



An Bord Pinsean -
The Pensions Board

Authority for Pensions

Annual Report and Accounts 2008

www.pensionsboard.ie

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The role and functions of The Pensions Board

The Pensions Board, was established under the provisions of the Pensions Act, 1990, as amended, ("The Act") as a representative body, comprising a chairperson and 16 ordinary members appointed by the Minister for Social and Family Affairs.

The Act defines the functions of the Board as follows:

- to monitor and supervise the operation of the Pensions Act and pensions development generally, including trust Retirement Annuity Contracts (RACs) and Personal Retirement Savings Accounts (PRSAs)
- 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
- to issue guidelines or guidance generally on the operation of the Pensions Act and on the provisions of the Family Law Act, 1995, and the Family Law (Divorce) Act, 1996, relating to pension schemes
- to encourage and support the provision of appropriate training facilities for trustees of schemes
- to advise the Minister on all matters relating to functions assigned to the Board under the Pensions Act and on matters relating to pensions generally and to undertake such tasks as the Minister may, from time to time, request.

Mission statement

The Pensions Board aims to:

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



Chairperson's statement

I am pleased to submit, in accordance with Section 23 of the Pensions Act, the annual report of An Bord Pinsean – The Pensions Board for the year ended 31 December 2008.

Much of the Board's work in 2008 resulted directly or indirectly from the Irish and global economic crisis. The falls in investment markets throughout the world have resulted in very significant losses for Irish pension schemes and their members. However, as concerned as I am about these losses, of even greater concern is that almost half of the work force have no supplementary pension provision at all.

These losses brought the security of defined benefit schemes into sharp focus during the year and the Board held a number of special board meetings to consider this issue. Less visible but of equal concern have been the losses borne by members of defined contribution schemes. Throughout the year the Board continued to provide technical support and advice to the Minister for Social and Family Affairs, her Department officials and the Government, as Ireland tries to achieve stable pension provision during a time of international uncertainty.

Another major concern for the Board during 2008 was compliance by some employers in the construction sector with their obligations under the Registered Employment Agreement which impacted on the legal pension rights of their employees. The Board has received a significant number of reports of instances of deduction and non remittance of employees' pension contributions by construction sector employers. We view this as a very serious matter. Our primary objective is to seek the return of pension deductions to the scheme and will take all steps to secure the contributions and if necessary to prosecute the companies and company directors involved. During 2008, the Board made full use of its powers under the Pensions Act, and it will continue to use these powers, which include the right to enter the premises of employers and their advisers to seize relevant records. We are also working with the trustees of the Construction Workers Pension Scheme, the Garda Fraud Squad, the Pensions Ombudsman, the Office of the Director of Corporate Enforcement, the Labour Court and all other relevant agencies to ensure that all avenues are pursued to secure the contributions and punish those responsible.

In September 2008, the Government published the responses to the public consultation process for the Green Paper on Pensions and at the time of writing is currently considering all the issues raised through the consultation. This is a difficult task, especially given the current rapidly changing economic and pensions landscape. The outcome of these deliberations should result in a comprehensive framework for the future of pension policy in Ireland, and provide a stable environment within which Irish people can provide for their retirement. Adequate pension provision is a critical national issue. The Board has played an integral part in informing and contributing to the pension debate and I have no doubt that it will continue to play its full role in this important process.

This has been an extremely busy and challenging year for the members of the Board and I would like to thank each member for their dedication and expert contributions during 2008. Michael Ryder joined the Board in May, nominated by the Irish Business and Employers Confederation and is a welcome addition to the Board.

The members of the Pensions Board depend on the staff of the Board to support us in our work, to put into effect the Board's policies, and to achieve our objectives. 2008 was a particularly challenging year for the staff, and on behalf of all the members of the Board I thank them for their ongoing commitment.

I would like to thank Minister Mary Hanafin T.D., her officials in the Department of Social and Family Affairs and other Government Departments for their continuing support.

A handwritten signature in black ink, appearing to read 'Tiarnan O Mahoney'.

Tiarnan O Mahoney
Chairperson



Chief Executive's review

2008 was an extremely difficult year for pensions savings, and the retirement plans of very many individuals have been badly damaged. The falls in investment markets worldwide in 2008, which continued in early 2009, have been reflected in the sharp falls in the value of most defined contribution pension savings, whether occupational pensions, PRSAs or personal pensions. There has also been a significant deterioration in the solvency of defined benefit schemes: very few schemes now meet the funding standard, and a small number do not have enough assets to meet the liabilities of current pensioners.

Although pension losses were unavoidable, the experience of 2008 was worse than it could or should have been. The Board is concerned that the investment and funding of many defined benefit schemes are based on aggressive investment return assumptions and do not take enough account of investment risks and downsides. The Board also has concerns about the investment of defined contribution schemes. Scheme members should be provided with adequate and understandable explanations of investment choices and risks. These schemes should provide lower risk investment choices to members as they approach retirement and should have well-designed default investment options for all members.

Scheme members should also take an active role in their pensions and, if they do not understand what is provided to them, they should talk to their scheme trustees or pension providers. The Board has a wide range of information, which can help scheme members to develop a greater understanding of their pension scheme. This information is available free of charge to the general public.

The investment losses since 2007 have been so great that some people are asking whether it makes sense to save for retirement at all. The State Pension has increased significantly in real terms in recent years, and is now €230 per week. However, despite these very welcome increases, The Pensions Board's research shows that eight out of ten of us don't consider that the State pension alone would be adequate for our retirement. Therefore we must save to provide additional retirement income and we must learn lessons from our recent experience.

The standard of living of this generation is considerably higher than previous generations and as a result, we are typically living longer and healthier lives. However, as a result, pensions are considerably more expensive. This is a fact that must be reflected in our retirement planning. However, too often it is not. There is a disconnect between the pensions many expect to receive and the contributions that they make or are being made on their behalf. Levels of pension contributions are not the responsibility of the Pensions Board, but it is a matter of concern for the Board.

Pension savings must be based on realistic assumptions. Defined benefit scheme funding must be based on realistic assessments of investment returns and of life expectancy. It is not appropriate for trustees to focus on minimising contributions and satisfying the funding standard: a scheme needs to be sustainable for the long term, and trustees must therefore consider realistic costs, investment risks, and the ability and willingness of the employer to support the scheme.

Revised regulations introduced by the Minister for Social and Family Affairs mean that from 1 July 2009, members of defined contribution schemes will be provided with estimates of what pension they may receive when they retire. These estimates are not guaranteed but they should make it easier to plan for retirement.

The problems of scheme funding and investment losses have not in general resulted from any criminal breach of pensions legislation. However, in 2008 there was a significant increase in the number of cases being investigated by the Board for potential offences under the Pensions Act, and these are referred to in the Chairperson's statement.

All regulators must deal with the challenge of limited resources, and ensure that they are used to best effect. International best practice in the regulation and supervisory field dictates a move towards a risk based model of supervision as the most efficient and effective way to apply limited resources to the task of supervision and monitoring of pension schemes. This is particularly relevant in the Irish case of the supervision of occupational pension schemes because of the very large

number of such schemes and the wide variety of types of benefit design and administration practice. In addition to the large number of schemes to be supervised, they also vary considerably in size with anything from a single member to several thousand members. Therefore, applying supervisory resources based on an assessment of risk provides a greater chance of giving attention to the right schemes. The Pensions Board operates on the basis of a set priority of risks and offences. Misappropriation of scheme or PRSA assets or failure to pass on contributions are highest priority for the Board, and our resources are allocated accordingly.

The regulatory tools available to the Board continue to be developed and fine-tuned. In 2008, the Board first used its powers to levy fines for certain offences. The result was a noticeable improvement in the attitude to compliance. Another notable addition to the Board's supervisory powers was the introduction of the regulation of pension scheme administrators. Under the 2008 Social Welfare and Pensions Act, all existing and new pension administrators have to register with the Board. At the time of writing there were 192 pension administrators registered with the Board.

Trustees of all occupational pension schemes must appoint a Registered Administrator (RA) to provide certain services to the scheme. The Board, when auditing for compliance, can now focus on the RAs and the schemes they provide services for, rather than the thousands of registered schemes. By targeting a smaller, more focused group, the Board is using its resources in the most efficient and effective way. As well as improving the efficiency of the Board's regulatory role, this measure also supports trustees who can now be confident that those they employ to carry out significant compliance tasks on their behalf are independently supervised.

As a public body, The Pensions Board is well aware of its responsibility to carry out its functions as efficiently and cost effectively as possible. I am therefore happy to report a surplus for 2008 of €300,000, compared to a budgeted shortfall of over €1.6 million. This was mainly as a result of lower than anticipated staff costs and external consultancy expenditure being kept considerably below budget. Fees for occupational schemes have not increased since 2002. The Board projects a shortfall for 2009 and later in the year the Board will consider whether to ask the Minister for Social and Family Affairs to authorise an increase in fees. However, the Board's ability to carry out its functions depends on the resources available to it. We must ensure that these resources are sufficient to allow the Board to carry out its regulatory functions and to meet the expectations of Government and the public.

2008 was a very demanding year for the staff of The Pensions Board, and I would like to take this opportunity to acknowledge the hard work and dedication of all the Board's staff during the year. Throughout the organisation there were significant pressures as a result of increased regulatory activity, information services demands and the provision of pensions policy input, expert advice and support to our Board members and Government. These pressures were dealt with positively and professionally. In 2009 there are many more demands and new challenges to be faced, which I am confident will be dealt with by the Board and its staff.



Brendan Kennedy
Chief Executive

The Pensions Board

The Pensions Board is a statutory body comprising, as at 31 December 2008, a chairperson and 16 ordinary members. While all members are appointed by the Minister for Social and Family Affairs under the provisions of the Act, 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 holds office for the remainder of the current five year period which commenced on 21 December 2005. The Board met 14 times in 2008.

The current members of the Board 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



Dr. Orlaigh Quinn
Representative of the Minister
for Social and Family Affairs



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 Callender
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



Niall Walsh
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



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

Regulation

Principles of better regulation

The Board performs its regulatory role based on the following principles:

Simplicity: All regulation should improve member protection. It should take account of the voluntary nature of pension schemes and the need for regulation that does not discourage existing pension provision or the establishment of new pension provision.

Transparency: The primary responsibility for the good conduct of occupational pension schemes is vested in the trustees. The Board emphasises the disclosure of information, to enable individuals, their trade unions and other advisers, to monitor the health of their own pension arrangements.

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. Our first priority is the best interests of scheme members.

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

Supervisory priorities

In order to ensure that its regulatory practices are efficient and that activities are directed to the most important and effective means the Board adopts a pro-active supervisory approach based on a hierarchy of risk priorities as follows:

1. scheme or PRSA assets or contributions being misappropriated
2. benefit entitlements being calculated incorrectly
3. defined benefit schemes being funded inadequately
4. non compliant investment of pension assets
5. insufficient information provided to members

The Regulation team proactively engages with regulated entities and their administration providers in order to assess levels of compliance based on the above priorities.

Defined benefit schemes

The overall number of active defined benefit schemes registered with the Board declined during 2008 from 1,319 to 1,271. However, the number of active members in these schemes increased by 24,678 to 579,922.

Defined contribution schemes

The number of active defined contribution schemes registered with the Board decreased by 8,059 to 90,424. The majority of this decrease is attributed to various clean-up projects which took place in anticipation of the registered administrator regime and which affected mainly non group schemes containing only one member. The total membership of defined contribution schemes at the end of 2008 was 272,197.

Table 1 – Current schemes – defined benefit

Scheme size	No. of schemes		No. of members	
	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008
Non group	32	29	32	29
1 to 50	777	749	13,149	12,660
51 to 99	163	156	11,909	11,511
100 to 500	239	230	54,052	53,097
501 to 1000	50	48	34,465	33,261
1001 +	58	59	441,637*	469,364
Total:	1,319	1,271	555,244*	579,922

Notes

- 1) Excluding AVC only and death benefit only schemes.
- 2) Excluding frozen schemes and schemes in wind-up.
- 3) 'Non group' means a scheme which according to its establishment may only have one member.

* The numbers have been adjusted upwards by 24,311 to reflect the correct figure for 2007 as a result of a delay in reporting of members by one scheme.

Chart 1 – Current defined benefit schemes compared to 2007

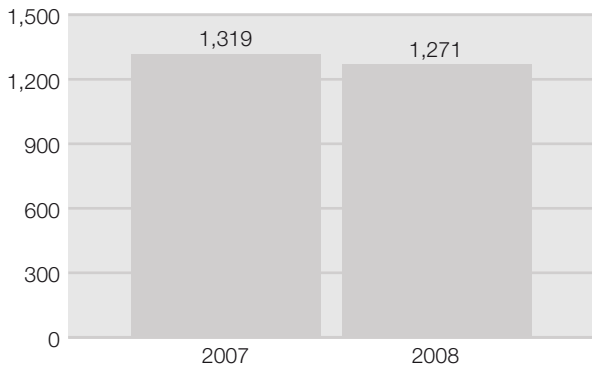


Chart 2 – Current defined contribution schemes compared to 2007

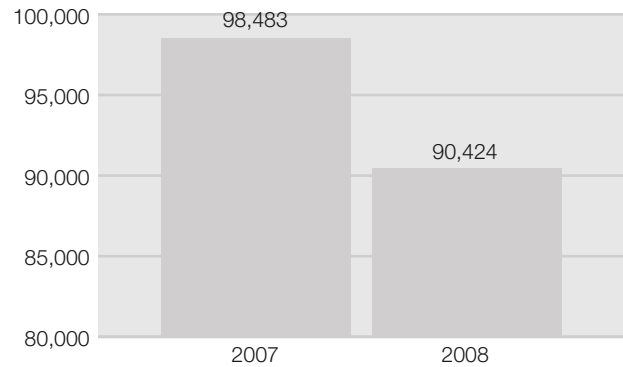


Table 2 – Current schemes – defined contribution

Scheme size	No. of schemes		No. of members	
	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008
Non group	76,172	68,504	76,172	68,504
1 to 50	21,775	21,330	90,809	89,277
51 to 99	309	332	21,457	22,952
100 to 500	194	222	35,475	41,338
501 to 1000	17	19	11,568	13,422
1001+	16	17	33,984	36,704
Total:	98,483	90,424	269,465	272,197

Notes

- 1) Excluding AVC only and death benefit only schemes.
- 2) Excluding frozen schemes and schemes in wind-up.
- 3) 'Non group' means a scheme which according to its establishment may only have one member.

Table 3 – Current schemes – defined benefit and defined contribution

Scheme size	No. of schemes		No. of members	
	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008
Non group	76,204	68,533	76,204	68,533
1 to 50	22,552	22,079	103,958	101,937
51 to 99	472	488	33,366	34,463
100 to 500	433	452	89,527	94,435
501 to 1000	67	67	46,033	46,683
1001+	74	76	475,621*	506,068
Total:	99,802	91,695	824,709*	852,119

Notes

- 1) Excluding AVC only and death benefit only schemes.
- 2) Excluding frozen schemes and schemes in wind-up.
- 3) 'Non group' means a scheme which according to its establishment may only have one member.

* The numbers have been adjusted upwards by 24,311 to reflect the correct figure for 2007 as a result of a delay in reporting of members by one scheme.

Chart 3 – Ratio of defined benefit to defined contribution scheme members 2008

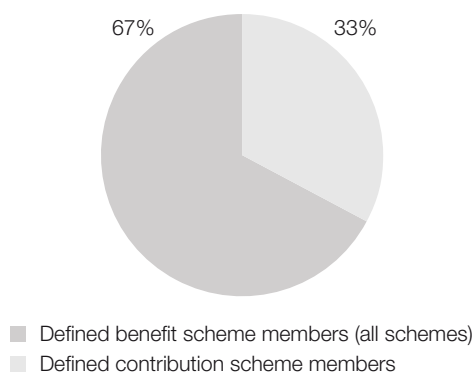


Table 4 – Defined benefit schemes – excluded from the funding standard

Scheme size	No. of schemes		No. of members	
	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008
Non group	3	2	3	2
1 to 50	33	32	665	682
51 to 99	12	9	844	666
100 to 500	18	22	3,827	4,776
501 to 1000	6	5	4,430	3,450
1001+	21	21	297,256*	313,043
Total:	93	91	307,025*	322,619

Notes

- 1) Excluding AVC only and death benefit only schemes.
- 2) Excluding frozen schemes and schemes in wind-up.
- 3) 'Non group' means a scheme which according to its establishment may only have one member.

* The numbers have been adjusted upwards by 24,311 to reflect the correct figure for 2007 as a result of a delay in reporting of members by one scheme.

Table 5 – Registration activity – defined benefit and defined contribution

	DB Schemes	DB Members	DC Schemes	DC Members	Total Schemes	Total Members
January 2008	1,319	555,244*	98,483	269,465	99,802	824,709*
Registrations in 2008	237	6,984	18,681	42,105	18,918	49,089
Other Movements	-285	17,694	-26,740	-39,373	-27,025	-21,679
December 2008	1,271	579,922	90,424	272,197	91,695	852,119
Change in Year	-48	24,678	-8,059	2,732	-8,107	27,410

Notes

* The numbers have been adjusted upwards by 24,311 to reflect the correct figure for 2007 as a result of a delay in reporting of members by one scheme.

Personal Retirement Savings Accounts (PRSAs)

The number of PRSA contracts in force at 31 December 2008 was 155,632. The value of assets under management was €1.2 billion.

A total of 88,213 employers had signed up with a PRSA provider under the employer mandatory access requirements and 55,160 employees had taken out PRSAs through their employer.

Three additional Standard products and four additional non Standard products were approved during the year. One PRSA provider, which had two Standard products, withdrew from the market in August 2008, bringing the number of PRSA providers to nine with 67 products, comprising 28 Standard and 39 non Standard.

At the time of writing, the PRSA approval process is being streamlined to ensure that the Board’s regulatory resources are used as efficiently as possible and deployed in accordance with our regulatory priorities.

Quarterly reports were submitted by providers throughout the year. These set out the number and cumulative value of assets of contracts for each quarter. A year on year comparison of PRSAs and statistics relating to employer designations are shown in the following charts.

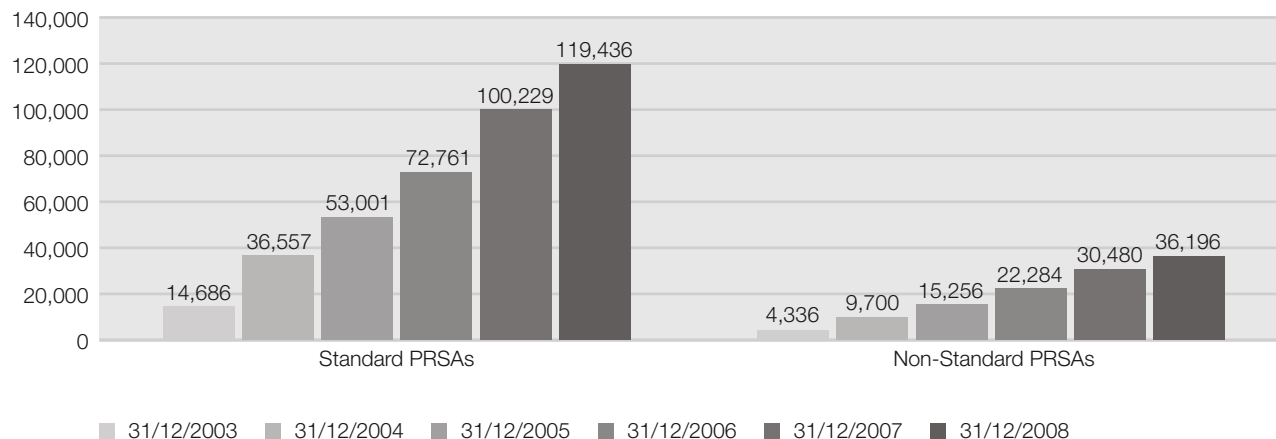
Investigations and compliance activity

Board investigations are initiated following enquiries or complaints from scheme members, trustees, trade unions or through compulsory or voluntary reporting. Investigations also result from random audits carried out by the Board on occupational pension schemes and PRSAs. The Board’s primary objective in any investigation is to protect the interests of the scheme members or PRSA contributors.

Cases investigated by the Board fall into two main categories, those where the Board uses its specific powers under Section 18 of the Pensions Act and which provide for specific penalties for failure to co-operate with the Board’s investigation and those where the matter is resolved without invoking the Section 18 provisions.

During 2008 the Board opened 181 new investigation cases and by year end had deemed it necessary or appropriate to invoke its Section 18 authority in respect of 61 of these cases. Many of the cases where Section 18 was invoked related to the Construction Workers’ Pension Scheme.

PRSAs Year on Year Comparison – 31 December 2003 to 31 December 2008



Of the total number of cases brought under investigation by the Board in 2008, 150 were as a result of whistleblow reports received by the Board and mainly involved alleged failure by employers to forward pension contributions that had been deducted from pay. Other cases involved complaints alleging:

- the non provision of information regarding the option to purchase notional service in public sector schemes
- the non provision of options letters to members on leaving service or retirement
- incorrect calculation of members' benefit entitlements and/or the delay in paying those benefits
- failure to invest contributions in a timely manner
- non compliance with the investment regulations
- non compliance by employers with their obligations to provide mandatory access to a PRSA.

Construction Workers' Pension Scheme

In March 2008, the Board successfully applied for an order in the High Court directing an employer in the construction sector to pay arrears of contributions of €186,825. The case against Limestone Construction Limited arose out of a complaint that it had failed to remit pension contributions deducted from its employees to the Construction Workers Pension Scheme (CWPS). The Board conducted an unannounced on-site investigation of Limestone's premises in October 2007 accompanied by the Gardaí. As part of the on-site investigation the Board seized computer and payroll records and had these analysed by forensic accountants against the membership records held by CWPS. This evidence was used by the Board to mount its High Court proceedings under Section 87 of the Pensions Act which gives a power to the Board to seek a High Court Order directing an employer to pay arrears of contributions into a scheme.

Subsequent to the High Court action, the Board instigated criminal proceedings under the Pensions Act against both Limestone Construction Limited and a director of Limestone Construction Limited which came before the District Court on 24 September 2008. The defendant failed to appear in court and was not represented. A bench warrant was issued for the director's arrest which, at the time of writing, is still with the Gardaí for execution.

The Board continues to investigate over 150 cases alleging deduction and non remittance of pension contributions to the CWPS some of which have resulted in the employers' concerned agreeing to discharge the arrears due. The Board's primary objective in these cases is to recover monies due to the scheme. Where such employers fail to engage with the Board or the CWPS, the Board will use its powers under the Pensions Act and it is anticipated that a number of prosecutions will be instituted during 2009 following on-site investigations of the said employers' premises.

On-the-spot fines

The on-the-spot fine regime, which came into effect on 17 September 2007, gives an alternative to the prosecution of certain offences under the Pensions Act. The Board can notify a person in writing that it is alleged that an offence has been committed and, if, within 21 days of the notice, the person has remedied the offence to the satisfaction of the Board and paid the fine of €2,000, a prosecution will not be instituted.

On-the-spot fines apply to a range of administrative offences under the Pensions Act, including:

- failure to register a scheme with the Board
- failure to submit actuarial funding certificates (AFCs) to the Board within statutory deadlines
- failure to provide scheme members with certain information
- failure to respond to requests for information from the Board
- failure to remit fees due to the Board
- employers not advising employees of pension or PRSA contributions.

During 2008, fine notices were issued to trustees of 23 defined benefit schemes concerning their failure to submit AFCs for their respective schemes to the Board as required by the Pensions Act. In 14 cases, the fine of €2,000 per trustee was paid and the alleged offence was remedied to the satisfaction of the Board. Consequently, no prosecution proceedings were instituted by the Board in these cases.



In six cases, it transpired that the alleged offence had not occurred, for example, where the scheme had changed to DC or had commenced winding up but; the trustees had failed to notify the Board accordingly. Such failures to notify the Board of changes to scheme registration details may themselves be contraventions of the Act and subject to on-the-spot fines.

Of the remaining three cases, at the time of writing, the Board is currently considering whether further legal action is appropriate in one of these cases and in the final two cases the fine notices have been re-issued to alternative addresses.

Fine notices were issued to six employers for their failure to respond to the Board's request for certain information in respect of their mandatory employer obligations to provide access to pension provision through a PRSA to their employees. In three cases the alleged offence was remedied by the submission of relevant information and the payment of the €2,000 fine within 21 days of the notice being issued. In one case further information was provided to the Board for consideration. In the two remaining cases the employers failed to remedy the alleged offence and pay the fine within the 21 days of the notice being issued and the Board successfully prosecuted those employers for failure to provide the information requested.

Prosecutions

The Board brought four successful prosecutions in 2008 against employers for their failure to respond to its request for information in respect of their mandatory employer obligations to provide access to pension provision to their employees. Two of these were in respect of breaches which pre-dated the introduction of the on-the-spot fines regime and the other two received on-the-spot fines notices prior to prosecution proceedings being issued.

Meetings with scheme trustees and pension providers

During 2008, the Board held meetings with the trustees of 16 of the largest defined benefit schemes on its register of schemes and with a range of pension providers in relation to defined benefit and defined contribution schemes, PRSAs and trust RACs. This form of engagement with regulated entities and their administration providers is in keeping with the Board's risk based supervisory approach.

The purpose of these meetings was to discuss and seek confirmation of issues such as:

- funding
- contribution remittance and security
- investment of assets
- administration matters
- compliance matters.

The meetings with pension providers afforded the opportunity to discuss compliance matters of mutual interest and to clearly set out the Board's expectations of the Registered Administrator (RA) regime when it commenced in November 2008.

The Board will continue with this level of engagement in 2009, which will involve a range of targeted and randomly selected schemes from the Board's register of schemes. Engagement with pension providers will be conducted through off-site audits and on-site inspections.

Registered Administrators

With effect from 1 November 2008 the trustees of every scheme, including large trust RAC schemes, had to appoint an RA to provide specified services to the scheme. The specified functions are the preparation of annual reports and annual benefit statements for the trustees and the maintenance of sufficient and accurate records of members and their entitlements to discharge the above functions. Failure by the trustees to appoint an RA is an offence under the Pensions Act. Furthermore it is an offence for an RA to fail to carry out the functions within the time limits specified in the legislation. Sanctions may include prosecutions by the Board, subjecting the RA to conditions on the renewal of its registration, or refusal to renew the registration. The sanction imposed by the Board will depend on the degree of non compliance and may also depend on the number of schemes in respect of which the offence has been committed by the RA.

In anticipation of the RA regime, the Board held a number of information seminars in May 2008 to explain the requirements of the new legislation, including details of the registration process. By the end of 2008, 192 firms had been added to the Board's Register of Administrators which is available on the Board's website at www.pensionsboard.ie.

PRSA supervision

The Board continued to monitor employer obligations through the Social Welfare Inspectorate reports and individual whistleblow reports. This activity resulted in the Board taking four successful prosecutions against employers in 2008. It is imperative that employees are aware of their legal right to access to some form of pension provision by their employer. Where employees are not being granted this right they should notify The Pensions Board and it will take appropriate action.

Monitoring of the funding standard

The Pensions Act requires that defined benefit schemes (excluding those exempted by regulations) must submit to the Board an actuarial funding certificate (AFC) at three yearly intervals. The scheme actuary certifies whether, if the scheme had wound up at the effective date of the certificate, its assets would have been enough to meet its liabilities. If not, a funding proposal must be submitted which is designed to restore the scheme to solvency.

In addition, each trustee annual report for a defined benefit scheme must include a statement from the actuary as to whether the scheme would have satisfied the funding standard at the last day of the reporting period. If the statement reports a failure to satisfy this standard, the scheme must submit an AFC to the Board within 12 months of the end of the reporting period along with a funding proposal if necessary.

The Board received AFCs in respect of 402 schemes in 2008. Of these, 279 (69%) indicated that the schemes in question satisfied the funding standard. The remaining 123 schemes (31%) failed to satisfy the funding standard. In 2007, 81% of the schemes that submitted certificates that year satisfied the funding standard.

Of the 123 schemes which failed the funding standard in 2008, 53 of these have funding proposals in place, 28 of which have been approved for a period of longer than three years. The remaining 70 schemes had proposals pending at year end, with 51 of these schemes availing of an extended period of between six and nine months to submit their funding proposals. This extension was granted by the Board in October 2008 due to the exceptional volatility in market conditions. The Board is pursuing submission of the proposals in the remaining cases or, where appropriate, awaiting completion of their wind-up.

Tables 6 and 7 indicate the position at the year end of defined benefit schemes' in relation to compliance with the funding standard. Table 6 indicates the position of all defined benefit schemes which were subject to the funding standard at year end based on the funding position as at the most recent funding certificate received, broken down by category of scheme and number of members. Table 7 indicates the position of schemes which submitted funding certificates to the Board during 2008.

Table 6 – Defined benefit schemes subject to the funding standard

Scheme size	DB schemes subject to the funding standard		Schemes which satisfied the funding standard at the most recent AFC		Schemes which failed the funding standard at the most recent AFC		Schemes for which no AFC prepared as 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
Frozen	208	0	143	0	54	0	11	0
Non group	7	7	5	5	2	2	0	0
1-50	710	11,292	468	7,281	210	3,559	32	452
51-99	143	10,608	89	6,601	47	3,413	7	594
100-500	203	46,904	127	29,473	69	15,454	7	1,977
501-1,000	42	29,260	29	20,251	10	6,734	3	2,275
1,001 +	38	156,321	27	72,688	10	20,170	1	63,463
Total:	1,351	254,392	888	136,299	402	49,332	61	68,761

* This figure is made up almost entirely of newer registrations where no funding certificate has yet fallen due but includes some schemes where a funding certificate is overdue for submission and the Board is following up on these.

Table 7 – Schemes for which funding certificates were received in 2008

Scheme size	Schemes for which funding certificates received in 2008*		Of which did satisfy the funding standard		Of which did not satisfy the funding standard**	
	No of Schemes	Active Members	No of Schemes	Active Members	No of Schemes	Active Members
Frozen	30	0	18	0	12	0
Non group	3	3	2	2	1	1
1-50	234	3,976	161	2,598	73	1,378
51-99	40	2,988	25	1,860	15	1,128
100-500	71	17,606	52	13,732	19	3,874
501-1,000	14	9,234	13	8,729	1	505
1,001 +	10	20,805	8	18,429	2	2,376
Total:	402	54,612	279	45,350	123	9,262

* 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.

** Of these 123 schemes; at the time of writing, 28 have submitted longer term funding proposals following an application to the Board under Section 49(3) and 25 have submitted three year proposals. Of the remaining 70 schemes, 51 are availing of an extended period of between six and nine months to submit their proposals, granted by the Board in October 2008 due to the exceptional volatility in market conditions; nine are in wind-up or have wound up; two have made applications to the Board under Section 49(3) and the Board is pursuing submission of proposals in the last eight cases.

It should be noted that table 6 & 7 reflect the funding situation in relation to schemes for which a funding certificate was received in 2008. At time of writing, the Board is of the view that the percentage of schemes failing the funding standard stands at approximately 90%.

Applications to the Board under Section 49(3)

Under Section 49(3) of the Pensions Act, the Board can agree a later date by which a scheme can reasonably be expected to meet the funding standard where a funding proposal is being put in place. This allows schemes to prepare funding proposals that are designed to meet the standard over a period of more than three years.

Of the 228 applications made to the Board under Section 49(3) to date, 209 were granted. The remainder were either refused, withdrawn or couldn't be considered by the Board as they didn't meet the required criteria.

Just six applications were made in 2008. In addition, there were a small number of re-applications from schemes where a later date had been specified but the proposal had gone off-track.

Prior to the market decline, 2008 had seen a continuation in the positive trend towards schemes being in a position to discontinue with their long term proposals. A total of 66 schemes had discontinued with their proposals because:

- 39 satisfied the funding standard
- four moved to a three year proposal
- 23 schemes wound up, the majority of which were made solvent before wind-up or transferred to an alternative defined benefit scheme.

Only 143 of the schemes for which longer term proposals were adopted are still continuing on this longer term basis.

Cross-border schemes

Article 20 of the EU Directive on activities and supervision of institutions for occupational pension schemes (IORPs Directive) requires schemes which engage in cross-border activities to receive a prior authorisation and approval. Any Irish based pension scheme must apply to the Board for authorisation before accepting contributions from a sponsoring undertaking in another EU member state.

During 2008 the Board received five new applications for cross-border authorisation and approval to accept contributions from the trustees of an Irish scheme thereby bringing the total number of such applications received by the Board to 27. At time of writing, four of the applications received in 2008 had been granted while the remaining one is under consideration. The applications granted related to cross-border activities in the UK, Hungary, Poland, Luxembourg and the Netherlands.

The Board has been notified by The Pensions Regulator in the UK of 17 UK schemes with Irish members to whom it has granted authorisation and approval to engage in cross-border activity. The Board has not received notification of such activity from any other EU member state.

Policy, actuarial and legal services

The Board has a statutory responsibility to provide advice to the Minister for Social and Family Affairs on pension matters. It has filled an important space in the policy making environment through a number of initiatives and channels. It has:

- provided expert technical advice to Government on complex pension issues
- used the knowledge gained from our regulatory role to provide timely and accurate guidance to strengthen pension provision and security and shaping legislation accordingly
- developed new sources of information, monitored progress against coverage targets and generated awareness around these.

The Board's strategy statement 2006-2010 identifies the promotion of the development of efficient national pension structures as a central objective. In addition to legislative advice and support, the 2008 policy agenda was broader and more integrated with national policy making processes than in previous years.



Policy developments 2008

Significant progress has been made in relation to the Board's policy role during 2008, particularly:

- supporting inter-Departmental policy making and other work on pensions issues generally, including follow-up work to the Green Paper on Pensions, participating

GREEN PAPER
ON PENSIONS

in a working group set up to examine defined benefit security and related issues and actively contributing to the Commission on Taxation, the Social Partnership process and the Partnership Pensions Review Group

- contributing to European policy issues, particularly the CEIOPS solvency sub committee and the associated EU consultation process on solvency issues. During 2008, the Board began to participate in the newly established Committee on Consumer Protection working group. The Board continues to make a significant contribution to the CEIOPS sub group on pensions, and has taken the lead role in a number of projects relating to cross-border activity such as a review of European social and labour law and of the Budapest Protocol
- developing new and existing data sources, including preparing for the full module of the National Employment Survey and for compliance with Eurostat EU regulation requirements
- continuing to develop a culture of compliance through new activities such as contributing to the newly introduced system of actuarial compliance monitoring; reviewing the Board's powers and progressing new ones including the preparation of the pensions provisions for the draft 2008 Social Welfare and Pensions Bill. This legislation gave effect to the recommendation of the trusteeship review regarding the registration and audit of administrative activities of pension administrators.

Regulatory policy

Eurostat

Amongst the Board's priorities for 2008 was the implementation of Regulation (EC) No 2056/2002 of the European Parliament and of the Council of 5 November 2002 amending Council Regulation (EC, Euratom) No 58/97 concerning structural business statistics, that requires all EU member states to furnish specified information to Eurostat. This information must be furnished to the Board on an annual basis and is effective for scheme years commencing on or after 1 January 2008.



Chief Executive, Brendan Kennedy and Chairperson, Tiarnan O Mahoney, The Pensions Board.

Pension coverage

As part of the schedule of surveys agreed with the Central Statistics Office (CSO), the results for Q1 2007 and Q1 2008, published in September 2008, showed that the overall coverage by occupational and personal pensions of all persons in employment was 54% in 2008 compared to 52% in 2007. The coverage for those over the age of 30 (the group to which the ultimate National Pensions Policy Initiative target of 70% refers) was 61%, compared to 60% in Q1 2007. A full survey on pensions will be conducted in Q4 2009. During 2009, meetings will be held with the CSO to finalise the full survey on pensions and to consider a new coverage monitoring programme.

Policy focus for 2009

The Board will continue to engage with relevant Government Departments to highlight the issues facing pension schemes, in particular the implications of the current extreme market volatility for schemes, and will provide support in a technical capacity where required. The Board will continue to contribute to the Green Paper process. The outcome of the Green Paper process and any relevant issues facing pension schemes will determine the future direction of the Board's policy role. In terms of the European agenda, work will continue on the review of the IORPs Directive, the solvency requirements of pension schemes and the ongoing co-ordination and development of cross-border activities.

Legislation

Statutory changes to improve the effectiveness of pension legislation

A detailed list of the legislation introduced in 2008 in relation to pensions is available on the Board's website at www.pensionsboard.ie.



Minister Mary Hanafin T.D.

Social Welfare and Pensions Act 2008

The Social Welfare and Pensions Act 2008 was signed into law on 7 March 2008. This Act implemented the system of registration of pension scheme administrators who carry out pension scheme administration work on behalf of trustees. These provisions took effect from 1 November 2008. The Act also imposes an obligation on employers to arrange appropriate trustee training at regular intervals for scheme trustees.

Disclosure of Information

During 2008, the Pensions Act, 1990, (Disclosure of Information) (Amendment) Regulations 2008 were also signed into law. These regulations changed the existing disclosure of information requirements for schemes and trust RACs. The regulations specify the information which should be included in a Statement of Reasonable Projection for defined contribution scheme members. The regulations also provide that small schemes in wind-up which prepare annual reports will no longer have to include a statement from the actuary as to whether the scheme satisfies or can reasonably be expected to satisfy the funding standard as of a particular date.

These regulations also require RAs to provide specified Eurostat information to the Board in respect of schemes and trust RACs on whose behalf they provide core administration services. Where more than one RA acts on behalf of a scheme or trust RAC, only the RA responsible for preparing the annual report should provide the information. For public sector schemes the obligation to complete the form is placed on the administrator of the scheme.

Information and enquiry services

The Information services team provides information to pension stakeholders through publications, the website and enquiry services in a timely and accurate manner in accordance with the Board's Customer Charter.

High quality information and guidance on pensions is essential to promote a level of participation in the national pension system that enables all citizens to acquire an adequate retirement income.

Website (www.pensionsboard.ie)

There were more than 490,000 visitors to the Board's website in 2008, an increase of 11% on 2007. The Board's website is an important educational and information resource for the pensions sector and consumers in general. The pension calculators continue to be the most visited area of the website. The number of subscribers to the 'news by e-mail' function continues to grow. Enhancing the delivery of information and services through the website is an ongoing objective for the Board.

Enquiry services

In 2008 Information services dealt with over 9,000 enquiries on pension matters. A breakdown of the type of enquiry and profile of enquirer is detailed in the following summaries.

In overall terms, there has been a slight decrease in the number of direct enquiries to the Board for 2008. During this period there has also been an increase in the number of website visitors as referred to above which may account for the decrease in direct enquiries.

The category of enquiry which increased the most related to 'disclosure', which includes enquiries relating to audited accounts, annual reports, benefits on death/retirement and schemes in wind-up. This increase can be attributed to a heightened consumer awareness of information entitlements and the introduction of new Disclosure Regulations.

Type of enquiry	2007		2008	
	Number	%	Number	%
Functions of The Pensions Board	2,025	20%	1,345	14%
Preservation	478	5%	603	6%
Funding standard	47	0%	92	1%
Disclosure	2,063	20%	2,787	29%
Trustee duties	200	2%	305	3%
Equal pension treatment	30	–	17	–
Compulsory and voluntary reporting and miscellaneous applications to the high court	5	–	5	–
PRSAs	1,285	13%	793	8%
Pensions Ombudsman	20	–	32	–
Cross-border schemes	44	–	22	–
Referrals to Financial Services (Pensions) Business/ Department of Social and Family Affairs (DSFA/FSPB)	2,524	25%	2,350	25%
Registered Administrators	172	2%		
Other enquiries	1,563	15%	1,087	12%
Total:	10,284	100%	9,610	100%

Enquiries were raised by pensioners, active members, employers, trade unions, practitioners, trustees, the media and others, in the following proportions:

Enquirer profile	2007		2008	
	Number	%	Number	%
Pensioner	170	2%	250	3%
Active member	3,911	44%	4,515	52%
Company/employer	510	6%	680	8%
Trade Union	30	–	20	–
Pension practitioner	634	7%	845	10%
Trustee	163	2%	186	2%
DSFA/FSPB	1,654	19%	1,273	15%
PRSAs	745	8%	247	3%
Other	1,009	12%	588	7%
Total:	8,826	100%	8,604	100%

The largest group of enquirers relates to active members at 4,515 or 52%. Included in the category entitled ‘Other’ are enquirers from the media, research students and the general public.

Information booklets

The Board provides a comprehensive range of information booklets which are available free of charge from the Board and are also available online at www.pensionsboard.ie. These booklets provide information on the Pensions Act, The Pensions Board and scheme members’ rights generally under the Act and other relevant pension legislation. The Board is constantly reviewing its booklets to identify required updates and improvements.

Public presentations

Every year the Board delivers an extensive array of information presentations to a wide and diverse range of State agencies, professional institutes, employer and trade union representative organisations and employee representative organisations. Matters covered in these presentations include the main features of the Pensions Act, and other legislation affecting pensions. These presentations are available on the Board’s website.



RTÉ weather presenter Karina Buckley with two young Irish ladies forecasting their financial futures at the launch of Women & Pensions Day 2008.



Brendan Kennedy, Chief Executive, The Pensions Board and award-winning chef, Neven Maguire, at the launch of the National Pension Awareness Campaign 2008 which placed particular emphasis on the sectors with the lowest pension coverage in Ireland, particularly the hospitality industry.



Cathal Divilly, Managing Director of the Great Place to Work Institute and Maura Howe, Project Manager, National Pensions Awareness Campaign at the launch of Pensions in the Workplace Day 2008.

Media relations, information and education

The Board provides information and educational articles covering all aspects of pensions for the media and a comprehensive range of industry and consumer stakeholders on an ongoing basis. The Board seeks media opportunities across a range of outlets to promote discussion of pension issues. This is intended to educate and promote pension awareness and the importance of pension provision among identified target groups.

Trustee support services

The statutory functions of the Board 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
- advising the Minister on standards for trustees and on their implementation

The Board continues to encourage the provision of appropriate training facilities for trustees of schemes and the take-up of these facilities by trustees, including through its representation on the steering group for the Trustee Forum of the Irish Association of Pension Funds. A list of approved trustee training courses is available on www.pensionsboard.ie.

Work commenced in 2008 on the development of an e-learning facility for trustee training. To support this development the Trustee Handbook was updated and will be made available online free of charge during 2009.

National Pensions Awareness Campaign (NPAC)

The Board has run the NPAC each year since 2003. This project is overseen by a project group including representatives from the Department of Social and Family Affairs, providers and the social partners. The Board welcomed the announcement that the Minister was making €1 million available for the continuation of the NPAC in 2008.

The 2008 campaign consisted of direct engagement with key audiences, marketing promotions, public relations, advertising and education initiatives. The main focus was to de-mystify pensions and to increase pension understanding with a view to encouraging long term retirement saving.

National Pensions Action Week (NPAW)

The NPAW took place from 1 to 7 May 2008. The week was structured to specifically highlight and address the key audiences where pension coverage has traditionally been low including; the hospitality and retail sectors, women, young people and international workers. The workplace was promoted as the optimum location for pension information, understanding and take-up.

The priorities for NPAC 2008 were to:

- increase pension awareness including a better understanding of pensions and tax relief support, particularly among the key target audiences where pension knowledge is low
- increase action among those with no pension provision
- increase the numbers addressing the adequacy of their pension provision
- progress development of financial education planning and programmes

Specific focus was given to the agriculture and farming communities throughout the months of September and October. Promotions and initiatives were undertaken with Macra Na Feirme, Women and Agriculture, the *Farmers Journal* and the National Ploughing Championships.

In October 2008, the main emphasis was placed on pension adequacy and the importance of ensuring that pension expectations could be met in retirement.

General pension awareness, understanding and education were promoted throughout the year at numerous events and also through the Board's participation on the National Steering Group for Financial Education.



Corporate services

Monitoring of finances

In February 2008, the Board completed an evaluation of the fee collection mechanism for occupational pension schemes. This evaluation looked at the efficiency and effectiveness of the current method and examined possible alternative collection models. The evaluation was considered by the Board's Finance and Audit Committee. It was concluded that, on balance, the current fee levying mechanism should be retained.

Occupational Pension Scheme (OPS) fees

Section 25 of the Pensions Act, 1990, as amended, provides that trustees of a scheme shall pay an annual fee to the Board. Pursuant to this the Occupational Pension Schemes (Fees) (Amendment) Regulations, 2002 (S.I. 610 of 2002) were introduced. The current fee rate of €9.50 per active member has been in place since 1 January 2003.

In October 2008 the Board recommended to the Minister for Social and Family Affairs that no change be made to the OPS fee for 2008. A similar fee arrangement is in place for trust based RACs. In 2008, the Board collected €4.67 million in OPS fees and RAC fees, an increase of 7% on the previous year.

PRSA fees

Sections 96(1)(f) and 117(6) of the Pensions Act, 1990, as amended, provides for PRSA fees to cover the cost of regulating PRSAs. In 2008, the Board collected €810,511 in respect of PRSA products, an increase of 44% on the previous year. The grant in aid receivable from the Exchequer as a contribution towards the regulation of PRSAs was discontinued at the end of 2007 by agreement. Accordingly, the Board is now meeting all costs related to the regulation of PRSAs.

Governance

The Board formally adopted the Code of Practice for the Governance of State Bodies at its April 2002 meeting. The Board continues to adhere to its provisions and monitors its requirements on a regular basis. All Board members have received guidance on ethical codes of conduct and in particular, their responsibilities with regard to the Code of Business Conduct for Members and Staff of the Board.

Ethics in Public Office Acts, 1995 and 2001

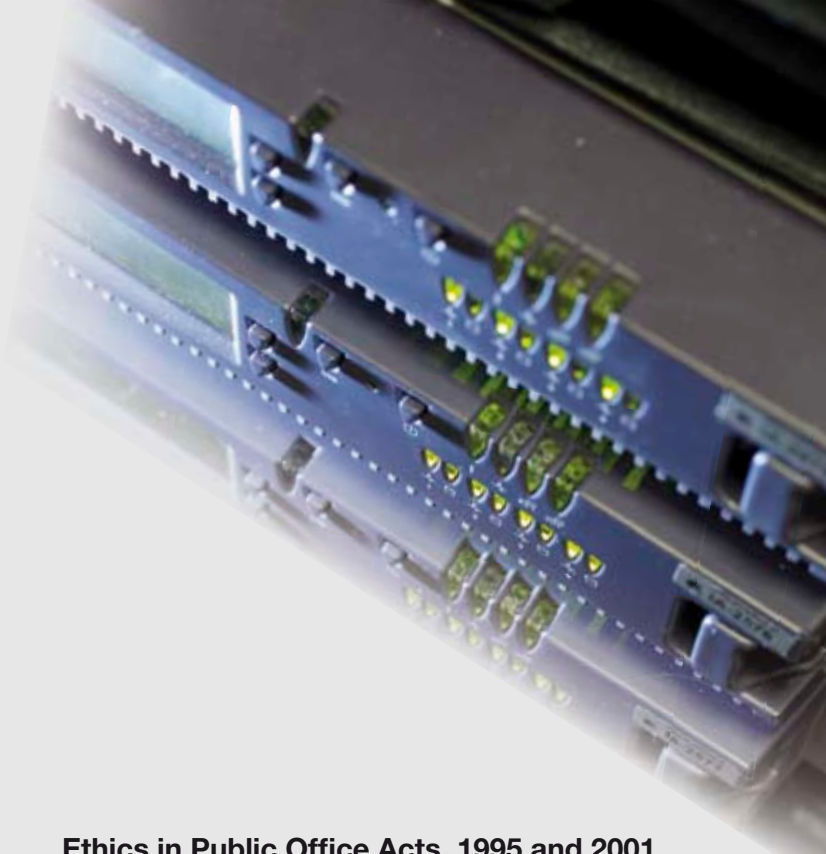
The Board is a prescribed public body for the purpose of the Ethics in Public Office Acts, 1995 and 2001. All Board members (as holders of 'designated directorships') and relevant members of staff (as holders of 'designated positions') have been advised of their obligations under the ethics legislation and have been given appropriate guidance.

Risk management

Under the provisions of the Code of Practice for the Governance of State Bodies all public sector bodies are obliged to implement a formalised risk management system. The Board has been proactive in adhering to its Risk Management Policy. It produced its first Risk Register in December 2002, followed by updates in 2004 and 2007, which sets out the key roles and responsibilities for risk management at the Board and reviewed the Corporate Risk Register, which details the most significant risks facing the Board and the responses in place to manage these risks.

Finance and Audit Committee

The Finance and Audit Committee is a permanent committee of the Board. It provides advice on and oversight of financial and related governance and control matters. The committee supervises and controls the internal audit function which is outsourced. The committee reports to the Board on an ongoing basis. In addition to its normal activities, during 2008 the committee commissioned an independent review of the Board's tax compliance as required under Section 12 of the Code of Practice for the Governance of State Bodies. The review found the Board to be tax compliant.



Human resources

Human resource practices are an important part of the Board's function. This work is carried out and developed in conjunction with the partnership committee and management team.

Organisational and individual performance management, and training and development needs are identified through a Performance Management Development System (PMDS). Training is available for all employees of the Board. As part of its Modernisation Action Plan the Board revised its PMDS process to integrate it with promotions and the award of increments. This revised system came into effect on 1 January 2008.

Progress on the Board's Modernisation Action Plan is monitored by the Secretary General of the Department of Social and Family Affairs. As part of this process, the Board's progress in meeting its objectives under the plan was recognised as meeting the qualification criteria for payment of the 1 March and 1 September 2008 pay awards under the *Towards 2016* Agreement.

The Board awarded a number of staff education awards under the Educational Awards Scheme which encourages staff to undertake further academic and professional training. Staff are also encouraged to avail of ongoing personal development programmes. The Board has commenced an Irish language training programme to assist the Board in meeting its requirements under the Official Languages Act 2003.

Health and safety

The Safety, Health and Welfare at Work (General Application) Regulations 2007 (S.I. No. 299 of 2007) came into operation on 1 November 2007. The Board delivered an extensive programme of health and safety training during 2008. A number of staff completed Fire Warden and Fire Manager training along with an Occupational First Aid course which included defibrillation training. Manual handling training, which was specifically designed for the Board's particular needs, was provided for all staff members. A series of lunch and learn sessions focusing on employee wellbeing were also organised during the year. The Board is committed to supporting the health and safety of its employees and to delivering training to all staff. Health and safety is a permanent item on the Partnership Committee agenda.



Information communications technology (ICT)

The Board's ICT function continues to assess advances in digital technologies so as to add security and value to the service provided to all our customers. The Board will continue to improve on the current level of service by continuous monitoring and development and flexibility to meet ongoing organisational needs. Enhancements were made to network systems and further enhancement was made to the Board's financial management systems to assist in the closer financial control of major projects.

Data needs project

During 2008, the Board undertook a review of its data requirements:

- as the statutory regulator of occupational pension arrangements and PRSA products
- as adviser to the Government on pension matters
- under its obligation to collect data on Irish pensions for Eurostat, the statistical office of the EU.

This project was undertaken to identify the Board's long term data needs and define the tools needed for the management and use of the data. The project involved data analysis and investigation of appropriate models. This project will be concluded in early 2010.

The Pensions Board staff

Day to day decision making is delegated to staff under the Board's active supervision.
Staff of the Board at 31 December 2008.



Brendan Kennedy
Chief Executive



Mary Hutch
Head of Regulation



Tom Dunphy
Head of Corporate Services
(Secretary to the Board)



Philip Dalton
Head of Planning



Yvonne White
Head of Policy, Actuarial
and Legal Services



Sylvia McNeece
Legal Advisor



Pat O'Sullivan
Actuarial Advisor



David Malone
Head of Information

Regulation

Aideen Bugler
Gerard Clarke
Mary Howe
Carol Jordan
Catherine Goulding
Martin Buggy
Sherry Bass
Ronan Scott
Edel Stenson
Alison Massey
Marie Earley
Barry O'Connor
Julie McCarthy
Valerie Christie
Mary Conlon

Information and enquiry services

Andrew Nugent
Deirdre Kelly
Emily Kealy
Maura Moroney
Catherine McAuley
Marianne Cremin
Eileen Flynn
Maura Howe

Policy, actuarial and legal services

Cheryl Richardson
Iseult Doherty
Patricia Ballantine
Lydia Leonard
Renee O'Reilly

Corporate services

Gregory Whelan
Rachael Gleeson

Data management and ICT security

John McCarthy
John Henry

Finance

Christina Winters
Kieran O'Dea

Scheme fee collection

Laura Allen

Financial statements

for the year ended 31 December 2008

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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 2008 under the Pensions Act, 1990.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of 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.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 2008 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.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, followed by a small flourish at the end.

Gerard Smyth

For and on behalf of the Comptroller and Auditor General

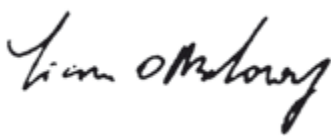
20 May 2009

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



Dervla Tomlin
Board member

11 May 2009

Statement on 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
- appointing internal auditors.

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
- regular internal audits.

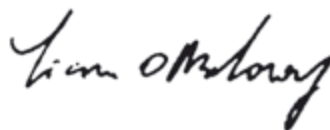
As implemented in 2003 the internal audit function is a key element in informing the Board of the effectiveness of the system of internal financial control. The internal auditors operate in accordance with the Code of Practice for the Governance of State Bodies. The work of internal audit is informed 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 2008, 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:

- regular and/or periodic management accounts, with analysis and explanation of significant deviations from budget
- annual accounts for 2007 and explanation of significant variances
- annual budget and financial plan for 2009
- review of occupational pension scheme fee collection methodology
- review of tax compliance
- cash flow forecasts
- internal audit reports.

Annual review of controls

I confirm that in respect of the year ended 31 December 2008 the Board conducted a review of the effectiveness of the system of internal financial control.



Tiarnan O Mahoney
Chairperson

11 May 2009

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 financial statements 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:

- recoup the cost of superannuation benefits paid by the Board
- meet the costs associated with the National Pensions Awareness Campaign
- 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 relevant to PRSA administration 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 6²/₃% – 15 years
- Computer equipment 25% – 4 years
- Office furniture 12¹/₂% – 8 years
- Office equipment 20% – 5 years

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 18, 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.

Superannuation benefit payments are included as an expenditure item and shown as a corresponding income representing recoupment of payments from the Department of Social and Family Affairs.

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

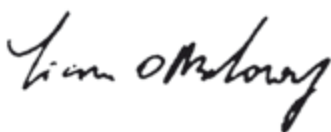
for the year ended 31 December 2008

	Notes	2008 €	2007 €
Income			
Occupational Pension Scheme fees		4,677,300	4,367,102
Personal Retirement Savings Account Fees		810,511	562,759
<i>State grant in respect of:</i>			
Pension payments to retired staff		139,779	139,408
Personal Retirement Savings Account Costs		–	1,073,161
National Pension Awareness Campaign costs	1	1,000,000	1,000,000
Other income	2	360,404	254,111
Total income		6,987,994	7,396,541
Transfer from/(to) PRSA capital reserve	14	62,909	(16,034)
		7,050,903	7,380,507
Expenditure			
Salaries, pensions and related expenses	3	3,253,817	2,989,881
Board members' fees and expenses	4	137,426	137,919
Rent and office expenses	5	767,147	758,913
Recruitment, training and education	6	140,629	138,125
Information, research and publicity	7	1,029,590	1,027,969
Consultancy and other professional fees	8	922,293	1,038,034
General administration	9	304,927	346,615
Depreciation	10	201,543	197,753
Total expenditure		6,757,372	6,635,209
Surplus for the year			
		293,531	745,298
Revenue reserve at 1 January		6,476,833	5,731,535
Surplus for the year		293,531	745,298
Transfer to compliance enforcement			
Reserve	15	(1,200,000)	–
Revenue reserve at 31 December		5,570,364	6,476,833

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 21 form part of these financial statements.



Tiarnan O Mahoney
Chairperson



Brendan Kennedy
Chief Executive

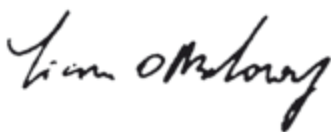
11 May 2009

Balance sheet

at 31 December 2008

	Notes	2008 €	2008 €	2007 €	2007 €
Fixed assets					
Tangible assets	10		738,520		903,071
Current assets					
Debtors	11	822,170		687,722	
Bank	17	6,009,488		5,856,314	
		6,831,658		6,544,036	
Current liabilities					
Creditors amounts falling due within one year	12	262,301		369,852	
Net current assets			6,569,357		6,174,184
Total assets			7,307,877		7,077,255
Financed by					
Compliance enforcement reserve	15	1,500,000		300,000	
PRSA capital reserve	14	237,513		300,422	
Revenue reserve		5,570,364		6,476,833	
			7,307,877		7,077,255

The statement of accounting policies, cash flow statement and Notes 1 to 21 form part of these financial statements.



Tiarnan O Mahoney
Chairperson



Brendan Kennedy
Chief Executive

11 May 2009

Cash flow statement

for the year ended 31 December 2008

	Notes	2008 €	2007 €
Net cash (outflow)/inflow from operating activities	16	(105,238)	762,270
Returns on investments and servicing of finance			
Interest received		295,433	154,222
Capital expenditure			
Payments to acquire tangible fixed assets		(37,021)	(266,282)
Receipts from sale of fixed asset		–	1,135
Management of liquid resources			
Decrease/(increase) in short term deposits		108,287	(762,381)
Increase/(decrease) in cash		261,461	(111,036)
Reconciliation of net cash flow to movement in net funds	17		
Increase/(decrease) in cash in the year		261,461	(111,036)
(Decrease)/increase in short term deposits		(108,287)	762,381
Movement in net funds in the year		153,174	651,345
Net funds at 1 January		5,856,314	5,204,969
Net funds at 31 December		6,009,488	5,856,314

Notes to the Financial Statements

for the year ended 31 December 2008

1. National Pension Awareness Campaign (NPAC) funding and costs

The Pensions Board on behalf of the Government continued the National Pension Awareness Campaign (NPAC) in 2008. An allocation of €1 million from the Department of Social and Family Affairs was made available in the year for this purpose. The primary objective of the NPAC campaign was to heighten pension awareness with a view to increasing pension coverage in Ireland.

The allocation was spent in the following main cost categories:

	2008 €	2007 €
Information and awareness activities	902,655	871,249
Project management	84,352	75,591
Administration	22,539	37,011
	1,009,546	983,851

2. Other income

	2008 €	2007 €
Interest income	350,669	228,665
Publications	4,150	7,490
Miscellaneous income	5,585	17,956
	360,404	254,111

3. Employee numbers and costs

The total staff complement as approved by the Minister at 31 December 2008 was 39.5 permanent (2007 – 39.5 permanent). The average number of employees excluding contract staff for 2008 was 39.5 (2007 – 37). The aggregate employee and related costs were as follows:

	2008 €	2007 €
Salaries	2,503,825	2,291,798
Employer superannuation contributions*	401,027	355,759
Employer PRSI contributions	180,523	160,676
Superannuation benefits payable	139,779	139,408
Contract Staff – general	28,663	42,240
	3,253,817	2,989,881

* See Note 18.

4. Board members' fees and expenses

	2008 €	2007 €
Board fees	136,743	137,472
Expenses	683	447
	137,426	137,919

5. Rent and office expenses

	2008 €	2007 €
Rent	567,917	569,172
Service charge	49,502	59,081
Rates	62,061	59,704
Electricity	28,941	25,361
Cleaning	30,618	26,741
General maintenance	23,553	17,019
Off-site storage	4,555	1,835
	767,147	758,913

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

6. Recruitment, training and education

	2008 €	2007 €
Recruitment and staff costs	59,738	58,788
Training and education	80,891	79,337
	140,629	138,125

7. Information, research and publicity

	2008 €	2007 €
Advertising and awareness activities	873,798	797,796
Printing and publications	93,111	153,862
Information stands and launches	45,776	60,733
Research	16,905	15,578
	1,029,590	1,027,969

Notes to the Financial Statements continued

8. Consultancy and other professional fees

	2008 €	2007 €
Legal fees	404,794	357,913
Technical/pension consultancy fees	297,384	408,553
Public relations and information	92,764	113,217
Management consultancy	50,061	62,627
Recruitment consultancy	5,558	9,771
Internal audit fees	15,156	14,520
Statutory audit fees	15,000	15,000
Other	41,576	56,433
	922,293	1,038,034

9. General administration

	2008 €	2007 €
Stationery and administration expenses	103,268	120,328
Telephone and postage	48,261	53,470
Computer maintenance and consumables	56,820	74,480
Travel and subsistence	39,146	33,298
Insurances	56,202	64,342
Interest and charges	1,230	697
	304,927	346,615

10. Tangible fixed assets

	Leasehold improvements €	Computer equipment €	Office furniture €	Office equipment €	Total €
Cost or Valuation					
At 1 January 2008	1,157,692	826,407	196,834	132,130	2,313,063
Additions in year	–	26,454	3,310	7,257	37,021
Disposals in year	–	(46,987)	–	(16,783)	(63,770)
At 31 December 2008	1,157,692	805,874	200,144	122,604	2,286,314
Accumulated Depreciation					
At 1 January 2007	528,421	613,874	154,828	112,869	1,409,992
Charge for year	77,179	89,063	25,033	10,268	201,543
Disposals in year	–	(46,987)	–	(16,754)	(63,741)
At 31 December 2008	605,600	655,950	179,861	106,383	1,547,794
Net Book Value					
At 31 December 2007	629,271	212,533	42,006	19,261	903,071
At 31 December 2008	552,092	149,924	20,283	16,221	738,520

11. Debtors

Amounts falling due within one year:

	2008 €	2007 €
Fee income	570,000	550,000
Accrued interest receivable	109,308	61,569
Prepayments and accrued income	131,556	59,374
Debtors other	11,306	16,779
	822,170	687,722

12. Creditors

Amounts falling due within one year:

	2008 €	2007 €
Accruals	115,374	192,684
Tax creditor	76,585	143,153
State grant creditor PRSA	–	19,722
DSFA creditor	34,000	–
Trade creditors	36,342	14,293
	262,301	369,852

13. Financial commitments**(i) Capital commitments**

There were no capital commitments at 31 December 2008.

(ii) Operating leases

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

	2008 €	2007 €
Lease of office accommodation Expiring after five years	555,000	555,000

Notes to the Financial Statements continued

14. PRSA capital reserve

	2008 €	2008 €	2007 €	2007 €
At beginning of year		300,422		284,388
Transfer (to)/from Income and Expenditure Account				
Current year grant	-		81,109	
Amortisation – assets capitalised in the year	-		(19,244)	
– prior year's acquisitions	(62,909)	(62,909)	(45,831)	16,034
At end of year		237,513		300,422

15. Compliance enforcement reserve

	2008 €	2007 €
At beginning of year	300,000	300,000
Transfer from revenue reserve	1,200,000	-
At year end	1,500,000	300,000

16. Reconciliation of surplus for the year to net cash from operating activities

	2008 €	2007 €
Surplus for year		
	293,531	745,298
Non operating items		
Interest received	(295,433)	(154,222)
Loss/(surplus) from sale of fixed asset	29	(1,060)
Non cash items		
Transfer (from)/to PRSA capital reserve	(62,909)	16,034
Depreciation	201,543	197,753
(Increase)/decrease in debtors	(134,448)	123,325
(Decrease) in non capital creditors	(107,551)	(164,858)
Net cash (outflow)/inflow from operating activities	(105,238)	762,270

17. Analysis of charges in net funds

	At 1 January 2008 €	Cash flow €	At 31 December 2008 €
Cash at bank and on hand	493,933	261,461	755,394
Short term deposits	5,362,381	(108,287)	5,254,094
	5,856,314	153,174	6,009,488

18. 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 an employee element along with an employer element. The employer contribution amounts to 16.67% of gross pay and is paid by the Board. In accordance with government policy on public sector pensions this contribution will be increased with effect from 1 January 2009 to 25% of gross pay for employees paying PRSI at the A rate and 30% of gross pay for employees paying PRSI at the D rate
- 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 3.

Notes to the Financial Statements continued

19. 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 2008 the Board incurred fees payable to third parties, including legal fees, in respect of professional services in the amount of €922,293 inclusive of VAT. This amount includes €21,538 which was payable to Deloitte and Touche, a firm of which Mr. Niall Walsh a Board member is a partner and an amount of €42,350 paid to Mercer Human Resources Limited, a firm of which Ms. Rosalind Briggs and Ms. Mary Wade Board members are employees.

20. Taxation

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

21. Approval of financial statements

The financial statements were approved by the Board on 11 May 2009.

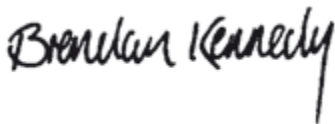
Prompt Payment of Accounts Act, 1997

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 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 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 look back 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 2008 and accordingly no penalty interest payments were made in the year

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



Brendan Kennedy
Chief Executive

11 May 2009

Appendices

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Appendix I

REPORTING PROGRESS ON OUR STRATEGIC OBJECTIVES – AT A GLANCE GUIDE

Objectives	Progress 2008	Responsibility
MISSION STATEMENT 1		
To promote the security and protection of members of occupational pension schemes and contributors to Personal Retirement Savings Accounts, in accordance with the Pensions Act, 1990 (as amended).		
(a) Recommend any statutory changes which would improve the effectiveness of pension regulation and/or supervision having quantified the likely effects in the context of Regulatory Impact Analysis.	<p>The Social Welfare and Pensions Act 2008 introduced the registration and audit of administration services with effect from 1 November 2008. Under this new system of regulation the Board has responsibility to audit administration service standards and to remove registration or apply sanctions if required standards are not met.</p> <p>A recommendation for legislative changes in the area of investment and employer guarantees has been submitted to the Department of Social and Family Affairs for consideration and possible inclusion in the Social Welfare and Pensions Bill 2009.</p>	Legislation
(b) Maintain ongoing timely and effective pension supervision.	Fines Notices were issued to trustees of 23 defined benefit schemes, 1 defined contribution scheme and to 6 employers for specified offences under the Pensions Act.	Regulation
(c) Review implementation of the Government principles of Better Regulation in relation to existing and new pension regulation and make any changes.	The Board continues to develop its regulatory regime in a consistent manner with the principles of Better Regulation.	Legislation
(d) Review and make any appropriate changes to pension supervision processes within the Board to ensure that these are effective and an efficient use of resources.	The supervisory resources of the Board have been amalgamated into the Regulation Unit with overall responsibility for pro-active supervision of the Pensions Act.	Regulation, Legislation, Policy
(e) Review prosecution and penalties policy of the Board and make any appropriate changes to ensure the greatest level of compliance without incurring excessive costs.	<p>The prosecution and penalties policy of the Board are under constant review.</p> <p>The introduction of on the spot fines increased the effectiveness of the Board's compliance enforcement during 2008.</p>	Legislation, Regulation
(f) Review investment regulation and supervision and recommend any appropriate statutory changes to ensure that investment supports the objectives of pension funding.	A recommendation for legislative changes in the area of investment and employer guarantees has been submitted to the Department of Social and Family Affairs for consideration and possible inclusion in the Social Welfare and Pensions Bill 2009.	Legislation
(g) Put in place group Retirement Annuity Contracts supervision.	Trust RAC's are subject to regulation by the Board, as they now come within the remit of the Pensions Act.	Legislation

Objectives	Progress 2008	Responsibility
(h) Finalise policy decisions arising from EU Pensions Directive and input to proposals for other EU Directives and initiatives relevant to pensions.	<p>The Board continued to be represented at meetings of CEIOPS and the OPC. A new committee of consumer protection (CCP) was established under CEIOPS, of which the Board is a member.</p> <p>A consultation response was submitted to the EU Commission on Solvency II and questionnaires were completed on pension aspects arising from the IORPs Directive.</p> <p>The Board took the lead role in a number of projects relating to cross-border activity such as a review of European social and labour law and of the Budapest Protocol.</p>	Legislation, Policy
(i) Contribute to EU supervisory fora (currently CEIOPS and its working parties) for exchange of information and co-operation among EU pension regulators/supervisors to foster convergence of pension supervision and development of best practices.	<p>A number of CEIOPS questionnaires were completed throughout 2008 on relevant aspects of pensions in line with the IORPs Directive.</p> <p>The Board was represented at relevant meetings of CEIOPS, OECD, CCP and OPC (including Solvency II sub group) during 2008.</p>	Policy
(j) Put in place appropriate processes for operation of cross-border pension business.	Five applications for cross-border authorisations were received by the Board in 2008 bringing the total number of such applications to 27.	Regulation
(k) Review the statutory Funding Standard to ensure reasonable balance between facilitating employers to maintain defined benefit schemes and protecting the interests of their members.	<p>Further work on the review of the funding standard was undertaken during 2008 and forwarded to the Minister for Social and Family Affairs.</p> <p>Revised guidelines on Section 49(3) were published.</p>	Policy
(l) Establish the Board's role in monitoring the system for statutory actuarial pensions work.	The first annual review of actuarial pensions work was completed during 2008. The outcome of this review was satisfactory.	Policy
(m) Liaise with the Financial Regulator with objective of avoiding gaps or overlaps and ensuring appropriate co-operation.	Meetings were held during 2008 with the Financial Regulator to discuss areas of mutual interest. This will continue on an ongoing basis.	Policy
(n) Advise on any statutory changes needed in relation to any pension schemes which may be removed from the list in Schedule C of the Occupational Pension Schemes (Funding Standard) Regulations, 1993 and implement any such changes.	Following discussions with the Department of Finance, regulations were introduced with effect from 1 August 2008 which updated the list in Schedule C of Part IV of the Pensions Act.	Policy

Objectives	Progress 2008	Responsibility
(o) Examine Pension Board enforcement powers in the Pensions Act and recommend any changes which would make these more effective.	<p>Consideration was given to introduce measures to strengthen the Board's powers to facilitate taking prosecutions under the Pensions Act.</p> <p>The Social Welfare and Pensions Act 2008 introduced the registration and audit of administration services (Registered Administrators (RAs)) with effect from 1 November 2008.</p> <p>Under this new system of regulation the Board has responsibility to audit administration service standards and to remove registration or apply sanctions if required standards are not met.</p>	Legislation
(p) Monitor and keep under review existing legislation to ensure it continues to be effective.	Continued at all times to monitor and review existing legislation. Disclosure Regulations in relation to items such as Statements of Reasonable Projection (SRPs), certain wind-up requirements for schemes and eurostat information were enacted in 2008.	Legislation
(q) Participate actively in preparation of any necessary statutory changes and regulations.	Outcome of peer review of actuarial work was satisfactory.	Regulation
MISSION STATEMENT 2		
To promote the development of efficient national pension structures.		
(a) Encourage and support decisions to be taken at national level in response to the National Pensions Review.	The Board continued to be represented at meetings of the Partnership Pensions Review Group which entailed providing background information on various issues.	Policy
(b) Examine areas identified in the National Pensions Review for further consideration and debate and take any further action on those which the Board considers appropriate while bearing in mind national and international developments.	<p>Work was completed on a women and pensions study as part of the preliminary work in relation to the review of the National Pensions Review. The review was put on hold until the conclusion of the green paper process.</p> <p>The models from the National Pensions Review were considered during the preparation of the Green Paper on Pensions.</p>	Policy
(c) Report to the Minister for Social and Family Affairs on the principles of a mandatory or quasi mandatory pension system and recommend an appropriate system for Ireland.	The models from the Special Savings in Retirement report were considered during the preparation of the Green Paper on Pensions.	Policy
(d) Review the use of the Trust structure as the most effective governance system for pension schemes.	Legislation was introduced in 2008 to implement a number of the key recommendations contained in the trusteeship report. The key recommendations in question were the regulation of scheme administrators and trustee training.	Policy

Objectives	Progress 2008	Responsibility
(e) Participate actively in EU, OECD and other international pension policy initiatives and developments in the best interests of the Irish national pension structures.	During 2008 the Board actively participated by attending relevant meetings and providing presentations for numerous meetings.	Policy
(f) Input to Department of Justice, Equality and Law Reform on family law issues affecting pensions.	The Board liaised with the Department of Justice, Equality and Law Reform on relevant pension issues.	Policy
(g) Input to Department of Finance and Revenue on any tax issues affecting pensions.	Regular contact continued with the Department of Finance and Revenue in relation to various issues affecting pensions. A submission was made to the Commission on Taxation on behalf of the Board.	Policy
(h) Review progress towards pension targets in 2008.	The Board has continued to discuss the content of the pension module of the National Employment Survey. This is the first time that the NES will include questions on pensions. The survey was carried out in 2008. Regular contact continued with the CSO in relation to other surveys, such as the Quarterly National Household Survey.	Policy
(i) Explore, in consultation with the Department of Social and Family Affairs, the possibility of introducing a national pension benefits tracing service.	This initiative is being explored as part of the Board's data needs project.	Policy
MISSION STATEMENT 3		
To promote a level of participation in the national pension system which enables all citizens to acquire an adequate retirement income.		
(a) Provide information to pension stakeholders through publications, website, and enquiry service.	The Board continued to enhance the delivery of its information services online. All our pensions information booklets are provided free of charge and are available online at www.pensionsboard.ie	Information
(b) Organise National Pensions Awareness Campaign sponsored by the Government.	The Board ran a very successful National Pensions Awareness Campaign on behalf of the Government in 2008. A stakeholder communications programme was delivered throughout the year. In addition to this a key focus was placed on the National Pensions Action Week in May and the tax-filing deadline in October.	Information

Objectives	Progress 2008	Responsibility
MISSION STATEMENT 4		
To provide information and authoritative guidance to relevant parties in support of pension security, structures and participation.		
(a) Arrange for the conduct of regular surveys of pension coverage in Ireland.	<p>It was agreed with the CSO to conduct a full pension module survey in 2009 as part of the Quarterly National Household Survey. Survey results for quarter I 2007 and I 2008 were published in September 2008.</p> <p>A full pensions survey was conducted in 2008 as part of the national employment survey.</p>	Policy
(b) Identify areas of pension research and statistical information needed and put in place mechanisms for completion of these.	<p>The Board has been liaising with CSO on an ongoing basis to collate some of the information as set out by the EU Council regulation concerning structural business statistics (Eurostat).</p> <p>Regulations requiring pensions scheme data for Eurostat have been put in place.</p>	Policy
(c) Provide information to national or overseas organisations interested in the Irish pension structure.	Information in relation to pensions has been provided to organisations upon request and where the information was available.	Policy
(d) Support national objective to promote Ireland as a centre for pan-European and cross-border pensions.	In 2008 the Board continued to be represented at the pan-European task force.	Policy

Appendix II

CUSTOMER ACTION PLAN (CAP) – PERFORMANCE AGAINST COMMITMENTS

Quality service standards

1. The Board's Customer Charter reflecting customers' requirements has been published on our website 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 meets regularly to review and update the Board's website and ensure that it is relevant, accurate and user friendly.
4. The progress on 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.
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 ensure that both visitors and staff with any other specific access needs, continue to enjoy secure and safe surroundings while on the Board's premises.

Information

8. The Board continues to enhance our commitments to the provision of customer information as outlined in the Board's Customer Charter.
9. The Board provides a Lo Call number (1890 65-65-65) to help customers with their enquiries.

Timeliness and courtesy

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

Complaints

11. The Board has introduced a complaints form and implemented a recording system for comments and complaints as part of its Customer Charter.

Consultation evaluation

12. 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.
13. The findings of the customer survey were incorporated into ongoing training and development initiatives for staff of the Board.

Choice

14. The Board provides the best set of options to customers in terms of methods of payment and delivery of service generally, including banking online.
15. The Board continues to satisfy the prompt payments legislation.

Official languages equality

16. It is the Board's policy to meet the provisions of the Official Languages Act, 2003, which includes publishing our strategy, annual report and the CAP in Irish.
17. All new information booklets are published in English and Irish.
18. Services on the website are being identified which could be made available in Irish.
19. Language training is available to all staff.

Better co-ordination

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

Internal customer

21. The training and development needs arising from the Performance Management and Development System (PMDS) are addressed on an ongoing basis.
22. The Board's requirements under the Health and Safety legislation continue to be met.
23. The Partnership Committee meets on a regular basis and functions well as a forum where staff and management can monitor existing activity and develop new initiatives.
24. Staff members of the Board participate in regular unit team meetings, along with regular meetings during the year to brief staff on current issues that affect the Board and its operation.
25. An annual end of year review, forward look and general staff meeting is held in December.

Appendix III

ABBREVIATIONS

AFC	Actuarial Funding Certificate
AVC	Additional Voluntary Contribution
Board	The Pensions Board
CAP	Customer Action Plan
CEIOPS	Committee of European Insurance and Occupational Pension Supervisors
CSO	The Central Statistics Office
DSFA	Department of Social and Family Affairs
EU	European Union
FÁS	Training and Employment Authority
FSPB	Financial Services (Pensions) Business (formerly known as the Retirement Benefits District)
GAIE	Gross Average Industrial Earnings
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
IORPs	Institution for Occupational Retirement Provision
NPAC	National Pensions Awareness Campaign
NPAW	National Pensions Action Week
NPPI	National Pensions Policy Initiative
NPR	National Pensions Review
OECD	Organisation for Economic Co-operation & Development
OPC	Occupational Pensions Committee
the Act	Pensions Act, 1990, as amended,
PMDS	Performance Management Development System
PRSA	Personal Retirement Savings Account
QCS	Quality Customer Service
RACs	Retirement Annuity Contracts
RIA	Regulatory Impact Analysis
S.I. No.	Statutory Instrument number

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

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