



**An Bord Pinsean -  
The Pensions Board**

**Authority for Pensions**

# bulletin 1 : 2 0 0 6

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## **New Pensions Board Chairperson**

Séamus Brennan, Minister for Social and Family Affairs, announced the appointment of members of the new Pensions Board which took up office from 21 December 2005 for 5 years. A list of the new Board members is provided at the end of this Bulletin.

Mr Tiarnan O Mahoney takes over as chairperson from Mr Michael McNulty.

Mr O Mahoney is the founder and Chief Executive of International Securities Trading Corporation, an independent specialised Financial Institution based in Ireland.

Mr O Mahoney spent almost 20 years at Anglo Irish Bank where, as Director and Chief Operating Officer, he was instrumental in the considerable success enjoyed by the bank over that period and was responsible for building a funding base and inter-bank trading operation. He is Deputy President of the Chartered Institute of Management Accountants and is also a Council member of the Dublin Chamber of Commerce.



**Tiarnan O Mahoney  
Chairperson**

# National Pensions Review

On 17 January, 2006 Séamus Brennan T.D., the Minister for Social and Family Affairs, launched the National Pensions Review (NPR) at a press conference in Government Buildings.

On 3 February 2005, the Minister wrote to the Pensions Board and asked the Board to undertake a full review of pension coverage and associated issues without delay. The Board completed its Review between February and October 2005 in accordance with the timeframe agreed with the Minister.

## Minister launches NPR at Government Buildings



**Seated left to right:**

**Brendan Kennedy**  
Actuarial Adviser, Pensions Board

**Anne Maher, CEO,**  
Pensions Board

**Michael McNulty, former**  
Chairperson, Pensions Board

The key messages arising from the Report are:

### **1. Pension provision in Ireland is too low.**

Almost 50% of the workforce have no provision to replace their income with anything other than Social Welfare pensions. This will have very serious consequences for the standard of living of most of those individuals when they retire.

Pensions saving is lowest among the lower-paid, among younger members of the workforce and among part-timers. Women comprise a greater proportion of these groups and so are less likely than men to have adequate, if any, pension provision.

Good pension provision has a very high cost. This cost arises however it is paid and whether the contributions come from employers, employees, individuals or taxpayers through the Exchequer.

Most Board members agree that the Board's pension targets will not be met without some change to the present pension system.

## **2. The cost of the State Old Age Pension is projected to increase considerably.**

As part of the Review, the Board commissioned projections of the costs and implications of the current pension system. This project also looked at a number of alternative pension systems and the effect they might have in Ireland.

These projections predict a significant increase in the annual costs of Social Welfare retirement pensions and public service pensions because the number of people aged over 65 are expected to increase considerably in the coming years. This is a result of longer life expectancy and also a reflection of the fact that in recent years Ireland has experienced considerable immigration, whereas previously there was much emigration.

Steps will be needed to ensure that Social Welfare pensions can be maintained. The possible options include increasing tax or PRSI contributions, increased Exchequer contributions to the National Pensions Reserve Fund and/or increasing the State retirement age. No recommendation was made in the report.

The Report recommends that retirees should be offered the option of deferring drawing their State Old Age Pension in exchange for a larger pension starting at a later date.

## **3. The Board have made specific recommendations for changes to the current supplementary system**

The Board is in favour of specific enhancements to the current voluntary supplementary system. These are:

- Introduction of matching contributions for PRSAs - €1 from the Exchequer for every €1 of personal contributions, subject to a maximum. It is also recommended that savers are allowed some access to their funds before retirement.
- Tax relief at higher rate for all pension contributors, including non-taxpayers.
- A reduction in the regulation of the sale of PRSAs
- Some incentives for SSIA savers who use the proceeds for pension saving. The recommendations are targeted at those not otherwise qualifying for tax relief, or who have not fully used their available relief.

The Review emphasises the need for an ongoing and enhanced level of campaign to raise overall pension awareness.



**NPR Press Conference**

#### **4. There are differing views on mandatory pensions.**

Some Board members believe that mandatory contributions are the only certain way of achieving the adequate pensions and that such an approach should be considered urgently. Other Board members believe that the potential economic and other impacts are too great.

The main components of the Review included a public consultation process, wide ranging specialist analysis and a series of workshops with interested groups. In all, 36 submissions were received from representative organisations and individuals and these were reviewed and considered as part of the Review. The workshops provided a wide range of views and an interesting feature was the degree of consensus which became apparent on many issues.

The Report includes a review of previously agreed pension targets, an assessment of current coverage and adequacy and discussion of the strategic options for meeting the agreed targets. It includes a timetable of next steps which sets out the principal recommendations for immediate implementation and also areas identified for further consideration and debate.

The Report is available in full online on [www.pensionsboard.ie](http://www.pensionsboard.ie) under Pensions Policy/National Pensions Review.



**Minister Séamus Brennan  
and Anne Maher at the  
launch of NPR**



## Single Member Schemes' Fee Invoices

The single member invoice was issued to all Fee Payment Contacts on 17 January 2006 for fees payable in accordance with the Occupational Pensions Scheme (Fee) (Amendment) Regulations, 2002 (S.I. No. 610 of 2002).

This year again Fee Payment Contacts will be provided with a list of schemes for which the fee is due. The fee per member remains unchanged at €9.50 per member.

All these schemes have the following in common:

- They are recorded as Current on the Pensions Board Register
- The scheme commencement date is after 1 January 1993 and prior to 1 January 2006
- They are not AVC or Death Benefit only schemes
- They are one member only schemes

The due date for payment of fees is **31 January, 2006**. Cheques should be crossed and made payable to the Pensions Board.

Scheme amendment forms (PB3) should be used in all circumstances to indicate why a fee is not being paid. Completed PB3s and scheme listings should be returned to the Pensions Board with the appropriate payment for processing. Form PB3 is available on [www.pensionsboard.ie](http://www.pensionsboard.ie)

If you have any queries please contact the relevant person below:

Assistant Head of Corporate Services	Greg Whelan	<a href="mailto:gwhelan@pensionsboard.ie">gwhelan@pensionsboard.ie</a>
Section Leader	Nuala Clancy	<a href="mailto:nclancy@pensionsboard.ie">nclancy@pensionsboard.ie</a>
Fee Maintenance	Julie McCarthy	<a href="mailto:jumccarthy@pensionsboard.ie">jumccarthy@pensionsboard.ie</a>
Registration Maintenance	Marie Earley	<a href="mailto:mearley@pensionsboard.ie">mearley@pensionsboard.ie</a>
	Bronagh Croghan	<a href="mailto:bcroghan@pensionsboard.ie">bcroghan@pensionsboard.ie</a>

### EFT Payments

If you intend making payments by EFT please contact Julie McCarthy at the above e-mail address or phone (01) 613-1941 in advance of the transaction.

### Group Scheme Invoices

Invoices in respect of Group schemes will issue during February with a due date of the 31 March 2006.

Failure to remit fees by the due date is an offence under the Pensions Act, 1990, as amended.

## Guidance Notes

Updated Guidance Notes regarding:

- ◆ Compulsory and Voluntary Reporting to the Pensions Board, and
- ◆ Determinations by the Pensions Board

are now available from the Information Unit of the Pensions Board. These notes have been updated to include references to PRSAs. Order forms for Guidance Notes are available on our website under Publications/Guidance Notes.

New Guidance Notes regarding Equal Pension Treatment are expected to be available by end March. These will provide guidance on the new Part VII of the Act which was introduced in the Social Welfare (Miscellaneous Provisions) Act, 2004.

## Trustee Handbook

The Board launched a second edition of the Trustee Handbook and Codes of Practice in November 2004. The handbook provides up to date authoritative guidance for trustees on how to achieve compliance with the Pensions Act and other relevant legislation and good practice generally in relation to scheme administration. Given the importance of the handbook as a tool to assist trustees in the effective discharge of their duties and responsibilities, the Disclosure of Information Regulations (SI No 349 of 1998) 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 handbook is written as far as possible in non-technical language so that it is clearly understandable to all trustees. It is available in loose-leaf format in a specially designed binder by subscription from the Board.

**The Board has a limited stock of the current edition of the Trustee Handbook which it is offering at the special price of €50 (a discount of almost 45%) until stocks last.**

Order forms for the Trustee Handbook are available on [www.pensionsboard.ie](http://www.pensionsboard.ie) under Publications/Trustee Handbook. Call or e-mail the Information Unit at (01) 613-1900 or [info@pensionsboard.ie](mailto:info@pensionsboard.ie) for further information.



**Mary Hutch at the launch of the Trustee Handbook (2<sup>nd</sup> edition), November 2004**

## Minister Brennan has appointed the following to the Board:

**WILLIAM BEAUSANG**

Assistant Secretary General: Department of Finance:  
nominated by the Minister for Finance

**KEVIN BRABAZON\***

Representative of Trustee Interests  
Chairperson of Area Development Management:  
nominated by IBEC

**ROSALIND BRIGGS**

Mercer Human Resource Consulting: nominated by  
the Society of Actuaries in Ireland

**ROSHEEN CALLENDAR\***

Representative of Trustee Interests  
National Equality Officer, SIPTU: nominated by  
ICTU

**JULIAN CAPLIN**

Partner, Moore Stephens Caplin Meehan, Chartered  
Accountants: nominated by the Minister for Social and  
Family Affairs

**MARIE DALY\***

Assistant Director, IBEC: nominated by IBEC

**JOHN DILLANE**

Representative of Consumer Interests: nominated by  
the Minister for Social and Family Affairs

**MARY O'DONNELL\***

Administrative Officer, TCD: nominated by the  
Minister for Social and Family Affairs

**EMER O'FLANAGAN**

MD Priorite Consulting, Member of  
Professional Insurance Brokers Assoc:  
nominated by the Minister for Social and Family  
Affairs

**MICHAEL O'HALLORAN\***

Representative of Pensioner Interests  
Chief Executive Officer,  
Irish Senior Citizens Parliament:  
nominated by the Minister for Social and  
Family Affairs

**GERRY RYAN**

Group Secretary, Bord na Móna:  
nominated by the Irish Association of  
Pension Funds

**DERVLA TOMLIN**

General Manager, Marketing, Irish Life:  
nominated by the Irish Insurance  
Federation

**ANNE VAUGHAN\***

Principal Officer, Department of Social  
and Family Affairs: nominated by the  
Minister for Social and Family Affairs

**MARY WADE**

Legal Consultant, Mercer Human  
Resources Consulting: nominated by  
the Association of Pension Lawyers in  
Ireland

**FERGUS WHELAN\***

Congress Industrial Officer, ICTU:  
nominated by ICTU

**TOM WRIGHT\***

Former Senior Manager, Pricewaterhouse  
Coopers: nominated by Consultative  
Committee of Accountancy Bodies

\* member of outgoing Board

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