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representing pension savers



A Roadmap for Pensions Reform

2018 - 2023

6 Strands



1. Reform of the State Pension
2. Building Retirement Readiness – A New Automatic Enrolment Savings System
3. Improving Governance & Regulation
4. Measures to Support the Operation of DB Schemes
5. Public Service Pensions Reform
6. Supporting Fuller Working Lives

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Strand 1

Reform of the State Pension

- Benchmark State Pension at 34% of average earnings
- Link future increases to CPI/Wages increases
- Introduce Total Contributions Approach
- No change to State Pension age before 2035
- Future changes linked to life expectancy and at least 13 year's notice
- Fund State Pension on a sustainable basis

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Strand 2

Auto Enrolment



- State Sponsored – by 2022
- “Strawman” in Q2 2018
- Age 23, €20,000 pa
- Opt-in option, Opt-out after 9 months
- Matching contributions – up to 6:6:2
- State contribution replaces existing tax relief
- Economic Impact Assessment

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Strand 3

Improving Governance & Regulation

- Implementing IORP II – Q3 2018
- Authorised Status required for all schemes
- Fitness and Probity for trustees
- “Professional” standards for trustees
- CPD for all trustees
- New Governance Codes
- New schemes must meet standards at outset – lead-in time for existing

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Improving Governance & Regulation

- Develop environment for multi-employer schemes
- Improve and harmonise tax rules and number of vehicles
- Review cost of funded supplementary pensions
- Consider if ARFs can be improved

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Strand 4

Measures to Support DB Schemes

- Advance Social Welfare, Pensions and Civil Registration Bill 2017
- Increase information powers
- Identify alternative approaches
- Consultation with sectoral representatives - Q4 2018

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Strand 5

Public Service Pension Reform

- Increase compulsory retirement age to 70 for public servants recruited before 2004
- Convert Pension Related Deduction to Additional Superannuation Contribution

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Strand 6

Supporting Fuller Working Lives

- Allow deferral of State Pension
- Review mandatory retirement age practices
- Review Pension Drawdown Rules – standardised upper age limit
- Communicate financial incentives available for working longer

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First Impressions



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First Impressions



- Comprehensive, well written, ambitious
- Timelines and ownership



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First Impressions



- Negative tone on existing system
- 160,000 schemes?
- State sponsored AE
- GDP impact mitigated depending on where funds invested
- Tax relief

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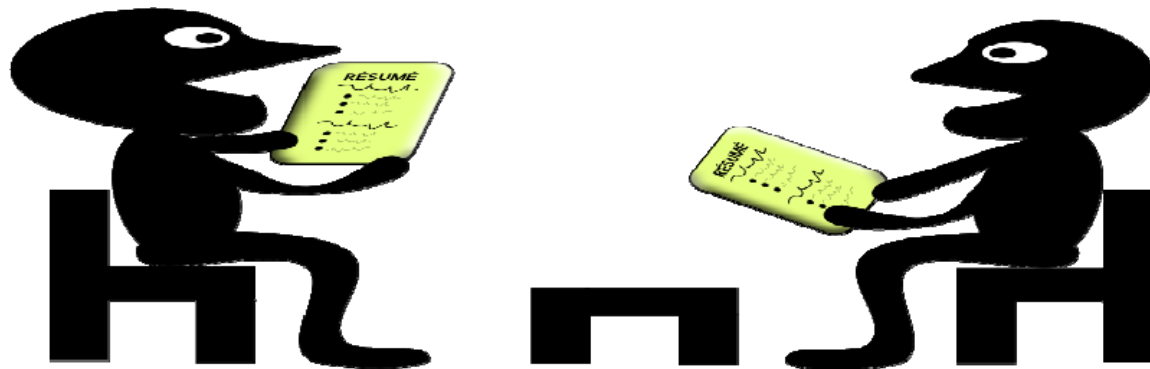
Who Does What?



- AE PMO
- AE Programme Board
- Cabinet Committee A -Economy
- IDPRTG
- Departments
- Agencies

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What do we do?



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