

Pensions Authority
AADR Statistics Publication 2023

**Insights and
Potential Implications for
Defined Benefit Schemes**

Pensions Authority AADR Statistics 2022

Key Themes



33%

Reduction in number of DB Schemes since 2013



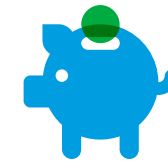
37%

Schemes classified as "Frozen" up from 22% in 2013



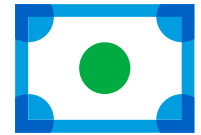
94%

Schemes meeting the funding standard (including FSR) up from 41% in 2013.



105%

Value of Cash and Bonds as a % of pensioner liabilities.



€30bn

Value of pensioner liabilities – less than half of total assets of €67bn.

Source: Pensions Authority AADR statistics publication 2023

https://pensionsauthority.ie/trustees_registered_administrators/funding_standard_and_funding_standard_reserve/defined_benefit_statistics_reports/

Where might schemes be now?

One of the most important decisions facing many funded DB schemes is their endgame.

Ready to Transact

Investing for (eventual) Transaction

Investing for the Long-Term

– Brendan Kennedy, Pensions Regulator

Presentation to the Society of Actuaries in Ireland, Nov 2022

Ready Now



Small and medium sized schemes



Mature



De-risked investment strategy

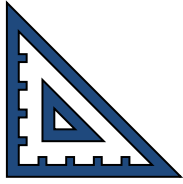


Weaker sponsor covenant



Simple benefit structure

Ready Later



Medium to large schemes



Typically less mature



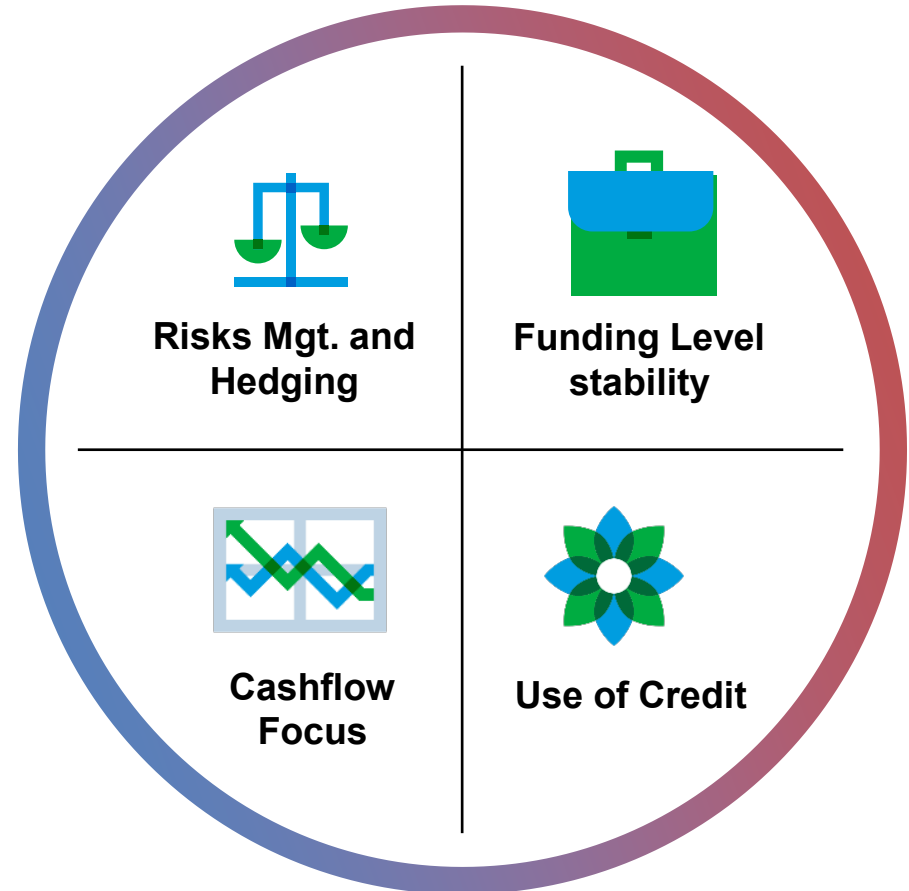
Strong investment governance



Supportive sponsor



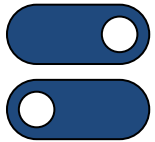
Preference for “self-insurance” and / or benefits difficult to insure



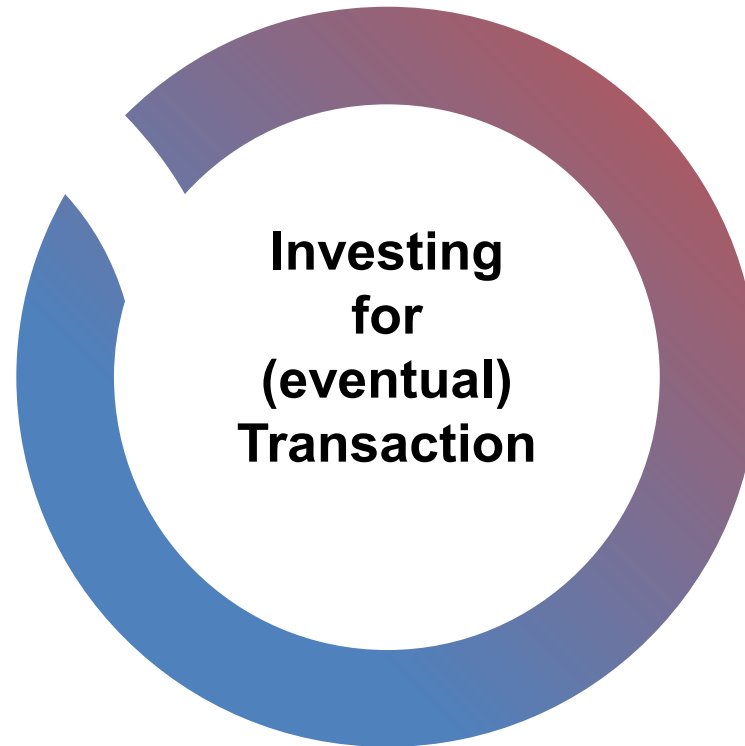
Getting Ready



Collaborative approach between Trustees and Sponsor



Use of member options



Risks managed within the scheme

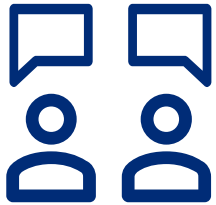


Investing to improve position as population ages

Key Take-Aways for Trustees



Opportunity to act from a position of strength



Candid discussion with sponsor required



Each scheme has a unique risk appetite

Accept

Avoid

Reduce

Transfer

Balanced actuarial, investment, covenant and legal advice
is key to ensuring the best member outcomes