

# Public 'unaware' pension tax relief better than SSIA scheme



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Most consumers do not realise that the tax reliefs on pensions give them a bigger benefit than the old SSIA savings scheme, new research has found.

A Standard Life survey of 1,000 respondents shows 75pc don't know the State tops up pension contributions by up to 40pc for higher rate taxpayers. There are almost half a million higher rate taxpayers, according to the Revenue Commissioners.

A single person, with no children, earning €33,800 a year or more is a higher rate taxpayer.

John McInerney, senior technical consultant with Standard Life, said the huge top-up for investing in a pension compares with the flat rate 25pc top-up that was given to all Special Savings and Investment Accounts (SSIA) savers for every euro saved. The SSIA scheme was introduced in the 2001 Finance Act, and saw the Government contribute €1 for every €4 invested by the account holder.

The maximum contribution was €254 per month.

The SSIA scheme attracted more than one million savers, matured in 2007 and was a runaway success.

"There are probably at least 100,000 people missing out on arguably the most generous tax break left to the middle classes," said Mr McInerney.

"If people knew just how generous the government top-up on pension contributions is, we wouldn't need to sell them."

Almost two-thirds of respondents are not aware that pensions are tax efficient. "It's very concerning," said Mr McInerney. **Indo Business**