
PENSIONS COUNCIL

Meeting on Thursday, 19 January 2017 at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

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

Apologies: Brendan Keenan
Sandra Rockett

Also present: 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 8th December were approved subject to the inclusion of an amendment proposed by Kirstie Flynn.

4. Tax relief on pensions

Roma Burke presented the amended project proposal in relation to "*An Analysis of the Tax Supports on Private Pension Provision in Ireland*". Anthony

Gilhawley suggested the project should explore the interaction with other tax reliefs such as the income exemption limit. A discussion ensued regarding this suggestion and it was agreed that the income exemption limit will be taken into account when determining the effective rate of tax. There were a few textual amendments suggested which will be incorporated into the final document. It was agreed that Roma, Marie Louise Delahunty, Brendan Kennedy and Shane Whelan will be on the Steering Group for this project.

The Chairman asked Helen McDonald if the Council's research budget had been approved and Helen confirmed that the Council has an approved research budget of €123,000. The tender process depends on how much the research project will cost. The most common process is for the tender to be uploaded onto the Government's eTender website. However for smaller projects, the process is to obtain three quotes from providers. It was suggested that the Council could enlist the ESRI for the project and as they are a research body and could be engaged without a tender under the relevant regulations. The Steering Group will discuss the matter with the ESRI and will revert to the Council at the next meeting where a decision will be made on which procurement route to take.

5. Review of charges for ARFs and BOBs

The Chairman thanked Anthony Gilhawley and Roma Burke for their report on BOB charges. The report will be published, once the Minister approves. Anthony remarked that early encashment is quite significant for BOBs and that there is a double dip effect if consumers are forced into a BOB in order to avail of an ARF.

Brian Purcell presented his paper on the disclosure of charges. The Chairman queried at what stage are these charges advertised. Brian confirmed that providers send promotional material to brokers and Anthony noted that ARFs and BOBs are highly intermediated. A discussion ensued regarding the disclosure of charges and what could be done to improve transparency and reduce cost. The Chairman confirmed that he will prepare a note looking at the retirement options available, to what extent the Council should prioritise or mandate a preferred option and explore the disclosure of charges.

6. Future strategy for Council

The Chairman presented his note on the future strategy for the Council; identifying strengths and weaknesses. Roma Burke noted that the Council's independence of is an important strength. Under the support section, the research budget should be included as it shows the Council has the support of

the Department. Shane Whelan was of the view that our lack of expertise on international pension systems was a drawback and Sinead Ryan noted that the Council's limited available time is also a weakness. Roma suggested that the lack of an executive was a weakness and Helen McDonald was of the view that procrastination is also a weakness. Shane noted that members' pension entitlements over and above the State Pension could be a source of unconscious bias which the Council should be mindful of. The Chairman suggested the possibility of developing a work programme with the Department. Helen confirmed that the Department would be happy to advise the Council of its objectives for the year and if anything is of interest, the Council could collaborate with the Department. The Chairman asked the members to review his note on the strategy and provide any comments at the next meeting.

7. Discussion on Gender – Working Group

This item will be discussed at the next meeting.

8. Any other business

The Chairman advised the Council that the Department is looking at the implications of Brexit and that the Department has asked the Council to advise them on any aspects of Brexit that will impact on pensions. The Chairman asked the Council to gather any views they have on this issue and bring them to the March meeting. The Chairman also advised the Council that the Minister is holding a sectoral event on pensions, social welfare rights and social insurance on the 16th of February.

Brendan Kennedy informed the Council that the Pensions Authority will be holding a conference on the 2nd of March and that all members will receive an invitation shortly. The objective of the conference is to develop a debate on pensions in as many contexts as possible.

9. Next meeting

The next meeting will be held on Thursday, 23rd February 2017 at 3.30pm at Verschoyle House.

10. To-do list

Amend project proposal on pensions tax relief	RB, MLD, BK, SW
Arrange meeting with Alan Barrett (ESRI)	RB, MLD, BK, SW

Send BOB charges report to Minister	JM
Prepare a note looking at the retirement options and charges (ARFs and BOBs)	JM
Review note on strategy and provide comments before the next meeting	ALL
Gather views on how Brexit will affect pensions and bring to March meeting	ALL