
PENSIONS COUNCIL

Meeting on Thursday, 17 November 2016 at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

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

Apologies: Anthony Gilhawley
Sandra Rockett
Sinead Ryan

Also present: 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 20th October were approved.

4. To-do list from October meeting

Prepare note on purpose and objectives of research project

Shane Whelan began by introducing the note circulated, an overview of the paper presented and discussed at the October meeting. The note provided an

outline of research work that, combined with studies cited in the note, would give an international comparison, establish who is currently benefiting the most from tax relief and provide data on the cost to the State in terms of lost tax revenue. After a general discussion, the Chairman noted there was a consensus that the project would be beneficial. Roma Burke, Marie Louise Delahunty (and perhaps Tony Gilhawley) would work with Shane Whelan to develop the outline of the project, focusing on the following key points:

1. Net effective tax relief;
2. Breakdown by income level, gender etc.;
3. How subsidy could be rephrased (i.e. SSIA);
4. Cost to State/State's point of view; and
5. International comparisons.

5. Aftermath of study on ARF/BOB charges – is regulation required?

The Chairman began this item by proposing that a report of the results of the study would be useful. Roma Burke noted that it had been suggested previously that the output would be broadly similar to the ARF report. The Chairman proposed that gathering more information relating to rules around disclosure of charges would be useful. It was suggested that disclosure of charges might not be the primary concern as, if they are insurance products, rules are in place regarding disclosure. Marie Louise Delahunty stated that the primary issue was one of clarity and consumer understanding of charges. Kirstie Flynn queried whether or not it would be possible to regulate the presentation of information in order to address the above concerns. The Chairman suggested that, as the Council has been requested by the Minister to look at charges, gathering data on how charges are presented would be necessary in order to make recommendations.

6. Broad study on future pensions policy – research needs

The Chairman asked the Council to express their views on research needs. The Chairman enquired if there was any update on the Council's funding request to the Department. Helen McDonald spoke briefly on the details of the request made and noted that the Department's review date for funding requests is 8 December.

The Chairman noted that the pensions system is not designed to accommodate several changes of employment over the course of a working life. He queried if it is possible to quantify what the effect of moving from one employment to another is for the pension saver. Brendan Kennedy gave an overview of the broad outcomes for savers, depending on whether they are

employed in the private or public sector and in DB or DC schemes. He noted that if there were less insurance policies in the pensions system, there would be less costs for moving to the pension saver.

The Chairman suggested it was important to capture the ideas that have come forward to date in order to decide which ideas might be progressed. To inform that process Brendan Kennedy gave a brief outline of two projects currently being carried out by the Pensions Authority. He noted that one project, being worked on in conjunction with the ESRI, is looking at how different ways of presenting information informs the decision making process. He noted a second project based on TILDA research is looking at the area of decumulation. Shane Whelan asked for suggestions as to what the expected output of the Council was and suggested the production of reports as important in their remit. Kirstie Flynn and Marie Louise Delahunty noted the Council had been given objectives and suggested that decisions needed to be made with regard to what areas of research are tackled and also that a strategy needs to be formalised. The Chairman stated a discussion on strategy would be a good idea for the next meeting. He suggested a time of 20 minutes for this item and noted that going forward a timed agenda would be beneficial which was agreed.

7. Meeting dates for 2017

The following dates were agreed for meetings in 2017:

Thursdays - 19/1; 23/2; 23/3; 27/4; 18/5; 15/6; 13/7; 21/9; 19/10, 16/11; 14/12.

8. Any other business

Roma Burke gave a brief overview of a report published by Lane Clark and Peacock on 17 November, which analyses deficits in the defined benefit pension schemes of the State's largest private and public sector companies. She noted that the report states that the combined accounting deficit of the Irish funded pension schemes for the companies analysed increased from €2.6bn at 31 December 2015 to €6.8bn by 30 September 2016. The Chairman stated that the paper would be put up on the council website.

Shane Whelan enquired if it would be possible to get statistics relating to DB schemes as follows:

- Number of schemes affected by Section 50 write-downs; and
- Number of members affected by Section 50 write-downs.

Brendan Kennedy said a statistical summary of the number of schemes affected and number of members affected could be produced.

The Chairman enquired about the current situation with the URSG. Helen McDonald noted that the Social Welfare Bill was going through the houses. She noted that as soon as there an update she will inform the Council.

There was brief reference to the work that will be undertaken by Kirstie Flynn and Sinead Ryan on gender issues with the assistance of Brian Purcell and Darragh Doherty.

9. Next meeting

The next meeting will be held on Thursday, 8th December 2016 at 3.30pm at Verschoyle House.

10. To-do list

Develop research project on tax relief on pensions	SW, RB, MLD
Lane Clark and Peacock report to be uploaded to website	JR
Research rules on disclosure of charges	JM/BP
Statistical summary relating to DB schemes closed to new entrants and in wind-up to be produced	BK
A note/outline of work to be carried out on gender issues	KF, SR