
PENSIONS COUNCIL

Meeting on Thursday, 18 May 2017 at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

Attendance: Jim Murray (Chairman)
Roma Burke
Anthony Gilhawley
Brendan Keenan
Brendan Kennedy
Sinead Ryan
Shane Whelan

Apologies: Peter Brazel
Marie Louise Delahunty
Kirstie Flynn
Helen McDonald
Sandra Rockett

Also present: Brian Purcell (Department of Social Protection)
Jenny Robinson (Secretariat – outgoing)
Aoife Moloney (Secretariat – incoming)

Minutes

1. Adoption of agenda

The proposed agenda for the meeting was agreed with the addition of a discussion about the pensions details of the Social Welfare and Pensions Bill 2017 under item 8.

Jenny Robinson announced that she would be moving to other duties within the Authority and Aoife Moloney would take her place. The Chairman welcomed Aoife and expressed his personal thanks and the thanks of the Council to Jenny for her contribution to the work of the Council since its beginning.

2. Conflict of interest

No conflicts of interest were declared. However, Sinead Ryan noted that she was asked for her opinion on auto-enrolment in an interview, which she gave, and that she declared her membership of the Council to the interviewer. There was no conflict here.

3. Approval of minutes

The minutes of the meeting held on 27th April were approved.

4. To Do List from previous meeting

Research project on tax

It was noted that Helen McDonald was to confirm to the ESRI that the Council wishes to proceed with their proposal. The ESRI propose to complete three out of the seven research items. Shane Whelan advised the Council that three of the remaining research items will be completed by a PHD student and himself and that the results will be available to the Council in the autumn.

Ask other agencies (including the Pensions Authority) to keep us informed on research projects/results

The Chairman confirmed that this was on his to-do list. Brendan Kennedy confirmed that the Pensions Authority is working with the ESRI on two separate projects and that they may have the results next month. Brendan confirmed that he will share the results with the Council when to hand.

Prepare note on Unfair Commercial Practices

The Chairman prepared a note on this matter, which was circulated and taken as read.

Proposal to reduce quorum to six

The Chairman proposed the Council reduce its quorum from seven to six. The proposal was agreed. The Chairman also asked members to confirm their attendance or non-attendance by 11am on the day of each meeting, as there was sometimes uncertainty as to whether we would have enough members for a quorum. If by 11.00AM on the day of any meeting there were not sufficient members confirming their attendance he would cancel the meeting.

Prepare note on homemakers pensions

Darragh Doherty of the Department of Social Protection prepared a note on homemakers credit which was circulated and taken as read. Brian Purcell advised the Council that Darragh is available should they have any queries regarding same.

5. Dr Michelle Maher: Pension policy in Ireland – A historical perspective

The Chairman welcomed Dr Michelle Maher to the meeting. Michelle presented the findings of her research into a hypothesis that identified a “knowledge elite” within the institutional structures of pension policy-making,

giving them privileged influence over policy. She noted too that it had been assumed from the start and all through subsequent years that pension policy would be based on a partnership between public and private provision. At the end of the presentation, the Council posed a number of questions and a discussion ensued. During the discussion it was suggested that the Council should consider some of the unexamined assumptions behind pension policy such as the respective roles of public and private provision, especially in relation to auto-enrolment. The Chairman said he would put this on the agenda for the next meeting.

The Chairman then thanked Dr Maher for her presentation.

6. Charges for ARFs and BOBs

The Chairman referred to the note he circulated on this matter. Anthony Gilhawley confirmed that he will provide some technical amendments to the wording in the note. The Chairman asked the Council their views on early encashment charges. Anthony said that early encashment charges work as a disincentive for consumers to switch to products that are better value but that it would be difficult to prohibit them. It was agreed that more transparency is needed in relation to these charges. The Chairman asked the Council to consider this point further, together with his note.

7. Gender Working Group

Sinead Ryan confirmed that she had redrafted the project proposal based on amendments suggested by Pete Lunn and this was circulated at the meeting. The Chairman asked the Council for comments. Brendan Kennedy was concerned that the research areas were a bit wide however felt that every individual research area is valuable. Brendan suggested that item 9 of the proposal should be removed from the draft tender as it is more in the policy recommendation space rather than research. This was agreed. The Chairman asked Sinead to discuss the amended proposal with Pete with a view to ascertaining whether the ESRI could take on this work.

8. AOB

Social Welfare and Pensions Bill 2017

In Helen McDonald's absence, the Chairman asked Brendan Kennedy to provide an overview of the pensions details of the Social Welfare and Pensions Bill 2017. Brendan confirmed that any proposed amendments to the Pensions Act, 1990, are only in relation to defined benefit pensions. Brendan confirmed that the heads of the bill have been published and that they will undergo pre-

legislative scrutiny next week. The three main proposals for defined benefit pension schemes are that:

1. Employers will be required to give 12 months' notice of their intention to cease contributions.
2. Employers will be obliged to enter into consultation with the trustees. For a scheme in deficit, the employers and trustees are required to agree a funding proposal before the 12 month period expires.
3. Where wind-up notice has been given or where the scheme does not meet the minimum funding standard and there is no funding proposal in place, the Pensions Authority will have the power to impose a schedule of contributions on the employer. The schedule would state the amount and term of contributions and if the scheme wound up at any stage during that time, the employer would be liable for any shortfall.

Brendan also confirmed that employers would be obliged to bring the scheme up to the minimum funding standard if the scheme is in deficit and that there is no capacity for an employer to renege on this if they cannot afford it.

Roma Burke queried who would be required to prepare the schedule of contributions in such cases and Brendan confirmed that the Pensions Authority will ask the trustees to prepare the schedule for the Pensions Authority's approval. Brendan also confirmed that a schedule of contributions will be based on a set of assumptions. Roma questioned whether there should be a stronger link between statutory guidance and legislation and Brendan confirmed that the Pensions Authority will be providing guidance in relation to this matter.

Anthony Gilhawley noted that if there is a debt on the employer that an employer could lose their business and that current employees could lose their jobs. Brendan was of the view that there would be provision made for this in the legislation. The Chairman queried whether creating a debt on employers is in contradiction with the constitution and Brendan confirmed that there may be constitutional issues.

Shane Whelan queried whether the Council should form an opinion on this matter and make an announcement. Roma was of the view that the Council should take a position on it in case any member is formally asked. The Chairman said the Council might do so but only in the context that our role is to advise the Minister, rather than to enter directly into public discussion.

9. Next meeting

The next meeting will be held on Thursday, 15th June 2017 at 3.30pm at Verschoyle House.

10. To-do list

- Provide technical amends to ARFs and BOBs note TG
- Consider further the note on ARFs and BOBs ALL
- Proceed with ESRI proposal HM
- Ask ESRI if they could undertake gender project proposal SRyan
- Ask other agencies (including PA) to keep us informed on research projects/results JM
- Confirm attendance (or absence) by 11.00AM on the day of each meeting. ALL