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# PENSIONS COUNCIL

Meeting on Thursday, 16<sup>th</sup> June 2016 at 3.30pm  
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

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**Attendance:** Jim Murray (Chairman)  
Roma Burke  
Kirstie Flynn  
Anthony Gilhawley  
Brendan Keenan  
Helen McDonald  
Sandra Rockett  
Sinead Ryan

**Apologies:** Peter Brazel  
Marie Louise Delahunty  
Brendan Kennedy  
Shane Whelan

**Also present:** Brian Purcell (Department of Social Protection)  
Jenny Robinson (Secretariat)

## Minutes

### 1. Adoption of agenda

The proposed agenda for the meeting was agreed. The Chairman welcomed Brian Purcell to the meeting. Brian will be sharing his time between working for the Council and the Pensions Policy Unit in the Department of Social Protection.

### 2. Conflict of interest

No conflicts of interest were declared.

### 3. Approval of minutes

The minutes of the meeting held on 12<sup>th</sup> May were approved.

### 4. To-do list from previous meeting

Prepare a note on Pensions Ombudsman decisions in relation to allowing DB BOB holders access to the ARF option at retirement

The Chairman noted that Tiago McCarthy had circulated a note on this matter and it would be discussed further under item 5.

Organise the implementation of a “Members’ Area” on the website

The secretariat confirmed that the IT company has scheduled the work on the website to commence on 20<sup>th</sup> June and indicated that the area would be available for testing on 24<sup>th</sup> June.

**5. Access to ARFs for DB BOB holders – continued**

The Chairman understood that progress had been made on this matter between the various departments. Helen McDonald confirmed that there will be an announcement in the coming weeks. Anthony Gilhawley noted that there is a related technical issue where a consumer has mixed DB and DC benefits and that this causes problems for these consumers at retirement. It was agreed that the Council would await the outcome of the matter concerning the ARF option for DB BOBs before making any suggestions to the Minister. Anthony agreed to draft a note in relation to this technical issue. At the time of writing, the Department of Finance had issued a press release confirming that the holders of BOBs that originated from DB schemes will now have access to the ARF option at retirement.

**6. Pensions and Gender – First discussion**

The Chairman thanked Brian Purcell for his note on pensions and gender. Brian noted that the gender gap has narrowed considerably but that the QNHS Pensions Module does not take all issues into consideration. Helen McDonald was of the view that the reason the gap has lessened may be due to coverage among men decreasing more significantly than coverage among women. Sinead Ryan noted that Ireland was quite close to the EU average and that it is an EU wide problem. Anthony Gilhawley thought it might be a reflection of the type of work women do and that if the Public Service was excluded, the gap would be considerably wider. A discussion ensued regarding possible solutions to close the gap. It was noted that women taking time out to raise children has a major impact on their earning potential and ability to contribute to a pension. There was merit in the idea of providing some sort of benefit to homemakers at the point of retirement, but against that it might be held to be unfair to women who had to work through their child’s early years if they could not afford to leave work.

The Chairman asked Brian to source a table of figures by employment sector so that the Public Service could be excluded which would ensure that the figures would be a more accurate reflection of the position.

Roma Burke advised the Council of a program that took place in the US called "Save more tomorrow". A survey was conducted and employees were asked why they were not contributing to a pension. The primary response was that they could not afford it. They were asked if they were to receive an increase in their salary, would they then contribute to a pension and the employees agreed. After a number of years, pension savings were significantly higher in that company compared to their peers.

The Chairman agreed to circulate a note on some of the points raised during the discussion, including inter alia, the following issues:

- Household deposits;
- Incentives and savings;
- Universal retirement income;
- Buying credits/voluntary contributions.

The Chairman noted that the members of a working group on this matter could be agreed by the next meeting. Sinead also noted that it may be useful for the Council to meet with "Women in Pensions" or Gill Brennan, who has been doing a thesis on this matter.

## **7. Broad study on future pensions policy**

The Chairman asked the Council to provide him with comments on the note he prepared in relation to this matter at the next meeting.

## **8. Work programme**

### Research needs

The Chairman asked Helen McDonald to provide the Council with the framework for external consultancy, procurement and tendering processes in the Public Service. Brendan Keenan noted that it may be useful to obtain age related data and that this could possibly be sourced from the Central Bank. Sinead Ryan was of the view that the Council should look at some research done by a behavioural economist and that it may be useful to work with Pete Lung, a behavioural economist that works with the ESRI.

### Survey on BOBs

Anthony Gilhawley was of the view that the Council should wait and see the reaction, if any, to the publication of the ARF report before commencing a survey on BOBs and that the decision on this matter could be deferred to the next meeting. The Chairman asked the Council to note and share any reactions to the ARF report that they come across.

## 9. Any other business

The Chairman advised the Council that the Minister has expressed an interest in an introductory meeting with him. The Chairman asked the Council to email him matters that they would like to be raised with the Minister. The Chairman noted that there are some worries about the regulation of ARFs and whether the Council should be following this up with how ARFs are working for consumers, disclosure rules and fiduciary responsibilities. Anthony Gilhawley noted that ARFs had fallen through the cracks and it is unclear as to who has responsibility for their supervision. It was agreed that this was an issue worthy of consideration by the Council.

## 10. Next meeting

The next meeting will be held on Thursday, 21<sup>st</sup> July 2016 at 3.30pm at Verschoyle House.

### To-do list

Prepare a note in relation to the technical issues experienced at retirement for consumers who have mixed DB and DC benefits	TG
Agree members of "Gender" sub-group	All
Provide comments to Chairman on broad study on future pensions policy	All
Provide the Council with the framework for external consultancy, procurement and tendering processes in the Public Service	HM
Gather information on household deposits	BP
Adapt note on pensions and gender to exclude public service workers	BP