
PENSIONS COUNCIL

Meeting on Thursday, 23 February 2017 at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

Attendance: Jim Murray (Chairman)
Peter Brazel
Brendan Keenan
Kirstie Flynn
Helen McDonald
Sinead Ryan
Sandra Rockett

Apologies: Anthony Gilhawley
Roma Burke
Marie Louise Delahunty
Brendan Kennedy
Shane Whelan

Also present: Brian Purcell (Department of Social Protection)
Ailis Codd (Minutes)

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 19th January were approved, subject to the inclusion of an amendment by Shane Whelan.

4. To Do List from previous meeting

Arrange meeting with Alan Barrett (ESRI)

Helen McDonald noted that she and Shane Whelan had made contact with the ESRI and that a meeting with Tim Callan of the ESRI has been scheduled for 1 March to discuss the options/parameters of the project and expected delivery dates etc.

Send BOB charges report to Minister

It was noted that the BOB charges report was sent to the Minister.

5. Tax relief on pensions

The Chairman asked for any thoughts on the paper. He noted the point raised in an email circulated to members by Marie Louise Delahunty with regard to the potential overlap with the work being undertaken with the Pension Authority's reform agenda. Brendan Keenan stated the paper was comprehensive and this was the general consensus.

6. Charges for ARFs and BOBs

The Chairman gave an overview of the paper and asked the Council for their comments. He noted the two surveys carried out to date and suggested that conclusions needed to be drawn.

A discussion ensued about the directness of the language used. After some review it was agreed to make slight alterations in a couple of instances. Sandra Rockett stated that overall she felt that ARFs and BOBs work although perhaps there were some suboptimal elements. She noted that she found the possible solutions put forward in the paper, particularly in reference to structure – charges, product design etc., interesting. The Chairman queried if it was thought that there were issues at the consumer end. Sandra Rockett queries whether the cause of the inefficiencies related more to the operation of the advisory/broker market rather than with the construct of the product. Sinead Ryan noted, in the introduction, the repetition of a point made in relation to consumer knowledge of the market and the ability to make rational choices and suggested this be altered.

With regard to the points made in reference to the regulatory regime Brendan Keenan agreed that though there are good principles in the regulatory regime, the regime is ineffective in practice. A further discussion ensued about rules on liability. A suggestion was put forward about the feasibility of bringing everything under one roof to facilitate statutory control. The Chairman queried what this would look like in practice. A broad discussion on regulation ensued. Kirstie Flynn noted that approval for PRBs fall under the Taxes Consolidation Act. She noted that with approval under the Act the level of regulation is

dependent on who the qualifying fund manager is. The Chairman asked for comments on product design and regulation. A discussion about the comparative regulatory oversight and sanction of the Taxes Consolidation Act and of the Central Bank Act ensued. The Chairman queried if it would be feasible to have PRBs and ARFs under one regulatory roof. A point as to whether BOBs and ARFs should be considered together was raised. Helen McDonald noted that it is envisaged that PRSAs will replace BOBs referring to the current proposals under the reform work of the Pensions Authority. Sinead Ryan noted that this idea has been around for some time and that progress needs to be made in this area. A discussion ensued about the decumulation stage and the rules pertaining to occupational pension schemes and PRSAs at retirement. A broad discussion followed.

The Chairman questioned the wide array of fees – policy, annual, management – and queried if they can be simplified to one single fee. Sinead Ryan queried if it might be too simplistic to focus solely on cutting commissions and suggested the focus should be the impact on the consumer. The Chairman noted the complexity of products needs to be addressed stating there needs to be better product design and less products on the market.

Brendan Keenan suggested that it would be useful to see how fees information is presented in different countries. The Chairman noted that Brian Purcell could look at this, looking at product design at the accumulation and decumulation phase and clarity of information with particular focus on the UK market. Sandra Rockett offered to link in with Brian with that work.

The meeting was adjourned at 4:20pm as the quorum was no longer met.

7. Next meeting

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

8. To-do list

Comparison/review on disclosure of information on charges in other jurisdictions BP, Sandra R

Review of database maintained by Commission under the Unfair Commercial Practices Directive BP