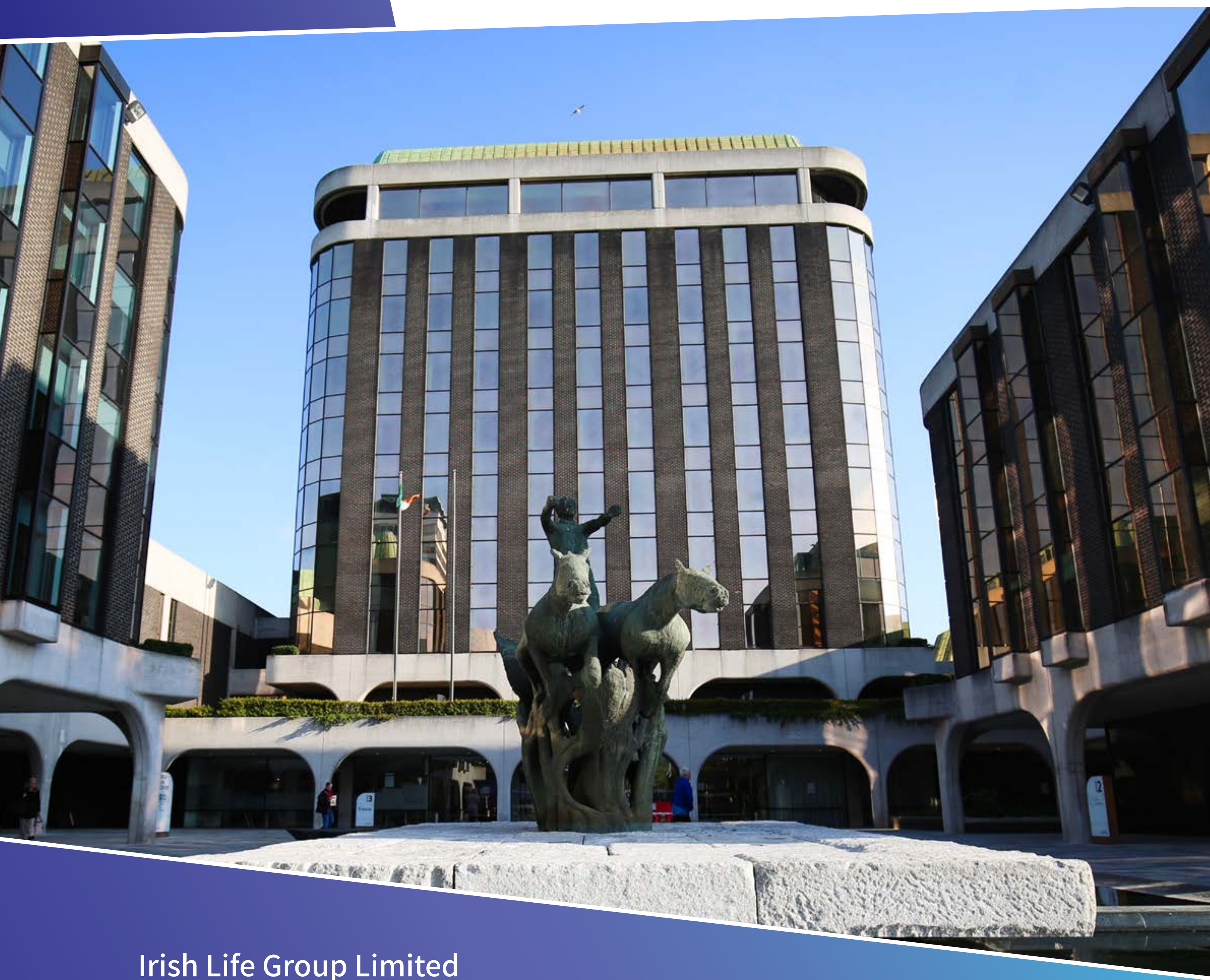
Irish Life



Irish Life Group Limited

Pre-Budget Submission Budget 2027

Mobilising Ireland's savings, securing retirement and sustaining a competitive health insurance market

Submission to the Minister for Finance and the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation

August 2026

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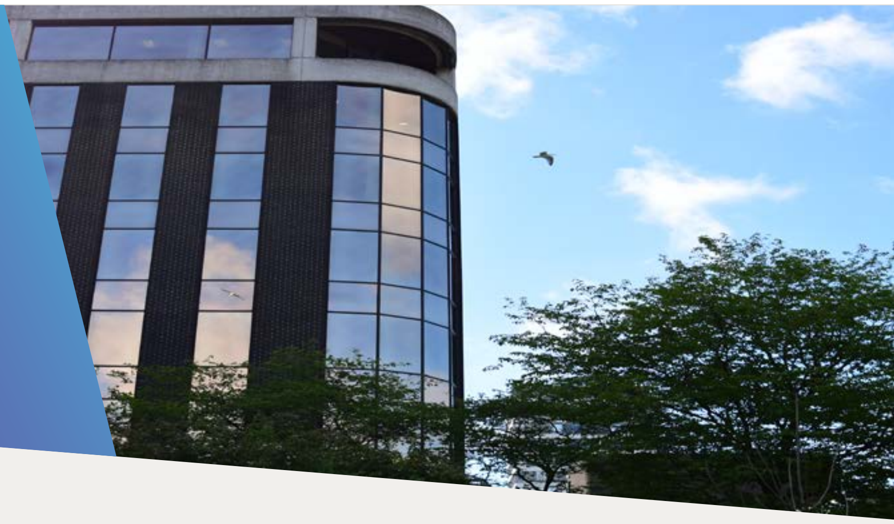

Foreword

Irish Life has been part of the financial lives of Irish households for nearly ninety years. Today the Group serves more than 1.6 million customers, more than one in three adults in the State, across life assurance, workplace and personal pensions, investments, health insurance and wealth management. Through Irish Life Investment Managers we are one of the largest institutional investors in the country, and as part of Great-West Lifeco we bring international scale and experience to benefit the Irish market.

We make this submission at a moment of consequence for Irish financial policy. The Government has committed to establishing a new Personal Investment Account for Irish households, the most significant retail savings initiative since the Special Savings Incentive Accounts of the early 2000s. Auto-enrolment has brought hundreds of thousands of workers into pension saving for the first time. The Risk Equalisation Scheme is being redesigned for the period from 2027 as Sláintecare reshapes the market it underpins. Each of these initiatives will shape household financial security for a generation, and each will be substantially settled in the twelve months ahead.

Our submission is deliberately focused. We have not sought to comment on every area of tax and expenditure policy. Instead we concentrate on the areas where Irish Life has direct expertise and where we believe the evidence points clearly to what will work. Where we make recommendations, we make them because we believe they serve the interests of Irish consumers and of the wider economy. An Investment account that ordinary households actually use, a pension system people trust, in saving and retirement, and a health insurance market that remains affordable and competitive are national assets. They reduce future demands on the State, deepen the domestic capital base and strengthen household resilience against economic shocks.

We would welcome the opportunity to discuss any element of this submission with the Department of Finance, the Department of Public Expenditure, the Department of Health and members of the Oireachtas.

Declan Bolger

Declan Bolger
Chief Executive Officer, Irish Life Group

Executive summary

Ireland presents a savings paradox. Household deposits stand at record levels in excess of €160 billion, with the great majority held in overnight and instant-access accounts earning returns below inflation.[1] The household saving rate reached 12.5 per cent in the first quarter of 2026, among the highest in the European Union.[2] Yet apart from longstanding exposure through pensions and insurance-based products, direct participation in capital markets remains low by international standards. The result is that Irish savers systematically forgo long-term returns, while the domestic economy forgoes an additional stream of patient capital that could support housing, infrastructure and Irish enterprise.

Budget 2027 is the moment this can change. The Government has committed to legislating in 2026 for a new Personal Investment Account, with the first such accounts available in 2027, and to setting the key tax parameters in the Budget. The design choices made now will determine whether the new account becomes a mass-participation vehicle in the tradition of the SSIA, or a niche product for investors who would have invested anyway. Our central recommendations are that the account should follow the tax exemption-based model of the UK Individual Savings Account and that it should be open on equal terms to the full range of regulated savings and investment products through which Irish people actually invest, including life-wrapped and insurance-based products distributed through advised channels.

Alongside the new account, Budget 2027 should also complete the normalisation of the taxation of existing savings products, on a stated timetable:

- Complete the alignment of life assurance exit tax with the 33 per cent rates of capital gains tax and DIRT, following the welcome reduction from 41 per cent to 38 per cent in Budget 2026.
- Abolish the eight-year deemed disposal rule, which the Funds Sector 2030 review recommended removing and which taxes gains that may never be realised.
- Remove the 1 per cent levy on life assurance premiums, an emergency measure introduced in 2009 that taxes both saving and household protection.

In health insurance, almost 2.55 million people, close to half the population, now hold private cover, and the market absorbs demand that would otherwise fall on public hospitals.[3] The affordability of private health insurance is an ongoing concern. The risk equalisation stamp duty rose again in April 2026, to €517 per adult on advanced plans, and acts as a flat-rate, regressive tax on health insurance customers.[4] With the current Risk Equalisation Scheme subject to review by the European Commission as a State aid, we urge the Government to reconsider the funding model and move to a more equitable distribution: a minimum flat levy combined with a percentage of premium, in line with other stamp duties. The effect would be to reduce the charge carried by entry-level plans, where the levy today represents the largest proportion of the price paid, and to lower the cost of entry for the younger consumers whose continued participation is what keeps community-rated cover affordable for everybody else.

In pensions, the priority is to give retirees simpler, cheaper access to their savings through the introduction of in-scheme drawdown supported by appropriate advice. More broadly, Budget 2027 should carry a clear simplification message: a national commitment to reduce the administrative burden of financial services regulation, matching the ambition of the European Commission's simplification agenda, and a consolidation of the regulatory landscape through the incorporation of the Pensions Authority and the Health Insurance Authority into the Central Bank of Ireland.

Our recommendations are summarised in the appendix. What they have in common is that they use the Budget to build the domestic balance sheet strength that Ireland will need in the years to come, should we face future economic headwinds.

Headline recommendations

Area	Recommendation
Personal Investment Account	Adopt a UK ISA-style exemption model, subject to an annual contribution limit. Returns within the account should be exempt from tax both as they accumulate and at the point of withdrawal, in place of an annual flat charge on account values.
Personal Investment Account	Guarantee product and distribution neutrality. Life-wrapped, insurance-based and broker-distributed products should qualify on equal terms with MiFID securities accounts.
Savings taxation	Complete the alignment of life assurance exit tax with the 33 per cent CGT and DIRT rates, abolish eight-year deemed disposal and remove the 1 per cent life assurance premium levy on a stated timetable.
Pensions	Legislate for in-scheme drawdown, so members can draw a retirement income from within their scheme.
Health insurance	Redesign the Risk Equalisation Scheme from a flat rate levy, to a minimum flat rate and then a percentage of premium similar to all other stamp duties.
Simplification	Reduce the administrative burden of regulation in line with EU proposals, and consolidate the Pensions Authority and the Health Insurance Authority into the Central Bank of Ireland.

1. The economic and fiscal context for Budget 2027

Budget 2027 will be framed against a fiscal position that is strong on its face but not without challenges. The general government surplus was €10.3 billion in 2025 and is projected at €5.1 billion for 2026, but the Department of Finance has been explicit that the headline position is flattered by corporation tax receipts concentrated in a small number of firms.[5] The Government's response, capitalising the Future Ireland Fund and the Infrastructure, Climate and Nature Fund towards a combined €24 billion by end-2026, is the correct one. The same logic that justifies saving windfall receipts at the level of the State applies with equal force at the level of the household.

Irish households are, by any international measure, prodigious savers and reluctant investors. Deposits with Irish banks exceed €160 billion, the bulk of it in accounts paying little or no interest, and the saving rate has remained in double digits since the pandemic. This is not irrational behavior. It reflects the products, incentives and distribution channels that households have been offered. Where Irish savers have been given a simple, trusted, tax-supported vehicle, they have used it in enormous numbers. More than 1.1 million SSIA accounts were opened between 2001 and 2002, a participation rate without parallel in Europe at the time. While that scheme faced well documented challenges of its own in cultivating a long-term investor base, the lesson from it is that Irish people are willing to invest, but that simplicity and trust are the crucial determinants of participation.

The cost of the current pattern is borne three times over. Households lose the compounding returns of long-term investment, which flows through to weaker retirement adequacy and greater future reliance on the State. The overall economy loses a pool of patient capital which investors may choose to invest domestically at the moment Ireland's National Development Plan, housing programme and climate transition require it. In turn, the Exchequer loses resilience, because household balance sheets concentrated in nominal deposits provide a weaker buffer in downturns.

Policy has now turned decisively towards addressing this. The Funds Sector 2030 review recommended simplification of the taxation of retail investment, including removal of the deemed disposal regime.[6] Budget 2026 reduced the exit tax rate and committed to a roadmap for retail investment, and at the inaugural Savings and Investment Forum in March 2026 the Minister for Finance set out the intention to legislate this year for a new Personal Investment Account, with accounts available from 2027 and the key parameters to be set in Budget 2027.[7] This agenda aligns with the European Commission's Savings and Investments Union and its Recommendation on savings and investment accounts, which calls for accounts that are simple, accessible and tax-efficient.[8]

Budget 2027 is therefore not primarily a question of how much to spend. It is a question of whether a set of once-in-a-generation design decisions are taken well. The remainder of this submission addresses those decisions.

2. The Personal Investment Account. Getting the design right

2.1 Where policy stands

The Government has indicated that the new account, referred to in public debate as the Savings and Investment Account or Personal Investment Account (PIA), will be legislated for in 2026 and available from 2027.

Irish Life strongly supports the establishment of the account. It is, alongside auto-enrolment, the most important financial policy initiative of this Government, and if well designed it can do for investing what the SSIA did for saving. We set out below the design we believe will succeed. A tax-exempt account on the model of the UK ISA, delivered through every regulated product and channel through which Irish households actually engage with long-term saving.

2.2 The case for a tax-exempt account

The design of the account should begin with the saver it is intended to reach. Irish household savings are held overwhelmingly on deposit, and the cohort the account is intended for has little or no direct experience of holding market investments outside pensions. For these savers, the primary deterrent to investment is uncertainty. Any design that can produce a tax demand in a year in which the account has fallen in value asks an inexperienced investor to absorb a loss and a tax bill together, and many faced with such an eventuality will reasonably conclude that investing is not for them. A tax-exempt account removes that possibility. The money paid in has already been taxed, nothing inside the account is ever taxed, and the saver's position is settled on the day the contribution is made.

Simplicity and transparency are similarly important. Mass participation follows propositions that can be stated plainly and repeated accurately by an employer, an adviser or a family member, as the take-up of the SSIA demonstrated. The proposition that nothing in the account is ever taxed meets that test. It requires no explanation to hold, and because no tax is ever deducted a saver's statement shows exactly how their money has performed. More than 22 million adults in the United Kingdom hold ISAs, across every income decile, in large part because the product can be understood by households that hold no other investments.

We would further note that the purpose of the scheme is the return it delivers. An exemption passes the difference between deposit rates and long-term investment returns to the saver, lets gains compound untaxed for as long as the money remains invested, and rewards the patient, regular saving the policy is designed to encourage.

There is little substance to the concern that an account of this nature would narrow the tax base. The savings of the target cohort earn little on deposit, so the returns being exempted would not otherwise exist to be taxed, and the annual contribution allowance gives the Government a direct means of controlling the scheme's cost.

Should the Government nonetheless proceed with a taxed account design, we would urge, as a minimum, that charges apply only in years of positive account performance, or that charges levied in loss years be creditable against future liability, and that the tax-free threshold be set at a level that removes the substantial majority of expected accounts from the charge altogether. But these are repairs to a design whose central defect is better avoided at the outset.

2.3 The design Irish Life proposes

Experience with the SSIA and the UK ISA suggests a small number of parameters will determine take-up. We propose the following design.

Contributions	An annual contribution cap, set at a level meaningful for middle-income households and indexed thereafter. No lifetime cap or balance threshold, which are complex to administer and opaque to savers.
Investment choice	A range of account options spanning the regulated product universe, including funds with a greater European investment focus. No standalone cash account. The PIA should be an investment account, with liquidity delivered within the investment choices.
Access	Redemption at any point, without penalty. Accessibility is a precondition of participation for cautious savers, and international evidence is that accessible accounts are nonetheless held for the long term.
Advice	Available on both an advised and a non-advised basis, with advice on a PIA treated as advice on any other regulated product and the existing consumer protection framework applying in full.
Digital design	Digital-first onboarding, servicing and transfers, alongside intermediated channels, so the account is as easy to open as a deposit account.
Place in household finances	Positioned to sit alongside pensions, cash deposits and larger investment options as a distinct tier of household saving.
Transfers and reporting	Simple, prompt, tax-neutral transfers between providers, and reporting at provider level with no self-assessment obligation on the account holder.
Launch	Legislation in Finance Bill 2026, commencement in 2027, and a sustained national information campaign with providers enlisted as partners, as they were for the SSIA and auto-enrolment.

2.4 Distribution. Meeting Irish savers where they are

Close to half of Irish household financial assets are held through pensions and insurance-based products, and Irish people who invest do so overwhelmingly through unit-linked funds and savings plans provided by life companies, supported by intermediated advice channels such as brokers, banks and financial advisers. These are regulated, consumer-protected, mass-market channels reaching every town in the country, and they are how Irish households already take their first steps beyond deposits, typically with regular contributions of modest amounts.

The account should therefore be open to as many distribution channels as possible, with as much choice and design variety as possible. Eligibility should be defined by reference to the account and its rules, not by a favoured legal form of product. Life-wrapped, unit-linked funds and insurance-based investment products should qualify on equal terms with UCITS and listed securities offered by any authorised provider and distributed through direct, advised and intermediated channels alike. A PIA restricted in substance to MiFID securities accounts would exclude the products and channels most familiar to first-time investors, reserve the scheme's benefits for confident self-directed investors, and hand a structural tax advantage to one part of the regulated market over another. Access to advice matters particularly for participation. Central Bank of Ireland research points to a pronounced gender gap in investment participation and confidence, and advised channels are among the most effective means of closing it.[9]

Recommendations

1. Adopt a tax exemption-based design for the Personal Investment Account, modelled on the UK ISA. Contributions from after-tax income up to an annual allowance, with all returns within the account exempt and no tax event arising inside the account or at the point of withdrawal.
2. Define eligibility by the account and its rules, not the product wrapper. Life-wrapped unit-linked funds and insurance-based investment products should qualify on equal terms with UCITS, other regulated funds and listed securities.
3. Ensure provider and distribution neutrality. Life companies, banks, investment firms and platforms should all be able to offer the PIA, through as many regulated channels as possible, on both an advised and a non-advised basis.
4. Set the design parameters for participation: an indexed annual contribution cap, liquidity within the investment choices with redemption at any point without penalty, a range of account options including funds with a greater European investment focus, digital-first design, tax-neutral transfers between providers and provider-level reporting.
5. Legislate in Finance Bill 2026 with a firm commencement date in 2027, and commit to a multi-year national communications campaign on the model of the SSIA launch.

3. A coherent tax framework for long-term savings

The Personal Investment Account will sit alongside, not replace, the existing stock of household investment. Hundreds of thousands of savers hold life assurance investment policies and funds today, and will continue to hold assets outside the new account once its annual allowance is exhausted. If the taxation of those holdings remains anomalous, the reform will have created a cliff edge at the boundary of the account rather than a coherent system. Three anomalies should be addressed in Budget 2027.

3.1 Complete the exit tax alignment

Budget 2026 reduced the rate of life assurance exit tax and the equivalent fund and offshore fund rates from 41 per cent to 38 per cent.[10] We welcomed that step. But the destination was never in doubt and there is no policy rationale for pausing short of it. Capital gains tax and deposit interest retention tax both stand at 33 per cent. A saver who buys shares directly pays 33 per cent on gains. The same saver, holding the same shares through a diversified fund or unit-linked policy, the form of holding public policy should prefer for retail investors, pays 38 per cent. Taxing diversification at a premium to concentration is not a defensible position, and each year the differential persists it distorts product choice and advice. Budget 2027 should complete the alignment at 33 per cent.

3.2 Abolish eight-year deemed disposal

Under the deemed disposal regime, tax is charged on unrealised gains in funds and life policies every eight years, regardless of whether any disposal has occurred. The Funds Sector 2030 review recommended its removal, and the case is well established. It taxes paper gains that may subsequently reverse, forces liquidity events inside long-term products, generates significant administrative complexity for savers and providers, and penalises exactly the buy-and-hold behaviour that retail investment policy seeks to encourage. Its abolition, with appropriate transition for tax already paid, would remove the single feature of the Irish regime most frequently cited by savers and advisers as a reason to remain in cash. The anti-avoidance concerns that motivated the rule can be met by better targeted measures applying to personal portfolio arrangements, which already carry a distinct regime.

3.3 Remove the 1 per cent life assurance premium levy

A 1 per cent levy applies to premiums on life assurance policies, including regular-premium savings policies. Introduced in 2009 as an emergency revenue measure, it is a tax not on returns but on the act of saving itself. The levy applies to protection policies as well as to savings policies, so it is charged on term assurance, mortgage protection and income protection premiums alongside regular-premium savings contributions. In that application it operates as a tax on the act of insuring a household against death, illness or loss of income, at a time when the scale of the protection gap is an acknowledged concern of public policy.

The case for removal extends across both applications, and it is at its clearest in savings, where the levy sits directly against a policy of encouraging retail investment. Its incidence falls on ordinary households making monthly contributions to savings plans, the precise behaviour the Government now seeks to encourage through the PIA. It has outlived the emergency that justified it, and it sits incoherently beside a policy of tax-supported retail investment. It should be removed across life assurance premiums generally, or at minimum phased out on a stated schedule. If the change must be staged for fiscal reasons, savings products within the new PIA framework should be outside its scope from the outset.

3.4 Certainty as policy

Finally, we would emphasise the value of the roadmap itself. Savers and providers make multi-year decisions. A published timetable covering the exit tax end-state, deemed disposal abolition and the levy, even one that phases changes across two or three budgets, would deliver much of the behavioural benefit in advance of the fiscal cost, because product design, advice and saver expectations would adjust immediately.

Recommendations

6. Complete the alignment of life assurance exit tax and equivalent fund rates with the 33 per cent CGT and DIRT rates in Budget 2027.
7. Abolish the eight-year deemed disposal regime, with transitional credit for tax already paid, retaining targeted anti-avoidance rules for personal portfolio arrangements.
8. Remove the 1 per cent levy on life assurance premiums, an emergency measure introduced in 2009 that taxes both saving and household protection, and ensure that PIA products are outside its scope.
9. Publish the retail investment roadmap with dated milestones, so that savers, advisers and providers can plan against a known end-state.

4. Pensions and retirement adequacy

4.1 The post-auto-enrolment landscape

The commencement of auto-enrolment on 1 January 2026 was a landmark in Irish social policy, bringing employees aged between 23 and 60 earning €20,000 or more, and without existing payroll pension coverage, into retirement saving.[11] Irish Life supported the introduction of auto-enrolment throughout its gestation period, and we continue to support its successful rollout. Attention should now turn to how the wider pensions system serves members as auto-enrolment matures, beginning with how retirement savings are drawn down.

4.2 In-scheme drawdown

Under current arrangements a member reaching retirement must generally move out of their scheme, into an approved retirement fund or an annuity, to access their benefits. That transition compels a change of product at a fixed moment, whether or not the member's circumstances call for one, and creates an investment cliff edge at the point of retirement.

Advice is central to good outcomes at retirement, and its value is greatest at precisely this point, where decisions are complex, consequential and revisited as circumstances change. Our position is that no member should be able to draw down at retirement without making an active decumulation decision, that there should be no default; that advice should be available on an opt-out rather than a mandatory basis; that the charging basis should be flexible according to the advice sought and capable of being met from the pension pot itself; and that ongoing advice should be supported throughout the decumulation journey rather than concentrated at a single point of transition.

We recommend that the Government legislate for in-scheme drawdown, allowing occupational schemes and master trusts to pay retirement income directly to members from within the scheme, as a complement to existing retirement options such as approved retirement funds and annuities, with freedom of movement between them. Members would remain in institutionally governed, low-cost investment arrangements through retirement, benefit from scale pricing, and face a far simpler decision at the point of retirement. In-scheme drawdown is a standard feature of mature defined contribution systems internationally, and its absence will become more visible as the first auto-enrolment cohorts approach retirement. Irish Life has developed a detailed position on the design of in-scheme drawdown and would welcome the opportunity to share it.

Recommendations

10. Legislate for in-scheme drawdown, so that occupational schemes and master trusts can pay retirement income directly to members from within the scheme, alongside a requirement that members make an active decumulation decision supported by advice offered on an opt-out basis and capable of being funded from the pension pot.

5. Private health insurance and the Risk Equalisation Scheme

5.1 A market delivering for the State, under strain

Some 2.55 million people, approaching half the population, hold private health insurance. 7 The insured population funds a substantial share of elective and diagnostic activity in the State, relieving pressure on public waiting lists and on the Exchequer. The Government's own contribution to the cost of cover, the risk equalisation stamp duty, rose by close to 10 per cent in April 2026, to €517 per adult and €172 per child on advanced plans. 9

The dynamics of a community-rated market make affordability among the young a systemic issue rather than a distributional one. Community rating is a cross-subsidy from younger and healthier members to older and sicker ones. It holds only for as long as younger members continue to join and stay in the market. If price growth pushes marginal younger members out, average claims costs rise, premiums follow and the spiral compounds. Protecting the affordability of entry-level cover for younger adults is therefore the maintenance condition of the entire system, including the protection community rating affords older and sicker citizens.

We note further that, while a positive development overall, Sláintecare will change this market fundamentally. As private practice is phased out of public hospitals, non-advanced plans, which primarily insure treatment in public hospitals and carry a lower levy, will effectively be removed from the market. These are the entry-level products through which younger members typically join. Their disappearance would push new entrants directly onto advanced plans carrying the full stamp duty, raising the cost of entry precisely where the market is most price-sensitive. The design of the next Risk Equalisation Scheme must anticipate this.

5.2 Redesigning the Risk Equalisation Scheme from 2027

Irish Life supports community rating and supports risk equalisation as its necessary underpinning. The current scheme's entrustment expires on 31 March 2027, the successor scheme must be notified to the European Commission for State aid approval, and the Health Insurance Authority consulted on proposed amendments in late 2025.[12] That redesign should begin with the way the scheme is funded.

The most fundamental issue is the structure of the levy and its impact on the members the market most needs. The stamp duty is a flat amount per insured life, invariant to the premium actually paid. A young adult benefiting from a discounted premium pays the full levy, so that the levy can represent a multiple of its market-average share of their total cost, and the coarse differential between advanced and non-advanced rates does not correct this. The structure is regressive with respect to age and income within each plan tier and works directly against the policy of attracting younger entrants. On an advanced plan priced at €1,200, an adult paying the full premium contributes €517 in stamp duty, or roughly 43% of what they pay. A 23-year-old on the same plan with a young adult discount pays around €700 - the same €517, now roughly three-quarters of their premium, and the levy alone exceeds what they pay for their cover. The redesign should restructure the duty from a flat-rate charge into a minimum flat levy for stability combined with a percentage of premium, in line with the structure of all other stamp duties, on an Exchequer-neutral basis. Irish Life's own market research on the purchasing behaviour of younger members confirms the impact of the current structure, and we would be glad to share it with the Departments.

The scheme should also equalise risk, not benefit choices. Credits under the High Cost Claims Pool are currently calculated on total claims cost above a threshold, so that two members receiving identical clinical treatment generate different transfers depending on the accommodation and provider level their plan happens to cover. Members on basic plans, disproportionately younger and less affluent, subsidise the plan enhancements of members on premium cover. Transfers, including High Cost Claims Pool support, should be calibrated at a base-plan level of benefit, with supplementary cover falling outside the scope of equalisation, as is the practice in comparable international schemes.

Health status should be measured by diagnosis rather than approximated by age. The scheme relies predominantly on age-related credits, a blunt instrument that assumes every seventy-year-old carries identical risk. Diagnosis-based measures, standard in the more developed equalisation systems internationally, have been under discussion in Ireland for years without a decision. The 2027 redesign should commit to a published, dated roadmap for their introduction, with the High Cost Claims Pool treated explicitly as an interim mechanism rather than a destination.

Finally, the new scheme should be entrusted for no more than three years. The removal of private practice from public hospitals will change the composition of the market fundamentally within the life of the next scheme, and its parameters will need to be recalibrated against that new landscape rather than fixed for a longer term. That period should also be used to review the wider regulatory framework, including Minimum Benefits regulations which predate Sláintecare and will no longer reflect the treatments that can be delivered in private settings.

We support the proposed extensions of the scheme consulted on by the Health Insurance Authority, bringing infertility and assisted reproduction treatments and services related to eating disorders within the calibration data, and extending Hospital Utilisation Credits to remote care, oncology day facilities, day hospitals and approved mental health centres, subject to robust definitions of eligible activity and explicit protection against double counting across care pathways.

5.3 Supporting affordability through the tax system

Tax relief on medical insurance premiums is granted at source at the standard rate, subject to a ceiling of €1,000 of premium per adult and €500 per child, levels unchanged since 2013. Average adult premiums have since risen to €1,902,[7] so that the effective rate of relief on the average policy has been roughly halved. Restoring the real value of the ceiling, and indexing it thereafter, is the most direct instrument available in Budget 2027 to support the affordability of cover, and its benefit flows in full to households rather than to insurers, since relief is granted at source against the premium actually charged.

5.4 The tax treatment of employer funded cover

Where an employer funds health insurance for an employee, a benefit in kind charge arises on the gross premium. Tax relief at source does not operate in these cases, and the employee must instead claim the equivalent standard rate credit directly from Revenue. An employee holding identical cover at an identical price to an individual purchaser therefore receives relief only if they actively recover it, while the individual receives it automatically at source. Within the wider benefits package, employer-funded health insurance is also the outlier. Employer premiums for death in service cover and for income protection give rise to no benefit in kind charge, and no policy rationale for the distinction has been articulated.

Employer-funded schemes are a significant route into the market. Because participation is generally extended across a workforce rather than selected by health status, they introduce a broader spread of risk into the community-rated pool than individual purchase does. A tax treatment that raises the effective cost of participation through that route works against the objective the relief exists to serve.

The charge is also relevant to the costing of recommendation 16. Benefit in kind receipts arising on employer-funded policies are a return flow to the Exchequer from the same cover against which relief is granted, so the net cost of medical insurance relief as currently structured is lower than the headline relief figure indicates.

Recommendations

11. Restructure the risk equalisation levy from a flat-rate charge per insured life to a minimum flat levy combined with a percentage of premium, in line with the structure of all other stamp duties, on an Exchequer-neutral basis.
12. Calibrate risk equalisation transfers, including the High Cost Claims Pool, at a base-plan level of benefit so that the scheme equalises health risk rather than accommodation and benefit differences.
13. Publish a dated roadmap for diagnosis-based measures of health status in the Risk Equalisation Scheme, treating the High Cost Claims Pool as an interim mechanism.
14. Limit entrustment of the new scheme to three years, so that its parameters can be recalibrated as Sláintecare reshapes the composition of the market.
15. Proceed with the proposed extensions of calibration data and Hospital Utilisation Credits, with robust definitions of eligible activity and explicit safeguards against double counting.
16. Restore the real value of the medical insurance premium relief ceiling, unchanged at €1,000 per adult and €500 per child since 2013, and index it to premium inflation thereafter.
17. Remove employer-funded medical insurance from the charge to benefit in kind, aligning its treatment with that of other employer-funded protection benefits.

6. A simpler regulatory architecture

The measures in this submission share a common theme. Complexity is itself a cost, borne ultimately by consumers. Ireland's financial services framework has accumulated overlapping legislation, regulation and reporting obligations, and the burden of administering them feeds through to the price and availability of products for households. At European level, the Commission has made simplification a central plank of its competitiveness agenda, with proposals to reduce reporting burdens by at least a quarter. Ireland should adopt a comparable commitment at national level, with a stated target for reducing the administrative and reporting burden of financial services regulation and a published programme for delivering it.

Pensions offer the clearest case in point. Ireland operates an unusually complex pensions architecture, with PRSAs, occupational schemes, retirement annuity contracts, buy-out bonds and now My Future Fund, each carrying distinct rules on contributions, access and drawdown. Members are moved between products at moments when nothing in their circumstances requires it, with each transition carrying cost and complexity, and transfers between providers remain slow and inconsistently administered. A consolidation of vehicles and a harmonisation of drawdown rules over this Government's term, together with common standards for the processing of transfers, would give savers a settled and predictable system, remove product churn that serves no member interest, and complement the introduction of in-scheme drawdown recommended above.

The regulatory field should also be consolidated. Ireland maintains separate sectoral regulators, the Pensions Authority for pensions and the Health Insurance Authority for health insurance, alongside the Central Bank's prudential and conduct mandates. For groups operating across these markets, this means duplicate regulators, duplicate levies, duplicate data requests and the risk of inconsistent supervisory expectations for what is often the same customer and the same balance sheet. Incorporating the Pensions Authority and the Health Insurance Authority into the Central Bank of Ireland would create a single, coherent regulatory interface, reduce cost without any reduction in supervisory standards, and mirror the consolidated model adopted in comparable jurisdictions. Budget 2027, as the statement of the Government's reform priorities, is the right place to signal that intent.

Recommendations

18. Adopt a national commitment to reduce the administrative and reporting burden of financial services regulation, matching the ambition of the European Commission's simplification agenda.
19. Advance the consolidation of pension vehicles and the harmonisation of drawdown rules, with common standards for transfer processing, so that members are not moved between products unnecessarily and with transition protections for existing savers.
20. Consolidate the regulatory landscape by incorporating the Pensions Authority and the Health Insurance Authority into the Central Bank of Ireland, ending duplicate regulators, levies and reporting.

7. Conclusion

Budget 2027 will be delivered into fiscal circumstances which are by most measures highly favourable, and yet less secure than they appear. The measures proposed in this submission share a single logic. They convert a moment of Exchequer strength into permanent household strength, by finally connecting Ireland's extraordinary stock of savings to the returns, the retirement security and the national investment needs it should be funding. The Personal Investment Account, designed for certainty and delivered through the channels Irish savers already trust, a savings tax regime aligned and simplified, a pension system left stable and allowed to work, and a health insurance market whose regulatory architecture supports competition and younger participation, together amount to a budget for household resilience. Irish Life stands ready to contribute data, analysis and operational expertise to the development of any of these measures.

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Appendix

Summary of recommendations

No.	Area	Recommendation
1	**Personal Investment Account**	Adopt a tax exemption-based design for the Personal Investment Account, modelled on the UK ISA. Contributions from after-tax income up to an annual allowance, with all returns within the account exempt and no tax event arising inside the account or at the point of withdrawal.
2	**Personal Investment Account**	Define eligibility by the account and its rules, not the product wrapper. Life-wrapped unit-linked funds and insurance-based investment products should qualify on equal terms with UCITS, other regulated funds and listed securities.
3	**Personal Investment Account**	Ensure provider and distribution neutrality. Life companies, banks, investment firms and platforms should all be able to offer the PIA, through as many regulated channels as possible, on both an advised and a non-advised basis.
4	**Personal Investment Account**	Set the design parameters for participation: an indexed annual contribution cap, liquidity within the investment choices with redemption at any point without penalty, a range of account options including funds with a greater European investment focus, digital-first design, tax-neutral transfers between providers and provider-level reporting.
5	**Personal Investment Account**	Legislate in Finance Bill 2026 with a firm commencement date in 2027, and cwommit to a multi-year national communications campaign on the model of the SSIA launch.
6	**Savings taxation**	Complete the alignment of life assurance exit tax and equivalent fund rates with the 33 per cent CGT and DIRT rates in Budget 2027.
7	**Savings taxation**	Abolish the eight-year deemed disposal regime, with transitional credit for tax already paid, retaining targeted anti-avoidance rules for personal portfolio arrangements.
8	**Savings taxation**	Remove the 1 per cent levy on life assurance premiums, an emergency measure introduced in 2009 that taxes both saving and household protection, and ensure that PIA products are outside its scope.
9	**Savings taxation**	Publish the retail investment roadmap with dated milestones, so that savers, advisers and providers can plan against a known end-state.
10	**Pensions**	Legislate for in-scheme drawdown, so that occupational schemes and master trusts can pay retirement income directly to members from within the scheme, alongside a requirement that members make an active decumulation decision supported by advice offered on an opt-out basis and capable of being funded from the pension pot.
11	**Health insurance**	Restructure the risk equalisation levy from a flat-rate charge per insured life to a minimum flat levy combined with a percentage of premium, in line with the structure of all other stamp duties, on an Exchequer-neutral basis.
12	**Health insurance**	Calibrate risk equalisation transfers, including the High Cost Claims Pool, at a base-plan level of benefit so that the scheme equalises health risk rather than accommodation and benefit differences.
13	**Health insurance**	Publish a dated roadmap for diagnosis-based measures of health status in the Risk Equalisation Scheme, treating the High Cost Claims Pool as an interim mechanism.
14	**Health insurance**	Limit entrustment of the new scheme to three years, so that its parameters can be recalibrated as Sláintecare reshapes the composition of the market.
15	**Health insurance**	Proceed with the proposed extensions of calibration data and Hospital Utilisation Credits, with robust definitions of eligible activity and explicit safeguards against double counting.
16	**Health insurance**	Restore the real value of the medical insurance premium relief ceiling, unchanged at €1,000 per adult and €500 per child since 2013, and index it to premium inflation thereafter.
17	**Health Insurance**	Remove employer-funded medical insurance from the charge to benefit in kind, aligning its treatment with that of other employer-funded protection benefits.
18	**Simplification**	Adopt a national commitment to reduce the administrative and reporting burden of financial services regulation, matching the ambition of the European Commission's simplification agenda.
19	**Simplification**	Advance the consolidation of pension vehicles and the harmonisation of drawdown rules, with common standards for transfer processing, so that members are not moved between products unnecessarily and with transition protections for existing savers.
20	**Simplification**	Consolidate the regulatory landscape by incorporating the Pensions Authority and the Health Insurance Authority into the Central Bank of Ireland, ending duplicate regulators, levies and reporting.

Notes and sources

1. Central Bank of Ireland, money and banking statistics. Household deposits with Irish resident banks exceeded €160 billion during 2026, predominantly in overnight and instant-access accounts.
2. Central Statistics Office, Household Saving, Quarter 1 2026. Seasonally adjusted household saving rate of 12.5 per cent.
3. Health Insurance Authority, market statistics 2025 and 2026. Approximately 2.55 million insured lives at end-2025 and an average adult premium of €1,902.
4. Health Insurance (Amendment) Act 2025. Risk equalisation stamp duty of €517 per adult and €172 per child on advanced plans, and €103 and €34 on non-advanced plans, from 1 April 2026.
5. Department of Finance, Budget 2026 documentation and subsequent fiscal statements. General government surplus of €10.3 billion in 2025 and projected €5.1 billion in 2026. Combined Future Ireland Fund and Infrastructure, Climate and Nature Fund balances projected at approximately €24 billion by end-2026.
6. Department of Finance, Funds Sector 2030. A Framework for Open, Resilient and Developing Markets, October 2024.
7. Remarks of the Minister for Finance at the inaugural Annual Savings and Investment Forum, Central Bank of Ireland, March 2026, and subsequent Department of Finance statements on the savings and investment account framework.
8. European Commission, Recommendation on Savings and Investment Accounts, adopted under the Savings and Investments Union strategy, 2025.
9. Central Bank of Ireland consumer research on retail investment participation, including evidence of lower participation and confidence among women.
10. Finance Act 2025. Reduction of life assurance exit tax and equivalent fund rates from 41 per cent to 38 per cent with effect from Budget 2026.
11. My Future Fund commenced 1 January 2026 for employees aged 23 to 60 earning €20,000 or more without existing payroll pension coverage, with a State top-up of one euro per three euro contributed.
12. Health Insurance Authority, public consultation on the community-rated health insurance market and proposed changes to the Risk Equalisation Scheme, November 2025. The current entrustment expires on 31 March 2027.

Irish Life