

## UK and Ireland Face Pension Reform Divide

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Dublin – Ireland’s restrictive pension rules may hinder long-term savings growth, especially compared to the evolving approaches seen in the UK and US, according to Brian Merriman of Elkstone, a Dublin-based investment firm.

Merriman warns that Irish pension schemes are falling behind due to limited access to private market investments. He points out that significant reforms abroad, particularly the UK’s push to channel pensions into productive domestic investments, highlight the need for similar progress in Ireland.

The UK's Work and Pensions Secretary, Liz Kendall, recently revived a pension commission, citing a future "tsunami of pensioner poverty." UK analysis shows that individuals retiring from 2050 onwards may face lower living standards than those retiring today. The government is considering steps to improve returns by expanding access to higher-yield assets such as infrastructure and venture capital.

In contrast, Ireland continues to confine ordinary pension savers to traditional public assets like equities and bonds. Merriman argues that these restrictions limit potential returns and leave savers exposed to declining yields.

He advocates for enabling access to private markets, including private equity, real estate, and venture capital, which have grown significantly since the 2008 financial crisis. Such assets, though less liquid and harder to value, are well-suited for long-term pension strategies.

"Not investing in private markets may pose greater risks in the long run," Merriman said.

He also suggests that allowing a small portion, 5% to 10%, of pension savings to be allocated toward Irish sectors like housing and infrastructure would support both individual investors and the national economy.

Elkstone currently advises private clients and manages investments in Irish tech startups, student housing, and property schemes. Merriman emphasises this is a long-term policy matter, not a commercial opportunity for Elkstone.