



Society of Actuaries in Ireland

**Press Release
4th February 2015**

Society of Actuaries welcomes formation of Pensions Council and Universal Retirement Savings Group

Pensions Council

The Society of Actuaries in Ireland welcomes the Tánaiste's announcement of the membership of the Pensions Council.

The Council's function is to advise the Minister for Social Protection on matters of pensions policy. Including Brendan Kennedy, Chief Executive of the Pensions Authority, the twelve-person Council includes five of the Society's Fellow members – the others being Roma Burke, Tony Gilhawley, Sandra Rockett and Dr Shane Whelan – each of whom has a wealth of skills, knowledge and experience to offer.

The Society is committed to contributing to debate on matters of public interest where an actuarial perspective can add value and we look forward to engaging with the Council in that context.

Universal Retirement Savings Group

The Society also welcomes the Tánaiste's confirmation of the Government's decision to establish a Universal Retirement Savings Group to develop a roadmap and timeline for the introduction of a new supplementary workplace retirement saving scheme.

Currently, only one in two workers are in a pension scheme, and in many cases, contribution levels are not sufficient to generate adequate pensions. There is heavy reliance on State pensions. However, the already heavy burden of financing State pensions will grow over future years, as the population ages and the number of pensioners relative to the working population increases.

The establishment of the Universal Retirement Savings Group will allow work to begin on the complex task of designing and implementing solutions that will go towards averting the much-publicised "pensions time bomb".

The OECD concluded in 2013 that the single greatest goal in Irish pension policy should be to increase pensions coverage through the introduction of a mandatory or quasi-mandatory earnings-related scheme and/or by improving financial incentives. The Society's view is that, compared to auto-enrolment, a mandatory system provides a better fit with Ireland's long-term strategic plan for private pension provision. This view is based on (a) the complexity of auto-enrolment, (b) the overall aims of increasing pension coverage immediately and improving adequacy over the longer-term, and (c) the scale of the implementation effort that will be required for either approach. However, there are pros and cons to both approaches, and we look forward to hearing the Universal Retirement Savings Group's views.

We welcome the Tánaiste's acknowledgement that, in order to successfully deliver a universal retirement saving scheme, there is a need to underpin this scheme with reform and simplification of the wider pensions landscape. We consider the complexity of the pensions system to be a key impediment to employee and employer engagement on pensions planning, and that the complexity drives up the cost of private pension provision. Issues that need to be explored include: effective alternatives to the current trustee model; whether regulation is proportionate and consistent; what mechanisms can be established to help people to make good decisions on how to invest their retirement savings; and how to communicate about pensions in such a way that key messages (e.g. about retirement benefit targets, investment suitability and value for money) do not get lost in the detail.

Ends

Other relevant Society publications:

- [February 2014 press release](#), in which the Society proposed a mandatory pensions system
- [Position paper](#), published by the Society in February 2014: "Review of Policy Options to Expand Private Pensions Coverage in Ireland"
- [Response to Pensions Board \(now Pensions Authority\) Consultation](#) on the future of defined contribution pensions (October 2013)

Media contact

Michael Moloney
Setanta Communications Ltd
087 258 7264

mail@setanta.ie

Society of Actuaries in Ireland

The Society of Actuaries in Ireland is the professional body for actuaries practising in Ireland. Actuaries provide advice on 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.



Society of Actuaries
in Ireland

Clanwilliam House,
Clanwilliam Place,
Dublin 2, Ireland

Tel: +353 1 634 0020

Fax: +353 1 634 0039

Email: info@actuaries.ie

Website: www.actuaries.ie