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# PENSIONS COUNCIL

Meeting on Wednesday, 19 May 2021 at 3.00pm  
Virtual meeting

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**Attendance:** Jim Murray (Chairman)  
Joanne Roche  
Tim O'Hanrahan  
Stephen Gillick  
Roshin Sen  
Brendan Kennedy

**Apologies:** Roma Burke  
Deirdre Cummins  
Eoin Dormer

**Also in attendance:** Ailís Henry (note taker)  
Joseph Mhlanga (incoming note taker)  
Brian Purcell (DSP)

**Quorum:** Quorum present  
6 of 11 Council Members present (6 required)

## Minutes

### 1. Adoption of agenda

The proposed agenda for this meeting was agreed.

### 2. Conflict of interest

No new conflicts of interest were declared.

### 3. Approval of draft minutes

The minutes of the meeting held on 21 April 2021 were approved by the Council.

It was noted there was no decision made at the last meeting in relation to the Automatic Enrolment presentation from Colm Fagan. The Council members agreed that due to their doubts around the feasibility of a feasibility study they will not pursue this further. The Chairman will contact Colm Fagan to thank him for his work and presentation and advise him of the Council's decision.

#### **4. Review of Recent Developments**

Roshin Sen provided an update on the recent developments from DSP:

- IORP II was transposed on 27 April. A lot of work in the Department emerging from that.
- Pensions Commission has been ongoing.
- The Danish total cost reporting seminar will take place on 04 June, invites have been sent to Council members.
- IDPRTG update to be given by Brendan Kennedy later in the meeting.

The Chairman queried if any progress had been made to recruit new members for Council. Roshin advised the request has been sent to the Minister for approval and it will then go to Public Appointments Service to get recruitment underway. It was also noted here that the Chairman's term ends in July and so his last meeting is in June.

#### **5. Letter from Minister – Gender Pensions Gap**

The Chairman will finalise the text of the invite for submissions to the consultation on the gender pensions gap. The consultation will be posted online and note taker Ailís Henry, will circulate a draft list of organisations to email to highlight the open consultation. Council members are advised to review the list and send feedback and or additional organisations for inclusion.

The council members had a discussion about issues and possible solutions to tackle the gender pension gap. Low income earners emerged as an issue as women tend to be in this category. With a roll out of incentives to address the gender pension gap the issue of who pays for it is worth considering, if it could be done by tax reduction but it would be difficult to do based on gender as opposed to low come earners. It was also raised that higher earners could benefit from the exchequer if gender rules are changed and might not have benefits for the intended recipients.

Roshin Sen added that there are five areas in the design of automatic enrolment (AE) that are at an advanced stage, which include financial incentives. Decisions have yet to be made in relation to this. It was pointed out that the contribution rate with AE increases by 1.5% every 3 years, a reduction in the rate is not possible in the current design, if it's unaffordable the person can opt out instead.

Joanne Roche highlighted that in the recent state pension consultation, organisations representing a younger cohort, highlighted the changes in careers including zero hours, so flexibility is required for example contributing after retirement. This could be a consideration for women also if they were willing to contribute post retirement. Stephen Gillick mentioned how Pension Adjustment Orders (PAO) could also impact on the gender gap.

The Council discussed whether the solution to addressing the gender gap can be solved within the second pillar. Roshin Sen highlighted that an ESRI study showed that overall pension income gap doesn't arise in the first pillar but it does in the second. Brendan Kennedy agreed the gender gap does arise in the second pillar but the question is whether the solution can be addressed within the second pillar. The

Chairman reminded the members that the Minister is interested in knowing if anything can be done in the second pillar that can help with this gap.

The issue of the gender gap in the employment was raised as having a knock on impact on gender gap in pensions, Tim O’Hanrahan added that it might be difficult to fix historical figures.

The Chairman posed the question if there were any different defaults or tweaks to schemes in that could help women more than men. The members raised that conservative investment default design doesn’t not apply as much to Ireland compared to the OECD reports. The members also discussed interruptions to employment and if employer does not cover the period than pension contributions are not made.

## **6. Letter from Minister- PRSAs and Decumulation**

As the IDPRTG is looking at PRSAs, the Council would like to consider how best they can work on this issue without repeating the same or similar work as the IDPRTG.

Brendan Kennedy provided the Council with an update on the work of the IDPRTG on PRSAs, the Chairman suggested that Brendan keeps the Council up to date on matters where possible. The Council could offer comments on drafts.

## **7. Letter from Minister – Cost Transparency**

The Chairman noted that the Council did previous work on ARFS, and recommended the periodic publication of rates –which hasn’t been taken on. The Chairman queried if IORP II would have an impact now that it has been transposed.

Brendan Kennedy noted the Pensions Authority is going to publish a set of codes of conduct to help fill gaps of the regulations. It is expected that those codes won’t be finalized until November, Brendan added that the Authority wants to address costs, how trustees are controlling costs and standardize measure of costs for all schemes.

Munro O’Dwyer added that a standard definition of services would be useful. The Chairman suggested that if the Council is kept up to date– by DSP and the Pensions Authority on developments, the Council can provide comments as they are in progress.

The members also discussed distribution intermediaries and advice and the costs and risks associated with financial advice.

## **8. Other work**

None

## **9. Other Business**

Next meeting the ESRI will provide an update on the housing study.

## 10. Next Meeting:

The next meeting of the Pensions Council will take place on Wednesday, 23 June 2021 – Later amended to 1<sup>st</sup> July.

## 11. To-do list

Source speaker on Cost Transparency Initiative	RS
Pensions Council website updates	Jim M and Joseph M
Gov.ie description of Council to be updated	RS and BP
Circulate list of organisation to send invite re consultation	AH
Finalise text for consultation	JM
Gather points raised on cost transparency	JM