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### 3/4 of Irish people don't realise pensions enjoy bigger top-up than SSIA

A recent Standard Life survey\* of 1,000 respondents reveals 75% don't know the government 'tops-up' pension contributions by up to 40% for higher rate taxpayers. There are almost half a million higher rate taxpayers according to the Revenue Commissioners\*. A single person, (no children) earning €33,800 p.a. or more is a higher rate taxpayer.

This compares with a flat rate 25% top-up that was given to all (Special Savings and Investment Accounts) SSIA savers for every euro saved (to a monthly limit of €250 over five years). The SSIA scheme attracted more than one million savers, matured in 2007 and was a runaway success.

Respondents were asked the following question:

**What is the highest tax relief/government top-up that a worker is entitled to when saving into their pension?**

Is the tax relief rate/government top up ...?	% of respondents who chose...
40%	24%
33%	5%
20%	12%
Don't know	58%

"There are probably at least one hundred thousand\*\*\* people missing out on arguably the most generous tax break left to the middle classes," said John McInerney, senior technical consultant with Standard Life. "If people knew just how generous the government top up on pension contributions is, we wouldn't need to sell them," he said.

### Almost 2/3 of Irish people don't even realise pensions are tax efficient

Sixty four per cent or almost two thirds of respondents are not aware that pensions are tax efficient.

#### Do you think pensions are tax efficient?

- Yes – 36%
- No – 18%
- Don't know- 46%

#### Further insight:

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- 71% of 18 to 24 year olds don't know whether pensions are tax efficient
- 49% of 55 to 64 year olds know pensions are tax efficient
- 66% of unemployed people do not know pensions are tax efficient
- 53% of those who haven't used a financial adviser don't know pensions are tax efficient

"It's very concerning to learn that potentially up to almost a million\*\*\* people don't know that pensions are a tax efficient way for all taxpayers to save for their retirement," said McNerney. "It's particularly worrying that most people coming up to retirement with the biggest opportunity to make large contributions and claim generous tax relief don't know. Also, a 20% tax break is still valuable and not to be sniffed at," he said.

Ends

**Notes for editors:**

\* The survey results are based on an independent, online survey conducted by iReach on behalf of Standard Life of 1,000 adults aged 18+ between December 17 and January 4, 2016

\*\*Statistics and Economic Research Branch Revenue Commissioners, October 2015 estimated there are 474,200 higher rate (40%) income earners and 1,060,500 standard rate payers. Total number of taxpayers equals 1,534, 700 multiplied by 64% equals 981,760 rounded to 1 million people.

\*\*\* Survey results include seventy nine per cent of those earning over €30k are more likely to have a pension. (474,200 x 21% = 99,540 rounded to 100,000).

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