

# **THE SOCIETY OF ACTUARIES IN IRELAND**

## **Press Release**

2 October 2006

### **Some Employees Being Misled about Pensions**

#### **Concerns expressed about the treatment of Irish workers who are members of UK pension schemes**

The Society of Actuaries in Ireland today expressed concern about the treatment of employees resident in Ireland who are members of UK-based defined benefit pension schemes. Under new EU rules (the “IORPS Directive”), there are stricter funding rules for schemes that have members in more than one EU country. As a result, it appears that the companies are removing employees based in Ireland from UK schemes.

The Society is particularly concerned that in some cases employees are being misled about the reasons for their removal from the pension scheme. “It appears that they are being told that the new regulations no longer allow them to be included in the UK scheme”, said Aisling Kennedy, Director of Professional Affairs, Society of Actuaries. “This is not true. They can stay in the scheme if the company provides sufficient funding to meet the higher requirements for cross-border schemes and the scheme trustees agree to this.

“The new pension arrangements that are being made for such employees are usually on a defined contribution basis and often less valuable than the benefits that they were entitled to under the UK scheme.

“The Society of Actuaries recognises the significant difficulties being faced by the companies that operate these pension schemes, but believes that the position should be explained clearly and honestly to the employees concerned. The decision to remove them from the scheme may not be unreasonable in the circumstances, and indeed may be out of the hands of the employer (for example, in the case of a multi-employer scheme), but we are concerned that members are being misinformed.”

Ends

Issued on behalf of the Society of Actuaries in Ireland by

Michael Moloney, Setanta Communications Ltd

(087) 258 7264

02/10/06

***Society of Actuaries in Ireland** The Society of Actuaries in Ireland is the professional body for actuaries practising in Ireland, many of whom work in the pensions and life assurance industries. The Society aims to develop the role and understanding of the actuarial profession and to enhance its reputation, in particular for serving the public interest.*

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