



An Bord Pinsean -
The Pensions Board

Authority for Pensions



The Pensions Board Annual Report and Accounts **2005**

The Pensions Board
Verschoyle House
28/30 Lower Mount Street
Dublin 2

Telephone: (01) 613 1900
Fax: (01) 631 8602
Locall: 1890 65 65 65

www.pensionsboard.ie

ISSN 1649-8690

Annual Report and Accounts

Tuarascáil Bhliantúil agus Cuntais

2005

Contents



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais

Mission Statement	2
At a Glance	3
Chairperson's Statement	4
Introduction	6
The Pensions Board	7
Committees	9
Pensions Board Executive	11
Chief Executive's Review	12
National Pensions Policy Initiative (NPPI)/Pensions (Amendment) Act, 2002	17
Regulatory	21
Policy	35
Pensions Development/Information/Awareness	39
Operational	47
Financial Statements for the year ended 31 December 2005	53
Report of the Comptroller and Auditor General	54
Statement of Board Responsibilities	55
Chairperson's Statement on the System of Internal Financial Control	56
Statement of Accounting Policies	58
Income and Expenditure Account	60
Balance Sheet	61
Cash Flow Statement	62
Notes to the Financial Statements	63
Prompt Payment of Accounts Act, 1997	71
Appendices	72
Appendix I – Pensions Legislation	72
Appendix II – Operative Dates of Parts of the Pensions Acts	76
Appendix III – Table of Various Relevant Commencement Orders/Regulations made during 2005	77
Appendix IV – Publications	81
Appendix V – Customer Action Plan (CAP) Performance Against Commitments	83
Appendix VI – Abbreviations	85

Mission Statement

- To promote the security and protection of members of occupational pension schemes and contributors to Personal Retirement Savings Accounts (PRSAs), in accordance with the Pensions Acts,
- To promote the development of efficient national pension structures,
- To promote a level of participation in the national pension system which enables all citizens to acquire an adequate retirement income, and
- To provide information and authoritative guidance to relevant parties in support of pension security, structures and participation.



- At end 2005, there was a total active membership of 734,699 in occupational pension schemes on the Board's register, an increase of 1% on the previous year.
- Of the 564 actuarial funding certificates submitted to the Board during 2005, 57% of defined benefit schemes satisfied the funding standard.
- At end 2005, 68% of active defined benefit schemes satisfied the funding standard.
- The total number of PRSA contracts at end 2005 was 68,257. The total value of assets amounted to €451.7m., almost 2.5 times the 2004 value of PRSA assets. A questionnaire was issued during the year to 28,000 registered employers as part of the process of monitoring employer mandatory access.
- The Board successfully prosecuted 6 cases against trustees of occupational pension schemes and 4 cases against the relevant employers for failure to comply with PRSA obligations. These were the first PRSA prosecutions.
- Ireland was one of the first countries to introduce into domestic law the EU Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision (IORPs Directive). This Directive:
 - was implemented through the Social Welfare and Pensions Act, 2005 with effect from 23 September 2005,
 - requires that the resources of a scheme be invested predominantly on regulated markets and be properly diversified,
 - requires all schemes except small schemes (i.e. those with less than 100 active and deferred members) to prepare a Statement of Investment Policy Principles (SOIPP) in a prescribed format,
 - requires trustees to be of good repute and to have appropriate professional qualifications and experience or employ advisers with appropriate professional qualifications and experience, and
 - allows pensions schemes to operate "cross-border".
- In parallel with the implementation of the IORPs Directive, the Pensions Board contributed to the development of a Protocol between European pension supervisors in relation to cross border activity.
- A CSO Quarterly National Household Survey (QNHS) of pensions-related coverage was carried out in Quarter I 2005. 51.5% of all persons aged 20 – 69 in employment had pension coverage.
- In November 2005, the National Pensions Review was submitted to the Minister for Social and Family Affairs. This report provided a strategic assessment of the Irish pensions system and included a number of recommendations for specific enhancements to the system. This review will inform future policy decisions in relation to pensions provision.
- Under the National Pensions Awareness Campaign, the pensions education strategy was commenced which targeted recruitment firms, FÁS and Fáilte Ireland amongst others. Independent progress reports show a considerable increase in pensions awareness.
- The Board continued to monitor its customer service provision. In particular, the Board's website was upgraded to be more accessible and customer focused. 216,052 visits were made to the website. 11,789 enquiries by post, email and telephone were dealt with during the year.
- The Board continued to ensure that its resources are managed appropriately, including introducing a new Financial Management System and Human Resource Management System in 2005.
- Steps were also taken to ensure that the new members of the Board, which commenced on 21 December, are fully apprised of their responsibilities with regard to corporate governance and, in particular, their responsibilities with regard to the Code of Conduct for members and staff of the Pensions Board and Ethics in Public Office Acts, 1995 and 2001.

Chairperson's Statement

I am pleased to submit, in accordance with Section 23 of the Pensions Acts, the fifteenth Annual Report ("the Report") of An Bord Pinsean – The Pensions Board ("the Board") for the year ended 31 December, 2005.

This was the final year of the previous Board, amongst whose achievements during that year was the preparation and submission to the Minister of the National Pensions Review. I would like to pay tribute to that Board, and its Chairperson, Michael McNulty, for their dedication and commitment in making 2005 a very successful year and a fitting close to their term of office.

I look forward, as Chairperson, to working with my fellow Board members during the coming five years, for which the achievements of the previous Board will form a solid foundation.

Format of Report

In introducing the report for 2005, I should mention that it follows the format of the reports for the years since 2002 in which the central chapters are based on the Board's published strategy 2002-2005. As the year to which the present report relates was the final year of that strategy, it seems appropriate that the report should continue to follow that format.

2005

The year 2005 was eventful and challenging in both the regulatory and policy areas of the Board's activity. In the regulatory area, the Board continued its monitoring of compliance with statutory obligations on trustees and administrators of occupational pension schemes, as well as on providers and employers in relation to PRSA provision. In addition to promoting compliance by proactive monitoring, prosecutions were taken for breaches of statutory requirements in 10 cases, a greater number than in any previous year. These compliance monitoring and enforcement actions demonstrate the Board's continuing commitment to ensuring ongoing improvement in compliance levels in the interests of good governance and member protection. At the same time, in recognition of market realities, the Board continued during 2005 to

grant extensions, where appropriate, for funding proposals beyond the standard 3½ years* in response to applications from trustees whose schemes were experiencing funding difficulties. It is gratifying to record that 47 applications in 2005 was a substantial reduction in the number of applications received when compared to 135 applications in 2004. We anticipate that, together with other positive indicators, this gives ground for cautious optimism in the outlook for defined benefit schemes.

On the policy advisory side, 2005 proved to be a very full year. The Board assisted the passage into Irish primary and secondary legislation of both the requirements of the IORPs Directive and the recommended changes in the funding standard. In addition, the Board conducted the National Pensions Review (NPR) – a process which dominated the policy work of the Board for the greater part of the year. While fuller details of the review are given in the Policy chapter of this report, the review provided a strategic assessment of the current and prospective Irish pensions situation, possible alternative models of structural change and recommendations for early action, together with a wealth of background and supporting information. As well as fulfilling the statutory requirement for provision of a report on coverage and related matters, the review document (October 2005) was recognised as making a major contribution to the policy debate on the future of overall Irish pension provision.

2006

I look forward to a productive year in 2006 as the first full year of this Board's term of office. At time of writing, we are in the process of settling our strategy for the coming five years to replace that which ended in 2005. This new strategy will provide a template for the Board's activities and priorities for the period 2006-2010.

Initially during 2006, we will be undertaking a number of tasks on both the policy and regulatory fronts, which flow from on-going activity and commitments. These include:

- a further review of the funding standard as committed to in the NPR Report and subsequently requested by the Minister,

**For schemes preparing an actuarial funding certificate with effective dates after 22 September 2005, the interval is reduced to 3 years.*

- follow-up to the NPR including the consideration, at the Minister's request, of a system of mandatory provision appropriate to Irish circumstances,
- completion of the Board's internal review of its pension supervisory approach and methods, and
- a review of scheme trusteeship, in fulfilment of earlier commitments.

We look forward to performing these tasks, which, together with the formulation of our Strategy 2006-2010, will be a foundation for the Board's activities as pensions regulator and policy adviser over the coming five years.

Conclusion

I wish to acknowledge the efforts and contribution made during 2005 by all those who were involved in making the year a successful one for the Board. In particular, I would like to mention the outgoing Chairman, Michael McNulty, the members of the outgoing Board, the Chief Executive, Anne Maher, and her colleagues. As always, there was also the much appreciated contribution of those members of Committees and informal groups who, though not Board members, gave of their time and expertise.

I wish to thank the Minister, Séamus Brennan, T.D., for his ongoing interest in, and encouragement to, the Board especially in the key area of policy development. Finally, I wish to record our gratitude to the officials of the Department of Social and Family Affairs for their continuing support.



Tiarnan O Mahoney
Chairperson

Introduction

Reporting on progress in meeting goals

This Report is the fourth report on progress to date on the Pensions Board's strategy for the period 2002-2005. A strategy to cover the period 2006-2010 is currently being prepared. This will outline the key objectives and overall direction of the Pensions Board over the next five years.

The Pensions Board work plan is designed to assist in the delivery of the objectives set out in the strategy. These objectives are, in turn, reflected in personal work objectives for each member of staff through the Performance Management and Development System.

The Role and Functions of Pensions Board

The Pensions Board was established by the Pensions Act, 1990 as a representative body, comprising a chairperson and sixteen ordinary members appointed by the Minister for Social and Family Affairs. The Pensions Acts describe the functions of the Board as set out below:

The functions of the Board shall be:

- (a) to monitor and supervise the operation of the Pensions Acts and pensions development generally, including the activity of Personal Retirement Savings Account (PRSA) providers, the provision of PRSA products and the operation of PRSAs,
- (b) to advise the Minister either at his request, or on its own initiative, on all matters relating to functions assigned to the Board under the Pensions Acts and on matters relating to pensions generally,
- (c) to issue guidelines or guidance notes on the duties and responsibilities of trustees of schemes and codes of practice on specific aspects of their responsibilities and in relation to PRSA providers and PRSA products,

- (d) to issue guidelines or guidance notes generally on the operation of the Pensions Acts and on the provisions of the Family Law Act, 1995, and the Family Law (Divorce) Act, 1996, relating to pension schemes (within the meaning of section 2 of the Family Law Act, 1995 and section 2 of the Family Law (Divorce) Act, 1996),
- (e) to encourage the provision of appropriate training facilities for trustees of schemes,
- (f) to advise the Minister on all matters arising in relation to the Pensions Acts and standards for trustees of schemes and on their implementation,
- (g) to publish an annual report and such other reports as it may, from time to time, consider necessary, and
- (h) to perform such tasks as the Minister may, from time to time, request.

Translating Strategy into Actions

During the period under review, the Board has operated through Committees and Working Parties, supported by the staff of the Board and panels of actuarial, accounting and legal consultants as appropriate. Decision-making, particularly in relation to regulatory decisions, is delegated to the staff of the Pensions Board which is currently divided into five units: Corporate Services; Information and Training; Investigation and Compliance; Technical Services and Research, and PRSAs. Close co-operation within the Pensions Board and with the main players in the broader environment such as the Departments of Finance and Social and Family Affairs and the Pensions Ombudsman is essential for the effective discharge of the Board's Strategy. The Board continued to develop actively these relationships during 2005.

The Pensions Board



The Pensions Board is a statutory body comprising, as at 31 December 2005, a chairperson and sixteen ordinary members. While all its members are appointed by the Minister for Social and Family Affairs, under the provisions of the Pensions Acts the Board must comprise representatives of trade unions, employers, consumer interests, pensioner interests, the Government, the pensions industry, member trustees and professional groups involved with pension arrangements.

The term of office for Board members is five years. Casual vacancies are filled directly by the Minister, or on the nomination of the relevant nominating body, as appropriate. A person who fills a casual vacancy only holds office until the end of the five-year period.

The current members of the Board which commenced on 21 December 2005 are:



Tiarnan O Mahoney
Chairperson
Nominee of the Minister for Social and Family Affairs



Marie Daly
Nominated by the Irish Business and Employers Confederation



Dervla Tomlin
Nominated by the Irish Insurance Federation



William Beausang
Representative of the Minister for Finance



John Dillane
Nominee of the Minister for Social and Family Affairs – representative of consumer interests



Anne Vaughan
Representative of the Minister for Social and Family Affairs



Kevin Brabazon
Nominated by the Irish Business and Employers Confederation – representative of trustee interests



Mary O'Donnell
Nominee of the Minister for Social and Family Affairs



Mary Wade
Nominated by the Association of Pension Lawyers in Ireland



Rosalind Briggs
Nominated by the Society of Actuaries in Ireland



Emer O'Flanagan
Nominee of the Minister for Social and Family Affairs



Fergus Whelan
Nominated by the Irish Congress of Trade Unions



Rosheen Callendar
Nominated by the Irish Congress of Trade Unions – representative of trustee interests



Michael O'Halloran
Nominee of the Minister for Social and Family Affairs – representative of pensioner interests



Tom Wright
Nominated by the Consultative Committee of Accountancy Bodies – Ireland



Julian Caplin
Nominee of the Minister for Social and Family Affairs



Gerry Ryan
Nominated by the Irish Association of Pension Funds

The membership of the Board during the year to which this Report refers was as follows:

Michael McNulty (*Chairperson*)

Nominee of the Minister for Social and Family Affairs

Kevin Brabazon

Nominated by the Irish Business and Employers Confederation – representative of trustee interests

Brian Buggy

Nominated by the Association of Pension Lawyers in Ireland

John Byrne

Nominee of the Minister for Social and Family Affairs

Rosheen Callender

Nominated by the Irish Congress of Trade Unions – representative of trustee interests

Marie Daly

Nominated by the Irish Business and Employers Confederation

Tom Finlay

Nominated by the Irish Association of Pension Funds

Carmel Foley

Nominee of the Minister for Social and Family Affairs – Representative of Consumer Interests

Paul Kelly

Nominated by the Society of Actuaries in Ireland

Ciarán Long

Nominated by the Irish Insurance Federation

Niamh Maguire

Nominee of the Minister for Social and Family Affairs

Dermot Quigley

Representative of the Minister for Finance

Mary O'Donnell

Nominee of the Minister for Social and Family Affairs

Michael O'Halloran

Nominee of the Minister for Social and Family Affairs – Representative of Pensioner Interests

Anne Vaughan

Representative of the Minister for Social and Family Affairs

Fergus Whelan

Nominated by the Irish Congress of Trade Unions

Tom Wright

Nominated by the Consultative Committee of Accountancy Bodies – Ireland

The Board met 14 times in 2005.

Committees



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais

During 2005, the Board worked through a Committee system and much of its detailed work (such as the preparation of reports for the Minister) was initially undertaken by a Committee. The Committees could include people who are not members of the Board, but who have particular expertise in relevant fields. All Committees are also attended by relevant Board staff.

During the year to which this Report relates, the composition of these Committees was as follows:

Finance and Audit

Kevin Brabazon (Chairperson)
John Byrne
Paul Cunningham
John Fitzpatrick
Niamh Maguire
Mary O'Donnell
Tom Wright
Christina Winters (Secretary)

The Committee met 3 times in 2005.

Policy

Tom Finlay (Chairperson)
Kevin Brabazon
Brian Buggy
Rosheen Callender
Paul Cunningham
Marie Daly
Geraldine Gleeson
Paul Kelly
Dave Keogh
Ciarán Long
Dermot Quigley
Anne Vaughan
Fergus Whelan
Martin Buggy (Secretary)

The Committee met 5 times in 2005.

Legislation

Ciarán Long (Chairperson)
Phyllis Behan
Patrick Burke
Martin Conneely
Paul Cunningham
Kirstie Flynn
Geraldine Gleeson
Kevin King
Philip Shier
Dave Keogh
Tom Wright
Frank Cunneen*
Jan Fitzpatrick (Secretary)

*Replaced Kevin King in November 2005

The Committee met 12 times in 2005.

Regulatory Review Group

This group assists the Chief Executive in making decisions on certain regulatory functions delegated to her by the Board.

Anne Maher (Chairperson)
Carmel Foley
Paul Kelly
Niamh Maguire
Brendan Kennedy
Jerry Moriarty
Ian Woods
Sylvia McNeece
Carol Jordan (Secretary)

The Group met 11 times in 2005.

National Pensions Review Committee

This group was established to oversee and monitor the National Pensions Review.

Tom Finlay (Chairperson)
Kevin Brabazon
Brian Buggy
Rosheen Callender
Paul Cunningham
Marie Daly
Paul Kelly
Brendan Kennedy
Ciarán Long
John McCarthy
Michael McNulty
Anne Maher
Jerry Moriarty
Paul Morrin
Dermot Quigley
John Reilly
Anne Vaughan
Fergus Whelan
Ian Woods

The group met 8 times in 2005.

National Pensions Awareness Campaign Project Group

This group oversees the conduct of the National Pensions Awareness Campaign.

Mary Hutch (Chairperson)
Kevin Brabazon
Robert Callaghan
Paul Cunningham
Aongus Horgan
Carmel Foley
Anne Maher
David Malone
Rita Morrissey
Michael O'Halloran
Fergus Whelan

The Group met 2 times in 2005.

Survey Steering Group

This group oversees the process of ongoing monitoring of pensions coverage.

Robert Woods (Chairperson)
Rosheen Callender
Mary Hutch
Anne Maher
Paul Morrin
Brendan Kennedy
Cheryl Richardson
Ian Woods
Gwen Conlon (Secretary)

The Group met 3 times in 2005.

Pensions Board Partnership Committee 2005

This Committee provides a forum for involving staff in matters of importance for the Board and, in particular in assisting the implementation of change.

Anne Maher
Brendan Kennedy
Vivienne Horkan
Deirdre Kelly
Julie Walsh
Renee O'Reilly
Nuala Clancy

Chairing of this Committee rotates amongst its members.

The Committee met 11 times in 2005.

Pensions Board Executive



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais



Anne Maher



Mary Hutch



Tom Dunphy



Philip Dalton



Yvonne White



Jerry Moriarty



Sylvia McNeece



Brendan Kennedy

Chief Executive

Anne Maher

Corporate Services Unit

Tom Dunphy

(Secretary to the Board)
Head of Corporate Services

Gregory Whelan

Assistant Head of Corporate Services

John McCarthy

Information Communications
Technology (ICT) and Registration

Vivienne Horkan

Human Resources

Gwen Conlon

ICT Services and Registration

Kieran O'Dea

Finance and Services

Brian Toner

ICT Services

Nuala Clancy

Registration

Christina Winters

Finance

Julie McCarthy

Fee Collection

Marie Earley

Registration and Administration

Bronagh Croghan

Registration and Administration

Investigations And Compliance Unit

Jerry Moriarty

Head of Investigations and
Compliance

Gerard Clarke

Assistant Head of Investigations and
Compliance

Carol Jordan

Investigations and Compliance

Edel Stenson

Investigations

Sherry Bass

Compliance

Martin Buggy

Compliance

Maureen Byrne

Support

Joan Stakelum

Support

PRSA Unit

Philip Dalton

Head of PRSAs

Mary Howe

Assistant Head of PRSAs

Aideen Bugler

Assistant Head of PRSAs

Mary Broderick

Administrator

Barry O'Connor

Support

Information And Training Unit

Mary Hutch

Head of Information and Training

Aongus Horgan

Assistant Head of Information and
Training

Ciarán Holahan

Information and Training

Jan Fitzpatrick

Information and Training

Deirdre Kelly

Enquiries

Julie Walsh

Enquiries

Emily Kealey

Enquiries

Valerie Christie

Enquiries

Kimberley Brown

Enquiries

National Pensions Awareness Campaign

David Malone

Project Manager

Technical Services And Research Unit

Yvonne White

Head of Technical Services and
Research

Sylvia McNeece

Legal Adviser

Brendan Kennedy

Actuarial Adviser

Cheryl Richardson

Assistant Head of Technical Services
and Research

Renee O'Reilly

Personal Assistant to Chief Executive

Mary Conlon

Support

Pensions Board Executive as at 1 May 2006

Chief Executive's Review

Background

The Board has two statutory roles – regulatory and policy. The Board has also undertaken work in relation to promoting pensions development and awareness over the last three years at the request of the Minister for Social and Family Affairs.

The Board had an agreed strategy 2002-2005. This strategy was reviewed and updated in 2004. In order to implement this strategy, the Board had also agreed general objectives. These are divided under 5 headings which are:

- National Pensions Policy Initiative (NPPI)/Pensions (Amendment) Act, 2002
- Regulatory
- Policy
- Pensions Development/Information/Awareness
- Operational

The Board also sets annual priorities and its priorities for 2005 were as follows:

1. Support passing into law of legislation covering agreed changes to the statutory funding standard and implementing the EU Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision (IORPs Directive).
2. Complete the National Pensions Review and submit to Minister including:
 - review of implementation of National Pensions Policy Initiative recommendations,
 - examine possibility of a State Annuity Fund, and
 - examine incentives/disincentives for pension coverage uptake.
3. Review supervisory role to include:
 - new requirements arising from the IORPs Directive,
 - extending scope of the Board's register,
 - consideration of investment supervision, and
 - introducing risk assessment processes.

4. Examine Trustee role and make appropriate recommendations.
5. Organise successful National Pensions Awareness Campaign 2005.

National Pensions Policy Initiative/ Pensions (Amendment) Act, 2002

The National Pensions Policy Initiative (NPPI) was a review and agreement on the future direction of pensions in Ireland which took place in 1996-1998. The major recommendations in the National Pensions Policy Initiative have now been implemented and the Board operated in 2005 within the NPPI framework.

The Pensions (Amendment) Act, 2002 is now fully operational, apart from a small number of sections which have not been formally commenced or where Regulations are yet to be introduced. There are specific reasons for these postponements which were reviewed during 2005 and will continue to be reviewed on a regular basis.

The National Pensions Policy Initiative focused on increasing pension coverage. Arising from this the Board monitors pensions coverage and, in this context, has agreed an ongoing pension survey programme with the Central Statistics Office. The most recently published module of this survey programme related to Quarter I of 2005. A more extensive module took place in Quarter IV of 2005 and the results of this are due to be published mid-year 2006.

Regulatory

Proactive compliance monitoring of occupational pension schemes continued during 2005, together with monitoring of pension practitioner administration. This gave rise to six prosecutions during the year. The results of this compliance monitoring were generally satisfactory but the Board continues to have concerns about the standard of pensions administration and its experience suggests that this varies considerably between practitioners offering services.

Defined benefit pension scheme funding continued to be an issue throughout 2005. Monitoring compliance of these schemes with the statutory funding standard was a substantial activity throughout the year. In this context, the Board examined applications for specification of an extension date for return to full compliance with the funding standard from a number of trustees and also examined some cases where previously agreed extension periods were no longer on target. The Board was able to grant extensions in almost all cases although, in some cases, this followed discussion with the relevant trustees. The position of defined benefit schemes appeared to improve quite considerably during the year and the Board was pleased to note that at the end of 2005 the number of active pension schemes which failed to meet the funding standard was reduced to 32% of the total. Approximately half of this 32% expect to get back to full funding within 3½ years.

The Board continues to be committed to facilitating the retention of defined benefit pension schemes, subject to adequate protection for scheme members. The Board is therefore pleased to note that there are still many defined benefit schemes open to new entrants and that the number of total closures has been very small. The positive investment returns experienced during 2005 have helped the position but this was partially offset by further falls in interest rates resulting in increased liabilities.

2005 was the second full year of active PRSA supervision. In general, PRSA providers complied well with the supervisory requirements and a good range of PRSA providers and products remain available to consumers. The main area of concern in relation to PRSA supervision is the level of employer compliance with the requirement for employers to give mandatory access to PRSAs. Some targeted monitoring was done by the Board and the Board also carried out a specific exercise whereby they contacted employers who did not appear to have a registered occupational pension scheme or may not have designated a PRSA provider for employees. Monitoring is also now being done by Social Welfare inspectors who are actively checking the access requirement as part of their overall employer checks. Notwithstanding all of this activity, quarterly PRSA results continue to reflect a substantial number of employers who do not yet appear to be in compliance with the mandatory access

requirement. The Board initiated prosecutions in this area during 2005 and four cases were successfully prosecuted with a number of others pending.

The Board liaised with other relevant supervisory authorities during 2005. In particular, the Board had regular contact with the Financial Regulator, the Revenue Commissioners and the Pensions Ombudsman.

Finally, the Board commenced work on a review of how it carries out its pension supervisory responsibilities. This review is aimed at ensuring that the Board is supervising as effectively as possible and making the best use of its resources. The review will be finalised in the first half of 2006.

Policy

The Board's policy programme for 2005 was dominated by the National Pensions Review. The Pensions Acts required a progress report on pensions to be completed not later than September 2006. The Minister for Social and Family Affairs wrote to the Pensions Board in early 2005 stating that he saw little point in delaying the report until 2006 and asked the Board to complete it without delay. The Board prepared a progress report for the Minister in June 2005 and presented the full report to him in early November. The report reviewed agreed pension targets, reviewed current coverage and adequacy and considered options to sustain the State pension and to meet supplementary pension targets. The report was publicly launched in January 2006. While the Government is still considering the National Pensions Review (NPR), a new incentive targeted at middle and low income earners to improve their pension position was introduced in the 2006 Finance Act in line with one of the recommendations under the National Pensions Review.

The Social Welfare and Pensions Act, 2005 made a number of changes to the Pensions Acts. The main changes were to introduce the necessary primary legislation to implement IORPs Directive on the activities and supervision of institutions for occupational retirement provision and to make amendments to the funding standard for defined benefit schemes.

The IORPs Directive establishes a framework for the prudential supervision of pension schemes and requires adherence to minimum standards in respect of scheme governance, investment, and the provision of information to scheme members. It also establishes mechanisms to allow pension schemes to offer their services in EU Member States other than the state in which they were established, subject to certain conditions. The implementation of the IORPs Directive required a number of policy decisions. The broad principle adopted was to implement the essentials of the IORPs Directive and not to add any new supervisory obligations for Irish pension arrangements over and above the requirements of the IORPs Directive. Ireland had the necessary legislation and framework in place for implementation of the IORPs Directive by September 2005.

The Board is a member of the Committee of European Insurance and Occupational Pension Supervisors (CEIOPS) whose remit includes the development of closer cooperation between pension supervisors. As part of this activity, the Committee decided to adopt a framework for the cooperation and collaboration of regulators in the supervision of cross-border pension activity and that this would be done through a Protocol between supervisors. The Board played an active role in the development of this Protocol which was drafted during 2005 and was adopted in early 2006.

The issue of cross-border schemes is already a reality for Ireland because the EU Commission has deemed some existing UK/Irish pension schemes to be within the IORPs Directive's definition of "cross-border". The Board has been working on this issue.

The Board also contributed to various reviews of pension issues carried out during the year, including membership of a working party established by the Department of Social and Family Affairs to look at restrictions in the borrowing and investment area of pension schemes. The Board also contributed to the Review of Tax Schemes carried out by the Department of Finance.

Pensions Development/ Information/Awareness

A number of the Board's publications were revised and updated during 2005. The Board completed a major review of its website and is pleased that this has resulted in a considerable increase in use of the website.

Media coverage of pensions continues to expand and the Board welcomes this. The Board is particularly pleased to see the wide range of pension issues covered and the increasingly active public debate which is taking place on these.

The Minister for Social and Family Affairs asked the Board to continue its National Pensions Awareness Campaign during 2005. Funds were allocated by the Government for this purpose and progress reviews show a considerable increase in pensions awareness. The 2005 campaign concentrated on areas of low pension coverage and the Board was very pleased with the active participation of pension providers in activities to increase pension awareness. In particular, National Pensions Action Week in May 2005 appeared to be successful in generating awareness.

Operational

The Board's customer charter is working satisfactorily and the results of this are reviewed on a regular basis. This is in line with the Board's commitment to providing high quality service to all its customers.

The Board is fully compliant with the Code of Practice for the Governance of State Bodies; it is satisfied that the Internal Audit function which was put in place on foot of this Code is working well. Whilst the Internal Audit function has identified some improvements which can be made, it has not identified any major shortcomings in how the Board operates.

The Board was also pleased that it met its commitments under the modernisation plan which it introduced in the context of the “Sustaining Progress” agreement and that progress on this was approved by the Secretary General of the Department of Social and Family Affairs.

All of the Board’s support activities functioned well during 2005, thus enabling it to carry out its statutory functions.

Conclusion

Issues of particular concern in 2005 were the continuing funding difficulties for defined benefit schemes and the disappointing progress on increasing pensions coverage and adequacy. On the positive side, there is increased pensions awareness at all levels and the National Pensions Review completed during the year provides a good input to further policy discussions on pension provision.

The major priorities of the Board in 2006 will be the completion and implementation of its pension supervision review and follow up work on the National Pensions Review. This follow up work will include a report on a mandatory pension system which would be appropriate for Ireland, as requested by the Minister for Social and Family Affairs. The Board has also agreed to a further review of the funding standard for defined benefit pension schemes.

Detailed reports of the work of the Board in 2005 under each of the headings of the Board’s general objectives are contained in the following chapters of this report.



Anne Maher
Chief Executive

National Pensions Policy Initiative (NPPI)/Pensions (Amendment) Act, 2002

Summary of General Objectives

To

- support implementation of the Pensions (Amendment) Act, 2002 and other related legislation so that NPPI recommendations are implemented as soon as possible,
- ensure that coverage surveys are carried out on an ongoing basis in order to provide a benchmark for the new pensions regime and to monitor coverage progress, and
- support preparation of the content of various Regulations and guidance notes.



National Pensions Action Week in May targeting young people.

Activity related to General Objectives

The Pensions (Amendment) Act, 2002

As indicated in the last three annual reports, various Commencement Orders and Regulations have been made to give effect to the provisions of this Act. Apart from a small number of sections which it has not as yet been appropriate to commence, the Act is now fully operational.

In 2005, the only Commencement Order made in respect of the Pensions (Amendment) Act 2002 was that providing for the commencement of Section 42 of the Pensions (Amendment) Act, 2002.

Non-legislative NPPI Implementation

PRSAs

During 2005, the Board jointly approved two new products; one Standard and one non-Standard, which brought the total number of approved products in the market at end year to 58 (24 Standard and 34 non-Standard). Operational details of the PRSA regime are given in the chapter "Regulatory".

Coverage Surveys

A key aspect of the pension regime introduced under the Pensions (Amendment) Act, 2002 is the measurement of progress towards achievement of coverage targets, in particular the target for coverage by second pillar private pensions (whether scheme-based or personal) of 70% of the working population over 30.

The Board has agreed a coverage monitoring programme with the Central Statistics Office (CSO) which involves including a pensions-related component in its Quarterly National Household Survey (QNHS) for the period 2002-2006.

During 2005, the following QNHS surveys were conducted:

- (i) a limited survey in Quarter I, 2005, and
- (ii) a full survey in Quarter IV, 2005.

The final limited survey to complete this programme was conducted in Quarter I, 2006.

The results of the Quarter I, 2005 survey, published in January 2006, showed that overall coverage, by occupational and personal pensions, for those over 30 (the group to which the ultimate NPPI target of 70% refers) was 58.6% (compared to 59.1% in Quarter I, 2004) and of all persons in employment was 51.5% (compared to 52.4% in Quarter I, 2004).

During 2006, meetings will be held with the CSO to consider a new coverage monitoring programme and further data issues that were identified in the National Pensions Review.

Legislation Introduced During 2005

Social Welfare And Pensions Act, 2005

The Social Welfare and Pensions Act, 2005 was enacted on 14 March 2005, but Part 3, dealing with amendments to the Pensions Acts, was not commenced until 23 September 2005. The main purpose of this Part was to introduce the necessary primary legislation to implement EU Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision (IORPs Directive) and to make amendments to the funding standard for defined benefit schemes. The IORPs Directive establishes a framework for the prudential supervision of pension schemes and requires adherence by EU Member States to minimum standards in respect of scheme governance, investment, and the provision of information to scheme members. It also establishes mechanisms to allow pension schemes offer their services in EU Member States, other than the state in which they were established, subject to certain conditions. The main provisions of the Social Welfare and Pensions Act, 2005 introduced to give effect to the IORPs Directive were as follows:

- Section 33 – a provision giving the Minister for Social and Family Affairs power to introduce Regulations governing scheme investment.
- Section 34 – a provision prohibiting certain people from acting as pension scheme trustees. These include undischarged bankrupts, those who have been convicted of an offence involving fraud or dishonesty and those who have been disqualified from acting as company directors.

- Section 35 – a provision giving the Board power to apply to the High Court for an order prohibiting the free disposal of assets of an institution for occupational retirement provision on receiving a request from the competent authority of the Member State in which the institution is registered or authorised.
- Section 36 – a provision prohibiting pension schemes from borrowing money or acting as a guarantor. This section also enabled the Minister to make Regulations allowing schemes to borrow in certain circumstances, subject to prescribed conditions.
- Section 37 – introducing a new Part XII into the Pensions Acts to allow pension schemes to engage in cross-border activity. The IORPs Directive requires that schemes registered or established in one Member State will be entitled to carry on business and accept contributions from employers based in other Member States in respect of their employees. Part XII requires Irish based pension schemes to apply to the Pensions Board for authorisation before accepting any cross-border contributions. Part XII also sets out the obligations of the Board with respect to schemes based in other Member States with Irish members, and provides the Board with additional enforcement powers.

The Social Welfare and Pensions Act, 2005 introduced changes to the funding standard on foot of a review of same, which was carried out in 2004, and to comply with the IORPs Directive. The changes included an amendment to:

- Section 41 of the Pensions Acts so that defined contribution schemes that pay pensions from the assets of the scheme (rather than buying an annuity from an insurance company) must prepare an actuarial funding certificate and comply with the funding standard.
- Section 49 of the Pensions Acts providing additional grounds on which the Board may grant a scheme a period of more than 3 years to restore full funding and a reduction of the maximum period between actuarial funding certificates from 3½ years to 3 years to comply with the IORPs Directive.

Other important miscellaneous amendments to the Pensions Acts included:

- the introduction of a new Section 59G, to require the consent of the trustees of a defined benefit scheme to any early retirement where the scheme did not, at the time of the proposed early retirement, satisfy the funding standard; and
- an increase in the amount which can be transferred from a scheme to a Personal Retirement Savings Account, without the need for a certificate of benefits comparison and a written statement of reasons, to €10,000.

Other Legislation

Family Law Changes

The Board continued to keep under review potential developments in this regard relating to pensions, including a Family Law Bill which is under consideration in the Department of Justice, Equality and Law Reform. The aim of this Bill is to provide clarification on the interpretation of certain provisions of the Family Law Act, 1995 and the Family Law (Divorce) Act, 1996 ("the Family Law Acts"). It is understood that the Bill will also give effect to the findings of an earlier project undertaken by the Board for the Department on an agency basis, to enable the adjustment of pensions in the context of separation agreements.

Part-Time Work Changes

Guidance on the pension provisions of the Part-Time Work legislation is currently being provided in the form of Frequently Asked Questions (FAQs) which are published on the Board's website. It has been agreed that, for the present, Regulations are not required for this legislation and this is being kept under review.

Member Trusteeship (Revision)

The Board has invited various organisations to submit their views on the operation of the member trustee provisions, with particular reference to specified aspects of the Regulations and to the guidance notes issued by the Board on the application of this legislation.

Submissions received on this matter are being examined by the Board. An overall review of trusteeship, which will be completed during 2006, will deal with the principles which underlie member trusteeship.

A table of various relevant Commencement Orders/ Regulations made during 2005 is available at Appendix III.

Conclusion

The key NPPI recommendations focussed on the preparation of Regulation and guidance notes and ongoing monitoring of pensions coverage. The position in relation to pensions coverage continued to be actively monitored during 2005, as set out above. With regard to legislative developments during 2005, Ireland was one of the first countries to implement the IORPs Directive in 2005. Early implementation encourages schemes to locate in Ireland and/or be permitted to accept contributions from overseas persons into their pension schemes.

Regulatory

Summary of General Objectives

To continue, improve and where necessary introduce procedures to achieve compliance with regulatory requirements.



Nikki Hayes 2FM DJ and Emma Caulfield AA Roadwatch deliver the "ACTION PUNCH" introducing National Pensions Action Week 2005.

Introduction

During 2005, the Board continued to operate its regulatory role guided by certain principles. The main principles are:

Simplicity: All Regulation should add value from the point of view of member protection. It should have regard to the voluntary nature of pension schemes and the need for a system of Regulation which does not discourage the continuation of existing pension provision, or the establishment of new pension provision.

Transparency: There is a strong emphasis by the Board on disclosure of information. This is intended to enable individuals, their trade unions and other advisers, to monitor the health of their own pension arrangements. The primary responsibility for the good conduct of occupational pension schemes is vested in the trustees.

Proportionality: Our policy is to try to secure compliance with regulatory requirements without recourse to legal action, but that such action is taken if necessary. A primary determinant here is the best interests of scheme members.

Efficiency, Effectiveness and Fairness: The general principles of efficiency, effectiveness and fairness guide all of our actions.

Activity related to General Objectives

Relationship With Other Regulators

In the context of the Government's White Paper "Regulating Better" and given the global nature of the financial services industry, the Board recognises the importance of an approach to Regulation which is co-ordinated with that of Regulators in related areas. It is its intention to foster such co-ordination, both domestically and internationally, to the greatest extent possible.

During 2005, the Board met with the Financial Regulator and a number of other State Regulators to discuss both general regulatory policy as well as specific matters. At international level, the Board continued to participate in the Committee of European Insurance and Occupational Pension Supervisors (CEIOPS) including its Working Party on Occupational Pensions and the Protocol sub-group.

(Further information is provided under "Support for Irish input to External Bodies" in the chapter "Pensions Development/Information Awareness".)

Occupational Pension Schemes

Compliance With Regulatory Requirements

The main components of these activities, on which more detailed information is provided below, are:

- Registration of schemes;
- Conduct of investigations;
- Monitoring of funding standard;
- Monitoring of disclosure compliance.

The range of tools available to the Board in its capacity as regulator of occupational schemes include the facility to audit, as appropriate, occupational pension schemes. This year 341 schemes were audited, representing an increase of 51% on 2004. The audits target schemes of a certain size to ensure selection of a higher proportion of members than schemes. They also focus on individual practitioners, who prepare much of the documentation audited. General issues are then addressed directly with the practitioners.

A review of how the Board is carrying out its regulatory function in relation to occupational schemes is currently underway and will be completed in 2006.

Registration Of Schemes

The following tables 1 through 5 give information from the register on the number, type and active membership levels of schemes in Ireland as registered with the Pensions Board. It should be noted that the figures in Table 1 do not equate to the sum of Tables 2 and 3 as Table 1 includes UK based schemes with Irish resident members and Table 1 reflects only Irish based schemes or those with active members.

TABLE 1 CURRENT SCHEMES – DEFINED BENEFIT				
Scheme Size	No. of Schemes		No. of Members	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
Non-Group	36	62	36	62
1 – 50	889	948	14,584	15,796
51 – 99	183	202	13,178	14,310
100 – 500	267	263	62,402	59,558
501 – 1000	48	52	34,710	36,674
1001 +	55	56	374,975	374,233
Total:	1,478	1,583	499,885	500,633

Notes

- 1) Table excludes AVC Only and Death Benefit Only schemes.
- 2) Table excludes frozen schemes and schemes in winding-up.
- 3) 'Non-Group' means a scheme which according to its establishment may only have one member.

TABLE 2 DEFINED BENEFIT SCHEMES SUBJECT TO THE FUNDING STANDARD				
Scheme Size	No. of Schemes		No. of Members	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
Non-Group	17	44	17	44
1 – 50	797	854	13,209	14,331
51 – 99	171	187	12,360	13,316
100 – 500	241	239	56,317	54,236
501 – 1000	44	47	32,021	33,339
1001 +	35	37	125,203	126,740
Total:	1,305	1,408	239,127	242,006

Notes

- 1) Table excludes AVC Only and Death Benefit Only schemes.
- 2) Table excludes frozen schemes and schemes in winding-up.
- 3) 'Non-Group' means a scheme which according to its establishment may only have one member.

TABLE 3 DEFINED BENEFIT SCHEMES EXCLUDED FROM THE FUNDING STANDARD				
Scheme Size	No. of Schemes		No. of Members	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
Non-Group	3	3	3	3
1 – 50	30	29	627	619
51 – 99	9	11	641	757
100 – 500	20	19	4,543	4,151
501 – 1000	3	4	2,138	2,784
1001 +	20	19	249,772	247,493
Total:	85	85	257,724	255,807

Notes

- 1) Table excludes AVC Only and Death Benefit Only schemes.
- 2) Table excludes frozen schemes and schemes in winding-up.
- 3) 'Non-Group' means a scheme which according to its establishment may only have one member.

TABLE 4 CURRENT SCHEMES – DEFINED CONTRIBUTION				
Scheme Size	No. of Schemes		No. of Members	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
Non-Group	62,786	67,810	62,786	67,810
1 – 50	19,578	18,221	85,232	80,247
51 – 99	295	280	20,669	19,275
100 – 500	156	148	29,516	25,992
501 – 1000	14	17	9,834	11,405
1001 +	12	10	26,777	21,043
Total:	82,841	86,486	234,814	225,772

Notes

- 1) Table excludes AVC Only and Death Benefit Only schemes.
- 2) Table excludes frozen schemes and schemes in winding-up.
- 3) 'Non-Group' means a scheme which according to its establishment may only have one member.

TABLE 5 CURRENT SCHEMES – DEFINED BENEFIT AND DEFINED CONTRIBUTION

Scheme Size	No. of Schemes		No. of Members	
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
Non-Group	62,822	67,872	62,822	67,872
1 – 50	20,467	19,169	99,816	96,043
51 – 99	478	482	33,847	33,585
100 – 500	423	411	91,918	85,550
501 – 1000	62	69	44,544	48,079
1001 +	67	66	401,752	395,276
Total:	84,319	88,069	734,699	726,405

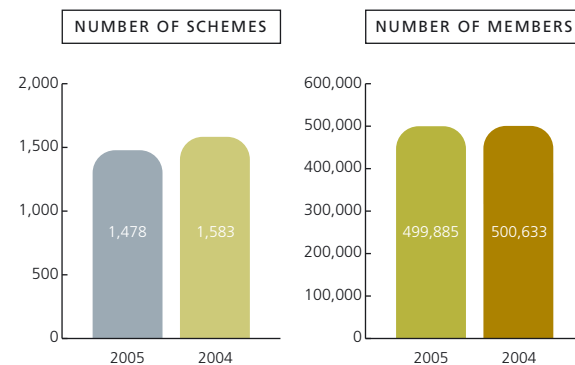
Notes

- 1) Table excludes AVC Only and Death Benefit Only schemes.
- 2) Table excludes frozen schemes and schemes in winding-up.
- 3) 'Non-Group' means a scheme which according to its establishment may only have one member.

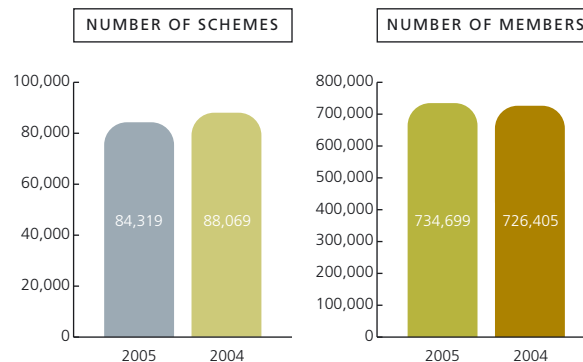
CURRENT DEFINED CONTRIBUTION SCHEMES AND ACTIVE MEMBERS



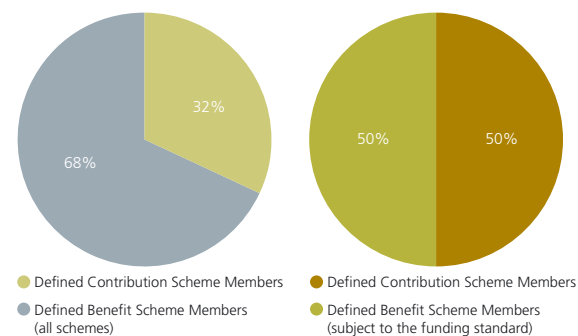
CURRENT DEFINED BENEFIT SCHEMES AND ACTIVE MEMBERS



CURRENT DEFINED BENEFIT AND DEFINED CONTRIBUTION SCHEMES & MEMBERS



RATIO OF DEFINED BENEFIT TO DEFINED CONTRIBUTION SCHEME MEMBERS 2005



Analysis of the Board's Register

General

The Board's register of occupational pension schemes represents the information provided to the Board by schemes directly or, more usually, by professional practitioners acting on their behalf. Schemes are allowed one year in which to effect registration and any amendments for the purpose of Section 60 of the Pensions Acts. These factors should be borne in mind when reading the registration data, including in terms of assessing trends and drawing conclusions. The extracts from the Board's register of occupational pension schemes, as presented in Tables 1 through 6, represent a snapshot of the register as at the end of 2005 and 2004 respectively.

Data Quality Exercise

The Board continues to monitor the accuracy of data on the register of schemes. The outcomes of this continuing process include further adjustments to the register, in particular the reduction in the number of non-group schemes. The fee collection process for non-group schemes was modified during 2005 to assist practitioners and the Board in identifying schemes which are no longer current. This resulted in a removal of 15,000 active schemes from the register.

Defined Benefit Schemes

The number of defined benefit schemes during 2005 in the Board's register continued to decline in 2005. Table 1 shows a net reduction of 105 schemes and a net decrease in active membership of 748. The net reduction of 105 schemes reflects some 26 new defined benefit schemes which were registered during 2005, with 131 notified as being wound-up, made frozen* and otherwise amended.

Tables 2 and 3 give a breakdown of the defined benefit schemes providing retirement benefit cover, between schemes that are financed fully on a pre-funded basis

(Table 2), and public sector schemes which have been exempted from the funding standard (Table 3) and their corresponding number of active members.

Defined Contribution Schemes

The movement in the number of defined contribution schemes shows a net decrease of 3,645 in 2005 and the corresponding number of active members covered increased by a net 9,042. Of this decrease in defined contribution schemes, the vast majority were non-group schemes. These results continue to be affected by the Board's improvements in data collection, as mentioned above.

Defined Benefit Versus Defined Contribution Schemes

At the end of 2005, there were 239,127 members in defined benefit schemes that are subject to the funding standard, as against 234,814 members in defined contribution schemes. If members of defined benefit public sector schemes that are not subject to the funding standard are included, the total number of members in defined benefit schemes was 499,885, or a ratio of approximately two to one vis-à-vis defined contribution scheme membership at end 2005. This ratio remains unchanged from 2004.

Registration Activity During 2005

As the figures in the paragraphs above compare the position at year end with that at the beginning of the year, they show the net position and do not separate out registration activity during the year. Table 6 reconciles the beginning/end year figures to show movements during the year. A total of 12,776 new schemes comprising 22,437 additional members were registered with the Board during 2005. Of the total new registrations, 10,055 schemes were non-group arrangements, with 2,721 new group schemes. 12,750 were defined contribution schemes, with 26 new defined benefit schemes joining the register.

**A scheme which provides benefits only for members whose service has terminated; or a scheme where continuing service does not entitle members to accrue new pension benefits, and to which no new members are admitted.*

TABLE 6 REGISTRATION ACTIVITY DURING 2005

	Defined Benefit		Defined Contribution		Total	
	Schemes	Members	Schemes	Members	Schemes	Members
(i) January 2005	1,583	500,633	86,486	225,772	88,069	726,405
(ii) Registrations in 2005	26	3,897	12,750	18,540	12,776	22,437
(iii) Other movements*	-131	-4,645	-16,395	-9,498	-16,526	-14,143
(iv) December 2005 (i)+(ii)+(iii)	1,478	499,885	82,841	234,814	84,319	734,699
(v) Change during year (iv)-(i)	-105	-748	-3,645	9,042	-3,750	8,294

**These movements reflect changes in scheme status, closures, schemes in winding-up, schemes becoming frozen, frozen schemes becoming reactivated, and membership changes.*

Determinations In Relation To Registered Schemes

The Board made one determination in 2005. The request for determination related to whether a particular scheme was a defined benefit or a defined contribution scheme under section 38(2)(b) of the Pensions Acts. The Board determined that the scheme was a defined contribution scheme for the purposes of the section specified.

Appointment Of Trustees By The Board

The Board appointed trustees to one scheme in 2005 pursuant to its power under Section 64 of the Pensions Acts. This power was exercised in circumstances where the existing trustee company had been dissolved without new trustees being appointed and where there was no other available mechanism for appointing new trustees to the scheme.

Conduct Of Investigations

General

The Board's primary objective in any investigation is to protect the interests of the scheme member(s). Investigations are initiated following enquiries or complaints from scheme members, trustees, trade unions, through compulsory or voluntary reporting, or as a result of random audits carried out by the Pensions Board.

The Board initiated 53 new investigations into issues concerning occupational pension schemes during 2005. The Board closed 49 investigations during the year. At year end, there were 75 open investigations compared to 71 at the end of 2004.

Section 18 of the Pensions Acts provides the Board with specific powers of investigation and provides specific penalties for failing to co-operate with the Board's investigations. Where it is felt that the use of those specific powers is necessary to expedite an investigation, a Section 18 investigation is authorised. At year-end there were 10 such cases in hand, 3 being authorised during the year.

Compulsory And Voluntary Reporting

There are statutory provisions, known as 'whistle blowing', which place a legal requirement on a range of specified persons involved in the operation of

occupational pension schemes to report suspected fraud or material misappropriation to the Board. There is also provision for the making of a voluntary report on any matter concerning the state and conduct of the scheme. Specified persons include auditors, actuaries, trustees, insurance intermediaries, investment advisers and any other person who has been involved in assisting the trustees of a scheme. The provisions also contain legal protection for the persons making such reports.

A total of 34 new reports were received by the Board in 2005, compared to 41 in 2004. At year end, there were 50 cases remaining open.

27 of the 34 'whistle blowing' reports received in 2005 related to non-remittance of contributions to a pension scheme. As the corresponding number of reports in 2004 relating to non-remittance of contributions was 30, the Board is concerned that over three years after the statutory requirements in respect of the remittance of contributions came into effect, it is evident that the level of non-compliance in this area has not reduced at a rate that would have been wished for and expected. It is not acceptable that members' entitlements are being jeopardised in this way and the Board would remind employers that non-compliance is an offence carrying criminal sanction under the Pensions Acts. The Board is determined to pursue breaches through the Courts, where necessary.

Table 7 summarises the investigations data for 2005.

TABLE 7	INVESTIGATIONS – 1 JANUARY 2005 TO 31 DECEMBER 2005			
	Number of Investigations at 1/1/05	New Cases Received	Completed Cases	Number of Investigations at 31/12/05
Casework	22	19	16	25
'Whistle blows'	49	34	33	50
Total	71	53	49	75

The Board continues to remind anyone who would fall within the definition of a specified individual (as set out above) that the sooner a matter of this nature is reported to the Board, the more effective the use of the powers available to the Board under the Pensions Acts.

Monitoring Of Funding Standard

General

The Pensions Acts specify that defined benefit schemes (excluding those exempted by Regulations as public sector schemes) are required to submit to the Board an actuarial funding certificate (AFC) at 3½ yearly intervals (Note: for schemes preparing actuarial funding certificates with effective dates after 22 September 2005, the interval is reduced to 3 years). The scheme actuary certifies whether, if the scheme had wound up at the effective date of the certificate, its assets would have been sufficient to meet its liabilities. If the scheme could not have met its liabilities, a funding proposal must be submitted which is designed to put the scheme in the position that it could meet its liabilities no later than the effective date of the next actuarial funding certificate. A certificate must be submitted to the Pensions Board no later than 9 months after its effective date.

Trustee annual reports must also include a statement from the actuary as to whether or not the scheme would have satisfied the funding standard at the last day of the reporting period. If the statement is negative, the scheme must submit an actuarial funding certificate to the Board within 12 months of the end of the reporting period. If that certificate shows that the scheme still does not satisfy the funding standard, a funding proposal will be required.

The Board can agree a later date for the scheme to meet the funding standard where a funding proposal is being put in place. In effect, this allows schemes to prepare funding proposals which are designed to meet the standard over a period of longer than 3½ years.

2005 Activity

The Board received actuarial funding certificates in respect of 564 schemes in 2005. 320 (57%) of these indicated that the schemes in question satisfied the funding standard. 244 schemes (43%) failed to satisfy the funding standard. 187 of these schemes submitted funding proposals, 94 of which had a period of longer than 3½ years approved. There were 57 proposals pending at year end and the Board was in correspondence with the trustees of these schemes to ensure the proposals were submitted.

Tables 8, 9 and 10 indicate the position at the year-end as regards compliance with the funding standard. Table 8 indicates the position of schemes which have submitted funding certificates to the Board on a cumulative basis up to end 2005, broken down by category of scheme and number of members. Tables 9 and 10 indicate the position of schemes which submitted funding certificates to the Board during 2005 and schemes which did not satisfy the funding standard.

The Funding Standard As At 31 December 2005

TABLE 8 DEFINED BENEFIT SCHEMES SUBJECT TO THE FUNDING STANDARD

Scheme Size	DB schemes subject to the Funding Standard		For which Funding Certificates in place		For which Funding Certificates not in place*		Funding Certificates not falling due yet**	
	No of Schemes	No of Members	No of Schemes	No of Members	No of Schemes	No of Members	No of Schemes	No of Members
Non-Group	17	17	10	10	6	6	1	1
1 – 50	797	13,209	740	12,562	30	292	27	355
51 – 99	171	12,360	164	11,888	2	108	5	364
100 – 500	241	56,317	228	53,015	4	877	9	2,425
501 – 1,000	44	32,021	42	30,719	0	0	2	1,302
1,000 +	35	125,203	31	112,889	3	10,993	1	1,321
Total:	1,305	239,127	1,215	221,083	45	12,276	45	5,768

*This figure is made up of schemes which were due to submit AFCs to the Board not later than 31/12/05. Many of these schemes relate to Section 49(3) requests, some are in wind-up, or are changing to DC, and some have been closed off since year end.

**This figure is made up of schemes which commenced on, or after, 1/10/01 and so were not due to submit AFCs until 2006.

TABLE 9 SCHEMES FOR WHICH FUNDING CERTIFICATES WERE RECEIVED IN 2005

Scheme Size	Schemes for which Funding Certificates received in 2005*		Of which <u>did</u> satisfy the Funding Standard		Of which <u>did not</u> satisfy the Funding Standard**	
	No of Schemes	Active Members	No of Schemes	Active Members	No of Schemes	Active Members
Frozen	53	0	36	0	17	0
Non-Group	3	3	1	1	2	2
1 – 50	315	4,852	189	2,618	126	2,234
51 – 99	66	4,820	28	2,190	38	2,630
100 – 500	100	23,662	50	12,228	50	11,434
501 – 1,000	18	12,449	11	7,644	7	4,805
1,000 +	9	22,150	5	17,144	4	5,006
Total:	564	67,936	320	41,825	244	26,111

*Where more than one actuarial funding certificate was submitted for a scheme during the year, only the most recent certificate is reflected in these figures.

** The trustees of 121 of these schemes have made applications to the Board under Section 49(3) of the Pensions Acts to specify a date later than the effective date of the next actuarial funding certificate by which their scheme could reasonably be expected to satisfy the funding standard. Further details on applications to the Board under Section 49(3) are set out in table 11.

TABLE 10 SCHEMES FOR WHICH FUNDING CERTIFICATES WERE RECEIVED IN 2005 AND DID NOT SATISFY THE FUNDING STANDARD

Scheme Size	Funding Proposal Received*		Funding Proposal Pending	
	No of Schemes	Active Members	No of Schemes	Active Members
Frozen	6	0	11	0
Non-Group	2	2	0	0
1 – 50	106	1,898	20	336
51 – 99	27	1,868	11	762
100 – 500	38	8,190	12	3,244
501 – 1,000	6	4,187	1	618
1,000 +	2	2,767	2	2,239
Total:	187	18,912	57	7,199

*94(50%) of the funding proposals received were for a period exceeding 3½ years. These 94 schemes represent 17% of the 564 schemes which submitted Funding Certificates during 2005.

Applications To The Board Under Section 49(3)

Under Section 49(3) of the Pensions Acts, the Board can agree a later date by which a scheme must meet the funding standard where a funding proposal is being put in place. During 2005, applications were made to the Board under Section 49(3) by the trustees of 47 schemes. This compared to 135 such applications in 2004.

At time of writing, 33 of the 47 applications have been granted and 2 have been refused. The Board is in correspondence with the trustees of these 2 schemes to ensure that revised proposals are submitted.

Having been granted a later date, 1 scheme did not proceed with its longer-term proposal and instead subsequently submitted a proposal over 3½ years. 2 other schemes withdrew their applications prior to a later date being specified because, in one case, a lump sum was paid such that the scheme now satisfies the funding standard and, in the other, it was decided to wind up the scheme.

The remaining 9 cases are, at time of writing, under consideration, or the Board is awaiting further information in order to make a decision.

Overall Position Of Applications To The Board Under Section 49(3)

As at 31 December 2005, the total number of applications made to the Board stood at 208, of which 177 have, at the time of writing, been granted (since being granted a later date, 3 schemes did not proceed with their longer-term proposals).

A total of 16 applications have been refused overall. However, in 11 cases the trustees reapplied and were subsequently granted a later date. The Board is in correspondence with the trustees of the remaining 5 schemes to ensure that acceptable proposals are submitted.

The remaining 20 cases are, at time of writing, under consideration, or the Board is awaiting further information in order to make a decision.

6 other schemes withdrew their applications prior to a later date being specified either because it was decided to wind up the scheme, or a lump sum was paid to fund the deficit.

The 9 schemes which did not proceed with their longer-term proposals or withdrew their applications for various reasons are not included in Table 11 below.

TABLE 11 SCHEMES IN RESPECT OF WHICH A SECTION 49(3) APPLICATION HAS BEEN MADE TO THE BOARD

Scheme Size	No of Schemes	Active Members
Frozen	8	0
Non-Group	1	1
1 – 50	99	2,134
51 – 99	27	1,860
100 – 500	53	11,888
501 – 1,000	7	5,073
1,000 +	4	5,363
Total:	199	26,319

Monitoring Of Disclosure Compliance

Disclosure Compliance Strategy

The audit process involves the Board requesting from the trustees of a scheme copies of the documentation that must be provided or made available to members. The Board then compares the documentation received against the detailed requirements of the legislation to ensure it is compliant. A total of 341 schemes were audited during 2005. The results of the documentation examined are as follows:

The audit process, as well as giving the compliance level of a particular scheme, can also give the Board a more general view of compliance levels. While the Board has seen a general improvement in compliance levels in recent years, it is evident that there is still a considerable way to go before full compliance is achieved. It is important that trustees understand the legal responsibilities placed on them and that delegating the day to day administration of their scheme does not remove that responsibility. Although they may not be responsible for actually producing the documentation, they are responsible for ensuring it is compliant. Therefore, trustees need to actively monitor whoever they employ to carry out their administration to ensure it is compliant with the legislation.

It is of particular concern that many trustee annual reports are not prepared within the time limits set out in the legislation. Generally, trustees have 9 months after the end of the scheme year to have these prepared. This is a very generous amount of time and it is difficult to see any legitimate reasons why this cannot be achieved. This is an area in which the Board has taken, and will continue to take, a very strong line. It is also important that all members of the scheme are informed of the availability of the trustee annual report. The Board

TABLE 12 DISCLOSURE DOCUMENTS EXAMINED

	Total	Compliant	Satisfactory*	Non-compliant
Full Annual Report	85	66	12	7
Alternative Type A	223	184	22	17
Alternative Type B	28	22	3	3
Audited Accounts	87	71	9	7
Scheme Booklet	1	1	0	0
Actuarial Valuation	1	1	0	0
Benefit Statement	72	37	30	5
Benefit Statement – For Type B Report	6	3	3	0
Member Notification	313	242	71	0
Union Notification	313**	85	45	2

* A document is deemed satisfactory where the Board would view the non-compliance as being of a minor nature and would ask the trustees to ensure that the issue is corrected in future documents. Non-compliance implies that the documentation should be corrected immediately.

** This figure represents the total number of requests for evidence of trade union notification 181 schemes advised the Board that the members were not represented by any trade unions.

would remind trustees that the ethos of the Board's Occupational Pension Scheme Disclosure Compliance Strategy document is that any breach of the Pensions Acts requirements is subject to prosecution.

Issues of this nature are discussed on an ongoing basis with the practitioners involved in the production of the documentation to ensure better standards. 14 meetings were held during 2005 to discuss general and specific compliance matters.

The Board's audits continue to show a general improvement in disclosure compliance standards. The Board will continue to work closely with schemes and practitioners to ensure that progress towards full compliance is maintained.

A summary of the supports the Board gives to trustees in carrying out their responsibilities is covered in the chapter "Pensions Development /Information /Awareness".

Prosecutions

The Board brought a total of 10 prosecutions in 2005. The Board brought four successful prosecutions against employers in relation to their failure to meet their PRSA obligations. The Board also brought six successful prosecutions against trustees of occupational schemes.

All four PRSA prosecutions related to the employer's failure to respond to the Board's request for information.

The prosecutions against trustees of schemes related to failure to:

- make the annual reports for the scheme available to the members and other specified persons,
- notify the members of the availability of the annual reports within the time limits specified for doing so in the Disclosure Regulations,
- make available copies of accounts and audited accounts relating to a scheme year, and
- notify the Board of a change of trustees within the time limit specified.

The Board prosecuted a greater number of offences in 2005 than in any previous year. This was also the first year that the Board prosecuted employers in relation to their PRSA obligations.

While it is the stated policy of the Board to achieve compliance, where possible, by co-operation, the cases taken demonstrate that the Board will pursue breaches through the Courts, as appropriate.

Personal Retirement Savings Account – PRSAs

PRSA Products

The Board jointly approved one Standard and one non-Standard PRSA product in 2005. This brings the total number of approved PRSA products in the market to 58, comprising 24 Standard and 34 non-Standard products, with another product application in progress at end of year.

The number of contracts taken out by individuals stood at 68,257 at 31 December, and the value of assets under management was €451.7 million. The annual fees payable by the providers to the Board were received on time and yielded income in excess of €200,000.

Provider Reporting

The providers also submitted reports setting out the number and cumulative asset values of contracts for each quarter throughout the year. The summary statistics relating to the reports and a year-on-year comparison are shown in the tables below. The table entitled "Number of PRSA contracts" demonstrates a steady increase in contracts since the introduction of PRSAs in early 2003. The value of assets at end year of €451.7 million represents almost 2.5 times the 2004 value of PRSA assets. The majority of contracts taken out are Standard PRSAs.

The annual reports of PRSA providers to the Board, including the determination and certificate of the PRSA appointed actuaries, were received from the providers at the end of the first quarter in 2005. The reports, which detail the level of provider compliance with the legislative provisions throughout the preceding year, showed no major instances of non-compliance. The Board was satisfied that this internal monitoring mechanism operated smoothly. The Board also processed and analysed the more comprehensive returns relating to specific contributor details submitted in January by the providers.

Employer Mandatory Access Provisions

In early 2005, the Board continued to analyse the responses to the employer questionnaire issued in August 2004 to 64,000 registered employers. This was undertaken to expedite the monitoring of employers'

compliance with the statutory obligation to provide access to at least one Standard PRSA to “excluded employees”. Follow-up letters providing clarification and/or guidance were issued to certain categories of employers and the project was completed by mid-year.

On 15 September 2005, the second anniversary date of the introduction of mandatory employer obligations, a second questionnaire was issued to over 28,000 employers who had failed to respond to the initial survey. An online facility via the Board’s website was introduced for employers to encourage responses. By year end, almost 42% of those surveyed had replied and the responses were under review. In addition to processing replies, the Board dealt with 3,446 phone calls and 71 written communications relating to the questionnaire. (It should be noted that these figures are also included in the general enquiry data in the chapter “Pensions Development/Information/Awareness”).

Employer Monitoring

While conducting enquiries with employers, the Social Welfare Inspectorate also checks for compliance with employers’ mandatory PRSA obligations and submit reports to the Board of their findings where they consider that there might be a compliance issue. During 2005, the Board received 623 such reports. As part of the PRSA compliance strategy the Board conducts random or targeted audits of employers and 234 of these were carried out in 2005. The primary sources for the audits were Social Welfare reports and non-compliant PRSA employer questionnaire responses.

The Board also investigates ‘whistle blow’ reports relating to employer obligations when remitting PRSA contributions and mandatory access. The Board received 14 reports in 2005, of which 10 were closed without the need for further action.

General Matters

In 2005, the PRSA Unit dealt with 151 enquiries in relation to general and technical PRSA matters, mostly from approved PRSA providers.

Finally, during the year the Board exercised its wider legislative powers in a number of cases concerning mandatory employer obligations and successfully prosecuted 4 employers for non-compliance with the statutory requirements.

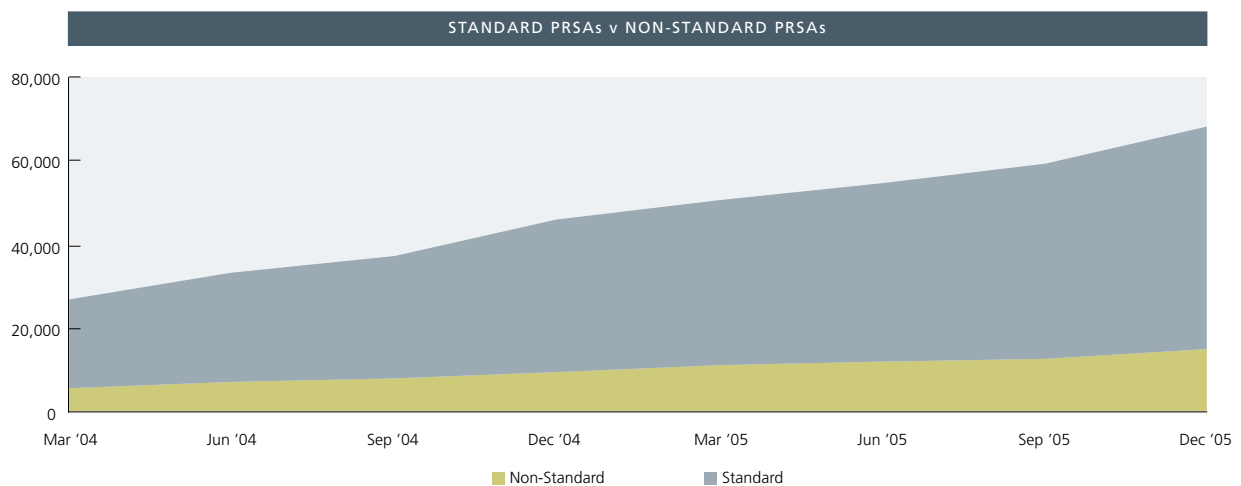
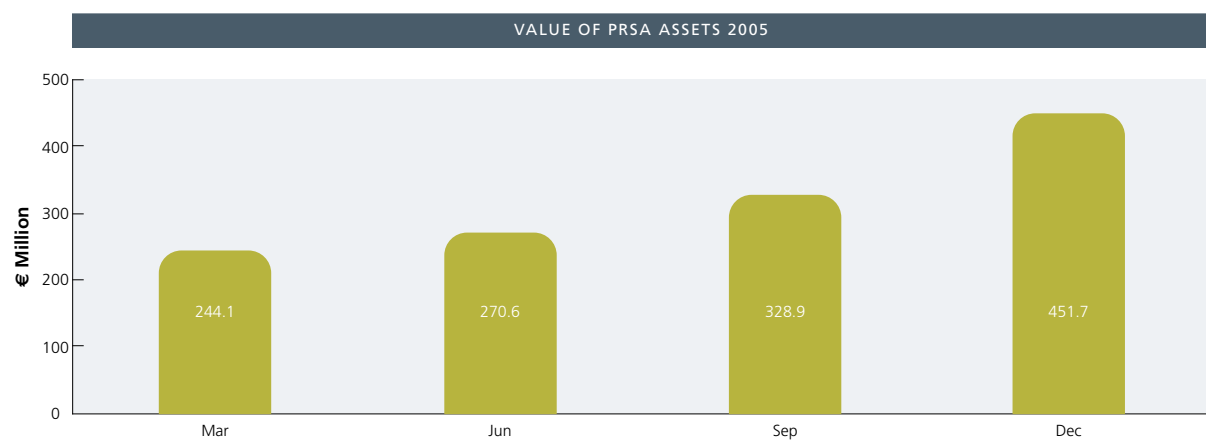
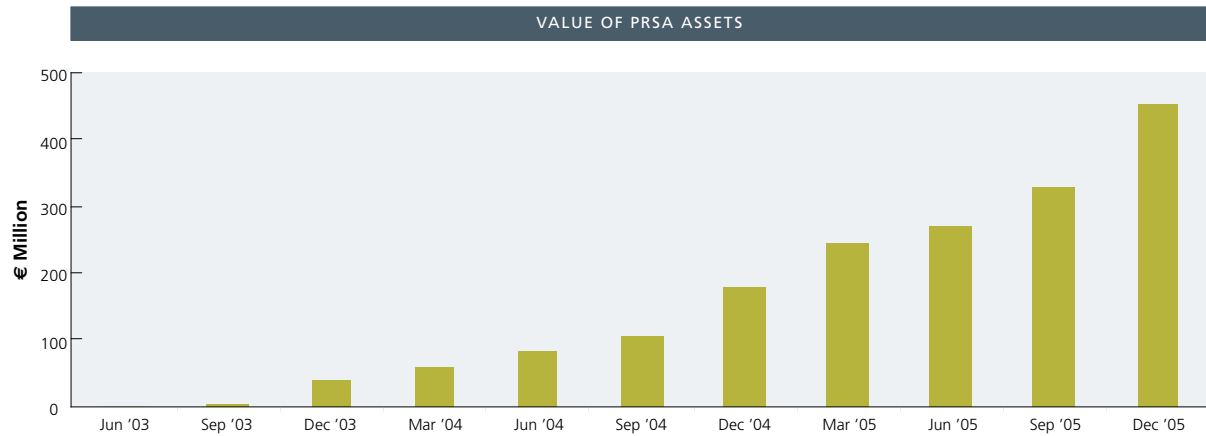
Revenue Commissioners

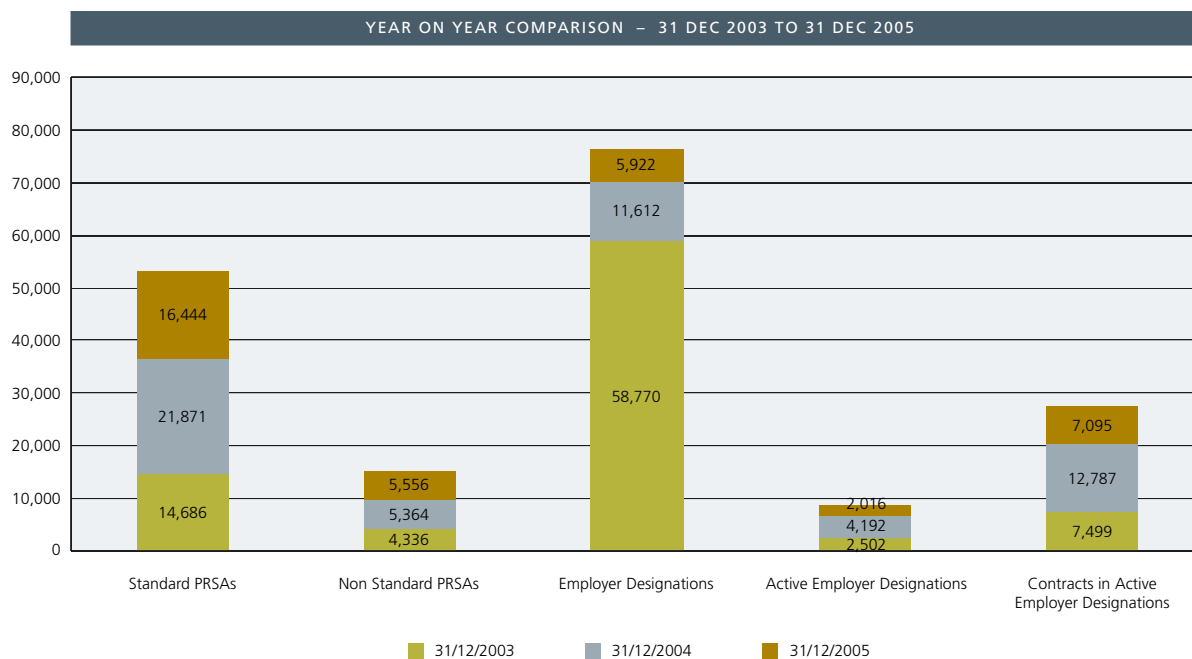
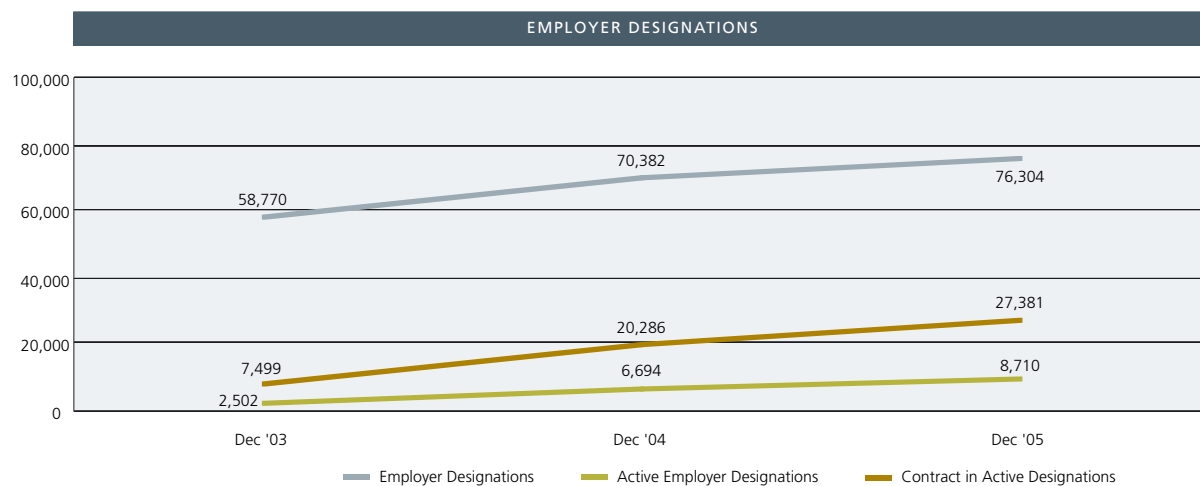
The Board continued to liaise with the Financial Services (Pensions) Business about PRSA related tax issues, including the treatment of refunds of PRSA contributions and the use of PRSAs for additional voluntary contribution purposes. Elsewhere, discussions with the ‘new business’ section of the Revenue Commissioners culminated in the inclusion of a section on PRSA related employer obligations in the information booklet for new employers entitled “Starting in Business”.

Conclusion

The Board continued to deliver on its regulatory objectives throughout the year by developing its relationships with other Regulators and working closely with schemes, practitioners, PRSA providers and employers to achieve compliance with regulatory requirements. There is a range of tools available to the Board as a Regulator, including the audit and disclosure processes and the option of prosecution. These arrangements will be kept under review to ensure that they continue to be appropriate and adequate.







Policy

Summary of General Objectives

To

- agree a Policy programme based on the Board's overall strategy position,
- review Policy programme on an annual basis in the light of:
 - requests from the Minister,
 - the Board's own initiatives,
 - any changes in pensions taxation policy,
 - the impacts of accounting developments,
 - other aspects of the changing environment, and
- advise Government Departments on pensions-related EU initiatives



Monday 9th May 2005

Minister's Press Conference to launch National Pensions Action Week.

Séamus Brennan (Minister for Social and Family Affairs), Anne Maher (Chief Executive of the Pensions Board) and Michael McNulty (Outgoing Chairperson of the Pensions Board).

Activity Related to General Objectives

When reviewing its Policy Programme in early 2005, the Board placed as its first priority a general review of pensions coverage and related issues. This was in response to a request from the Minister to bring forward into 2005 the statutory review of supplementary pension coverage originally scheduled for 2006.

It might be noted that while this review – known as the National Pensions Review (NPR) – dominated the policy-related activity of the Board for much of the year, the review encompassed many of the issues which had been envisaged for inclusion in the Board's Policy Programme for 2005.

The following account, as well as covering the NPR, outlines the other substantive areas of policy-related activity which took place within the Board during the period under review.

IORPs Directive

Amongst the Board's priorities for 2005 was that of supporting the passage into Irish law of the provisions of EU Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision (IORPs Directive).

Annual Report 2004 outlined the Board's process during 2004 of making recommendations to the Minister for Social and Family Affairs regarding implementation of the IORPs Directive in Ireland. That annual report also summarised the main transposition provisions, enacted in the Social Welfare and Pensions Act 2005, in the preparation of which the Board provided technical support. Similarly, during Summer 2005, the Board assisted in the preparation of the Regulations, made in September, which completed the transposition of the IORPs Directive into Irish law by the deadline of 23 September, 2005. Inter alia, these Regulations covered requirements related to trustee qualifications and experience, investment of scheme resources and provisions to govern cross-border activity.

It should also be mentioned that, of these Regulations, those related to investment gave effect to the Minister's decision regarding implementation of the IORPs Directive's requirements on scheme borrowing; the

Regulations prohibited borrowing for schemes generally, with the exception of one member arrangements. The Board had participated in the Inter-departmental Working Group which had met during Spring and Summer 2005 to consider this aspect of IORPs Directive implementation.

Funding Of Defined Benefit Schemes

As indicated in annual report 2004, the main recommendations of the Board's "Review of the Funding Standard: Report to the Minister for Social and Family Affairs" (December 2004) were – insofar as primary legislation was required, incorporated into the Social Welfare and Pensions Act, 2005. In line with Board priorities for the year, the Board assisted in the preparation of the Regulations, made in September 2005, which completed the process of implementing the recommendations of the Board's report. These Regulations principally specified the extended grounds on which the Board may grant an extended funding proposal period. The Board subsequently updated its guidelines to take account of the amended statutory provisions and also liaised with the Society of Actuaries in Ireland to provide for appropriately revised actuarial certification.

National Pensions Review (NPR)

In February 2005, the Minister for Social and Family Affairs requested the Board to undertake, during 2005, the review provided for in Section 102(2) of the Pensions Acts. That Section requires a report on "the extent of the application of occupational and other pensions, in respect of such matters as the Minister considers relevant, to the population" to be prepared by September, 2006.

The Minister asked that, in carrying out that review, the Board examine alternative approaches to national pension provision and that the report should contain proposals designed to "deliver on the commitment to ensure an adequate retirement income for all".

In its initial response to the Minister's request, the Board welcomed the opportunity to be involved in the review and set out its view of the scope and main components of the National Pensions Review. The report, completed by end October 2005, and submitted shortly afterwards to the Minister, was the Board's full response to his request.

As part of the process of conducting the review, the Board engaged in a consultation involving invitations to interested parties and the general public, held workshops inclusive of Board members and invited participants, and engaged consultancy assistance to carry out four assignments. (The output of these assignments is included as appendices in the NPR report together with the report, commissioned by the Board in the latter part of 2004 from Indecon, to examine possible measures to encourage increased coverage).

While the review covered a wide range of issues, the principal areas covered included:

- a review of the targets recommended in National Pensions Policy Initiative, 1998 (NPPI). This incorporated a review of the main NPPI targets for coverage and adequacy,
- a review of current levels of coverage and adequacy by occupational and personal pension provision (the Second Pillar). This reviewed the present level of coverage and adequacy taking First and Second Pillar provision into account,
- policy issues relating to sustaining the First Pillar (Social Welfare pension provision). This set out updated long-term projections of cost of First Pillar provision together with options for enhancing its sustainability,
- consideration of strategic options for meeting the NPPI targets. This set out various alternative national systems within the objective of achieving the NPPI targets,
- consideration of possible enhancements to the Second Pillar and statement of enhancements recommended by the Board. This outlined a variety of possible enhancements to encourage greater take-up of Second Pillar provision and identified those enhancements recommended by the Board, and
- views on possible mandatory pension provision. This set out the general considerations regarding a mandatory approach to achieving NPPI targets and gives the views of Board members in that regard.

The essential thrust of the report's recommended approach was to favour the introduction of the specific enhancements, outlined in the report, to the current

voluntary Second Pillar system as a means of improving existing levels of coverage and adequacy. At the same time, there was limited support for consideration of a mandatory approach as a way of achieving the NPPI targets. Underpinning the report as a whole was a significant amount of costings, analysis and consideration.

The NPR report was publicly launched by the Minister for Social and Family Affairs in January 2006. In doing so, the Minister welcomed the document as "a very comprehensive report that would be a valuable contribution to the future design and delivery of pension reforms". While welcoming the proposed enhancements and their undoubted scope to deliver increased pensions coverage, he also felt that the introduction of a mandatory or quasi-mandatory system should be further explored. Arising from a national debate, including in the Partnership process, on the issues raised in the NPR report, the Government would, he indicated, in time reach conclusions on the various proposals and seek to achieve a consensus on how best to lay the foundations for future retirement security for all.

It might also be noted that the Minister for Finance introduced, in the Finance Bill 2006, enhancements to the tax system designed to encourage lower income holders of Special Savings Investment Accounts (SSIAs) (whether within or outside the tax net) to transfer their maturing SSIA funds into pension provision, as well as measures to increase the tax relief available on contributions to pension provision for workers aged 55 or over. In commenting on these measures, both the Minister for Finance and the Minister for Social and Family Affairs saw them as only one element in the Government's ongoing consideration of the question of overall pensions provision in the longer term, the factual and analytic basis for which had been provided in the Board's report.

Trusteeship Review

In the context of the overriding priority within its policy-related activity given to the NPR by the Board during 2005, it was not possible to carry out the major review of trusteeship which had been envisaged for 2005. However, before expiry of its term in December 2005, the Board agreed a template for the review for consideration by the incoming Board.

Index-Linked Benefits

Finally, towards end 2005 the Board provided policy advice to the Department of Social and Family Affairs to assist its preparation of possible measures for inclusion in Social Welfare Reform and Pensions Bill, 2006 in relation to the treatment of index-linked benefits for funding standard and wind-up purposes.

Conclusion

The policy remit of the Pensions Board continued to be actively pursued during 2005 and it is clear that some of the outputs of this process will continue to be influential in Government decision-making on pensions policy in the future. This work also provides a sound basis for the programme of policy reviews which the Board is committed to progressing during 2006.

Pensions Development/ Information/Awareness

Summary of General Objectives

To

- provide an information/enquiry service to pension scheme members, pensioners and the public and support trustees in their role,
- promulgate the 'pensions message' and provide a source of information and help for the media,
- support Irish input to external bodies requiring pensions input or information e.g. EU institutions, OECD, World Bank or IMF, and
- create confidence in the pensions system.



The **Pensions Board** teamed up with FÁS and Fáilte Ireland, to call on employees in sectors of traditional low pension cover such as catering, retail, agriculture and construction to start a pension during National Pensions Action Week.

Activity related to General Objectives

Information And Enquiry Services For Members And Other Interested Parties

The effectiveness of the Pensions Acts in safeguarding the rights of scheme members depends, to a significant extent, on members exercising the rights they have to monitor the administration and financial soundness of their scheme and to obtain information on their own personal entitlements.

During 2005, the Board continued to promote the security of occupational pension schemes by providing clear, authoritative guidance to trustees and pension practitioners on how to comply with the Pensions Acts and on good practice generally in relation to scheme administration.

Developments in 2005 included the gradual updating of free information booklets to reflect the legislative changes that have resulted from the enactment of the Social Welfare and Pensions Act, 2005 and other legislation affecting pensions.

For ease of reference, a full list of the Board's current information booklets is set out in Appendix IV, as well as a list of guidance available from other organisations.

The Board's information and enquiry service deals, by telephone and correspondence, with enquiries or complaints received from scheme members and their dependants, prospective members, trustees, trade unions, employers and company employees with human resource pay and industrial relations functions. Enquiries, including technical queries, are received also from pension practitioners, professional bodies and the representatives of the media.

Subscription Services (Legislation Services And Guidance Notes)

The Board makes a number of services available on a subscription basis, including a legislation service designed primarily for pension practitioners. Subscribers to this service receive a non-statutory consolidated text of the Pensions Acts, and the Regulations.

The Board also makes available by subscription detailed guidance notes on the various parts of the Pensions Acts

and Regulations, especially in those areas which override the trust deed and rules of the scheme. Subscribers to the service receive updates to take account of any legislative changes. Guidance notes regarding compulsory and voluntary reporting to the Pensions Board, and determinations by the Pensions Board were updated in 2005 to include references to Personal Retirement Savings Accounts.

Trustee Support Services

Trustees have overall responsibility under the Pensions Acts for the administration of schemes. Accordingly, the main statutory functions of the Board, as set out in Section 10(1) of the Pensions Acts, include:

- providing guidance for trustees on their duties and responsibilities in relation to scheme administration,
- issuing codes of practice on specific aspects of trustees' duties, and
- advising the Minister on standards for trustees and on their implementation.

The information booklet "So You're a Pension Scheme Trustee?" gives concise guidance to trustees on their duties and responsibilities. An updated version of this booklet, to reflect legislative changes arising from the passing of the Pensions (Amendment) Act, 2002 and other legislation affecting pensions, was published in November 2005.

Comprehensive guidance is also provided for trustees by means of the Trustee Handbook and Codes of Practice which are designed to make a major contribution to the discharge of the Board's functions under Section 10(1). The Trustee Handbook, which is in its second edition, is available by subscription from the Board. The Codes of Practice are available free of charge and are published online on www.pensionsboard.ie.

Given the importance of the Handbook as a tool to assist the trustees in the effective discharge of their duties and responsibilities, the Disclosure of Information Regulations (S.I. 633 of 2005) contain a requirement that specific reference be made in the annual report of each scheme as to whether the trustees of the scheme have access to the Trustee Handbook.

The Board, which is represented on the Steering Group for the Trustee Forum of the Irish Association of Pension Funds, has contributed to the development of a Trustee Training Course which is run under the auspices of the Forum. The Board also continues to encourage the provision generally of appropriate training facilities for trustees of schemes and the take-up of these facilities by trustees.

The Board provides a specific enquiry service for trustees in relation to their duties and responsibilities, with particular reference to the type of information and guidance which is provided in the Trustee Handbook. Responses to some queries can only be provided by a scheme's professional advisers i.e. the actuary, auditor, investment manager or legal advisers, and guidance provided by the Board's staff cannot be a substitute for specific professional advice in relation to a scheme.

Promulgating The Pensions Message

The Board used various methods of communicating the "pensions message" during 2005, including activities undertaken under the National Pensions Awareness Campaign (NPAC). 34 information presentations were given to trustees, trade unions, employer personnel, professional bodies and others on the main features of the Pensions Acts and other legislation affecting pensions.

The following is a list of some of these events:

- Irish Insurance Institute – Pensions Acts Compliance
- Irish Association of Pensions Fund Investment Conference
- Family Law & Pensions Seminar – Family Lawyers Association
- Society of Actuaries in Ireland Pensions Forum
- Consultative Committee of Accountancy Bodies of Ireland Annual Insolvency Conference
- Irish Deaf Society – Women's Group
- Joint Irish Institute of Pensions Managers and Association of Pensions Lawyers in Ireland seminar on the National Pensions Review
- Dublin Chamber of Commerce Pensions Briefing

Pensions Board Website (www.pensionsboard.ie)

The Board also provides an informal communication for interested parties in the form of a Bulletin which is available on the Board's website. Three Bulletins were issued during 2005, covering the National Pensions Review, compliance issues and the IORPs Directive.

Greater access to the Board's website during 2005 was promoted through improved search facilities, layout, and accessibility. Visitor numbers are up almost 54% over the previous year. The number of visitors in 2005 was 216,052. The website was relaunched in October 2005 and contains, among other facilities, an online version of the Board's information booklets, and a pensions calculator.

National Pensions Awareness Campaign (NPAC)

The Minister for Social and Family Affairs asked the Board to continue its National Pensions Awareness Campaign during 2005 to heighten pension awareness with a view to increasing pension coverage in Ireland and to encourage in particular those with pension provision to address the adequacy of that provision.

Media coverage on pensions continues to grow and the Board welcomes this. The Board particularly welcomes the attention pension issues are given in publications which did not previously consider it to be of interest to their target audience.

A survey conducted at end 2005 for the Board by an independent market research organisation has confirmed that pensions awareness is now at a high level, with 87% of the respondents believing that the State social welfare pension would not meet their needs in retirement. According to the results of the survey, the reasons given as key barriers to starting a pension for most young people are the perceived lack of affordability; prioritisation of expenditure on more immediate commodities e.g. house/holiday/car; perception of being too young to start a pension and lack of understanding about pensions.



Minister Séamus Brennan, Mary Hutch and TV Newsreader Ann Doyle mark **International Women's Day** and highlight the importance of adequate pension provision for women.



Irish Congress of Trade Unions (ICTU) Press Conference launch their major document on Pension provision in Ireland, and called on all Trade Union officials and members to communicate the message of the importance of adequate pension provision.



Minister Séamus Brennan and Mary Hutch promote the **Pensions Board's online Pensions Calculator**.



The Pensions Board held information seminars in **Dell Computers** facilities in Limerick, Bray and Cherrywood to mark Pensions Day in the Workplace.



"Popcorn and Pensions"

Minister Brennan launches Autumn/Winter Cinema advertising and poster campaign.



Pensions Action Week 2005

A key focus during 2005 was targeting and encouraging young people to take action on starting a pension. **Anne Maher** (Chief Executive) Pensions Board launches National Pensions Action Week Poster campaign 2005



Construction Industry Monitoring Agency – a Press Conference to promote the importance and legal requirement for all construction workers to be included in the registered construction industry pension scheme was held, with the support of the Pensions Board.

The focus of the Board's 2005 National Pensions Awareness Campaign was to convert awareness into positive action in the form of increased take-up with particular attention being paid to the following groups:

Primary Targets

- Working Population aged 25 – 35 years old
- Women
- Graduates
- Farming/Rural Community
- Self Employed

Secondary Targets

- First time job seekers
- Students
- Migrant workers

"Action and responsibility" was the overriding theme for 2005.

The Awareness Campaign activities were overseen by a project team which included representatives from the Board, Department, providers and the social partners. The periods with the most intense activity in 2005 were National Pensions Action Week in May, which targeted young people, and leading up to the tax-filing deadline in October, which focused on adequacy issues and the self employed. Some of the highlights of the National Pensions Action Week included a Ministerial photocall, the launch of a poster campaign and an extensive media campaign including over 30 radio interviews nationwide.

During 2005, €570,000 was made available to carry out the campaign, on behalf of Government. In addition, as part of National Pensions Action Week, pension providers also financially contributed towards a nationwide on street distribution of 150,000 National Pensions Action Week leaflets in all cities and major provincial towns around Ireland and a regional press campaign in each county. They also had web links on their sites to the Pensions Board website and carried out their own direct advertising and promotions and in-branch activity on pensions.

Pensions Education Strategy

The Pensions Board is working in tandem with the Financial Regulator, the Consumer Strategy Group and many other agencies to progress the formal inclusion of financial planning in the Irish educational system, including retirement planning.

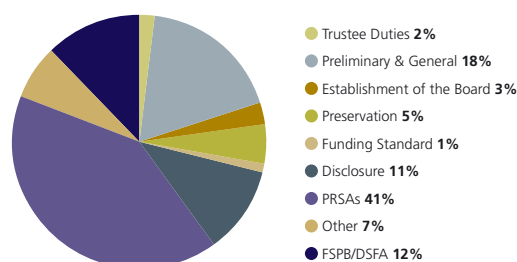
Related activities during 2005 included

- Direct mailing of the 'Pensions Checklist' to 1,200 registered career guidance counsellors and attendance at their Annual Conference,
- Agreeing with FÁS and Fáilte Ireland to include a pensions element in their training process, and
- Reaching agreement with the National Federation of Recruitment Agencies to support the provision of pensions information among their members.

Ongoing Enquiries Made To The Pensions Board

Tables 13 and 14 below display the results of a statistical analysis of enquiries handled by the Pensions Board during 2005, compared to 2004.

NATURE OF ENQUIRIES 2005



**Enquiries relating to cross-border Schemes have been added as a new category this year following the introduction of Part XII of the Act.*

Table 13 demonstrates that enquiries have increased to 11,789 for 2005, which is an increase of 7% compared to 2004. This increase primarily reflects the publishing of the report on the national pensions review, the IORPs Directive and enquiries received in response to a questionnaire issued by the Board's PRSA Unit (please see chapter on Regulatory/PRSAs). PRSAs accounted for the largest number of enquiries at 4,833, which includes 3,517 enquiries on the PRSA questionnaire. It should be noted that the total figure of 11,789 enquiries excludes those enquiries of a routine nature which were raised on registration and fee collection.

TABLE 13 NATURE OF ENQUIRIES

	2005		2004	
	Number	%	Number	%
Preliminary and General	2,110	18%	3,078	28%
Establishment of Board	326	3%	345	3%
Preservation	532	5%	480	4%
Funding Standard	93	1%	77	1%
Disclosure	1,319	11%	945	9%
Trustee Duties	292	2%	209	2%
Equal Treatment	36	0%	37	0%
Compulsory & Voluntary Reporting & Miscellaneous Applications to the High Court	6	0%	11	0%
PRSAs	4,833	41%	3,889	35%
Pensions Ombudsman	28	0%	27	0%
*Cross-border Schemes	15	0%	0	0%
Financial Services (Pensions) Business/Department of Social and Family Affairs (FSPB/DSFA)	1,344	12%	864	8%
Other Enquiries	855	7%	1,095	10%
Total	11,789	100%	11,057	100%

TABLE 14 CATEGORY OF ENQUIRERS

	2005		2004	
	Number	%	Number	%
Pensioner	104	1%	187	2%
Active Member	3,016	28%	2,534	25%
Company/Employer	379	3%	663	6%
Trade Union	28	0%	41	0%
Pension Practitioner	864	8%	725	7%
Trustee	226	2%	191	2%
FSPB/DSFA	940	8%	554	5%
PRSAs	4,268	39%	3,157	31%
Other	1,207	11%	2,265	22%
Total	11,032	100%	10,317	100%

The second largest number of enquiries (at 18%) can be categorised as “preliminary and general”, which includes enquiries relating to UK/Ireland Regulations, family law and pension adjustment orders and booklet requests. The reduction in enquiries in this category can be attributed to a decrease in requests for the printed booklets, as more customers avail of the electronic version. The heading “other enquiries” includes matters relating to the application of general trust law, research student enquiries and other matters which do not come directly under the Board’s strict remit i.e. personal pension plans and income continuance plans.

CATEGORY OF ENQUIRERS 2005

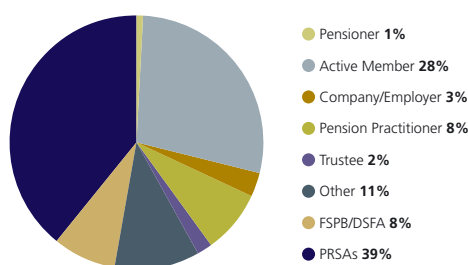


Table 14 provides a breakdown of enquirers who contacted the Board during 2005. The total number of enquirers for 2005 was 11,032, which is an increase of 7% over 2004. 39% of enquirers (4,268 people) had queries relating to PRSAs which includes queries in relation to the PRSA questionnaire, as previously mentioned.

Included in the residual category entitled “other” are enquiries from media personnel, research students and the general public. This category indicates a 47% reduction on the previous year, which may be attributed to enquirers sourcing information from our website rather than having to contact the Board directly.

The number of enquiries (Table 13) exceeds the number of enquirers (Table 14) as some enquirers raised more than one question.

Support for Irish input to External Bodies

One of the strategic objectives of the Board is to contribute to the work of international bodies in relation to pensions.

The European Union

During 2005, the Board supported the official Irish involvement in EU pensions-related matters. Together with the Department of Social and Family Affairs, it attended discussions arranged by the EU Commission on the implementation of the IORPs Directive and provided advice and support to the Department in relation to a draft EU Directive on portability of supplementary pension rights.

The Board also met with the pensions Regulators of the UK (The Pensions Regulator), the Netherlands (formerly Pensioen & Verzekringskamer now De Nederlandsche Bank) and Germany (BAFin), in April and in October to discuss areas of mutual interest.

Committee Of European Insurance And Occupational Pension Supervisors (CEIOPS)

In 2003, the Board joined CEIOPS as part of its EU-related activities. This Committee consists of Regulators from all EU Member States and its remit includes the development of closer co-operation between Regulators.

During 2005, the Pensions Board represented its interest at the Working Party established to oversee the development of a Protocol relating to the collaboration of the supervisory authorities of the Member States of the EU on the activities and supervision of institutions for occupational retirement provision operating cross-border. The Pensions Board is also a member of the Protocol Working Group which is a sub-group of the IORPs Working Party, comprising seven EU Member States. This Group was responsible for drafting the “Budapest Protocol” which was adopted at the plenary meeting of CEIOPS on 22 February 2006 following intense drafting activity and a consultative process. (The text of the Protocol is available on the CEIOPS website, to which there is a link on the Board’s website).

Organisation For Economic Cooperation And Development (OECD)

The Working Party on Private Pensions provides a forum for policy makers from OECD countries to discuss public policy for private pensions, with a focus on Regulation. Its mission is to assist countries in the development of an adequate regulatory and supervisory framework that protects the rights of members and beneficiaries and promotes the financial security of pension plans and

funds. This work is performed through the development of standards, in-depth policy analysis and a unique data collection process. The Working Party also promotes dialogue with non-OECD countries through conferences and workshops throughout the year.

The Board, which is represented at the OECD Working Party on Private Pensions, continued to represent Ireland's views at meetings of the Working Party in 2005. It also represented Ireland at the meetings of the International Organisation of Pensions Supervisors which develops principles, standards and good practices on pensions supervisory issues and on regulatory issues related to pensions supervision.

World Bank

The Pensions Board continued to have an active relationship with the World Bank and the World Bank Institute during 2005. This takes the form of exchange of information, meeting with pension related visitors to Ireland, inputting to training programmes and participating in World Bank sponsored conferences and seminars, as appropriate.

International Employee Benefits Association (IEBA)

Having joined the Association in 2003, the Board has since then continued its involvement. The Chief Executive of the Board was a speaker at the Association's Annual General Meeting in 2005. The Association has an informational and educational role in relation to employee benefits including pensions.

Delegations From Other Countries

The Board regularly receives delegations from other countries and provides presentations on the Irish pensions system, as requested.

Conclusion

The work of the Board in relation to pensions awareness was actively pursued during 2005 and the survey conducted by an independent market research organisation confirmed that pensions awareness is now at a high level. Continuous support in the form of guidance notes, information booklets and bulletin updates was provided to trustees and specific professional advisers. The website was restructured to provide greater access and services to our visitors. The Board will continue to provide information and guidance on pensions-related matters to a wide range of parties, nationally and internationally, as a key means of supporting pensions security, structures and participation.

Operational

Summary of General Objectives

To

- monitor actively Board finances and make appropriate recommendations to the Minister on necessary or desirable changes,
- monitor staff resources and make appropriate recommendations to the Department of Social and Family Affairs,
- put in place effective technology systems supporting Regulation/supervision of the PRSA pension regime,
- identify and implement any changes in corporate governance arising from the Code of Practice for Governance of State Bodies, and
- formalise the Quality Customer Service plan.

NATIONAL PENSIONS ACTION WEEK
9th - 15th May 2005



EMPLOYERS
provide access to a pension for your employees
Play your part!

A good deal for YOUR Company
A good pension scheme has been long recognised as a very valuable asset for both the company and its employees.

There is a stronger commitment from employees to participate in pension schemes where the employer makes a contribution.

Your company benefits from having:

- a reputation and respect as a good employer
- a workforce that feels valued and important
- increased loyalty and commitment from staff
- an enhanced staff recruitment, reward and retention package

Your company will benefit from Employers' PRSI and Health levy relief where you operate a payroll deduction facility for your employees' pension contributions.

Also any contributions you make to your employees' pension can be fully offset against Corporation Tax as a business expense.

Take Action - Contact your Pension Provider Today

Visit the Pensions Board on-line for more information at www.pensionsboard.ie



An Bord Pinsean - The Pensions Board
Authority for Pensions

Distribution of National Pensions Action Week leaflets; nationwide on the street.

Activity related to General Objectives

In order to ensure that we can deliver our business objectives, the Board is committed to ensuring that we have the financial, technological and intellectual capacity to make our goals happen and that these resources are managed appropriately. The administrative structures put in place to support the Board's activities operated satisfactorily in 2005.

Implementation Of The Code Of Practice For The Governance Of State Bodies

In October 2001, the Department of Finance issued a revised mandatory Code of Practice for the Governance of State Bodies for application by all commercial and non-commercial State bodies. The Board continues to adhere to the code and monitors requirements on a regular basis. All board members have also received guidance on ethical Codes of Conduct and in particular their responsibilities with regard to the Code of Conduct for members and staff of the Pensions Board and Ethics in Public Office Acts, 1995 and 2001.

Information Communications Technology (ICT)

The Board continued to monitor its ICT needs during 2005, to maximise the benefits of technology for internal and external customers. There was no significant expenditure in this area during the year, although service delivery continued to improve through upgrading the accessibility of the website. It is intended to carry out a major review of the Board's ICT infrastructure during 2006.

Monitoring Of Finances

A key development this year was the implementation of a new Financial Management System (FMS). This provides enhanced reporting functionality and better meets the Board's current and future requirements in terms of efficiency and promptness in expenditure decisions, transactions, monitoring and financial reporting.

Our current monitoring arrangements confirmed there were no significant income and expenditure variances from the previous year.

Regarding financing of the cost of supervision of occupational pension schemes, the Board recommended

to the Minister that no change be made to its fee of €9.50 per active scheme member for 2005. This is pursuant to the Occupational Pension Schemes (Fees) (Amendment) Regulations, 2002 (S.I. 610 of 2002).

As regards the financing of the supervision of PRSAs, the Pensions (Amendment) Act, 2002 provides for a separate fee income stream to cover the cost of regulating these products.

Under these provisions, the fee structure applicable to providers of PRSAs put in place by Personal Retirement Savings Accounts (Fees) Regulation (S.I. 506 of 2002) remains in force. The Department of Social and Family Affairs made funding of €1.2m available to the Board in 2005 to defray costs incurred in relation to the supervision of PRSAs.

As outlined in the previous chapter, the National Pensions Awareness Campaign continued in 2005 and an allocation of €570,000 was made available from the Department of Social and Family Affairs for this purpose. This expenditure is reflected in the annual accounts.

The Board continued its programme of internal audit which has been out-sourced to the accounting and audit practitioners, Mazars and Company. The internal audit programme involved two site visits during the year. The site visits reviewed a number of key controls and processes. Reports delivered by the internal auditors during the year were reviewed by the Finance and Audit Committee and the Board.

Finance

Expenditure for the year ended 31 December 2005 amounted to €5.66m which represents an increase of 11 % when compared to the previous year. Total income for the year amounted to €6.5m, an increase of 0.8% on the previous year.

Miscellaneous income amounting to €0.22m was generated from interest on moneys held on deposit, the sale of publications and the award of costs arising from successful prosecutions undertaken by the Board in 2005.

The surplus of income over expenditure arising in the year amounted to €0.86m. The corresponding surplus in 2004 was €1.4m.

Fee Collection

At the end of 2005 some 21,000 group occupational pension schemes were obliged to pay fees to the Board. In addition, some 48,000 one-member schemes established on or after 1 January 1993 were also obliged to remit fees. The balance of schemes on the Board's register represents those schemes which are not liable for fee payments as they are no longer active, are additional voluntary contribution schemes (AVC) or are schemes which are limited to providing survivors' benefit only.

The Board collected €4.1m in fee revenue in respect of occupational pension schemes which was broadly comparable to that raised in 2004. In respect of PRSAs, the Board collected fees of €210,000, compared with 2003 and 2004 levels of €75,000 and €140,000 respectively.

Financial Outlook

The Board decided not to make a further transfer from the income and expenditure account to the Compliance Enforcement Reserve, which currently stands at €0.3m.

The annual transfer from the income and expenditure account to depreciation provision, together with the timing of fee income receipts, results in the Board, from time to time, having cash surplus to its immediate requirements. Where this occurs, surplus cash is invested in short term low risk securities which yield an acceptable return consistent with the statutory functions and authority of the Board.

At the end of 2005, the Board's Revenue Reserve, being accumulated surpluses, was €4.77m.

The PRSA Capital Reserve represents the capital expenditure element of funds provided to the Board by the Department of Social and Family Affairs to contribute to the costs of the Board's PRSA regulatory activities. At the end of 2005, the PRSA Capital Reserve amounted to €0.36m.

Monitoring Of Staff Resources

The approved staff complement at the end of 2005 stood at 39.5 posts. In addition to monitoring staff numbers and costs, the Board continues to develop its Human Resource practices, working closely with the Partnership and Management Committees to foster staff capability, commitment and opportunity.

Key aspects of our approach during 2005 included:

- **Attracting and retaining** highly qualified and experienced staff who can contribute positively to the Board's values and culture through fair pay and conditions and proactive people management.
- Implementing **selection processes** based on merit, focussing on core competencies. It is the Board's intention that all staff and potential staff have equality of opportunity regardless of gender, marital status, family status, race, religion, sexual orientation, disability, age and membership of the traveller community, in accordance with Employment Equality Act, 1998.
- Ensuring **the safety, health and welfare** of employees by maintaining a safe place and system of work pursuant to the requirements of the Safety, Health and Welfare at Work Act, 1989. To support this process further, Health and Safety training was carried out in 2005 with Dublin Fire Brigade. A Staff Accessibility Officer was appointed in 2005.
- Implementing a new computerised **Human Resources Management System**, to improve record keeping and reporting capability.
- Fostering joint ownership in achieving the Board's objectives through a **Partnership** process. During 2005, the Partnership Committee met eleven times. At its initial meeting, a work plan was agreed covering:
 - Staff Incentive Scheme
 - Long Service Award Scheme
 - Ongoing monitoring of staff issues
 - Ongoing communication to staff (included staff attitude and partnership survey).

Working together **to improve continuously**. As part of its commitment to the reporting process under the Sustaining Progress Agreement, the Partnership Committee reported to the Secretary General of the Department of Social and Family Affairs on its progress implementing the Board's modernisation action plan, which is available on the Board's website. The two reports submitted in 2005 were accepted by the Secretary General as meeting

the required progress on modernisation and the Board was authorised to award the pay increases as provided for in the Sustaining Progress Agreement.

- Ensuring all employees are **properly inducted and trained** to the highest standard to ensure everyone has the appropriate knowledge and skills to deliver the best service possible.

Training And Development

Organisational and individual training and development needs are identified through a Performance Management Development System (PMDS), reflecting for example, changes in technologies, flexibility requirements and succession. Training is provided for all employees of the Board, both new and existing, through structured training events, both internally and externally. There were a number of key training and development initiatives during 2005 including:

- Clerical Officer and Higher Executive Officer Development Courses
- Pensions Foundation course and examination
- In house ECDL training
- Foreign language development training

In conjunction with the Department of Social and Family Affairs, the Revenue Commissioners and the Pensions Ombudsman, the Board participated in a joint pensions training programme. This programme, coordinated by the Board, used trained personnel from each of the organisations involved to deliver monthly lectures on pensions legislation and Regulation. The course began in December 2004 and finished in September of 2005.

The Board also awarded a number of staff education awards under the Educational Awards Scheme which encourages staff to undertake further academic and professional training.

Quality Customer Service Plan

Government, as part of the Strategic Management Initiative, has endorsed 12 Quality Customer Service (QCS) principles for the public service. The 12 QCS principles are as follows:

- 1 Quality Service Standards
- 2 Equality/Diversity
- 3 Physical Access
- 4 Information
- 5 Timeliness and Courtesy
- 6 Complaints
- 7 Appeals
- 8 Consultation and Evaluation
- 9 Choice
- 10 Official Languages Equality
- 11 Better Co-ordination
- 12 Internal Customers

The Board's objective, as documented in its "Strategy 2002-2005" is to deliver the highest quality service to all our customers based on the 12 QCS principles. The Board is committed to ensuring that the QCS principles are embedded in everything it does.

The Customer Action Plan (CAP) was published in early 2005 to provide a specific focus on customer service development. It formalises and records the Board's objectives in the area of customer services and indicates how the Board proposes to develop its services in line with modern quality customer service principles. An update on how the Board has met commitments as set out in the CAP is set out in Appendix V.

A key initiative of the CAP is the publication of a Customer Charter. This is a public statement detailing the Board's standards and services, which has been displayed in the Board's offices and was made available on its website during 2005.

At the core of any effective Customer Charter initiative is a formal customer comment and complaint system. This type of feedback is essential to enable us to continue improving services to our customers. Such a system has been in place since early 2005.

Conclusion

Resources available to the Board have been managed prudently during 2005. In achieving our strategic objectives, we continue to strive to add value, as well as providing a value for money service.

Financial Statements

for the year ended 31 December 2005

Report of the Comptroller and Auditor General

for presentation to the Houses of the Oireachtas

I have audited the financial statements of An Bord Pinsean for the year ended 31 December 2005 under the Pensions Act, 1990.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Board and the Comptroller and Auditor General

An Bord Pinsean is responsible for preparing the financial statements in accordance with the Pensions Act, 1990 and for ensuring the regularity of transactions. An Bord Pinsean prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Board are set out in the Statement of Board Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Board's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

Basis of Audit Opinion

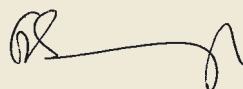
In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Board's affairs at 31 December 2005 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Board. The financial statements are in agreement with the books of account.



Gerard Smyth

For and on behalf of the Comptroller and Auditor General

2 June 2006

Statement of Board Responsibilities

Section 22(1) of the Pensions Act, 1990, as amended, requires the Board to prepare financial statements in such form as may be approved by the Minister for Social and Family Affairs with the concurrence of the Minister for Finance. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Board will continue in operation;
- disclose and explain any material departures from applicable accounting standards.

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Board and which enable it to ensure that the financial statements comply with Section 22(1) of the Pensions Act, 1990, as amended. The Board is also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Tiarnan O Mahoney
Chairperson



Kevin Brabazon
Board member

May 29th 2006

Chairperson's Statement on the System of Internal Financial Control

Responsibility for System of Internal Financial Control

On behalf of the Board, I acknowledge our responsibility for ensuring that an appropriate system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Board has taken steps to ensure an appropriate control environment by:

- clearly defining management responsibilities;
- establishing reporting procedures to control significant failures and ensuring appropriate corrective action is taken;
- establishing a dedicated Finance and Audit Committee;
- clear separation of Board and Executive functions;
- publication of a Code of Conduct for the Board members and staff of the Pensions Board;
- establishing an internal audit function.

The Board has established processes to identify and evaluate business risks by:

- identifying the nature, extent and possible implication of risks facing the Board including the extent and categories which it regards as acceptable;
- assessing the likelihood of identified risks occurring;
- assessing the Board's ability to manage and mitigate the risks that do occur;
- having regard to the costs of operating particular controls relative to benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- regular reviews by the Finance and Audit Committee and Board of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- monthly cash-flow statement with analysis of major income and expenditure categories;
- regular internal audits.

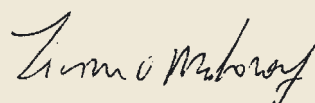
As implemented in 2003 the internal audit function is a key element in informing the Board of the effectiveness of the system of internal financial control. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies. The work of internal audit is informed by analysis of the risk to which the body is exposed and a full risk analysis exercise has been undertaken in that regard. The analysis of risk and the internal audit plans are endorsed by the Finance and Audit Committee and approved by the Board.

The Pensions Board has in year ended 31 December 2005, through the ongoing activity of its Finance and Audit Committee, monitored the work of the Executive in the area of financial control. Specifically, the Committee examined the following:

- Quarterly management accounts, with analysis and explanation of significant deviations from budget;
- Annual Accounts for 2004 and explanation of significant variances;
- Annual budget and financial plan for 2006;
- Financing arrangements in respect of PRSA activity;
- Internal Audit reports.

Annual Review of Controls

I confirm that in respect of the year ended 31 December 2005 the Board conducted a review of the effectiveness of the system of internal financial control.



Tiarnan O Mahoney
Chairperson

May 29th 2006

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

(A) Basis Of Preparation Of Financial Statements

The financial statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Social and Family Affairs with the concurrence of the Minister for Finance in accordance with Section 22(1) of the Pensions Act, 1990, as amended.

The financial statements are also prepared in accordance with accounting standards generally accepted in Ireland, being standards developed by the Accounting Standards Board.

The results are denominated in Euro.

(B) Fee Income

Fee Income represents

- i) The amount estimated by the Board as collectable in respect of Occupational Pension Schemes in the year. This estimate takes account of cash receipts on foot of demands issued and the reasonableness of this figure is checked against the expected fee income based on the Board's computerised profile of schemes.
- ii) Amounts due in respect of application, product and annual fees levied on Personal Retirement Savings Account (PRSA) providers. Annual PRSA fees are calculated by reference to the number of registered approved products and the value of funds under management by the provider as at the end of the prior year.

(C) State Grant

State Grant represents the amount made available in respect of the year by the Department of Social and Family Affairs to:

- i) Recoup the cost of superannuation benefits paid by the Board;
- ii) Meet the net costs associated with the Board's role in relation to PRSAs;
- iii) Meet the costs associated with the National Pensions Awareness Campaign (NPAC); and
- iv) Contribute to other relevant costs.

(D) PRSA Capital Reserve

This reserve represents the unamortised amount of State Grant used for the purchase of fixed assets and is amortised in line with depreciation of the relevant assets acquired.

(E) Tangible Fixed Assets And Depreciation

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is charged in the income and expenditure account, on a straight-line basis, at the annual rates set out below, so as to write off the assets, adjusted for estimated residual value, over the expected useful life of each appropriate category.

Leasehold improvements	6 ² / ₃ %
Computer equipment	25%
Office furniture	12 ¹ / ₂ %
Office equipment	20%
Motor vehicle	20%

(F) Operating Lease

Rental payments are dealt with in the income and expenditure account in the year to which they relate.

(G) Superannuation

In view of the arrangements, as described in note 21, which the Board has in place in relation to the defined benefit scheme it operates for employees, the Board is of the view that the provisions of Financial Reporting Standard 17, Accounting for Retirement Benefits in relation to accounting for pension liabilities which arise under defined benefit schemes are not applicable to its circumstances.

Accordingly, the Board charges the employer contributions to income and expenditure in the year as if the scheme was a defined contribution scheme.

(H) Compliance Enforcement Reserve

As the Pensions Board is a Statutory Regulatory body charged with monitoring and enforcing compliance by Scheme trustees with the provisions of the Pensions Act, 1990, as amended, it may be necessary for the Board, from time to time, to have recourse to legal action.

In certain cases, such action, could involve the Board in significant costs.

It is not possible to anticipate when such cases may arise or the resulting level of costs, but the Board considers it prudent to ensure that adequate resources are available and to spread such costs over the years.

Accordingly amounts are transferred from the income and expenditure account to the compliance enforcement reserve when deemed necessary.

Income and Expenditure Account

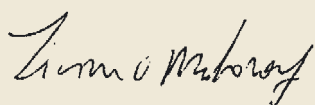
for the year ended 31 December 2005

	NOTES	2005 €	2004 €
INCOME			
Occupational Pension Scheme fees		4,101,026	4,138,866
Personal Retirement Savings Account Fees	1	210,182	140,494
Provider NPAC contributions	2	47,000	-
State grant in respect of:			
Pension payments to retired staff		45,680	43,295
Personal Retirement Savings Account Costs	1&20	1,234,119	1,427,951
National Pension Awareness Campaign costs	2	570,000	500,000
Contribution to scheme review costs	3	24,805	-
Other income	4	217,289	145,146
Total income		6,450,101	6,395,752
Transfer from PRSA capital reserve	16&20	67,895	73,203
		6,517,996	6,468,955
EXPENDITURE			
Salaries, pensions and related expenses	5	2,668,309	2,227,720
Board members' fees and expenses	6	102,960	103,354
Rent and office expenses	7	769,154	738,217
Recruitment, training and education	8	103,894	104,748
Information, research and publicity	9	604,079	680,051
Consultancy and other professional fees	10	895,821	640,190
General administration	11	313,463	341,391
Depreciation	12	198,906	227,600
Total expenditure		5,656,586	5,063,271
Surplus for the year		861,410	1,405,684
Revenue reserve at 1 January		3,905,121	2,499,437
Revenue reserve at 31 December		4,766,531	3,905,121

The Board had no gains or losses in the financial year or the preceding financial year other than those dealt with in the income and expenditure account.

The results for the year relate to continuing operations.

The statement of accounting policies, cash flow statement and notes 1 to 24 form part of these financial statements.



Tiarnan O Mahoney
Chairperson



Anne Maher
Chief Executive

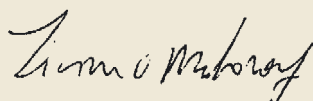
May 29th 2006

Balance Sheet

At 31 December 2005

	NOTES	2005 €	2004 €
FIXED ASSETS			
Tangible assets	12	971,372	1,086,959
CURRENT ASSETS			
Debtors	13	573,976	557,570
Bank	19	4,296,500	3,297,861
		4,870,476	3,855,431
CURRENT LIABILITIES			
Creditors amounts falling due within one year	14	419,046	313,103
NET CURRENT ASSETS			
		4,451,430	3,542,328
TOTAL ASSETS			
		5,422,802	4,629,287
FINANCED BY			
Compliance enforcement reserve	17	300,000	300,000
PRSA capital reserve	16 & 20	356,271	424,166
Revenue reserve		4,766,531	3,905,121
		5,422,802	4,629,287

The statement of accounting policies, cash flow statement and notes 1 to 24 form part of these financial statements.



Tiarnan O Mahoney
Chairperson

May 29th 2006



Anne Maher
Chief Executive

Cash Flow Statement

for the year ended 31 December 2005

	NOTES	2005 €	2004 €
CASH FLOW STATEMENT			
Net cash inflow from operating activities	18	1,004,421	1,636,639
Returns on investments and servicing of finance			
Interest received		79,231	27,017
Capital expenditure			
Payments to acquire tangible fixed assets		(85,013)	(40,346)
Management of liquid resources			
(Increase) in short term deposits		(900,000)	(1,500,000)
<hr/>			
Increase in cash		98,639	123,310
<hr/>			
Reconciliation of net cash flow to movement in net funds	19		
Increase in cash in the year		98,639	123,310
Increase in short term deposits		900,000	1,500,000
<hr/>			
Movement in net funds in the year		998,639	1,623,310
<hr/>			
Net funds at 1 January		3,297,861	1,674,551
<hr/>			
Net funds at 31 December		4,296,500	3,297,861
<hr/>			

Notes to the Financial Statements

for the year ended 31 December 2005

1. PRSA FUNDING AND COSTS

	2005 €	2004 €
PRSA state grant receivable in year	1,234,119	1,427,951
PRSA fees	210,182	140,494
Total in respect of PRSA costs	1,444,301	1,568,445
Applied in respect of PRSA costs:		
Non-capital	1,417,921	1,553,398
Capital	26,380	15,047
	1,444,301	1,568,445

2. NPAC FUNDING AND COSTS

The Pensions Board on behalf of the Government continued the National Pension Awareness Campaign (NPAC) in 2005. An allocation of €570,000 from the Department of Social and Family Affairs was made available in the year for this purpose.

In addition the Board in the year was in receipt of €47,000 from pension providers. This relates to contributions towards the funding of promotional initiatives undertaken during the Autumn/Winter 2005.

The primary objective of this campaign was to heighten pensions awareness with a view to increasing pension coverage in Ireland.

The allocation was spent in the following main cost categories:

	2005 €	2004 €
Information and awareness activities	489,014	418,892
Project management	79,440	74,981
Administration	6,256	7,256
	574,710	501,129

3. CONTRIBUTION TO SCHEME REVIEW

The Pensions Board during the year carried out a membership and compliance review of the Construction Federation Operative's Pension Scheme.

The total consultancy costs of this project amounted to €74,415. The Department of Enterprise Trade and Employment contributed one third of these costs amounting to €24,805.

Notes to the Financial Statements
for the year ended 31 December 2005

4. OTHER INCOME

	2005	2004
	€	€
Publications	94,373	82,797
Interest income	87,651	54,606
Miscellaneous income	35,265	7,743
	217,289	145,146

5. EMPLOYEE NUMBERS AND COSTS

The total staff complement as approved by the Minister at 31 December 2005 was 39.5 permanent (2004 – 39.5 permanent). The average number of employees excluding contract staff for 2005 was 39 (2004 – 38).

The aggregate employee and related costs were as follows:

	2005	2004
	€	€
Salaries	2,067,580	1,725,380
Employer superannuation contributions*	333,244	280,801
Employer PRSI contributions	159,875	126,950
Superannuation benefits payable	45,680	43,295
Contract Staff – general	61,930	51,294
	2,668,309	2,227,720

*See note 21

6. BOARD MEMBERS' FEES AND EXPENSES

	2005	2004
	€	€
Board fees	99,044	99,044
Expenses	3,916	4,310
	102,960	103,354

Notes to the Financial Statements
for the year ended 31 December 2005

7. RENT AND OFFICE EXPENSES

	2005 €	2004 €
Rent	571,610	574,991
Service charge	81,467	28,686
Rates	55,381	52,753
Electricity	20,737	16,367
Cleaning	23,825	22,098
Offsite storage	2,122	27,162
General maintenance	14,012	16,160
	769,154	738,217

The Board occupies office premises at Verschoyle House, Lower Mount Street, Dublin 2, under a 25 year lease, which commenced on 16 July 2001.

8. RECRUITMENT, TRAINING AND EDUCATION

	2005 €	2004 €
Recruitment and staff costs	42,234	52,369
Training and education	61,660	52,379
	103,894	104,748

9. INFORMATION, RESEARCH AND PUBLICITY

	2005 €	2004 €
Advertising and awareness activities	449,031	463,276
Printing and publications	104,589	144,570
Research	14,718	26,127
Information stands and launches	35,741	46,078
	604,079	680,051

Notes to the Financial Statements
for the year ended 31 December 2005

10. CONSULTANCY AND OTHER PROFESSIONAL FEES

	2005	2004
	€	€
Legal fees	264,400	210,494
National pensions review consultancy	236,253	-
Pensions/actuarial consultancy fees	219,578	219,790
Public relations and information	91,766	111,232
Recruitment consultancy	13,915	5,414
Management consultancy	36,736	31,206
Audit fees	14,400	11,950
Internal audit fees	13,588	20,796
Other	5,185	29,308
	895,821	640,190

11. GENERAL ADMINISTRATION

	2005	2004
	€	€
Stationery and office expenses	106,192	96,925
Telephone and postage	72,342	107,081
Travel and subsistence	24,929	35,307
Insurances	11,506	12,341
Computer maintenance and consumables	97,634	88,844
Interest and charges	860	893
	313,463	341,391

Notes to the Financial Statements
for the year ended 31 December 2005

12. TANGIBLE FIXED ASSETS

	Leasehold improvements €	Computer equipment €	Office furniture €	Office equipment €	Motor vehicle €	Total €
COST OR VALUATION						
At 1 January 2005	1,136,181	560,881	185,189	112,168	38,430	2,032,849
Additions in year	-	50,722	1,490	31,107	-	83,319
Disposals in year	-	-	-	(21,164)	-	(21,164)
At 31 December 2005	1,136,181	611,603	186,679	122,111	38,430	2,095,004
ACCUMULATED DEPRECIATION						
At 1 January 2005	299,581	446,345	82,913	93,993	23,058	945,890
Charge for year	75,745	74,660	23,335	17,480	7,686	198,906
Disposals in year	-	-	-	(21,164)	-	(21,164)
At 31 December 2005	375,326	521,005	106,248	90,309	30,744	1,123,632
NET BOOK VALUE						
At 31 December 2004	836,600	114,536	102,276	18,175	15,372	1,086,959
At 31 December 2005	760,855	90,598	80,431	31,802	7,686	971,372

13. DEBTORS

	2005 €	2004 €
Amounts falling due within one year:		
Fee income	466,011	444,093
Prepayments and accrued income	30,418	37,678
Accrued interest receivable	47,060	38,641
State grant debtor PRSA	-	6,337
Debtors other	30,487	30,821
	573,976	557,570

Notes to the Financial Statements
for the year ended 31 December 2005

14. CREDITORS

	2005	2004
	€	€
Amounts falling due within one year:		
Accruals	260,765	208,693
State grant creditor PRSA	13,808	44,337
Salary deductions	42,167	-
Tax creditor	102,306	60,073
	419,046	313,103

15. FINANCIAL COMMITMENTS

(i) **Capital Commitments**

There were no capital commitments at 31 December 2005.

(ii) **Operating Leases**

The Board had commitments payable in the next twelve months under non-cancellable operating leases as follows:

	2004	
	€	
Lease of office accommodation		
Expiring within one year	-	-
Expiring after one year and before five years	-	-
Expiring after five years	554,342	554,342
	554,342	554,342

16. PRSA CAPITAL RESERVE

	2005	2004
	€	€
At beginning of year	424,166	497,369
Transfer (to)/from Income and Expenditure Account		
Current year grant	26,380	15,047
Amortisation – assets capitalised in the year	(6,025)	(2,194)
– prior year acquisitions	(88,250)	(86,056)
At end of year	356,271	424,166

Notes to the Financial Statements
for the year ended 31 December 2005

17. COMPLIANCE ENFORCEMENT RESERVE

	2005 €	2004 €
At beginning of year	300,000	300,000
Transfer from income and expenditure Account	-	-
At end of year	300,000	300,000

18. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	2005 €	2004 €
Surplus for year	861,410	1,405,684
Non Operating Items		
Interest received	(79,231)	(27,017)
Non Cash Items		
Transfer from PRSA capital reserve	(67,895)	(73,203)
Depreciation	198,906	227,600
(Increase)/decrease in debtors	(16,406)	32,240
Increase in non capital creditors	107,637	71,335
Net cash inflow from operating activities	1,004,421	1,636,639

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2005 €	Cash Flow €	At 31 December 2005 €
Cash at bank and on hand	97,861	98,639	196,500
Short term deposits	3,200,000	900,000	4,100,000
	3,297,861	998,639	4,296,500

20. CONTINGENT LIABILITY

The state grant in respect of PRSA costs may become repayable in future years should fees received by the Board from PRSA providers exceed related costs.

State grants receivable in respect of the year total €1,234,119 (2004 – €1,427,951). As at the year end the accumulated amount of state grant was €5,895,007 (2004 – €4,660,888).

Notes to the Financial Statements for the year ended 31 December 2005

21. ACCOUNTING TREATMENT FOR RETIREMENT BENEFITS *

The Board operates a defined benefit pension scheme for its employees. The scheme structure is based on the Public Service Model and is approved by the Minister for Social & Family Affairs and the Minister for Finance. Pension benefits payable under the scheme are funded by the Exchequer.

In addition, the Pensions Board arrangements have a number of specific characteristics:

- the Board makes an agreed contribution to the Department of Social and Family Affairs;
- the contribution comprises of an employee element along with an employer element. The employer contribution amounts to 16.67% of gross pay and is paid by the Board;
- there is an explicit commitment from the Department of Social and Family Affairs, with the agreement of the Department of Finance, that the Exchequer will meet the cost of benefits as they fall due.

The Board considers that its pension arrangements as described above have the same financial effect from the Board's point of view as a defined contribution scheme. It is of the view that the provisions of Financial Reporting Standard 17, Accounting for Retirement Benefits, which arise under defined benefit schemes are not appropriate to its circumstances. Accordingly it accounts for its contribution as if the scheme was a defined contribution scheme.

* See note 5

22. BOARD MEMBERS – DISCLOSURE OF TRANSACTIONS

The Board in accordance with the Code of Practice for the Governance of State Bodies has a Code of Business Conduct in place for board members and employees. This code includes guidance in relation to the disclosure of interests by Board members and these procedures have been adhered to by the Board during the year. The Board from time to time engages the services of appropriately qualified outside consultants to undertake assignments to assist the Board in its work. Such contractual arrangements are subject to the normal tendering procedures, which apply throughout the public service. The award of any particular project is a matter for decision by the Board having regard to the requirements of the work to be carried out. Given the nature of its business the Board may enter into contractual arrangements with undertakings in which Board members are employed or are otherwise interested.

During 2005 the Board incurred fees payable to third parties, including legal fees, in respect of professional services in the amount of €895,821 inclusive of VAT. This amount includes €24,192 which was paid to Matheson Ormsby Prentice a law firm of which Mr. Brian Buggy is a partner. Mr Brian Buggy was a member of the Board up to 20th December 2005.

23. TAXATION

The Board is exempt from Corporation Tax under Section 220 of the Taxes Consolidation Act 1997.

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on May 29th 2006.

Prompt Payment of Accounts Act, 1997

The Pensions Board comes under the remit of the Prompt Payment of Accounts Act, 1997 which came into effect on 2 January 1998.

In accordance with the requirements as set out in Section 12 of the Act, we wish to report as follows:

The Pensions Board confirms that it is complying with the Prompt Payment of Accounts Act, 1997 which came into effect on 2 January 1998.

It is the policy of The Pensions Board to ensure that all invoices are paid promptly.

Almost all invoices are paid within 30 working days of their receipt. In the event of a written contract, invoices are paid in line with the terms of the contract.

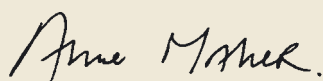
In addition the Board has put in place a computerised system designed to assure itself on a lookback basis that there has been compliance with the payment provisions of the Act.

In the event of a dispute between the Board and a supplier, there is a procedure in place whereby contact between the Board and supplier, concerning the dispute, is recorded.

The procedure referred to can only provide reasonable and not absolute assurance against non-compliance with the Act.

No late payments arose during 2005 and accordingly no penalty interest payments were made in the year.

In conclusion, I am satisfied that the action the Pensions Board is taking in dealing with the Prompt Payment of Accounts Act, 1997 is in compliance with the Act.



Anne Maher
Chief Executive

29 May 2006

Appendix I

Pensions Legislation

The Pensions Act, 1990 was enacted on 24 July 1990. Since then it has been amended and a significant number of Regulations have been made under the Act by way of Statutory Instruments.

Acts

Pensions Act, 1990	No. 25 of 1990
Social Welfare Act, 1991	No. 7 of 1991
Social Welfare Act, 1992	No. 5 of 1992
Social Welfare Act, 1993	No. 5 of 1993
Social Welfare (No. 2) Act, 1993	No. 32 of 1993
Pensions (Amendment) Act, 1996	No. 18 of 1996
Social Welfare Act, 1997	No. 10 of 1997
Social Welfare Act, 1998	No. 6 of 1998
Social Welfare Act, 1999	No. 3 of 1999
Social Welfare Act, 2000	No. 4 of 2000
Pensions (Amendment) Act, 2002	No. 18 of 2002
Social Welfare (Miscellaneous Provision) Act, 2003	No. 4 of 2003
Social Welfare (Miscellaneous Provision) Act, 2004	No. 9 of 2004
Public Service Superannuation (Miscellaneous Provisions) Act, 2004	No. 7 of 2004
Equality Act, 2004	No. 24 of 2004
Social Welfare and Pensions Act, 2005	No. 4 of 2005

Statutory Instruments

Pensions Act, 1990 (Sections 60 and 61) (Commencement) Order, 1990	S.I. No.329 of 1990
Pensions Act, 1990 (Parts III, IV and V) (Commencement) Order, 1990	S.I. No.330 of 1990
Pensions Act, 1990 (Parts I and II) (Commencement) Order, 1990	S.I. No.331 of 1990
Occupational Pension Schemes (Disclosure of Information) Regulations, 1990	S.I. No.332 of 1990*1
Pensions Act, 1990 (Part II) (Establishment Day) Order, 1990	S.I. No.343 of 1990
Occupational Pension Schemes (Disclosure of Information) Regulations, 1991	S.I. No.215 of 1991*6
Pensions Act, 1990 (Sections 59, 63 and 64) (Commencement) Order, 1991	S.I. No.259 of 1991
Occupational Pension Schemes (Registration) Regulations, 1991	S.I. No.325 of 1991
Occupational Pension Schemes (Funding Standard) Regulations, 1991	S.I. No.371 of 1991*2
Occupational Pension Schemes (Fees) Regulations, 1991	S.I. No.372 of 1991*5
Occupational Benefit Schemes (Equal Treatment) Regulations, 1992	S.I. No.365 of 1992
Pensions Act, 1990 (Part VII) (Commencement) Order, 1992	S.I. No.366 of 1992
Occupational Pension Schemes (Fees) (Amendment) Regulations, 1992	S.I. No.367 of 1992*5
Occupational Pension Schemes (Preservation of Benefits) Regulations, 1992	S.I. No.445 of 1992*11



Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) Regulations, 1993	S.I. No.216 of 1993*3
Occupational Pension Schemes (Preservation of Benefits) (Special Calculations) Regulations, 1993	S.I. No.217 of 1993*12
Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No. 2) Regulations, 1993	S.I. No.399 of 1993*4
Occupational Pension Schemes (Funding Standard) Regulations, 1993	S.I. No.419 of 1993
Occupational Pension Schemes (External Schemes) (United Kingdom) Regulations, 1994	S.I. No.238 of 1994*10
Occupational Pension Schemes (Funding Standard) (Amendment) Regulations, 1995	S.I. No.273 of 1995*7
Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No. 3) Regulations, 1996	S.I. No.376 of 1996
Occupational Pension Schemes (Oral Hearing) Regulations, 1997	S.I. No.77 of 1997
Occupational Pension Schemes (Revaluation) Regulations, 1997	S.I. No.76 of 1997
Pension Schemes (Family Law) Regulations, 1997	S.I. No.107 of 1997
European Communities (Occupational Benefit Schemes) Regulations, 1997	S.I. No.286 of 1997
Occupational Pension Schemes (Fees) (Amendment) Regulations, 1997	S.I. No.488 of 1997*14
Occupational Pension Schemes (Revaluation) Regulations, 1998	S.I. No.35 of 1998
Occupational Pension Schemes (Disclosure of Information) Regulations, 1998	S.I. No.112 of 1998*13
Occupational Pension Schemes (Funding Standard) (Amendment) Regulations, 1998	S.I. No.320 of 1998*8
Occupational Pension Schemes (Disclosure of Information) (No. 2) Regulations, 1998	S.I. No.349 of 1998
Occupational Pension Schemes (Funding Standard) (Amendment) (No. 2) Regulations, 1998	S.I. No.568 of 1998
Occupational Pension Schemes (Revaluation) Regulations, 1999	S.I. No.5 of 1999
Occupational Pension Schemes (Funding Standard) (Amendment) Regulations, 1999	S.I. No.298 of 1999*9
Occupational Pension Schemes (Revaluation) Regulations, 2000	S.I. No.13 of 2000
Occupational Pension Schemes (Preservation of Benefits) (Amendment) Regulations, 2000	S.I. No.262 of 2000
Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations, 2000	S.I. No.296 of 2000
Occupational Pension Schemes (Funding Standard) (Amendment) Regulations, 2000	S.I. No.337 of 2000
Occupational Pension Schemes (External Schemes) (United Kingdom) Regulations, 2000	S.I. No.469 of 2000
Occupational Pension Schemes (Schemes with External Members) (United Kingdom) Regulations, 2000	S.I. No.470 of 2000
Occupational Pension Schemes (Revaluation) Regulations, 2001	S.I. No.23 of 2001
Occupational Pension Schemes (Schemes with External Members) (United Kingdom) (Amendment) Regulations, 2001	S.I. No. 329 of 2001
Occupational Pension Schemes (Revaluation) Regulations, 2002	S.I. No.18 of 2002
Pensions (Amendment) Act, 2002 (Part I and Sections 6, 9 to 12, 15 to 28, 30 to 36, 40, 44, 50 to 55 and 59)(Commencement) Order, 2002	S.I. No.276 of 2002

Occupational Pension Schemes (Preservation of Benefits) Regulations, 2002	S.I. No.279 of 2002
Occupational Pension Schemes (Preservation of Benefits) (Special Calculations) Regulations, 2002	S.I. No.277 of 2002
Occupational Pension Schemes (Funding Standard)(Amendment) Regulations, 2002	S.I. No.278 of 2002
Pensions (Amendment) Act, 2002 (Section 3 (In so far as it relates to the insertion of Sections 91 to 120 into the Pensions Act, 1990) and Sections 4, 7, 13, 14, 38, 56 and 57) (Commencement) Order, 2002	S.I. No.502 of 2002
Personal Retirement Savings Accounts (Disclosure) Regulations, 2002	S.I. No.501 of 2002
Personal Retirement Savings Accounts (Operational Requirements) Regulations, 2002	S.I. No.503 of 2002
Personal Retirement Savings Accounts (Fees) Regulations, 2002	S.I. No. 506 of 2002
Pensions (Amendment) Act, 2002, (Certain Sections) (Commencement) Order, 2002	S.I. No.609 of 2002
Occupational Pension Schemes (Fees) (Amendment) Regulations, 2002	S.I. No.610 of 2002
Personal Retirement Savings Accounts (Functions of the Pensions Board) Regulations, 2002	S.I. No. 611 of 2002
Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations, 2003	S.I. No.4 of 2003
Occupational Pension Schemes (Revaluation) Regulations, 2003	S.I. No.77 of 2003
Pensions (Amendment) Act, 2002, (Sections 121 (3), (4), (5) and (6)) (Commencement) Order, 2003	S.I. No.78 of 2003
Pensions (Amendment) Act, 2002 (Section 5, in so far as that section inserts sections 126 to 130, 146 and 147 of Part XI into the Pensions Act, 1990) (Commencement) Order, 2003	S.I. No.119 of 2003
Pensions (Amendment) Act, 2002 (Sections 45 to 49) (Commencement) Order, 2003	S.I. No.120 of 2003
Pensions (Amendment) Act, 2002 (Sections 29 and 37) (Commencement) Order, 2003	S.I. No 128 of 2003
Social Welfare (Miscellaneous Provisions) Act, 2003 (Section 24) (Commencement) Order, 2003	S.I. No 129 of 2003
Personal Retirement Savings Accounts (Operational Requirements) (Amendment) Regulations, 2003	S.I. No 341 of 2003
Personal Retirement Savings Accounts (Disclosure)(Amendment) Regulations, 2003	S.I. No 342 of 2003
Pensions (Amendment) Act, 2002, (Section 125) (Commencement) Order, 2003	S.I. No. 359 of 2003
Pensions (Amendment) Act, 2002 (Section 3 (In so far as it relates to the insertion of Sections 121 (Except in so far as that section is already in operation), 123, 124(1)) and 125 into the Pensions Act, 1990)) (Commencement) Order, 2003	S.I. No. 389 of 2003
Pensions Ombudsman Regulations, 2003	S.I. No. 397 of 2003
Pensions (Amendment) Act, 2002 (Section 5 (Except in so far as that section is already in operation) and Sections 8 and 58) (Commencement) Order, 2003	S.I. No. 398 of 2003
Social Welfare (Miscellaneous Provisions) Act, 2003 (Section 23) (Commencement) Order, 2003	S.I. No. 399 of 2003
Occupational Pension Schemes and Personal Retirement Savings Accounts (Transfer) Regulations, 2003	S.I. No. 429 of 2003



Occupational Pension Schemes and Personal Retirement Savings Accounts (Overseas Transfer Payments) Regulations, 2003	S.I. No. 716 of 2003
Pensions (Amendment) Act, 2002 (Section 3 (In so far as it relates to the insertion of Section 124(2) into the Pensions Act, 1990)) (Commencement) Order, 2003	S.I. No.739 of 2003
Occupational Pension Schemes (Revaluation) Regulations, 2004	S.I. No.49 of 2004
Social Welfare (Miscellaneous Provisions) Act, 2004 (Sections 22 and 23) (Commencement) Order, 2004	S.I. No. 141 of 2004
Occupational Pension Schemes (Annual Reports) Regulations, 2004	S.I. No.233 of 2004
Occupational Pension Schemes (Revaluation) Regulations, 2005	S.I. No. 74 of 2005
Social Welfare and Pensions Act, 2005 (Section 38 & 39) (Commencement) Order, 2005	S.I. No.187 of 2005
Occupational Pension Schemes (Preservation of Benefits) (Amendment) Regulations, 2005	S.I. No. 188 of 2005
Occupational Pension Schemes (Fees) (Amendment) Regulations 2005	S.I. No. 559 of 2005
Pensions (Amendment) Act 2002 (Section 42) (Commencement) Order, 2005	S.I. No 590 of 2005
Social Welfare and Pensions Act 2005 (Part 3) (Commencement) Order, 2005	S.I. No 591 of 2005
Occupational Pension Schemes (Cross-Border) Regulations, 2005	S.I. No 592 of 2005
Occupational Pension Schemes (Investment) Regulations, 2005	S.I. No 593 of 2005
Occupational Pension Schemes (Trustee) Regulations, 2005	S.I. No 594 of 2005
Occupational Pension Schemes (Funding Standard) (Amendment) Regulations, 2005	S.I. No 595 of 2005
Occupational Pension Schemes (Professional Guidance) Regulations, 2005	S.I. No. 603 of 2005
Occupational Pension Schemes (Preservation of Benefits) (Amendment) Regulations, 2005	S.I. No. 604 of 2005
Occupational Pension Schemes (Disclosure of Information) Regulations, 2005	S.I. No. 633 of 2005

**1 Revoked from 1 August 1991*

**3 Revoked from 21 December 1993*

**5 Revoked from 31 December 1997*

**7 Revoked from 2 September 1998*

**9 Revoked from 28 September 2000*

**11 Revoked from 2 June 2002*

**13 Revoked from 1 July 1999*

**15 Revoked from 23 September 2005*

**17 Revoked from 1 January 2007*

**2 Revoked from 31 December 1993*

**4 Revoked from 20 November 1996*

**6 Revoked from 31 March 1998*

**8 Revoked from 27 September 1999*

**10 Revoked from 31 December 2000*

**12 Revoked from 2 June 2002*

**14 Revoked from 18 December 2002*

**16 Revoked from 23 September 2005*

Copies of the Acts and Regulations may be bought through any bookseller, or directly from the Government Publications Sale Office, Sun Alliance House, Molesworth Street, Dublin 2.

Appendix II

Operative Dates of Parts of the Pensions Acts

PART I	Preliminary and General	21 December 1990
PART II	Establishment of Pensions Board	21 December 1990
PART III	Preservation of Benefits	1 January 1991
PART IV	Funding Standard	1 January 1991
PART V	Disclosure of Information in Relation to Schemes	1 January 1991
PART VI	Trustees of Schemes	
	Section 59	1 November 1991
	Section 59C	29 March 2000
	Sections 60 and 61	1 January 1991
	Section 62	21 December 1993
	Sections 63 and 64	1 November 1991
PART VII	Equal Treatment for Men and Women in Occupational Benefit Schemes	1 January 1993
	Substituted by: Equal Pension Treatment in Occupational Benefit Schemes	5 April 2004
PART VIII	Compulsory and Voluntary Reporting to the Board	2 July 1996
PART IX	Miscellaneous Applications to the High Court	2 July 1996
PART X	Personal Retirement Savings Accounts	7 November 2002
PART XI	Pensions Ombudsman	28 April 2003
PART XII	Cross-Border Schemes	14 March 2005

Appendix III



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais

The following table provides an overview of the various Commencement Orders/Regulations made during 2005 related to the Social Welfare and Pensions Act 2005 and the IORPs Directive.

Social Welfare and Pensions Act 2005 (sections 38 and 39) (Commencement) Order, 2005 (S.I. No. 187 of 2005)

This order provides for the commencement of sections 38 and 39 of the Social Welfare and Pensions Act, 2005 with effect from the 11 April 2005. Section 38 extends, from 15 to 30 days, the period from the initiation of a Personal Retirement Savings Account (PRSA) contract to the date on which it becomes enforceable. This is in line with the waiting period imposed on foot of Directive 2002/65/EC in relation to distance marketing of consumer financial services.

In cases of transfers from an occupational pension scheme to a PRSA, members must be provided with a certificate comparing potential benefits from the occupational pension scheme to those from the PRSA, other than in cases where the transfer value is less than €4,000. Section 39 increases this limit from €4,000 to €10,000.

The following Orders commenced with effect from 23 September 2005:

Social Welfare and Pensions Act 2005 (Part 3) (Commencement) Order, 2005 (S.I. No. 591 of 2005)

This Order provides for the commencement of Part 3, other than sections 38 and 39, of the Social Welfare and Pensions Act, 2005 with effect from 23 September 2005.

Part 3 of the Social Welfare and Pensions Act, sections 27 to 37, provides for amendments to the Pensions Act 1990 which are necessary to provide for the transposition of the IORPs Directive. Part 3 also provides for additional amendments to the Pensions Acts to implement the recommendations from the Pensions Board to the Minister for Social and Family Affairs on foot of a review of the funding standard, together with other miscellaneous amendments to the Pensions Acts.

Occupational Pension Schemes (Cross-Border) Regulations, 2005 (S.I. No. 592 of 2005)

Section 37 of the Social Welfare and Pensions Act, 2005 inserted a new Part XII into the Pensions Acts which deals with conditions for prior authorisation of an Irish registered scheme to operate as a cross-border scheme and the conditions for approval to accept contributions when authorised to operate as a cross-border scheme.

The Occupational Pension Schemes (cross-border) Regulations provide for the Irish social and labour law provisions of the Pensions Acts to be applied to Irish-based members of overseas schemes. The main elements of social and labour law are the various preservation requirements and the disclosure of information requirements. They also set out the

- information required when an application for authorisation to operate cross-border is submitted to the Board,
- additional conditions of authorisation with which schemes are required to comply in order to be authorised to carry out cross-border activities, and
- information required to be submitted to the Pensions Board once a scheme proposes to accept contributions from a foreign employer.

Occupational Pension Schemes (Investment) Regulations, 2005 (S.I. No. 593 of 2005)	<p>These Regulations gave effect to the provisions of Articles 12 and 18 of the IORPs Directive which</p> <ul style="list-style-type: none"> ■ require occupational pension schemes to prepare and keep up to date a statement of investment policy principles, and invest resources in accordance with the prudent person principle and in particular in accordance with certain investment rules, and ■ prohibit schemes from borrowing except in limited circumstances. <p>These Regulations set out the content to be included in the statement of investment policy principles, prohibit borrowing by pension schemes except on a temporary basis and for liquidity purposes, require investments to be diversified, and be predominantly on a regulated market.</p> <p>The prohibition on borrowing and the investment rules do not apply to one member schemes.</p>
Occupational Pension Schemes (Trustee) Regulations, 2005 (S.I. No. 594 of 2005)	<p>These Regulations gave effect to those provisions of Article 9 of the IORPs Directive which require pension schemes to be run by persons who have appropriate qualifications and experience or, not having appropriate qualifications and experience themselves, employ advisers who do.</p> <p>These Regulations provide that the experience and qualifications necessary relate to the investment of the resources of the scheme and determine that only one trustee of a relevant scheme need possess such experience and qualifications to satisfy the requirements for all trustees of that scheme.</p>
Occupational Pension Schemes (Funding Standard) (Amendment) Regulations 2005 (S.I. No. 595 of 2005)	<p>These Regulations provide for additional grounds under which an extended funding period beyond three years may be allowed by the Board in respect of a scheme which fails to meet the funding standard. In addition, these Regulations also provide that in completing an actuarial funding certificate or a funding proposal where a scheme fails to satisfy the funding standard, the scheme actuary must comply with the guidance notes issued by the Society of Actuaries in Ireland. An amendment to the content of the actuarial funding certificate to require disclosure of the assets and liabilities of the scheme is also provided for under these Regulations.</p>
Occupational Pension Schemes (Professional Guidance) Regulations, 2005 (S.I. No. 603 of 2005)	<p>These Regulations came into operation on 23 September 2005.</p> <p>Section 29 of the Social Welfare and Pensions Act, 2005 amended section 7A of the Pensions Acts to ensure that, where guidance, as specified in Regulations, is issued by the Society of Actuaries in Ireland, it may not be altered by the Society without Ministerial Consent. These Regulations specified certain provisions of the Pensions Acts in relation to which such guidance, as issued, may not be altered. These are:</p> <ul style="list-style-type: none"> ■ the preparation of actuarial funding certificates, ■ the certification of funding proposals, and ■ the calculation of transfer values.

Occupational Pension Schemes (Preservation of Benefits) (Amendment) Regulations, 2005 (S.I. No. 604 of 2005)

Section 34 of the Pensions Acts provides that a member of a funded scheme who is entitled to a preserved benefit, shall be entitled to the transfer of an amount of money from the scheme by making an application in writing to the trustees of the scheme. These Regulations provide that such transfer payment shall be calculated in accordance with the guidance note issued by the Society of Actuaries in Ireland in relation to transfer payments.

Orders commenced on a phased basis but new Regulations will be operative by 1 January 2007:

Occupational Pension Schemes (Disclosure of Information) Regulations 2005 (S.I. No. 633 of 2005).

These Regulations revoke, on a phased basis, the existing Regulations relating to disclosure of information and replace them, again on a phased basis, with these Regulations. All of the articles of the new Regulations will be operative by 1 January 2007 and many of the articles became operative on 23 September 2005. They regulate the disclosure of financial and other information by occupational pension schemes. The object of these Regulations is to simplify, where appropriate, the information to be provided to members and to provide for more relevant and useful information to be disclosed. They also implement the additional disclosure requirements imposed by the IORPs Directive.

Under the Regulations, the trustees of schemes are required to obtain annual audited accounts and reports containing specified financial information, prepared by an auditor who fulfils certain requirements. The trustees must also obtain an actuarial valuation of the scheme at specified intervals, which, in the case of a defined benefit scheme, must be prepared by a qualified actuary.

In addition, trustees of schemes must provide an annual report containing, inter alia, where applicable, a copy of the annual audited accounts for the scheme year, a copy of the latest actuarial funding certificate, a trustees' financial review of the scheme and an investment report. For schemes with less than 100 members (which includes active and deferred members but not pensioners), in place of the full requirements for audited accounts and reports, there is an option of issuing a shortened annual report prepared by a qualified auditor or, where the benefits are secured under an insurance contract, a person designated by the insurance company.

The Regulations also provide for the trustees to make available documents containing information about the constitution of the scheme for inspection by specified persons, and for copies to be furnished on request on payment of a reasonable charge. Certain basic information mainly about the contribution and benefit structure of the scheme must be given by the trustees to every member on joining the scheme and to members and other specified persons on request, and for material alterations to be drawn to the attention of members.

Also, information about individual benefit entitlements must be furnished by the trustees to specified persons in specified circumstances.

Other Regulations

The following Regulations were made or took effect in 2005 (with updates where relevant for 2006 to date).

Occupational Pension Schemes (Preservation of Benefits) (Amendment), Regulations, 2005 (S.I. No 188 of 2005)	These Regulations became operative on 11 April 2005. Article 3 of the occupational pension schemes (preservation of benefits) Regulations, 2002 (SI 279 of 2002) which these Regulations amended, allowed trustees of an occupational pension scheme to effect a transfer payment from the scheme without the consent of the member concerned, where the total amount of the transfer payment from the scheme in respect of that member was less than €3,800. The 2005 Regulations increased the threshold amount of €3,800 to €10,000.
Occupational Pension Schemes (Fees) (Amendment) Regulations, 2005 (S.I. No. 559 of 2005)	These Regulations became operative on 8 September 2005. Pension scheme fees payable to the Board are in respect of members, resident in the State, who are in reckonable service at the commencement date of the relevant scheme year. This Regulation establishes different criteria in relation to schemes for staff of implementation bodies (North South schemes) established pursuant to the agreement between the Government of Ireland and Government of the United Kingdom of Great Britain and Northern Ireland, done at Dublin on the 8 day of March, 1999.
Pensions (Amendment) Act 2002 (section 42) (Commencement) Order, 2005 (S.I. 590 of 2005)	This Order provided for the commencement of section 42 of the Pensions (Amendment Act 2002), with effect from 23 September 2005, in so far as it inserts Section 59(2) into the Pensions Acts. Section 59(2) of the Pensions Acts sets out the requirements with which trustees of a scheme must comply in relation to investing the resources of the scheme in accordance with directions given by members. It also provides that where trustees comply with these requirements, they will be exempt from any liability based on the members decision.
Occupational Pension Schemes (Revaluation) Regulations, 2005 (S.I.74 of 2005)	These Regulations provided for a revaluation percentage of 2.2% for 2004.
Occupational Pensions and (Revaluation) Regulations, 2006 (S.I. No. 70 of 2006)	This Regulation provided for a revaluation percentage of 2.5% for 2005.

Appendix IV

Publications

The following publications are available from

**The Pensions Board,
Verschoyle House,
28/30 Lower Mount Street
Dublin 2.
Telephone: (01) 613 1900
Fax: (01) 631 8602
Email: info@pensionsboard.ie
Web: www.pensionsboard.ie**

Free Publications

The Pensions Board – an introduction to the Board and its functions*

Women & Pensions

What are my pension options?

What happens to my pension if I leave?

Pensions Checklist

PRSAs – Employers' Obligations

PRSAs – A Consumer Guide

What do you know about your pension scheme?*

A Guide to your scheme's annual report

So You're a pension scheme trustee?*

What happens When Your Pension Scheme is Wound Up or a Merger/Acquisition Takes Place?

A Brief Guide to the Pension Provisions of the Family Law Acts

Integration – A Brief Guide*

Annuities – A Brief Guide*

Selecting Member Trustees

Equal Pension Treatment

**Also available in Irish.*



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais

Subscription Services

Legislation Service**

Subscribers to this service receive in two folders the consolidated texts of the Pensions Acts and the Acts' Regulations, including all amendments made to date. They also receive updates whenever further amendments to the Act or its Regulations are made.

Guidance Notes**

Designed for use principally by those who are professionally involved with occupational pension schemes and Personal Retirement Savings Accounts (PRSAs), the Pensions Board has prepared a compendium of guidance notes on the requirements of the Pensions Acts, and its Regulations, and on the pension provisions of the Family Law Acts, as follows:

- **Appointment and Removal of Trustees by the Board**
- **Compulsory and Voluntary Reporting to the Board**
- **Determinations by the Board under Sections 38, 53, 58, 64(A) and 75 of the Pensions Act**
- **Disclosure of Information**
- **Equal Pension Treatment**
- **Member Participation in the Selection of Trustees**
- **Pension Provisions of Family Law Act, 1995 and Family Law (Divorce) Act, 1996**
- **Preservation of Benefits and Minimum Value of Contributory Retirement Benefits**

*** Available by subscription only.*

Trustee Handbook**

The Pensions Board launched a second edition of the Trustee Handbook and Codes of Practice in 2004. It contains comprehensive guidance for trustees on all aspects of their responsibilities for compliance with the Pensions Acts, as amended and on good practice in relation to scheme administration.

*** Available by subscription only.*

Guidance From Other Sources

There is a comprehensive Revenue Commissioners pensions manual which is available on diskette from the Financial Services (Pensions) Business (FSPB) formerly known as the Retirement Benefits District. This manual consolidates the Revenue practice notes on the tax treatment of occupational pension schemes and PRSAs.

Furthermore, "A Guide to Personal Retirement Savings Accounts" prepared in consultation with the Board has been published by the Revenue Commissioners and is available on their website (www.revenue.ie). This guide outlines the tax treatment of PRSAs.

Professional guidance is provided by the Society of Actuaries in Ireland to its members on the application of the funding standard and a number of other aspects of pensions legislation and Regulation. The professional accountancy bodies also provide supplementary guidance to their members on the content and audit of pension scheme annual accounts, in accordance with the disclosure of information requirements. The Pensions Acts provide for a statutory underpinning of the Society of Actuaries professional guidance notes in certain areas relevant to the Pensions Acts. Professional Guidance Regulations (S.I. 603 of 2005) were introduced in 2005 to ensure that the Minister's consent is required to alter particular guidance issued by the Society of Actuaries in Ireland.

Appendix V

Customer Action Plan (CAP) Performance Against Commitments



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais

Quality Service Standards

- 1 Having consulted our external customers and analysed feedback, a Customer Charter reflecting customers' requirements has been published on our website during 2005 and is displayed in the Board's offices. Our CAP is also available in booklet form and online.
- 2 Comment cards have been provided in the Board's reception area and online.
- 3 A Website Review Group has been formed to regularly review and update the Board's website to ensure that it is relevant, accurate and user friendly. The Board's website has been relaunched with an improved layout, search facility, an online email notification system, comment card and an updated pensions calculator.
- 4 The progress on key initiatives outlined in the CAP is reviewed on a quarterly basis by the Management Team of the Board.

Equality/Diversity

- 5 The Board ensures that there continues to be a focus on fair and equal treatment outcomes for all our customers. This is achieved by ongoing Customer Care training for staff and access to Sign Language Courses.
- 6 A module on equality from an employee perspective is given in induction training to make staff aware of the nine discriminatory grounds covered by employment equality legislation.

Physical Access

- 7 The Board's Office is maintained to a high standard in meeting our commitments as outlined in its Customer Charter (see "access to our office" section).
- 8 The Board ensures that both visitors and any staff with disabilities, or any other specific access needs, continue to enjoy secure and safe surroundings while on the Board's premises.

Information

- 9 The Board is meeting all our commitments to the provision of customer information as outlined in the Board's Customer Charter.
- 10 The Board conducted a "National Pensions Action Week" in May 2005 under the auspices of the National Pensions Awareness Campaign.
- 11 The Board provides a LoCall number (1890 65-65-65) to facilitate customers with their enquiries.

Timeliness & Courtesy

- 12 Turnaround times for correspondence with the Board, as prescribed in its Customer Charter, are being adhered to.

Complaints

- 13 The Board has introduced a complaints form and implemented a recording system for comments and complaints as part of its Customer Charter.
- 14 An evaluation of the complaints procedure was carried out during 2005 and it was deemed to be working well.

Appeals

- 15 The Board will keep under review during 2006 whether a formal process should be introduced by which customers will have the right to appeal against Board decisions, (other than that already provided) in relation to its services, which they deem to be unfavourable.

Consultation Evaluation

- 16 The Board consulted with its customers by issuing a customer survey Questionnaire which led to the development of its customer charter. The customer survey indicated a good level of customer satisfaction.
- 17 The findings of the customer survey were incorporated into ongoing training and development initiatives for staff of the Board.

18 The Board consulted a wide variety of customers in the context of the National Pensions Review.

Choice

19 The Board provides the best set of options to customers in terms of methods of payment and delivery of service generally, including banking online.

20 The Board continue to satisfy the prompt payments legislation.

Official Languages Equality

21 It is our policy to meet the provisions of the Official Languages Act, 2003, which includes printing our Strategy, Annual Report and the CAP in Irish.

22 Language training is available to all staff.

23 All new information booklets are published in English and Irish.

24 Further pages on the website are being identified which could be made available in Irish.

Better Co-ordination

25 The Board continues to hold regular meetings with representative bodies and Government Departments/agencies.

Internal Customer

26 A Human Resource Strategy for the Board has been published and circulated to all staff.

27 A review of internal communication systems and procedures carried out by the Board's Partnership Committee has been undertaken in order to provide the best support for the delivery of a quality customer service.

28 The training and development needs arising from the Performance Management and Development System (PMDS) are being addressed on an ongoing basis.

29 Staff incentives are being implemented through the Partnership Committee.

30 The Board's requirements under the Health and Safety legislation continue to be met.

31 An employee survey has been carried out and the results and follow-up actions discussed by the Partnership and Management Committees.

Appendix VI

Abbreviations

AFC	Actuarial Funding Certificate	IORPs	Institution for Occupational Retirement Provision
APLI	Association of Pension Lawyers in Ireland	NPAC	National Pensions Awareness Campaign
AVC	Additional Voluntary Contribution	NPPI	National Pensions Policy Initiative
Board	The Pensions Board	NPR	National Pensions Review
CAP	Customer Action Plan	OECD	Organisation for Economic Co-operation & Development
CCABI	Consultative Committee of Accounting Bodies in Ireland	Pensions Acts	Pensions Act, 1990 (as amended)
CEIOPS	Committee of European Insurance and Occupational Pension Supervisors	PMDS	Performance Management Development System
CSO	The Central Statistics Office	PRSA	Personal Retirement Savings Account
DSFA	Department of Social and Family Affairs	QCS	Quality Customer Service
EACG	Groupe Consultatif Actuariel Europeen	SSIA	Special Savings Investment Accounts
EEA	European Economic Association		
EU	European Union		
FSPB	Financial Services (Pension) Business (Formerly known as the Retirement Benefits District)		
HRM	Human Resource Management		
IAPF	Irish Association of Pension Funds		
IEBA	International Employee Benefits Association		
IIPM	Irish Institute of Pensions Managers		
IMF	International Monetary Fund		
IOPS	International Organisation of Pension Supervisors		
IORPs Directive	Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision		

Note: IORPs Directive, EU Directive and Directive are all signifying the same thing, namely Directive 2003/41/EC of the European Parliament and of the council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision.



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais

Notes

Notes



2005 Annual Report and Accounts
Tuarascáil Bhliantúil agus Cuntais

Notes