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# PENSIONS COUNCIL

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

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**Attendance:** Jim Murray (Chairman)  
Helen McDonald  
Roma Burke  
Shane Whelan  
Sandra Rockett  
Kirstie Flynn  
Marie Louise Delahunty

**Apologies:** Brendan Kennedy  
Brendan Keenan  
Sinead Ryan  
Peter Brazel

**Also present:** Alice Kearns (Secretariat)  
Sean Kinsella (Department of Finance)

## Minutes

### 1. Adoption of agenda

The following items were added to the agenda:

1. Discussion regarding two letters sent to Minister Doherty on behalf of the Council:
  - Central Bank response regarding the Council's 'Report on Charges for ARFs and BOBs'
  - Resignation of Council member Tony Gilhawley
2. Changes in the UK regarding fiduciary management

### 2. No new conflict of interest

No new conflicts of interest were declared. (It was noted in passing that the issue of taxation of pensions could affect many members.)

### 3. Approval of minutes

The draft minutes of the meeting held on Thursday 21 June were approved with one change on the to do list regarding draft letter to the Minister re: AMRFs. Two letters were sent to the Minister, outlined in Item 1.

### 4. To Do List from previous meeting

JM to work on drafting introduction and content of Council's work on taxation before next meeting on 21 July

- This is in progress.

Roma Burke to prepare a note on different objectives for pension schemes that would have a bearing regarding decisions on tax treatment of such schemes.

- This is in progress

Each member to propose ideas in writing on auto enrolment and on what Council should work on, to the email address: [pensionscouncil@pensionsauthority.ie](mailto:pensionscouncil@pensionsauthority.ie) (Emails to this address will be seen by all members) by **Thursday 15 July.**

- This is in progress

JM to inform Minister about ESRI paper and the apparent link to the Pensions Council

- The Council decided that sending a letter to the Minister regarding this issue was not necessary.

AK to circulate photo of the Council with the Minister

- The photo of the Council with Minister Doherty has been circulated to Members and published on the Pensions Council website.

JM to check with [public.jobs.ie](http://public.jobs.ie) re replacement of Tony Gilhawley

- Helen McDonald emphasised that there is no specific requirement to replace Tony Gilhawley but the Department hoped to do it over time.. This process has to go through State Boards.ie and that a requirement booklet would need to be drafted. The Chairman hoped that the process might be completed quickly.

Seek advice from the Department and Authority as to how the Council might meet any obligations under the new GDPR Regulation

- This item was not discussed.

### 5. Intervention of Sean Kinsella Taxation Group 3.45PM

Sean Kinsella gave his presentation on behalf of the Interdepartmental Pensions Reform & Taxation Group and asked for questions afterwards. Following questions from Council members, his main points are summarized below:

- There have been no responses to date since the Consultation was published on 28 June but many will be expected closer to the 19 October deadline.
- The Department are seeking an open approach with the Consultation process in looking for feedback and reviews regarding Pensions Reform
- The Auto Enrolment model is stand-alone and is not modelled on another country
- The review of ARFs are general and a new product is not in development. The Group are trying to progress reform and address Auto Enrolment at the same time.
- The Group are looking to get more views and feedback regarding Consumer Protection.
- Auto Enrolment is targeted towards those without a pension scheme
- The Roadmap and mandate for Auto Enrolment is broad, it will narrow down to focus on areas such as decumulation, policy development and scope.
- The Group are seeking views on the adequacy of information provision regarding pensions.
- The Group are only at a consultation phase and their recommendations depends on input received from the consultation process.
- Sean Kinsella noted issues such as the affordability of pensions for everyone and stated that the 'Strawman' will highlight these.
- ARFs will be examined as part of the Consultation process
- 'SSIA-type schemes' are loosely referenced in the Roadmap but Auto Enrolment is not specifically modelled on an 'SSIA-type' scheme.

## **6. Taxation of Pensions – continue discussion**

'Consultation on Supplementary Pensions Reform: Roadmap for Pensions Reform 2018-2023' – Department of Finance

Regarding this consultation document, Sandra Rockett suggested that the Council opinion should be finalized before the October meeting and that comments from Members are circulated in order to meet the consultation deadline.

In relation to question B1 on page 12, Although no final conclusions were reached, the following points were made in the discussion:

In relation to question B1 on page 12, the social and economic benefits of pensions might include better income in old age (less dependence on state payments), and in particular help for middle earners.

Pension policy should be directed to those who do not have pensions.

On question B2, current tax reliefs may incentivize higher earners, but are not significant incentives for middle and (especially) lower earners. Single member and self-administered schemes need serious review – some 7 billion euros were invested in such schemes. Tax reliefs should be directed towards saving for pensions and not for wealth management as such.

AA system of state add-ons may be a more effective in achieving policy objectives than tax relief.

The changing structures of pension schemes seemed likely to be to the benefit of the life insurance sector.

The lack of understanding of pensions is one of the biggest obstacles to reform, and to consumer protection, which is vitally important in this sector.

The current tax treatment of pension contributions was of no benefit in providing retrospective credits for time out of employment (e.g. for carers in the home.)

## **7. Roadmap for Pensions Reform – Council work programme on AE.**

### TCA Consultation

The Minister targeted working age people rather than current pensioners for this consultation and wants a large volume of responses from the public. There has been 130 submissions to the Roadmap consultations, mostly consisting of individuals and NGOs. These will not be published by the DEASP but many NGOs are publishing their own responses on their website. The consultation will close on 3<sup>rd</sup> September.

Cabinet meetings and other preparations are ongoing on the Roadmap, and Auto-enrolment

The Department is working on IORP transposition, the Defined Benefit Social Welfare (sent back for review), and the Pre-Budget Forum.

Thanking Helen McDonald, the Chairman stress the need for the Council to be continually informed on developments affecting pensions and said that he would ask Brian Purcell to prepare suitable briefing material on an ongoing basis.

## 8. AOB

- Chairman Jim Murray welcomed back Sandra Rockett to the Council.
- Helen McDonald will notify the Minister regarding the error in dates supplied to the Minister regarding Council succession.
- The Chairman noted that the next Council meeting on Thursday 20 September falls during the Supplementary Pensions Meeting in Galway. He proposed that the meeting could be moved to Thursday 27 September in order to facilitate any Member's attendance at the meeting in Galway.
- Noting that a number of members had to leave meetings early, the Chairman suggested that the Council meetings might start at 3pm – starting at the next meeting on 27<sup>th</sup> September.

## 9. Next meeting

The next scheduled meeting is on 20 September at 3.30pm at Verschoyle House – **now 27<sup>th</sup> September at 3.00PM.**

## 10. To-do list

- Circulate note regarding Supplementary Pensions meeting in Galway. Thursday 27<sup>th</sup> September JM
- Decision regarding changing next meeting to Thursday 27 September – now set for 27<sup>th</sup> September. ALL
- GDPR Regulation. BP
- Replacement of Tony Gilhawley via State Boards HMcD
- Prepare ongoing briefing material JM/DP