
PENSIONS COUNCIL

Meeting on Thursday 19 April, at 3.30pm
Verschoyle House, 28/30 Lower Mount Street, Dublin 2

1. **Attendance:** Jim Murray (Chairman)

Kirstie Flynn
Brendan Kennedy
Sinead Ryan
Helen McDonald
Marie Louise Delahunty
Shane Whelan
Roma Burke
Peter Brazel
Anthony Gilhawley

2. **Apologies:** Brendan Keenan
Sandra Rockett

Also present: Minister Regina Doherty (DEASP)
Brian Purcell (DEASP)
Alice Kearns (Secretariat)

3. **Adoption of Agenda (and additional points, if any)**

No additional items were added to the agenda.

4. **New Conflicts of Interest**

No new conflicts of interest were declared

5. **Approval of draft Minutes**

The draft of the minutes for the meeting on 15 March were approved with the exception of a change to Item 9 – since added.

6. **Visit of Minister Doherty**

Jim Murray thanked Minister Doherty for her attendance at the meeting. The Minister gave an introductory talk on Pension Reform and the Roadmap which is set to be implemented in January 2020. She stated the importance of public consultations in order to create awareness and knowledge about pension saving for retirement. The advice of the Pensions Council would be important in this process.

In the general exchange that followed, the following points arose:

- According to the Minister, the auto enrolment scheme must be simple and engaging in order for the public to understand, adding that the scheme should have no negative returns. In terms of implementation, public consultation is very important. She also stated that it needs to be targeted at a younger demographic i.e. those under 40 years old.
- Members stressed the problems experienced in people's (lack of) understanding of complex pension and de-cumulation products, and hidden charges. The market was in large measure structured for the benefit of intermediaries. The minister noted these points and the idea that financial advice should be regulated more tightly.
- In response to the Minister's question on methods of public consultation, it was suggested inter alia that open debates between different viewpoints, the use of focus, targeting of the self-employed, and learning from the simplicity and transparency of the SSAs were all points worth considering.
- Also highlighted was the importance of contributors' trust in how the government handled their contributions.
- The chairman updated the Minister on the Council's research on gender overseen by Helen McDonald and Sinead Ryan.
- Helen McDonald told the Council that the consultations on the Total Contribution Approach (TCA) will have a launch event on 28 May with 50-70 people in attendance including advocacy groups such as trade unions. And invited members to let her know if they would like to attend.

7. To Do List from previous meeting

8. Add to opinion on CB consultation on intermediaries

There were no additions to the CB consultation on intermediaries.

9. Compendium of Council Papers

Jim Murray thanked Brian Purcell for compiling the compendium of Council Papers. He added that the Council's reports on ARFs and BOBs are also important in this context.

10. Questionnaire

Jim Murray is to circulate a version of the questionnaire for Council members to complete.

11. Gender Research Update:

Helen McDonald asked Jim Murray to sign off on the cost of research conducted by the ESRI, €80,000 which has now been completed. Sinead Ryan added that the research has formulated a good basis for further research to be conducted in this area.

12. **Roadmap for Pensions Reform**

This point was discussed in Item 1.

13. **Taxation of Pensions – continue discussion**

Shane Whelan presented his research Wednesday 11 April at the DEASP.

Helen McDonald stated that the ESRI will release their research on pensions, conducted in part for the Pensions Council, during the summer of 2018. The Council needs to read the research and decide on whether they will publically comment about the research upon its release.

Tony Gilhawley presented a summary of his paper on taxation to the Council, arguing in effect that a general reduction on tax relief for employees' contributions to private pensions would not eliminate inequities in the system but would lead to more complications an new forms of inequity.

It was agreed that there was no conflict on figures between the papers of Shane and Tony but one was an argument for reducing the rate of marginal tax relief and the other an argument against.

In the ensuing discussion no clear conclusion was reached as to whether or how the current tax relief system should be amended. The Council will return to this issue more generally and in the context of auto enrolment.

14. Auto Enrolment

The Council began a discussion on auto enrolment, during which the following issues were mentioned:

Which kind of system would suit everyone.

What age group should be targeted.

How to resolve conflicts between simplicity and efficacy.

PRSI contributions.

Salary limits.

The importance of targeting private sector employees who currently have no pension.

15. Any Other Business

None

16. Next Meeting – Thursday 17th May 2018

The next meeting will be held on Thursday 17th May 2018 at 3.30pm at Verschoyle House

17. To-do list

ESRI taxation research

Questionnaire

Pensions Council Protected disclosures

HMcD/ALL

ALL

BP/ALL