



An Bord Pinsean -
The Pensions Board

Authority for Pensions

Press release

The Pensions Board launches 2003 Annual Report

Dublin, July 21 2004: The Pensions Board today launched its Annual Report 2003, in the Board's headquarters in Dublin and formally presented a copy of the report to the Minister for Social and Family Affairs, Mary Coughlan TD.

Speaking at the launch, the Chief Executive of The Pensions Board, Ms Anne Maher said "while 2003 was a difficult environment for pensions, we believe that the Annual Report 2003 of The Pensions Board shows that the pension system which has been put in place in Ireland has shown itself to be robust during these challenging times".

Presenting Minister Coughlan with the 2003 Annual Report, the new Chairperson of The Pensions Board, Mr Michael McNulty said "during 2003, the Board implemented the new provisions of the Social Welfare Act, 2003, which facilitated the return to full-funding by pension schemes affected by the downturn in invested markets over the proceeding 3 years. We are pleased that this facility for extension appears to be working well and that a substantial number of schemes have now put in place Funding Proposals which the Board believe will ensure the return to fully meeting the statutory Funding Standard within a reasonable period and, in the meantime, provide a good level of protection for the scheme members".

Commenting on Personal Retirement Savings Accounts (PRSAs) at the launch Ms Maher said, "at this stage there are now 56 products available from a choice of 10 PRSA providers. This gives the consumer a wide range of choice and ensures a competitive market. Sales to date have been steady and further initiatives may be considered to encourage these. At the end of March 2004, 26,899 PRSA contracts had been taken out with total assets of over €60 million. Further PRSA figures up to end June will be available next month and overall pension coverage figures from CSO are expected at end August. These figures should help to give us a clearer picture of progress", she concluded. "The National Pensions Awareness Campaign designed to extend pensions coverage including take up of PRSAs will be continuing, with particular focus on a National Pensions Awareness Week starting on 13 September."

In 2003, 52 'whistle-blow' reports were received by the Board and a further 14 have been received to date this year. The Board remains satisfied that the 'whistle-blow' provisions are working well and are pleased that action was able to be taken which protected the member interests in a substantial number of the cases involved.

At the launch, Ms Maher also indicated, "the continuing improvement in life expectancy means that pensions are becoming expensive. The most dramatic increase is in life expectancy at age 65 for both sexes which has occurred over the last 6 years. CSO figures show that male life expectancy at age 65 is now 15.4 years and female life expectancy is 18.7 – this reflects an 11% increase for males over the last six years which improvement is more than that experienced over the previous 70 years. The impact of this increase on pensions, as well as many other areas of life, cannot be exaggerated".

Highlights of 2003 included:

- 7,713 enquiries were dealt with, a 44% increase on 2002.
- Increase in schemes of 5% and an increase in membership of 2%.
- 4,901 new pension schemes.
- 95 new investigations were commenced.
- 50 new 'whistle-blow' reports were received.
- Random monitoring of disclosure compliance highlighted 5% of schemes were non-compliant.
- Private sector and commercial semi-state membership equals 48.5% defined benefit 51.5% defined contribution.
- To date there is a total of 10 PRSA providers with a total of 56 approved products.
- Employer mandatory access to PRSAs came into effect on 15 September 2003.

About The Pensions Board

The Pensions Board is the statutory body set up to regulate occupational pension schemes and PRSAs and to advise the Minister for Social and Family Affairs, and through her, the Government, on overall pension policy development.

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