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# PENSIONS COUNCIL

Meeting on Thursday, 16 November at 3.30pm  
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

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**Attendance:** Jim Murray (Chairman)  
Peter Brazel  
Roma Burke  
Shane Whelan  
Anthony Gilhawley  
Sinead Ryan  
Brendan Kennedy  
Kirstie Flynn  
Marie Louise Delahunty

**Apologies:** Helen McDonald  
Brendan Keenan  
Sandra Rockett

**Also present:** Alice Kearns (Secretariat)  
Brian Purcell (DEASP)

## Minutes

### 1. Adoption of agenda

Roma Burke suggested that 'Conflict of interest' be changed to 'No new conflict of interest'. This was agreed

The chairman noted that there seemed to be problems of access to the Council website and said he would rectify the matter.

Regarding the discussion on auto-enrolment at the previous meeting he said that the conclusions were not indeed to be binding decisions of the Council and indeed could not be since our rules require advance notice of one week for any resolution to be put to the Council,, except in the case where there was unanimity on a given point.

### 2. Conflict of interest

No new conflicts of interest were declared.

### **3. Approval of minutes**

The minutes of the meeting held on 19 October were approved with an amendment clarifying that the work on taxation was carried out by Maeve Hally and Shane Whelan.

### **4. To Do List from previous meeting**

#### Update of roadmap/ consultation on a new universal pension scheme.

Brian Purcell reported that the Roadmap for the new proposal(s) would be published fairly soon, possibly before the end of the year and would then be followed by a consultation document.

#### Gender study

Sinead Ryan gave the Council an update on the progression of the Gender study. Dr. Barrett summarised the study as having three strands of enquiry – the gender gap in retirement incomes, poverty in retirement and what women want in planning for retirement. Once costed the study will be go ahead.

#### Finalise opinion on AMRFs

The Council agreed that the opinion can be submitted to the Minister sent out.

#### Identify relevant points in Actuarial review

Dr. Shane Whelan has agreed to clarify points with Joanne Roche regarding the Actuarial Review and it was agreed that she be invited to a Council meeting.

### **5. Continue discussion on / universal scheme including roles of public and private provision**

Chairman Jim Murray proposed two areas to be discussed in relation to this topic: (i) The cost of a universal auto-enrolment scheme versus the cost of private pension schemes and (ii) Decumulation

*(i) Cost of private pension schemes versus a universal auto enrolment*

## *scheme*

Jim Murray posed the question to the Council about whether auto enrolment would be cheaper to administrate in comparison with private pension schemes and whether the State should manage them. Tony Gilhawley made the point that auto enrolment could be costly in terms of infrastructure and on whether it is funded by the Government. Roma Burke agreed that there are costs on setting up this type of scheme. Brendan Kennedy agreed that there are both infrastructure and distribution costs attached but that there are savings in financial costs given that the employer manages the scheme. He cited the current scheme in the UK as a good example but has significant costs in regard to infrastructure. Sinead Ryan noted that the State should manage the accumulation phase and decumulation should be managed elsewhere. Brendan Kennedy questioned the extent of the scheme's purpose to address those without a pension and where the boundary would be. He and Tony Gilhawley also noted issues such as the impact on current pension schemes in terms of tax, employers contributing long term, managing insurance, life assurance companies and PRSA providers allowing for small contributions from small companies.

. The members discussed the objective as relating to value for money and targeting those without a private pension scheme.

The Council then discussed how the State would pay for such a scheme but that the design features of the scheme would need to be clarified first. It was agreed that the "straw man" (text for discussion) would provide clarification on these points.

### (ii) Decumulation

Chairman, Jim Murray pointed out that the Council had never discussed decumulation as a subject. He then asked the Council to discuss whether there are new and better ways to manage these schemes.

Brendan Kennedy stated that decumulation applies to the entire pension system. He also stated that the Pensions Authority have commissioned research on how people prepare for retirement and how to design a universal system. Sinead Ryan stated that the Gender study could provide soft data rather than hard in terms of how people prepare for retirement. Tony Gilhawley stated that in general people need direction in terms of spending retirement income and that providers and insurers don't offer financial advice

in this manner. He also stated that the State takes on a mortality risk in terms of providing the state pension in the long term. The Council came to no definitive opinion on decumulation.

## **6. 2018 – proposed meetings**

All of the proposed meeting dates were agreed, except for the February date, this was changed to the 22<sup>nd</sup> February.

## **7. Draft advice on AMRF's**

This was agreed as stated in 4 above.

## **8. Next meeting**

The next scheduled meeting is on Thursday, 14th December 2017 at 3.30pm at Verschoyle House, but since it was unlikely that we would have by then a Roadmap or a consultation document on the proposed new scheme, the chairman said he would consult members as to when we might go ahead with or cancel this meeting.

NOTE: It was later agreed not to hold a meeting in December.

## **9. AOB**

None

## **10. To-do list**

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|----------------------------------------|--------|
| ▪ The Actuarial Review                 | ALL    |
| ▪ The Gender Study                     | SR/HM  |
| ▪ Research on tax                      | SW/ALL |
| ▪ Discussion on new consultation paper | ALL    |

## **11. List of meeting dates for 2018**

# **PENSIONS COUNCIL 2018**

Proposed meeting dates for 2018:

- Thursday 18th January
- Thursday 22nd February
- Thursday 15<sup>th</sup> March
- Thursday 19th April
- Thursday 17<sup>th</sup> May
- Thursday 21<sup>st</sup> June
- Thursday 19th July
- Thursday 20th September
- Thursday 18th October
- Thursday 22<sup>nd</sup> November
- Thursday 13th December