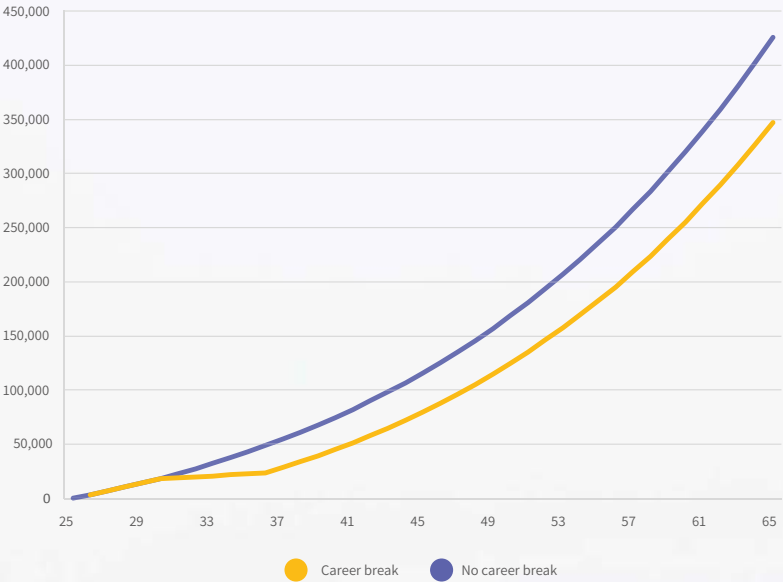
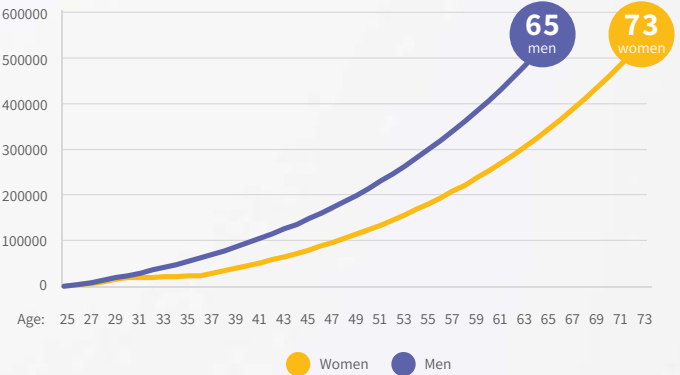


Figure 6 then shows how a combination of a 22% salary disparity and a 6 year career break at age 30 creates a 36% Gender Pension Gap for women at age 65. This gap means that a woman would need to contribute for 8 years longer to build up the same size pension pot as a man²⁶.

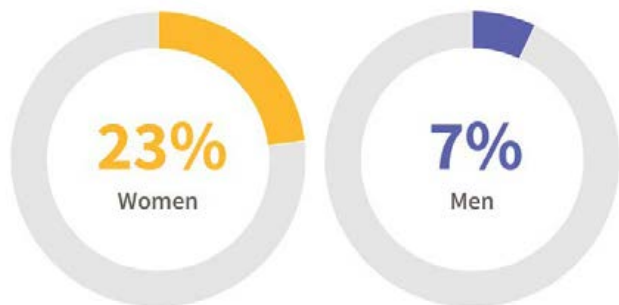
Figure 6: Pension pots over time by gender



Women as carers

Women in Ireland are also more than 3 times more likely to participate in part-time employment compared to men, as almost 23% of women work part-time in contrast to just over 7% of men²⁷. So, there appears to be a cycle of sorts that women can get caught in. Society and cultural expectations mean women take the main responsibility in terms of time out of the workforce with a new baby. This is where the start of the salary disparity kicks in. Then, in later life, if a couple or family needs to reduce their working hours for caring purposes, it's far more likely that the person who is earning less takes on that responsibility too. So, the early – and seemingly insignificant – decision to take maternity leave can have many repercussions throughout a working lifespan. And the reality is that women who *do* ultimately decide to work part-time will then earn less, once again reducing their pension contributions and widening the gap even further.

People working part-time



In Ireland, the entitlement to Parent's Leave is now 7 weeks, with plans to increase this to 9 weeks by August 2024, in line with new EU rules to improve the work-life balance of workers²⁸. While this is progress, and we have seen plenty of other progress around gender discrepancies with increased focus on diversity in the workplace becoming more commonplace, the evidence across the board still shows a clear need for legacy systems, mentalities and gender roles to evolve further.



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Proactivity: Actions speak volumes

Irish Life has extensive behavioural data which, when viewed through the gender lens shows many interesting nuances in behaviours between men and women. From the fact that men are more likely to use many of the tools available such as Pension Portal and the tax calculator, to the fact that women are more likely to prioritise nominating beneficiaries and ensuring loved ones are taken care of²⁹.

As interesting as these nuances are however, when viewed in isolation, most have no significant impact on the overall gap.

What we **can see** by looking at 2 key behavioural patterns, is that generally people who are more proactive on the journey are significantly more likely to end up with better outcomes.

Let's take a look at two of the key actions that people can take on their pension journey. Looking at these two key areas in isolation provides some interesting - and material - insights.

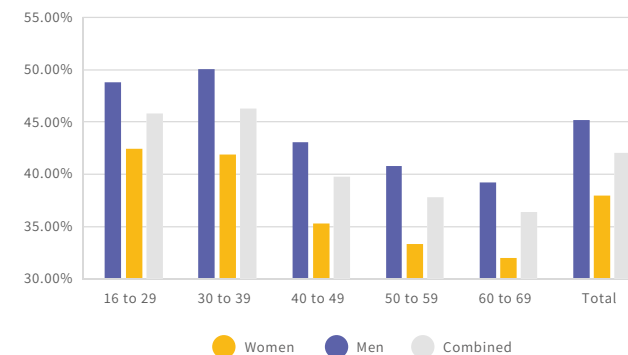
1 Using Pension Portal

2 Making Additional Voluntary Contributions (AVCs)

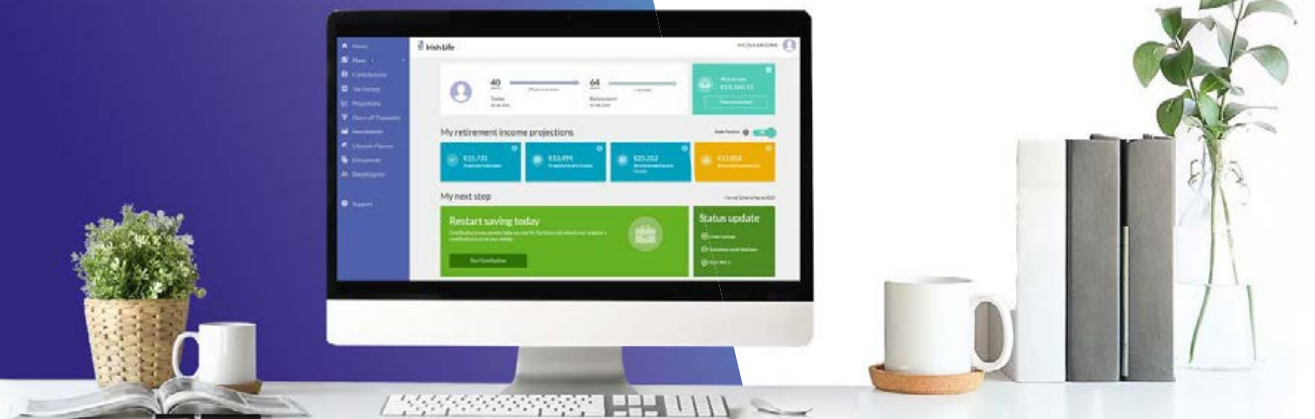
1 Using Pension Portal

Figure 7 shows that men are 20% more likely to use the Pension Portal than women³⁰. Our data also tells us that members who have registered for Pension Portal are likely to end up with 54% larger funds at retirement³¹.

Figure 7: Likelihood to use Pension Portal by gender



Note: Pension Portal usage is increasing year by year as more digital natives join pension plans



Time Out of the Workforce (cont'd)

2 Making Additional Voluntary Contributions (AVCs)

Figure 8 shows that men are 60% more likely to make a single premium (or once off) AVC payment and **Figure 9** illustrates that men are also 12% more likely to be making regular AVCs³². Our findings also show that people who have made either single and/or regular AVCs in the last year are in line for more than double the pension pot size at retirement (**150% larger in fact**) than those not making AVCs³³.

Figure 8: Likelihood to make a single premium AVC by gender

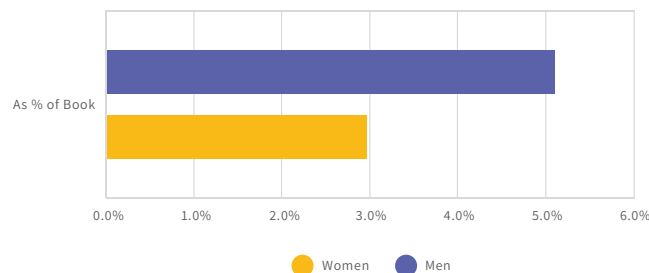
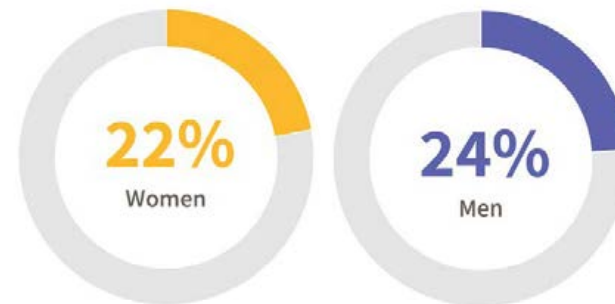


Figure 9: Likelihood to pay regular AVCs



So, what?

While it is clear that proactivity, or taking an active role on the pension journey, is beneficial to members, we also know that many women struggle with confidence when it comes to pensions and finances³⁴, which could account to some extent for why women are less active in this space than men. With that in mind, to really level the playing field, we need a clear focus on educating the women in our workplaces, so that they, as individuals, can then

confidently make informed decisions and understand the impact that any seemingly insignificant or unrelated actions they are taking (like maternity leave for example) will have on their capacity to build equitable finance futures to men.

We need to position women to understand their status and know the best possible actions they can take to close the gap, should they decide to do so.

Solutions: Closing the Gender Pension Gap

Many of the reasons for the Gender Pension Gap are societal. Gender roles within families and workplaces and how they impact career and salary trajectories for women is something that society is becoming infinitely more aware of. However, the longer-term impact of the seemingly small decisions that women make at key moments in life because of these gender norms gets much less attention. While the world is making great strides to resolve the Gender Pay Disparity, the Gender Pension Gap is in fact larger in percentage terms and could have quite stark consequences for women who are at risk of facing poverty in their life after work as a result.



Here, we look at potential solutions on three different levels:



Educating the nation and gender proofing policy

As a society, we need to provide layered solutions, delivering initiatives to provide education and boost awareness and through strategic policy design.

Education and Awareness

Gender specific education and awareness is needed because men and women's pension journeys differ, which means the messaging that men and women need at key stages in life should be specific to their situation. Those providing pension education need to be aware of these differences; educating the women around us to be confident and comfortable with their pension and their wider finances is key. The women who participated in our independent focus groups felt that although it is up to them to save towards their retirement, the State does have a responsibility in addressing the broader education piece and encouraging financial planning³⁵.

Solutions: Closing the Gender Pension Gap (cont'd)



Policy Design

An ongoing Irish Life commissioned South East Technological University study poses that as the State gets ready to rollout Auto Enrolment, ‘it is imperative that appropriate financial education and advice is provided to young women to ensure that they are competent in their decision-making³⁶. With this much anticipated introduction of Auto Enrolment, and the transformational changes that IORP II has brought about recently, there has never been a better time to gender proof the world of pension policy and avoid embedding any more archaic policies that might perpetuate gender inequalities.

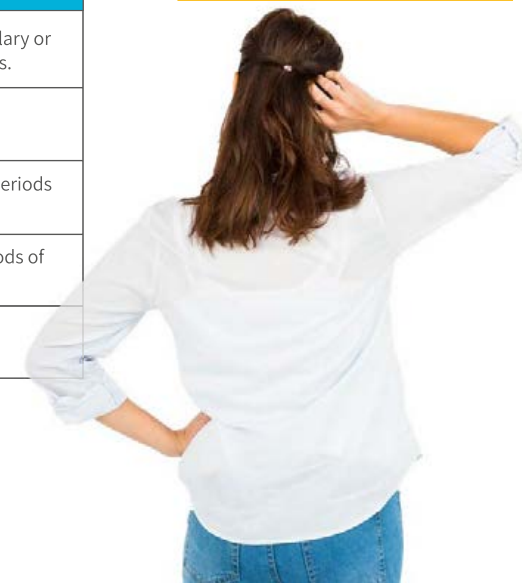
Irish Life’s submission to the Irish Pension Council identified rules within the supplementary pension scheme that could exacerbate the Gender Pension Gap and suggested ways to address this. Irish Life Group also presented this to the Oireachtas Committee with regard to the Auto Enrolment Bill. These are summarised below in **Figure 10**:

Rule	Impact	Proposed Changes
Eligibility based on working hours/salary	As women tend to be on lower salaries or working part-time any de minimis eligibility criteria to join a scheme will disproportionately affect more women than men.	Remove eligibility criteria from pension scheme rules based on salary or working hours and allow all employees access to pension schemes.
Mandatory Retirement Ages	As women are more likely to have gaps in their pension provision, a mandatory retirement will limit women’s ability to increase their pot size.	Removal of mandatory retirement ages and no obligation to retire pre-access to the State Pension.
Unpaid leave - taxation of partner/spousal support	There is currently no tax efficient mechanism to allow partner/spouses contribute to pension schemes during periods of unpaid leave.	Allow partner/spouses contribute to pension scheme pot during periods of unpaid leave.
Unpaid leave - staff support	During periods of unpaid leave workers lose not only their contribution but also tax relief from the state.	State should provide a tax credit for pension schemes during periods of unpaid leave.
Contribution rules	No flexibility in scheme rules to allow employee/employer increase contributions on return from unpaid leave.	Remove any set contribution levels within schemes.

Disappointingly, there is no flexibility built into the published AE bill for women to increase their contributions, if they wish to make up for periods of leave, or clarity as to what happens when they are on leave. We believe this is likely to widen the Gender Pension Gap.

We encourage pension plan trustees and sponsors to review their own plan rules with a gender proofing lens to identify any legacy policies that are negatively impacting women and amend them.

There is no flexibility built into the published AE bill for women to increase contributions to make up for periods of leave



Solutions: Closing the Gender Pension Gap (cont'd)



Corporate Solutions

Economically empowering the women in our workforce

As the leading provider of defined contribution pension plans in Ireland, we want to help the employers of Ireland

to address the Gender Pension Gap in their organisations, as well as building awareness of the issue and providing education and other well-conceived supports for women.

As an employer ourselves, we are doing the same within our own organisation. When we submitted our 2022 report to the Pension Council identifying rules within supplementary pension schemes that contribute to the Gender Pension Gap, we also reviewed and updated our own workplace pension policy. Our policy now includes an additional 3% employer contribution per month for 12 months after a woman returns from maternity leave to bridge any potential gap that might stem from time out of the workforce.

We updated our pension policy

to bridge any gap from periods of leave at source

It is crucial for organisations to lead the way when it comes to the economic empowerment of women, through well-conceived communications, and the provision of other initiatives and supports designed specifically for women. Women need to be educated in the pension space and made aware of their choices, to understand their options and the impact of their decisions along the journey. Economic empowerment like this should position the women in our workplaces to make fully informed decisions and take the right steps to improve their outcomes, if they wish to do so, which will be crucial in closing the Gender Pension Gap.

At Irish Life, diversity & inclusion policies and initiatives are embedded into our day-to-day working practices to actively promote fairness, respect, equality, diversity in the workplace. Some of the initiatives that we have in place for women are listed here on the right and more details can be shared with any organisations looking for inspiration in developing their own workplace policies and initiatives.



Phased Return to Work

Our Phased Return to work policy allows returning mothers to gradually increase their hours to a five-day week over the course of a month.



Partnership with Family Carers Ireland

Irish Life was the first corporate organisation to partner with Family Carers Ireland on their Caring Employers Programme.



Women@Work

Supporting, empowering, and connecting women and ensuring we continue our progress in providing balanced representation across our business.



Family Life

Our Family Life Group is about creating an inclusive workplace and supporting employees who are family carers, parents, becoming parents, on the journey to parenthood, to ensure families however they are shaped will have the support needed now and into the future.

Solutions: Closing the Gender Pension Gap (cont'd)

Irish Life also has several resources and tools available for both employers and employees. Below are 3 tailored pieces we have designed to help women engage with their pension:

1

Family Leave Pack

An information pack covering the key things people need to know when taking family leave.

2

Return to Work Course

Information and guidance is provided for people returning to work after a period of leave.

3

Tailored Investment Seminars

Women tend to be less confident when it comes to finances and investments, so education opportunities for women are provided in this space.



Solutions: Closing the Gender Pension Gap (cont'd)



Embracing economic empowerment

Irish Life commissioned an independent body of research through South East Technological University, considering young women's retirement planning in Ireland. This research held focus groups with women from both Dublin and Waterford across high and low-income brackets. The purpose was to understand women's attitudes and perceptions toward retirement.

The focus groups showed a clear link between lack of knowledge and confidence in young women's financial decision making, as can be seen from the two focus group participant quotes here, highlighted in yellow³⁷.

A recent OECD webinar³⁸ about gender differences in financial literacy and resilience, also found that women feel less confident about finances, less in control of their finances, and are less likely to be able to fund their retirement independently. Women need to address this confidence gap between genders by boosting their knowledge when it comes to pensions and their wider finances. Financial literacy is key, so women should take any educational opportunity available to get comfortable in this space, so they are positioned to be more informed, more proactive, and more in control of their financial future.

“

Because there's not enough education around it,

I don't know if there is enough trust...

Chloe, business owner/student, 28

“

I just would never put those two (words) together:
comfortable and retirement. I just definitely don't
know enough about it, or don't feel secure enough

Evie, speech and language therapist, 33



Solutions: Closing the Gender Pension Gap (cont'd)

Top tips for women around pensions:



Start Early

Starting a pension early is key for everyone because, thanks to the power of compound interest, small steps today can have a mushroom effect over time. Women particularly need to be made aware of this as early in their careers as possible because they are more likely to take time out at key life stages.



Check in Online

Register for Pension Portal as soon as possible. Our data shows women are 19% less likely to register for online access and are also 50% less active once registered³⁸.



Max the Match

Magnify your savings by maximising the employer contributions available.



Make Regular Additional Voluntary Contributions (AVCs) to top up your savings

This is particularly important on return from periods of unpaid leave. Getting sound financial advice in those situations is highly recommended.



Revenue deadline AVCs

Understand your scope to make an annual AVC at the Revenue deadline for tax relief purposes.



Tax Band Allocation

Your tax band allocation may help you to continue your pension savings with relief at the higher rate. It may be more tax-efficient to maximise the contributions of the higher-earning spouse, particularly if one person decides to work part-time.



Optimising Near Retirement

As you get closer to retirement, understanding your investment options and the value of the tax-free lump sum is key to make the most of your money.

**We will continue to use our
voice as a leading provider
in the market**

Irish Life aspires to educate women in the pensions space and provide supports to help women to take control of their financial futures. We have made a submission to the Irish Pension Council identifying rules within the supplementary pension scheme that could exacerbate the Gender Pension Gap and suggesting ways to address them (See Figure 10).

Despite our recommendations in that submission, the published AE Bill does not allow the flexibility for women to increase their contributions after a period of leave, if they wish to do so. However, we will continue to use our voice as a leading provider in the market to drive awareness and continue to recommend the changes that are needed to gender proof policies in this space.



Conclusion

Positive gender equality reforms are already happening in Ireland, alongside a broad societal and cultural shift.

Despite this however, our research shows that women continue to lag men at retirement and a Gender Pension Gap persists with a 36% shortfall, which is equivalent to an additional 8 years of pension savings.

The recommendations included in this report seek to include gender considerations in all areas of pension planning to ensure the specific needs of women are considered with a view to fully resolving the Gender Pension Gap.

We believe addressing Gender Pension Parity in Ireland is possible by embracing a series of solutions.

At a Society & Policy level, there needs to be a dual focus. Firstly, the State needs to design and deliver initiatives to raise awareness of the Gender Pension Gap and provide education around financial planning. Secondly, any legacy policies in the pension space that are negatively impacting women (such as eligibility criteria, inflexibility for spouses to pay contributions during periods of leave etc.) need to be identified and amended.

At Corporate level, companies need to shine a spotlight on the Gender Pension Gap in their own organisations, to design specific policies to address the key contributors and to provide education and other well-conceived supports for women to level the playing field by building financial confidence and economically empowering the women in our workplaces.

At the Individual level, women need to address the confidence gap between genders when it comes to financial literacy. Knowledge is key to closing this gap, so women need to take any educational opportunity available to get comfortable in this space, so they are positioned to be more informed, more proactive, and more in control of their financial future.

Irish Life is well positioned to guide and support all stakeholders in making positive change towards Gender Pension Parity within our organisations and our lives and helping all people to build better financial futures.

We believe addressing Gender

Pension Parity is possible by

embracing a series of solutions



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