



An Chomhairle Pinsean The Pensions Council

Pensions Council Meeting

20 April 2022 @ 3 pm

Venue: MS Teams

Minutes

Council members in attendance:

Roma Burke (Chair) (RB)
Clare Dowling (CD)
Olive Gaughan (OG)
Brendan Kennedy (BK)
Ciara McLoughlin (CMc)
Munro O'Dwyer (MD)
Tim O'Hanrahan (TH)
Joanne Roche (JR)

Council members apologies:

Deirdre Cummins (DC)
Eoin Dormer (ED)
Stephen Gillick (SG)

Also present:

Aaron Bayle (AB) DSP
Marco Carlesso (note taker, secretariat)
Christine Lutz (secretariat)

Attendees from the Economic and Social Research Institute (ESRI) joining at 15:15

Anne Nolan (AN)
Conor O'Toole (CT)
Rachel Slaymaker (RS)

Quorum: Quorum present – 8 members present (6 required for Quorum)

1. Conflict of interest:

No conflicts of interest were declared by the Pensions Council (PC) members and all members confirmed there were no relevant changes in circumstances to be reported.

2. Adoption of Agenda:

The Agenda was approved by the members.

3. Operational matters

The Chair opened the meeting by asking AB about the residual budget available to the Council for this year. AB confirmed to the Chair the amount available. The Chair then asked to her fellow Council members to share any ideas about subjects or topics that they reckon can have merits to be the subject of a dedicated research project.

It was agreed that TH's colleague from the Central Bank statistics division would attend at the June meeting and give a presentation on the CBI findings on gender diversity in occupational pension schemes.

4. Minutes

The minutes for the March 2022 meeting were approved.

5. Developments in the pensions' environment

The Pensions Regulator informed the meeting that there was nothing to be brought to the Council's attention. The DSP Monthly briefing was noted. The AE Design Principles document was discussed.

6. Strategic work in progress

ESRI Housing Research

The attendees from the ESRI, joined the meeting to present the conclusions of their work on future trends in housing tenure and the adequacy of retirement income. The ESRI developed models on housing cost and retirement income adequacy to analyse likely future trends. The ESRI cited Census information from 2016, where broadly speaking, 90% of over 65-year-olds owned their own homes. ESRI research indicates that homeownership for those in the over 65 age bracket is expected to reduce in future. This can cause an issue if people have to pay rent in retirement which will reduce disposable retirement income.

The Council members posed several questions to the ESRI representatives, and a broad discussion followed the presentation.

The ESRI attendees thanked the Council for their feedback and informed them that the report is due to be peer reviewed and finalised in the next 8 weeks. The Council's feedback will be taken into consideration in the final review. The expected launch date is June 2022. The Chair invited the members to provide any additional comment or feedback on the ESRI report to BK, copying MD in their emails, within the following ten working days. The attendees from the ESRI left the meeting at 16:45.

Investment strategy for AE

The Chair asked CD, JR and AB for an update about their work on investment strategy for Auto Enrolment (AE). A brief discussion followed, and the Council noted that the Department of Social Protection (DSP) had just recently published the Principles for Auto Enrolment. The Council decided to continue finalising its report on investment

strategy considerations for Auto Enrolment on the assumption that there was scope for the DSP to take on board feedback and suggestions from the Council before launching AE.

CD spoke about the background to the approach set out in the Design Guidelines document as they relate to investment strategy. The Council understands that as contributions are received by the Central Processing Authority, they will be paid over in equal tranches to the participating providers. From a member perspective, this means that all savers enrolled in the same strategy get the same returns, however the Council also noted that an equal split of funds to all providers might not automatically lead to the best outcomes for members, particularly when considering the default investment strategy.

OG outlined that, due to the complexity of the matter, early engagement with industry is key to achieve a satisfactory outcome.

The Chair thanked CD, JR and AB for the work done, asking the Council members to provide feedback to assist them with their paper and suggested to discuss this further in the May meeting, outlining the importance of efficient strategies for AE to maximise the outcome for savers. The draft report will be discussed at the May meeting.

Pensions Cost Transparency

BK and MD thanked the Council for the feedback received and informed that this will allow them to advance the report drafting to a further stage. They aim at giving an updated version at the May meeting.

7. AOB

The venue for future Council meetings was discussed and the Council agreed that the May meeting would be held virtually, and the June meeting would take place in person in the offices of the Pensions Authority.

8. Next Meeting

The next meeting is scheduled to be held virtually on 18 May 2022.

Action Items:

No.	Action Details	Person responsible	Date to be completed:
1	Update draft paper on cost transparency	BK, MD	To be discussed in May meeting
2	Provide feedback to CD or JR re AE investment strategy for draft paper	All members	To be discussed in May meeting
3	Feedback on ESRI report to be provided to BK copy to MD	All members	Ten working days from April meeting
4	Representative from Central Bank to attend in June to give a presentation	TH	June meeting