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# Fears viable pension schemes will shut

BY EMMA KENNEDY

Pension experts are concerned that current pension rules could cause viable schemes to close. The Irish Association of Pension Funds (IAPF) and the Society of Actuaries in Ireland recently wrote to the Minister for Social Protection, Leo Varadkar, and the Pensions Authority to flag concerns about the current funding standard rules for pension schemes and the difficulties faced by defined benefit schemes.

Defined benefit pensions, which offer a promise to workers from their employer of a specific level of retirement income based on their salary and years of service, have become less popular in recent years, with many defined benefit schemes closing to new members or winding up.

Pension experts are understood to be concerned that current rules could see an otherwise viable pension scheme decide to close based on a one-off, point-in-time valuation.

"The concerns and proposals raised in the letter have been considered by both the department and the Pensions Authority," a spokeswoman for the Department of Social Protection said.

"The minister is very conscious of the issues being experienced by defined benefit schemes and the need to protect the interests of scheme members," she said.

Some of Ireland's biggest corporate names are struggling to get on top of massive pension deficits: Bank of Ireland, CRH and Smurfit Kappa are among the well-known companies facing multimillion euro pension deficits.

Pension experts met recently to discuss the current landscape for defined benefit pension schemes, with representatives of the Society of Actuaries, the IAPF, the Pensions Authority and the department in attendance.

Varadkar's statement of priorities for 2017 included the "rationalisation and reform" of the defined benefit pension landscape.