
PENSIONS COUNCIL

Meeting on Thursday, 21st July 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
Shane Whelan

Apologies: Brendan Kennedy
Helen McDonald
Sandra Rockett
Sinead Ryan

Also present: Darragh Doherty (Department of Social Protection)
Brian Purcell (Department of Social Protection)
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 16th June were approved.

4. To-do list from previous meeting

Prepare a note in relation to the technical issues experienced at retirement for consumers who have mixed DB and DC benefits

The Chairman noted that there were ongoing discussions on this matter between various departments and therefore the Council's consideration of this issue would be postponed.

5. Aftermath of study on ARF charges

Media coverage of the ARF Report had not been as high as expected. The same could be said about the direct impact on intermediaries, perhaps from a resistance to changing existing relationships within the industry. On the other hand, it was felt the report would have an indirect impact in more general discussions of pensions policy and practice.

The development of group ARFs should help to improve the situation disclosed in the report. The Chairman agreed to follow up on the submission to the Minister on this issue.

It was agreed also to press ahead with the survey on Buy Out Bonds.

6. Pensions and Gender – continue discussion

The Chairman thanked Brian Purcell for his revised note on pensions and gender. Much of the discussion on gender focussed on the need to get even more precise information generally on pensions, pension coverage and pension take-up, or the lack of take-up. Brendan Keenan noted that the Irish figure was not too far off the EU average and that the number of people who say they cannot afford a pension increases with age. Kirstie Flynn noted that the response "No scheme available through work" was quite high. Brendan queried whether the Council should contact the CSO to see if the decrease in pension coverage and the gender gap is as a result of unemployment. A discussion ensued regarding sourcing reliable pensions coverage data.

Brian was asked if he could source information on:

- Employers categorised by number of employees over the past ten years;
- Pension schemes, categorised by the number of members in each; and
- The list of questions asked in CSO QNHS Pensions Module

The Chairman reported that Sinead Ryan has volunteered to take part in the gender working group and Kirstie Flynn also confirmed that she would like to be included. The Chairman thanked both members for taking on this task.

7. Broad study on future pensions policy

The Chairman confirmed that he had circulated a note on this matter. Brendan Keenan asked could the Council look at other countries and their incentives. Roma Burke noted that the Council's policy proposal could tie into the Pensions Authority's reform consultation and that the Council could gear its answers around that. Anthony Gilhawley was of the view that the lack of reliable data makes it difficult to formulate a policy. Anthony noted that the following matters should be taken into consideration when forming policy:

- Equity;
- Public Service pensions;
- State Pension;
- Incentives;
- Cost.

These and other points arising in the discussion would be joined with the other issues already identified relevant to future policy. The Chairman thanked Brian Purcell for his note on TCD Pension Policy Research Group's Annual Conference and noted that it contained a wealth of potential information. The Chairman asked the secretariat to upload the presentations from the conference to the members' area.

8. Marketing of ARFs – is regulation required?

It was suggested that the main problem is that retirement advice is not regulated e.g. the advice on whether to choose an ARF or annuity at retirement – this problem has been addressed in the UK. It would be useful to look at what the UK has done and compare it with Ireland and identify the gaps. Roma Burke identified a problem in that some DB scheme members are encouraged to crystallise their benefits and transfer out and this advice is also not regulated. The Chairman noted that the Council should look more closely at the issue of regulating retirement advice.

9. Research needs

Anthony Gilhawley expressed the need for research on pension coverage to better the Council's understanding. The Chairman asked how this could be done and if a brief should be drawn up. Roma Burke queried whether the Minister will be giving the Council a new brief and if so, that may influence how the research budget is spent. The Chairman welcomed Brian Purcell's thoughts on what research the Council could commission. Brendan Keenan felt the issue surrounding whether the State pension should be earnings linked or inflation linked would be worthy of research. Darragh Doherty confirmed that the Department will be looking into this matter on foot of the Minister's comments.

10. Any other business

The Chairman noted the Pensions Authority is running a consultation on pensions reform with submissions due by 3rd October and that he will circulate a note on how the Council can contribute to it, noting in passing that IORP II will mandate certain things contained in the reform proposals. Anthony Gilhawley noted that there is considerable flexibility for small schemes and that the government can decide how to apply IORP II to these schemes. The timeframe for the consultation was tight and the Chairman confirmed that he will request an extension from Brendan Kennedy. Shane Whelan asked the Council to pose the question of member security in DB when submitting a response.

The Council took note of the Department's Statement of Strategy 2016-2019 but felt that this was not an issue on which we could usefully comment at this time.

11. Next meeting

The next meeting will be held on Thursday, 22nd September 2016 at 3.30pm at Verschoyle House.

12. To-do list

Follow up with Minister in relation to Group ARF report	JM
Circulate note on how to contribute to Pensions Authority pensions reform consultation	JM
Source data on employers categorised by number of employees for the last 10 years	BP
Source data on public -v- private and number of members by scheme type and size from the Pensions Authority and the CSO	BP
Source list of questions asked in CSO QNHS Pensions Module	BP
Compare UK and Ireland in relation to regulated retirement advice and identify the gaps	TG
Obtain an extension to Pensions Authority's reform consultation	JM