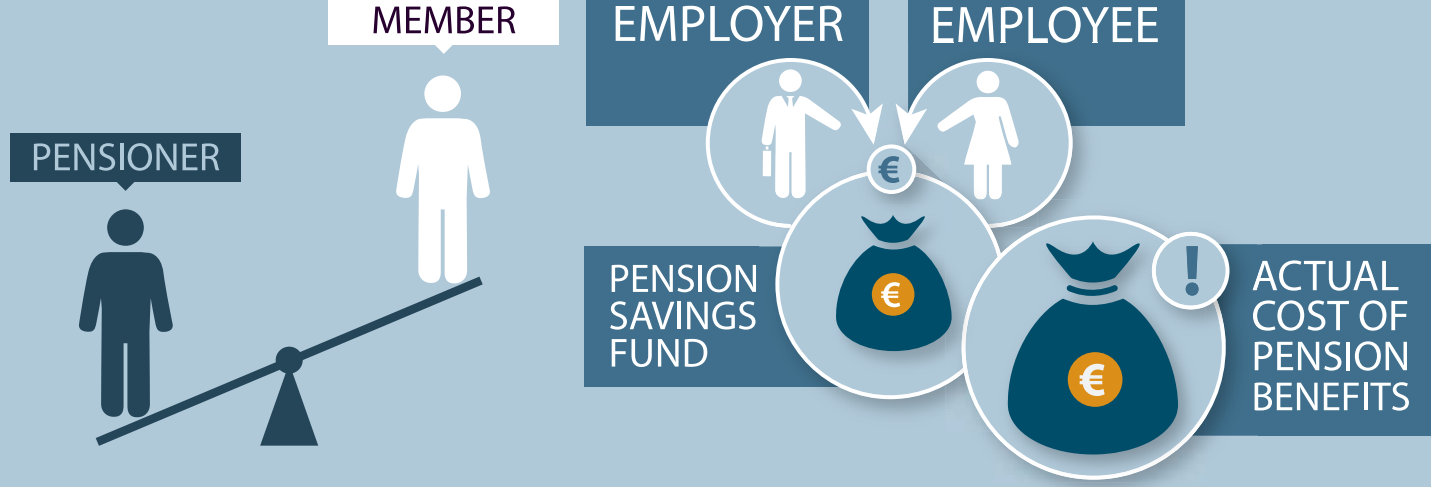


# FAIRNESS + INTERGENERATIONAL EQUALITY

FOR PENSIONERS AND CURRENT AND FORMER EMPLOYEES OF UNDERFUNDED DEFINED BENEFIT SCHEMES

## THE SITUATION NOW

DEFINED BENEFIT SCHEME

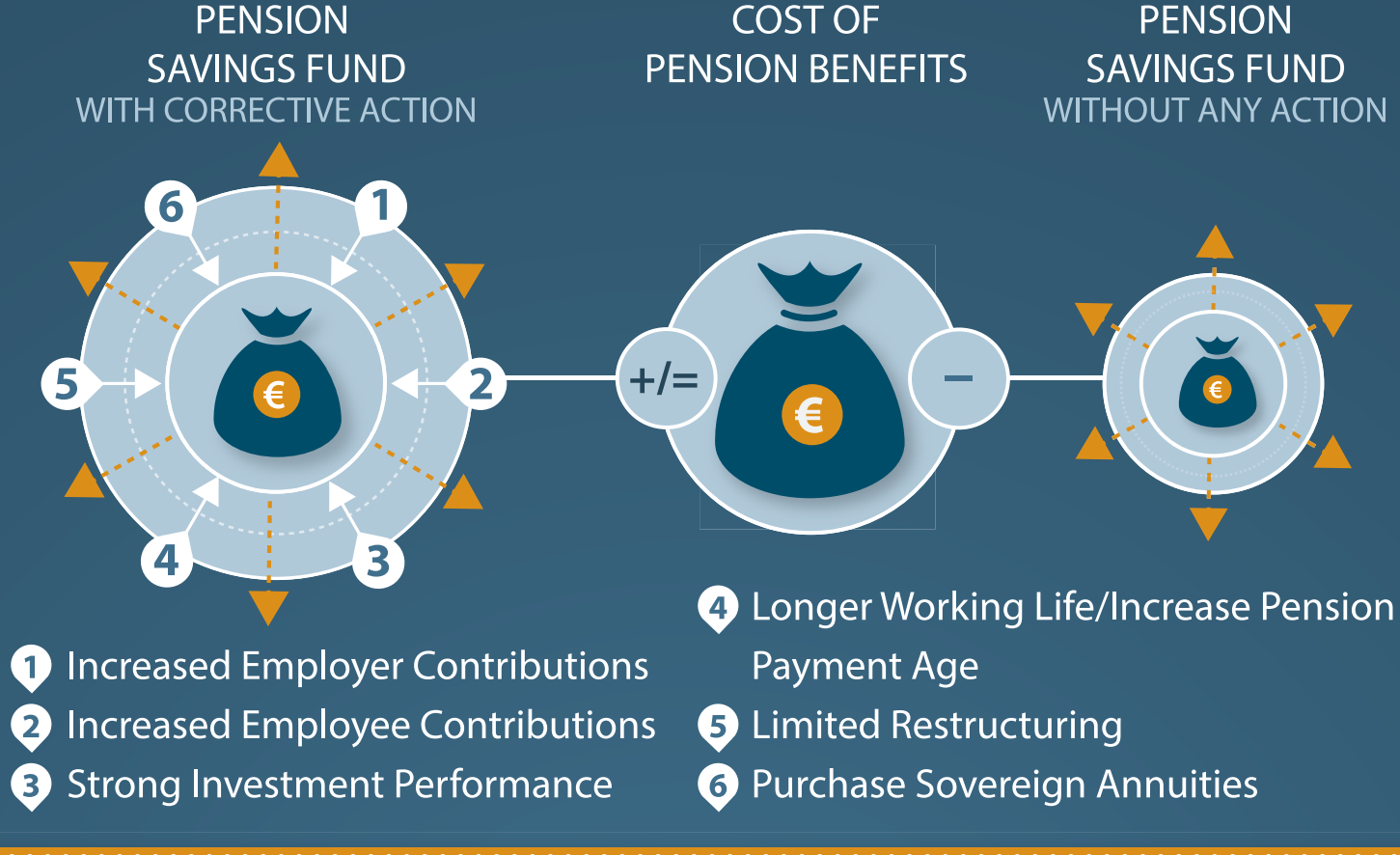


- Employers Make Pension Benefit Promise To Employees
- Employers and Employees Make Contribution To Meet This Promise

- Contributions Made May Not Be Enough To Meet Pension Promise
- Pension Fund Value Is Less Than Cost Of Pensions Owed

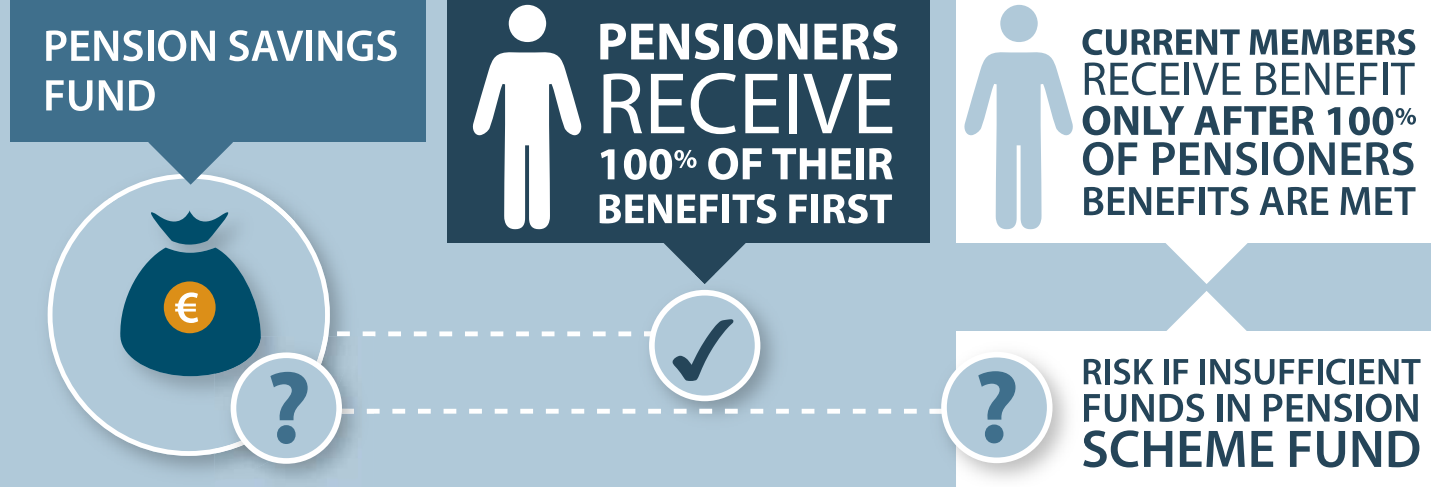
## AVAILABLE OPTIONS

FOR CONSIDERATION TO IMPROVE A PENSION SCHEMES FINANCIAL POSITION AND CAPACITY TO MEET BENEFITS PROMISED



## CURRENT PRIORITY ORDER

IN WHICH FUNDS ARE DISTRIBUTED FOR PENSION BENEFITS



- Pension Fund May Not Be Sufficient To Pay All Benefits Due

- Entire Risk Lies With Active Member

## PROPOSED ORDER

IN WHICH AVAILABLE FUNDS ARE DISTRIBUTED



- Fund More Fairly Distributed Between Pensioners And Members

- Fairer Degree Of Risk Sharing Between Pensioner And Member Though Pensioner Retains Priority

## FAIRNESS

PRIORITY TO 100% OF PENSIONS IN PAYMENTS UNDER €12,000

PRIORITY TO 90% OF TOTAL FOR PENSIONS OF €12,000 TO €60,000

PRIORITY TO 80% OF PENSIONS IN PAYMENTS OVER €60,000

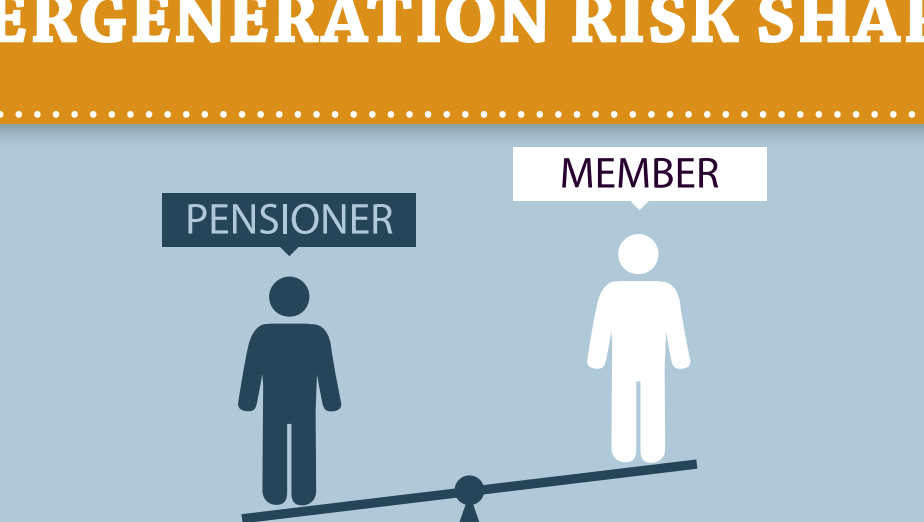


DOES NOT IMPACT STATE PENSION BENEFITS

- Those On Lower And Modest Pensions Have Greater Protection

- Those On Higher Pensions Retain Priority Protection But To A Lesser Degree

## INTERGENERATIONAL RISK SHARING



- Pensioner - Reduced Ability To Generate Future Income

- Member - Greater Capacity To Generate Future Income

A BETTER FAIRER BALANCE

