
PENSIONS COUNCIL

Meeting on Thursday, 14th April 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
Sandra Rockett
Sinead Ryan
Shane Whelan

Apologies: Brendan Kennedy
Helen McDonald

Also present: Jenny Robinson (Secretariat)

Minutes

1. Adoption of agenda

The proposed agenda for the meeting was agreed. The Chairman confirmed that a timed agenda may be adopted for future meetings.

2. Conflict of interest

No conflicts of interest were declared.

3. Approval of minutes

The minutes of the meeting held on 11th February were approved.

4. To-do list from previous meeting

Interview interns / Update on recruitment of AO

The Chairman confirmed that an AO has been recruited therefore there is no need to recruit a job bridge intern. The AO will start on 25th April and be based in the Department of Social Protection.

5. International comparison of pensions

Shane Whelan presented his report on international comparisons of pension systems. Shane noted that there are significant differences in how Ireland's pension system is designed to meeting the ageing challenge and one striking feature of the Irish pensions system is that it has not evolved with time. Shane presented a number of differences between the Irish pension system compared to other EU and international pension systems. In his view the sustainability of the current Irish system was less problematic than was the case in many other developed countries. A discussion ensued regarding the figures contained in the report and the sustainability of the State pension. Further discussion took place regarding possible solutions that would make the State pension system more sustainable, more adaptable to modern conditions and more coherent than the current somewhat fragmented system. The Chairman confirmed that he would prepare a brief for the Council to study and develop options for the state pension system along these lines.

6. Group ARFs

Anthony Gilhawley presented a note on Group ARFs. It was suggested that if the proposal is approved by the Council, it could be sent to the Tánaiste and thereafter to Revenue and the Department of Finance. A discussion ensued around charges and regulation. It was noted that charging structures would be a matter for providers however a group arrangement would reduce costs greatly, and in many cases would eliminate the need for, and the costs of, intermediaries.

Roma Burke and Shane Whelan noted that costs are not always the biggest motivation for consumers and sometimes non-commercial issues carry more weight. Shane was of the view that fragmenting the market may cause problems for regulation and may add complexity. Shane proposed a product be created similar to that of a Standard PRSA with capped charges. Anthony noted that capped charges do not always work and that if a maximum is set, it usually becomes the minimum. Anthony also confirmed that many Non-Standard PRSAs, a product that does not have capped charges, are cheaper than Standard PRSAs. The Chairman thanked the Group ARF sub-group for their work on this matter and asked them to develop their proposals into the form of a recommendation for the Tánaiste.

7. Any other business

The Chairman asked the Council what day of the week the ARF report should be published in order to maximise media coverage. Sinead Ryan and Brendan Keenan confirmed that Sunday readership would get the most coverage and that the report and a statement which covers the Council's objective behind the report should be submitted to the Sunday papers on a Wednesday. The Chairman confirmed that the Life Companies will be provided with a copy of the report prior to it being published and that it is envisaged that the report will be published the Sunday after the next meeting. The chairman also confirmed that he will prepare the accompanying statement and circulate it to the Council for comments.

It was agreed that the July meeting will now take place on the 21st of July instead of the 14th of July.

8. Next meeting

The next meeting will be held on Thursday, 12th May 2016 at 3.30pm at Verschoyle House.

To-do list

Prepare recommendation on Group ARFs	TG/KF/BKennedy
Prepare accompanying statement for ARF report	JM