

An Bord Pinsean -
The Pensions Board

Authority for Pensions

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Ms. Mary Coughlan, TD
Minister for Social and Family Affairs
Áras Mhic Dhiarmada
Store Street
Dublin 1

18 June 2003

Dear Minister,

I refer to your request to the Board to review, in consultation with the Department of Enterprise Trade and Employment, the position and regulation of Income Continuance Plans (ICPs) and to produce a report on the matter.

To assist in responding to your request, in Summer 2002 the Board appointed consultants (Watson Wyatt LLP and Matheson Ormsby Prentice) to undertake this project. The consultants' report, which was based, inter alia, on widespread consultation with interested parties, was received earlier this year and has been examined by the Board's Policy Committee at its meetings of 12 March and 14 May 2003.

Taking account of that examination by the Policy Committee, the Board at its meeting of 6 June 2003 gave its general endorsement to the consultants' report and to the broad thrust of the report's recommendations. The Department of Enterprise Trade and Employment has also indicated its agreement with the report.


The one matter which, going forward, the Board feels needs to be clarified is whether and, if so, where would ICPs be regulated from the viewpoint of consumer protection. This would be in terms of ensuring that the interests of persons covered by ICPs are adequately safeguarded by an independent regulatory body in relation to aspects of consumer protection other than prudential, and, inter alia, to the specific matters provided for in the plans. I have, on behalf of the Board, raised with IFSRA whether that body regards ICPs as coming within its remit from a consumer viewpoint.

In terms of implementation of the report, while the Board endorses the broad thrust of the recommendations, it feels that their precise method of implementation in the area of disclosure to members of pension schemes will need to be considered in the context of the Board's overall approach to disclosure requirements. This overall approach is currently under consideration in the light of Board concerns about the increasing cost and complexity of pension disclosure requirements.

Finally, the Board would request that, given the level of public interest of which the Board is aware in relation to the report, you might consider its publication at an appropriate time.

I am please, on behalf of the Board, to submit to you the attached copy of the report.

Yours sincerely,

A handwritten signature in cursive script that reads "Anne Maher".

ANNE MAHER
Chief Executive