

19 September 2005

Ms Anne Maher  
The Pensions Board  
Verschoyle House  
28-30 Lower Mount Street  
Dublin 2

**Re: National Pensions Review 2005**

Dear Anne

I am now pleased to enclose a copy of our submissions in connection with the above.

In addressing the National Pensions Review issues, IAPF have arranged for 3 separate papers to be submitted to this Review, as follows:

1. IAPF National Pensions Review Submission
2. IAPF Discussion Document on a State Annuity Fund
3. IAPF Research Paper: "Pension Provision in Ireland for the 21st Century"

1. **IAPF National Pensions Review Submission**

We have prepared this submission as part of the National Pensions Review with a view to making constructive observations which the IAPF believe will be useful to the Pensions Board and the Minister and his officials in relation to the development of pension policy in Ireland. The IAPF's preferred position is to continue to incentivise voluntary Second Pillar provision in order to supplement the existing mandatory State pension. Our submission covers the views of the IAPF in the following key policy areas:

- Pension adequacy and avoiding poverty in retirement;
- Increasing meaningful pension coverage amongst the working population;
- The taxation system;
- Protecting the valuable level of retirement benefits accumulated to date

We also comment on the need to support existing Defined Benefit schemes. In our view the current operation of the wind up priorities does not result in an equitable distribution of a scheme's assets between categories of members and we would support any initiative to improve equity between scheme members on winding up. Indeed the existing wind-up priorities are in conflict with OECD views, which state "In the event that a plan is terminated and promised benefits exceed assets, there should be rules to allocate available assets to members in accordance with accrued rights and with general principles of equity."

**2. IAPF Discussion Document State Annuity Fund**

In order to assist the debate on the merits of the funding standard, we have also prepared a separate paper on a State backed annuity fund.

**3. "Pension Provision in Ireland for the 21st Century"**

Finally we have commissioned, using our own limited financial resources, a research paper from Shane Whelan of UCD entitled "Pension Provision in Ireland for the 21st Century" to further the debate on our National pensions policy. Whilst the report does not represent the formal view of the IAPF, we are in broad agreement with many aspects of the paper and look forward to discussing it in detail with you.

We look forward to meeting with you and your colleagues to discuss our submission and to work together to promote enhanced pensions coverage and adequacy for the future.

Yours sincerely

Joe Byrne  
**IAPF Chairman**

cc. Tom Finlay,  
Brendan Kennedy