
Public Consultation on the Standard Fund Threshold

Submission from the American Chamber of Commerce
Ireland (AmCham) to the Department of Finance

February 2024

The American Chamber of Commerce Ireland

The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

The American Chamber of Commerce Ireland (AmCham) welcomes the opportunity to respond to the public consultation by the Department of Finance on the Standard Fund Threshold (SFT).

Review of the SFT provides a strategic opportunity for Ireland evaluate its current offering to talent. The evaluation of the competitiveness of the SFT has the potential to add value to Ireland's position as an excellent place to live and to work.

The SFT for pensions is currently affecting both public and private sectors in Ireland, and with adjustments has the potential to provide a competitive pension system in Ireland. To ensure Ireland remains globally competitive, AmCham recommends conducting a thorough benchmarking analysis against similar open, economies with strong levels of inward investment. This analysis will ensure Ireland remains an attractive destination for talent and would support the identification of measures to support Ireland's competitive advantage as a location for inward investment.

It is important to consider inflation when making any adjustments to the threshold, ensuring that its real value remains competitive over time. In this context, consideration could be given to the indexation for pensions. Indexation would provide an automatic increase to the SFT, mitigating the impact of inflation on the real value of pensions.

A competitive SFT, along with other incentives, could help to encourage talent to choose Ireland as a location to live and work. This would enhance Ireland's attractiveness as a location for business to place key functions and build key teams, further solidifying its position as a destination for inward investment and providing increased employment opportunities. Further, review of the SFT would support continued workforce participation.

In conclusion, AmCham believes that a strategic reassessment of the Standard Fund Threshold, informed by global benchmarking, will contribute significantly to retaining and enhancing Ireland's position as a destination of choice for FDI and for talent to live and work.