



## THE SOCIETY OF ACTUARIES IN IRELAND

**Press Release  
07 June 2012**

### **Initial Response from Society of Actuaries in Ireland to Pensions Board's funding rules for defined benefit pension schemes**

The Society of Actuaries in Ireland is disappointed that the regulatory regime for pensions that is emerging today falls far short of what was expected and that an opportunity has been missed to introduce major reform on pension provision.

At a time when the financial pressures on pension schemes continue to intensify, with the cost of annuities at an all-time high, there is a very real risk that the new regulatory framework will not be perceived by employers and trustees as facilitating an orderly transition to a sound and sustainable financial position and that large numbers of pension schemes may wind up in the near-term.

Therefore, there remains an urgency to address reforms, including the existing inequities arising from the 'pensioner priority rule' (which means that in the event of scheme wind-up a disproportionate burden will be borne by active and deferred members) and the Society of Actuaries will continue to pursue this matter with the Department of Social Protection.

The Society of Actuaries is also concerned that in the midst of an unprecedented sovereign bond crisis the Pensions Board appears to be relying too heavily on sovereign annuities as the solution to the funding of defined benefit pension scheme deficits. We believe that sovereign annuities can be of benefit in some instances, such as the wind-up of severely stressed schemes but, as we have previously stated, they are not a panacea.

**ENDS**

Issued (07/06/12) on behalf of the Society of Actuaries in Ireland by:

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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.*



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