
PENSIONS COUNCIL

Meeting on Thursday, 16th July 2015 at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

Attendance: Jim Murray (Chairman)
Peter Brazel
Roma Burke
Kirstie Flynn
Anthony Gilhawley
Brendan Kennedy
Sandra Rockett
Sinead Ryan
Shane Whelan

Apologies: Marie Louise Delahunty
Helen McDonald

Also present: Jenny Robinson (Secretariat)

Minutes

1. Adoption of agenda

The proposed agenda for the meeting was agreed.

2. Conflict of interest

No conflicts of interest were declared.

3. Approval of minutes

Anthony Gilhawley noted that the word “actuarial” should be removed from the last paragraph of the second page. This has been amended to “*Joe Morley advised the Council that the Consumer Protection Code is the first code that applies to all regulated entities.*”

4. To-do list from previous meeting

In relation to the conflicts form being subject to FOI legislation, the Chairman confirmed that the informal view of the Pensions Authority is that such forms are outside the scope of FOI legislation.

Brendan Kennedy confirming that a few legal issues arose in the drafting of the Memorandum of Understanding (“**MOU**”) however the agreed support remains unchanged.

The Pensions Authority is required to obtain ministerial consent to provide assistance to the Council and it was confirmed that this is in train. Brendan also noted that in providing the secretariat to the Council, the Council may disclose information to the Pensions Authority and Brendan confirmed that the Council requires ministerial consent to disclose any information outside of the Council. It is the Authority’s view that disclosure of information to the Authority could be dealt with under the Standing Orders document. Brendan confirmed that the MOU will be furnished to the Council in advance of the next meeting.

5. Reducing pension charges

The Chairman asked the Council if they had any comments on the document that was circulated in relation to regulating charges. Roma Burke advised that a good starting point would be to outline what types of charges people face. Anthony Gilhawley noted that the incidence of charges is important and Shane Whelan commented that early surrender is a problem and that reduction in yield (“**RIY**”) may cancel out at that stage. Brendan Kennedy noted that normal analysis cannot be applied to all pensions as they are much more complex because there are pension contracts and schemes and where charges are high in occupational pension schemes, it may be carelessness on the part of the trustees. The Chairman noted the need for a review of information disclosure and that improvement on what providers say in plain language is of key importance.

Anthony Gilhawley commented that a centralised area to look at all pension products would be useful. It was noted that the Pensions Authority’s PRSA register was very useful but that it is not published anymore and Brendan Kennedy confirmed that he will find out why.

Roma Burke confirmed that from working with a German client, she discovered that it is very easy to find out charges and expenses in Germany. Roma confirmed that she will look into this further. Anthony Gilhawley confirmed that he will draft a submission to be made to the Central Bank – Consumer Protection division, to undertake a survey of charges in certain specified pension contracts that might ask the providers involved to:

- Identify all the products they have currently for sale;
- Give a description of the charging structure for each such product version in a form that if published would inform the average consumer;
- Calculate the RIY for each such product based on certain specified periods and assumptions.

Shane Whelan confirmed that he will get some information on charges in the UK. The Chairman commented that information on comparative charges and ways of presenting them would be useful. The Chairman confirmed that he will draft a paragraph in relation to the scope of the project and would circulate it to the Council. The aim would be to gather information in relation to any charge, fee or expense that reduces the RIY.

There was a discussion around the use of plain language when disseminating information to customers. The Central Bank presentation showed that customers wanted plain language, charges shown in monetary amounts, that government charges should be shown and graphics etc. The Chairman confirmed that the Council should also look at the information provided by the Pensions Authority and also see if there are other forms of disseminating the information. Brendan Keenan commented that the most important group of customers are employees in DC schemes and that it is imperative that they are given information by their company in terms that they can understand. Sinead Ryan noted that the Dublin City Council have an app that has a barometer which shows an individual's pension fund increasing each year. It was agreed that short term targets appeal to a person's competitive streak.

6. Sources of information and evidence

This item was not discussed.

7. Work programme

This item was not discussed.

8. Any other business

There was a discussion about pension tracing. Brendan Kennedy confirmed that pension traceability is an EU concern and that he would provide the Council with further information.

The Chairman agreed that the subject of gender should be discussed at the next meeting and Brendan Kennedy confirmed that the Pensions Authority would collate what information they have available in relation to this together with any available data from the Central Statistics Office.

9. Next meeting

The next meeting will be held on Thursday, 24th September 2015 at 3.30pm at Verschoyle House.