
PENSIONS COUNCIL

Meeting on Thursday, 11th February 2016 at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

Attendance: Jim Murray (Chairman)
Peter Brazel
Roma Burke
Marie Louise Delahunty
Kirstie Flynn
Anthony Gilhawley
Brendan Keenan
Brendan Kennedy
Helen McDonald
Sandra Rockett
Sinead Ryan
Shane Whelan

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

The minutes of the meeting held on 21st January were approved.

4. To-do list from previous meeting

Interview interns

The Chairman confirmed that the interviews were scheduled for 23rd February. Helen McDonald noted the need for a comprehensive list of tasks to be provided by the Council and that the intern would need supervision, training and mentoring.

Update in relation to recruiting AO from IGEES

Helen McDonald reiterated that a strong application had been submitted for an Administrative Officer to the Irish Government Economic and Evaluation Service (IGEES) on a joint basis between the Council and the Department of Social Protection. Helen confirmed that the AO's goals and objectives would need to be clear. A discussion ensued regarding the type of work that the AO could undertake. It was agreed that the Council members would email their research ideas which would make up part of the AO's tasks.

Meet CCPC and TCD Pension Policy Research Group

The Chairman confirmed that he had circulated a note on the meetings with the CCPC and the TCD Pension Policy Research Group.

Continue work on ARF report

The Chairman informed the Council that the report is now complete and Helen McDonald confirmed that it will be sent to the Minister's office. Roma Burke queried whether the report was confidential and the Chairman confirmed that the report will remain confidential until the Minister has provided a reply. Anthony Gilhawley noted that copies of the report should be sent to the Life Companies before it is published given that their participation was voluntary.

Continue work on website

Jenny Robinson advised the Council that the logo had been finalised and that the website design is currently underway.

5. Central Bank presentation on annuities

Joe Morley and Grace McDonald from the Central Bank gave a presentation on the Bank's recent annuities inspection. The inspection concentrated on insurance companies and the aim was to ascertain how information on annuities was being communicated, if there were any shortcomings and to provide feedback on how the companies could improve. The key findings of the Bank's inspection were as follows:

- No breaches of the 2001 Life Assurance Regulations were found in any firm during the course the annuity sales file reviews or as part of the review of the firms' sales documents/brochures;
- Product oversight and governance arrangements in relation to product design and suitability were found to be below the expected standard in some firms. In line with the European Insurance and Occupational Pensions Authority

preparatory guidelines, firms will need to consider what improvements can be made in these areas;

- There were issues around an alternate interpretation of Chapter Five of the Consumer Protection Code in relation to the suitability of post retirement options;
- Consumers can increase their income by over €350 a year by comparing rates from annuity providers (based on rates at 6 January 2016);
- 60% of customers, who chose an annuity with a guarantee period, chose a five year guarantee period from 1 June 2014 to 1 June 2015;
- Although firms did explain “guaranteed payment periods” to consumers, they did not always discuss the various guaranteed payment periods on offer;
- Consumers could also significantly increase their income by choosing an enhanced annuity over a standard annuity, if they qualify;
- Currently only two firms are offering enhanced annuities in Ireland;
- Of the four firms inspected, a total of 65 complaints were received in relation to annuities from 1 June 2014 to 1 June 2015, which amounted to 8% of total complaints received for pension products among the firms during this time.

There were a number of questions from the Council members and a discussion ensued.

6. Pensions charges – Group ARFs

Anthony Gilhawley presented a note on Group ARFs. It was suggested that a small sub-group be created to look at the possible implications and it was agreed that Kirstie Flynn, Brendan Kennedy and Anthony will undertake this. Sinead Ryan noted that a case study would be useful and Anthony mentioned that a Group ARF could be devised that doesn't need ongoing advice, such as a life-styling fund.

7. Work programme

The Chairman asked the Council to commence a high level discussion on research needs. The following areas were mentioned:

- Gender issues;
- DC adequacy;
- SSIA type pension savings account;
- Alternatives to tax incentives with regards to pension savings;
- Auto-enrolment (URSG);
- Sustainability of State Pension and demographic change in population.

Shane Whelan noted that an international comparison of State Pensions would be beneficial and that he would like to present on this. Helen McDonald mentioned that there will be an actuarial review of the Social Insurance fund later this year.

8. Any other business

The Chairman queried whether the Council should look at the implementation of the Insurance Distribution Directive. Marie Louise Delahunty confirmed that the Central Bank will be asked for a submission and that the Council could volunteer one.

9. Next meeting

The next meeting will be held on Thursday, 10th March 2016 at 3.30pm at Verschoyle House.

To-do list

Provide research ideas for AO	ALL
Interview interns	HM/JM/RB
Continue work on website	JM/JR
Research Group ARF implications	TG/KF/BKennedy
International comparison of State Pensions	SW
Update on recruitment of AO	HM