
PENSIONS COUNCIL

Meeting on Thursday, 8 December 2016 at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

Attendance: Jim Murray (Chairman)
Peter Brazel
Roma Burke
Anthony Gilhawley
Kirstie Flynn
Brendan Keenan
Helen McDonald
Sandra Rockett
Sinead Ryan
Shane Whelan

Apologies: Brendan Kennedy
Marie Louise Delahunty

Also present: Brian Purcell (Department of Social Protection)
Jenny Robinson (Secretariat)

Minutes

1. Adoption of agenda

The proposed agenda for the meeting was agreed. The Chairman proposed a discussion under AOB regarding the issues facing the defined benefit pension scheme of Independent News and Media. He also confirmed that the Council's Christmas dinner will take place after the next meeting on 19th of January.

2. Conflict of interest

No conflicts of interest were declared.

3. Approval of minutes

The minutes of the meeting held on 17th November were approved subject to the inclusion of an amendment proposed by Shane Whelan.

4. To-do list from November meeting

Develop research project on tax relief on pensions

It was agreed at the November meeting that Roma Burke, Marie Louise Delahunty and Shane Whelan would 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.

Roma Burke presented the outline and objectives of the project. The Chairman noted that the project may be quite complicated and may not actually influence consumers to increase their contributions or to take up a pension. A discussion ensued regarding the details of the research proposal. Sinead Ryan was of the view that the behavioural aspect is very important and that behavioural research could be undertaken as a separate project which could run concurrently with this project. Shane advised the Council that he will be taking on a new PHD student who will be doing some work in this area but that their approach would be purely academic, however their work may complement this project. The Council approved the commencement of the project subject to the amendments discussed at the meeting. The Chairman asked Shane and Brian Purcell to gather any relevant research that may assist the delivery of this project.

Research rules on disclosure of charges

The Chairman asked the Council for their comments in relation to the note he furnished to Brian Purcell requesting him to gather information on how ARFs and BOBs are sold/presented at point of sale. The Chairman noted that it would be a good way of trying to assess how easy (or not) it would be for a consumer to compare two options from two different brokers. A more detailed discussion could take place once the requested information is to hand.

5. Research needs and future strategy for the Council

The Chairman confirmed that the role of the Council is not particularly clear but was of the view that the Council should be taking a global view of pensions and that the Council would continue to provide the Minister with advice relating to pensions policy at his request. The Chairman opened the floor to

suggestions on how to shape the strategy of the Council. Sinead Ryan noted that as a number of Council members work in the pensions industry, they are aware of the loopholes and anomalies that exist and that the Council should look at identifying these issues at a micro level. Brendan Keenan was of the view that the Council should ascertain the gaps in regulation and responsibility with regards to pensions and also to concentrate on the stated objectives provided by the Minister. It was also suggested for the Council to ascertain the sustainability of the pension system as a whole. Anthony Gilhawley suggested agreeing two or three topics with the Minister annually with a view to producing a report with recommendations on each topic. The Chairman confirmed that he will prepare a note for discussion at the next meeting.

6. Discussion on Gender – launch of Working Group

Sinead Ryan circulated a note on potential areas for discussion and noted that there was a large amount of EU/Irish research on gender issues. Ireland was in the middle when compared to EU averages. There was a 35% pay gap between retired women and men in Ireland (compared to 39% in the EU). There was also a 17% gap for single women. The countries with the best social transfers, such as Germany, had the widest gender gaps. Kirstie Flynn suggested that the Council's research could look at the lower and middle income brackets. Sinead suggested that behavioural research would benefit this project in terms of assessing women's engagement and overall behaviour.

Helen McDonald confirmed that gender issues were looked at closely when assessing the implications for changes to the State Pension system. Kirstie asked if there were any gender issues that had not been covered in existing reports and if any older reports had issues that needed updating. Brendan Keenan questioned whether men and women respond differently to the same incentive and suggested that this could be incorporated into any behavioural studies the Council may undertake. Sinead Ryan suggested that incentives could be gender specific to target gender gaps.

It was agreed that Sinead Ryan and Kirstie Flynn will work on a tender-style note for the Council that will narrow down potential research topics and look at possible issues that the Council are aiming to solve.

7. Any other business

The Council held a brief discussion regarding policy issues facing the defined benefit pension scheme of Independent News and Media. Kirstie Flynn noted that from a legal point of view, this matter is very similar to the Element Six case with the only difference being that the directors were threatening to put

the company into liquidation if the trustees pursued more than the final contribution offer. Anthony Gilhawley confirmed that it is a manifestation of what is already happening in defined benefit schemes in Ireland generally and that there is very little legislative protection for DB scheme members. Kirstie suggested that Ireland could introduce “debt on the employer” legislation similar to what is currently in place in the UK however this would have to be introduced with immediate effect upon its announcement by the Minister to avoid the imminent closure of the majority of the remaining DB schemes. The Chairman advised the Council that this matter could be discussed at a later date with a view to considering what, if anything, the Council could do to assist with the matter.

8. Next meeting

The next meeting will be held on Thursday, 19th January 2017 at 3.30pm at Verschoyle House.

9. To-do list

Gather available research on pensions tax relief	SW, BP
Prepare note on future strategy	JM
Research rules on disclosure of charges	JM, BP
Prepare tender note on Gender project	KF, SR