
PENSIONS COUNCIL

Meeting on Wednesday, 20 January 2021 at 3.00pm
Virtual meeting

Attendance: Jim Murray (Chair)
Joanne Roche
Tim O'Hanrahan
Munro O'Dwyer
Kirstie Flynn
Brendan Kennedy
Roma Burke
Roshin Sen

Apologies: Stephen Gillick
Deirdre Cummins
Eoin Dormer

Also present: Ailís Henry (Note taker)
Brian Purcell (DSP)
John Lynch (LCP –PRSA presentation)
Fergus Collis (LCP –PRSA presentation)

Quorum: Quorum present
8 of 11 Council Members present (6 required)

Minutes

1. Adoption of agenda

The proposed agenda for this meeting was agreed.

2. Conflict of interest

No conflicts of interest were declared.

3. Approval of draft minutes

The minutes of the meeting held on 16 December 2020 were approved by the Council.

4. Review of Recent Developments

Roshin Sen provided an update on the recent developments from DSP:

- Work is ongoing for the transposition of IORP II.
- The Pension Commission website was established this week which contains the agenda, paper and minutes of meetings. The public consultation due to be launched in a few weeks will be made publically available on this website.
- Payment for 65 year olds coming shortly and it expected there will be an update by next month's meeting.
- Interdepartmental Pensions Reform and Taxation Group are meeting on a monthly basis and action points arising from the report are being assigned departments to lead on and allocated timelines. Progress is expected in the coming months.
- Auto enrolment – during an oral PQ session it was stated the 2022 timeline was not feasible, a new implementation timeline will be announced in due course. The Auto enrolment programme management office has secured an extension to the support it is receiving from the EU.
- Living alone payments increase implemented at the start of January.

5. Presentation and Discussion on PRSAs

Fergus Collis and John Lynch of Lane Clark Peacock (LCP) gave a presentation to the council on PRSAs. They provided an overview of PRSA legislation and regulations, reporting requirements, the role of actuaries and also provided an insight into the challenges PRSAs present for the industry. Brian Purcell, (DSP) circulated a presentation on PRSAs in advance of the meeting and gave an overview of the IDTPRG findings for PRSAs. There was a discussion about PRSAs amongst the Council members after the presentations including the costs of PRSAs, the current PRSA provider market.

6. Decumulation and older pensioners paper

Brian P (DSP) gave an overview of his paper he prepared for the Pensions Council. It discusses issues about vulnerable consumers, cognitive disabilities impacts on socio groups and age, and how to manage later in life expenses via annuities or ARFs. The Council welcomed the paper and noted it highlighted the complexities of the issues surrounding older pensioners and vulnerable customers and the members had a discussion about

Roma Burke added that there is no market for deferred annuities in Ireland so it would unlikely be a solution. Brian P agreed to look into late in life annuities in the US, as suggested by Roma. It was also noted that retirement income data is limited in older cohorts, in supplementary pension coverage and limited information on ARFS as they have only been in place since 2011.

7. Work Programme - discussion on future work.

The Chair, outlined the nine proposed streams of work that had been collated at the previous meeting and proposed that four or five streams should be decided upon for the year ahead.

The nine proposed streams are as follows;

1. Review of PRSAs in the context of both accumulation/saving and decumulation.
2. Decumulation – general issues, review of ARFs, cost efficiency.
3. Opportunities for better regulation – lower cost, reduction of administrative burdens, cost benefit analysis for example security costs.
4. The situation of Older Pensioners.
5. CPA, role and functioning; surveillance of investment strategies/providers.
6. Own initiative response to IDPTRG.
7. Preparations for 2022 roll out of Automatic Enrolment.
8. Requests from the Minister or Department – gender discrimination in the pensions environment.
9. Pensions Commission.

On the topic of PRSAs, it was noted by Brendan Kennedy that work under PRSAs might not add a different perspective to the existing work out there and given that the council is limited in resources it would make sense to focus on another area of work. Roma Burke commented that the Council should be the voice of consumers and stressed the importance of the need to have good value for money for consumers. It was agreed that Roma Burke would write a short note on PRSAs for the council to further consider the topic.

It was agreed that the CPA and Auto enrolment work would pause for now due to the lack of information. Roshin noted the Minister is very interested in the opinions of the Council. The Council agreed they could look at adding these two items back on their programme of work when further information of the design of the CPA is released and there is further clarity about auto-enrolment.

On the response to the IDPTRG it was decided that some of the other areas being worked on such a decumulation and PRSAs may feed to into a response.

It was decided that the Council would work on the following areas;

- decumulation (to include pension scheme drawdown)
- Older pensioners/ consumers
- Gender discrimination in pensions / Requests from the Minister.

The Chair will circulate a list of the planned programme of work ahead of the next meeting.

8. Other Business

The Chair will circulate for final written comments on the two papers from 2020 on DC Investment in the context of Automatic Enrolment and on Future of Funded DB schemes. Council members are requested to make any changes by using track changes function.

9. Next Meeting:

The next meeting of the Pensions Council will take place on Wednesday, 17 February 2021.

10. To-do list

Short note on PRSAs	Roma Burke
Circulate papers on DC Investment and Funded DB schemes to all Council members	Jim Murray
Review and provide final comments (if any) to above papers	All Council members