

THE SOCIETY OF ACTUARIES IN IRELAND

Press Release

29 April 2009

Welcoming the amendments to the Social Welfare and Pensions Bill, Philip Shier, President of the Society of Actuaries in Ireland, stated:

“We welcome the direction and the thrust of the changes. The extended scope to restructure benefits will provide some relief to trustees and employers who wish to continue defined benefit plans at a more sustainable benefit level. The reprioritisation of post-retirement increases on wind-up will facilitate a more equitable distribution of the available assets in the event of wind-up of an insolvent scheme.

“The establishment of a Pensions Insolvency Payments Scheme provides a mechanism to maximise the assets available for members in the minority of cases where an insolvent scheme winds up and the employer is also insolvent. The Society has undertaken some research in this area that suggests that, in current market conditions, a saving of the order of 15%-20% could be made by providing annuities through the new scheme when compared with market prices. This saving would derive mainly from the higher yields currently available on Irish government bonds, which reflect their current credit rating.

“Although the new measures are welcome, there is much more to be done in order to restore stability in the pensions area. Many of the issues, and proposals on further measures to address them, have been highlighted by the Society of Actuaries in its response to the Green Paper.”

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Society of Actuaries in Ireland

The Society of Actuaries in Ireland is the professional body for actuaries practising in Ireland. Actuaries provide advice and relevant solutions for financial, business and societal issues involving uncertain future events. Most of the Society's members work in the financial services industry, and the profession has a statutory role relating to the supervision of pension schemes and insurance companies.

The Society seeks to make an impartial contribution to public debate on social policy and public interest matters where an actuarial perspective can add value.