Green Paper Consultation Responses

Integrated Pensions

Submission 101

I am a member of a co-ordinated superannuation scheme for the last 27 years. I have contributed to my pension for that period of time and now find my pension will be reduced because of co-ordination. What's the point of paying for a pension? Nobody wants to tackle co-ordinated pensions, not the government, unions, etc. The government should abolish co-ordinated pensions, as a matter of urgency.

Submission 102

Chaper 9 Issues Regarding Defined Benefit and Defined Contribution Pension Schemes

The Growth of DC
For the same funding rates, there is no difference between Defined Contribution and Defined Benefit schemes. Employers are opting out of DB schemes simply because they can save 6% in salary costs less any tax benefits. A typical DB scheme with a combined contribution of 20% of salary will produce 8 units of final salary with a 0% real rate of return assumption. A DC scheme will produce the same. This equates to 16 years of inflation proofed pension at half pay.

The employer does not take the risk in DB schemes anymore and has not done so for some considerable time. All the advantages of DB schemes have been with the employer – the employer controls the trustees, the actuary usually assumes that he is employed by the employer, assumptions regarding real rates of return and the treatment of surplus and deficit are determined by the employer,, the scheme can be used to fund redundancies. An employer can easily create a deficit (change e.g. real rate of return assumptions, longevity assumptions) in a DB scheme and coerce the employees into increased contributions and therefore, de facto, create a hybrid scheme, but has still maintained the right to control the scheme, to appoint the trustee chairperson. Pressures will continue to mount on employers in the future to reduce pension costs, to eliminate DB pension schemes and to outsource pension provision. Perhaps the ultimate outsource location is the State.

Even within the same organisation there may now be a number of pension provision arrangements to confuse and perhaps demotivate employees.

1. A DB scheme
2. A DC scheme
3. A coordinated DB scheme.
4. A hybrid coordinated scheme

This is not good.

Retirement benefits in DC schemes are relatively low because of lower contribution rates. This particularly affects PAYE employees. Self employed can afford to invest more, get better advice, take advantage of tax concessions and make additional provisions for retirement.

DC schemes are particularly demotivating for young employees when they see that e.g. the first few years contributions are eroded by the cost of managing funds. Typically, at the end of the first few years contributions they have less money saved than they started with. This is unacceptable. One would have to say to young PAYE people starting out that they should under no circumstances consider making DC pension provision, that any surplus money would be far better used in providing for housing and educational requirements of their families and for improving their present standard of living. I think that young people have got the message that DC pension providers are to be avoided and are acting accordingly.

Guarantees

The fact that there are no guarantees with DC schemes has not prevented the most august of pensions bodies producing glossy literature indicating that there are guarantees.

Even with DB schemes the pension promise is often more honoured in the breach than the observance.

Questions for Consideration

1. I can see an integrated scheme working but I think that it needs to be different to the present integration schemes, if I understand them correctly, and needs to be fully thought out. State involvement in old age is of consolation to a lot of people and it takes the lottery element out of surviving into old age. The state is always there and can be relied on. One reaches the age of 66 – one gets a bus pass, irrespective, use it or not as you like. The same should apply to SW pensions – reach a certain age, to be determined, and automatically become entitled to an SW pension – irrespective. I am in favour of an integrated scheme though with checks and balances and contribution rates and affects on DB schemes to be fully thought out. The strategy should be to ensure that people see a benefit for all their taxes e.g. PRSI.

2. It is a waste of time trying to convince young people that there is something good in DC pension schemes when in fact there is nothing good in them as presently constituted. And we have not even mentioned that, having saved for 40 years, an annuity has to be bought, the value of which is a lottery and depends on the relationship between equity prices and gilt yields. Not to mention income withdrawal plans. Better to have SSIA type schemes. At least these were understandable.

3. This is a huge question – there are so many common mode sources of potential catastrophe and insecurity surrounding pensions and funds. Members of pension funds have to be encouraged, and given the wherewithal, to take a hands on approach to their funds. Members of pension schemes should hold annual conferences to compare performance of funds, to compare strategies, to discuss pension promises, surplus/deficits, rate of return assumptions, valuation methods. I could go on. Basically, get the employer, actuaries, trustees, fund managers, pension scheme manager, out of their ivory towers and get them to communicate with the members of the fund. The present funding certificate is more or less useless as a security instrument. As a first step, the actuary and trustees and fund managers should be changed at regular intervals.

4. Risk is not a word that should be used in this context. On examination of the history of a number of funds it is shown that where returns have been achieved that have led to a surplus, this surplus has been deemed to belong to the employer or has been used by the employer for his own purposes. For numerous reasons it is not to the members advantage that risks be taken. On the contrary, I would reward fund managers for steady repeatable returns and query high once off returns. It must be remembered that the investment purpose is to provide the same standard of living for pensioners as the enjoyed in employment, it is not a beauty contest for fund managers.

5. As I stated above, ensure more information is made available to members, regular intercourse between various funds, including the open interchange of actuarial valuations between the various pension scheme members. There appears to be a policy, I do not know who it is determined by, of limiting access to actuarial valuations. If information on every pension scheme fund was made available to every other fund this would stimulate a huge increase in interest and provide better performance. The question is wrong in assuming that there is cost and risk involved in guarantees. The level of benefits will affect the cost, but not the risk. The pension provider should not make pension promises that cannot be fulfilled nor should he make assumptions that have in the past been proved to be unachievable. Nor, having decided on a funding rate for the pension promises and an investment strategy, based on a 40 year period, the pension provider should not then go on an e.g. capital appreciation investment strategy in equities when the fund is mature. So, if risk is mentioned in the context of pension plans, it is not a pension plan- maybe it is a recovery strategy.

6. No, I wouldn't. Not in the present circumstances. There are so many easy things that can be done now, at little cost and much potential benefit, that it is a bit premature to start going down this path.

Chapter 10 - The Funding Standard

Past Service Deficits
It is not correct to say that before 2000 very few schemes failed the funding standard. In fact a number of the largest funded schemes had very significant deficits and had insufficient funds to meet liabilities. This fact was masked by the accounting and actuarial practice of assuming that returns in the future will exceed those of the past. For instance, a fund that has accumulated a past service deficit based on a real rate of return of say 3.5% (extraordinarily high in itself) would simply assume an even higher real rate of return of 4.5% for the future and hey presto the books are balanced.

Equity Markets
The progress of equity markets is a canard hauled out at convenient times to excuse poor performance in managing funds. One only has to look at the pie charts in glossy annual reports, that otherwise contain very little information, to see that pension funds that are mature (that have been in existence for over forty years and that have a pensioner/workforce ratio of > 50%) have extraordinary large amounts of money invested in equity markets. Trustees must ensure that funds are managed and invested in bonds and equities as is consistent with their maturity. If mature funds are in deficit then the question must be asked why is this so and action should be taken to remedy the deficit.

Funding of Past Service Deficits and Hybrid Schemes
The green paper makes no reference to a new type of pension scheme that has arisen over the past 20 years or so – the **hybrid** pension scheme. This type of pension scheme has arisen due to the fact that employers have refused to take responsibility for past service deficits (even though the employer traditionally controlled all aspects of the scheme and by definition the responsibility for funding a defined benefit scheme falls on the employer in return for certain rights) and have insisted on increased contributions from employees to offset the deficit. I suggest that the implications of hybrid schemes – schemes that are not defined benefit and not defined contribution but fall somewhere in between and are not subject to any particular body of law or tradition - be included in the pensions debate.

Views on the Standard
In order to assess the merit of the standard one would have to look first at

- The rules governing a particular pension scheme
- The benefits promised by the pension scheme
- Contribution rates to the pension scheme
- The tradition of the pension scheme
- The actuarial history of the pension scheme
- The body of law governing the pension scheme

There are conflicts here. For instance, the promised benefits may not include a link to inflation or pay rises – the promised benefit may only be a proportion (e.g. two thirds) of final salary. But contribution rates may be based on rises after retirement and tradition may be that pensions are linked to wage increases in the workplace or inflation. This gets further complicate by the actuarial history of the scheme – have real rates of return been achieved in practice, how have surpluses and deficits been dealt with. Finally, and very importantly, an archaic set of Victorian Trust law, that is full of contradictions, governs defined benefit pension schemes. This more or less stated that the employer owns the scheme and that he can do more or less what he likes with it so long as the promised benefits of the members are not jeopardized. But there might be a large gap between promised benefits and traditional benefits that could be subject to exploitation.

As it stands at the moment, the funding standard is a useless piece of paper that is of no relevance to contributors to defined benefit pension funds. It is of benefit to those who withdraw from the fund and whose contributions, together with those of the employer, are retained until pensionable age. In the past employees who e.g. were made redundant suffered losses in getting only their own contributions back at a low rate of interest.
A deficit funding proposal had been prepared, and implemented based on a 29 year funding period, for one scheme that was in deficit for many years. Three years later it was decided that the deficit had been cleared and the employer need not continue with the 29 year contributions. Five years later it was decided that the fund was in deficit again. What is the point of a funding certificate if long term proposals are to be overridden in such a short space of time?

Questions for consideration

1. See above for difficulties. The funding certificate is a piece of paper signed by an actuary. It offers no guarantees to contributing members of the fund nor pensioners. **Each member, at each 3 yearly valuation, should be supplied with the actuarial valuation document and an invitation to a day long seminar to examine the state of the fund and the performance of the trustees and actuary and investment advisors.** The funding certificate **must** be based on meeting the total expectations (which are different to pensions as promised under the rules e.g. wage linkage, inflation linkage, increases in pension after retirement).

2. Long term expected returns differ from fund to fund – 1% over inflation to 4.5% over inflation. Why this should be so is not clear, particularly as the actuary does not appear to differ very much from fund to fund. As pension schemes mature the long term should become more and more insignificant and as it is all defined benefit pension funds in Ireland are mature. In fact, as explained above, the long term consideration has been used to the detriment of schemes in hiding current deficits. So the answer is a resounding **No**.

3. We have seen in the past, particularly in the UK, where companies have been taken over for the value of their defined benefit pension fund. (Gold under the floorboards the particular stratagem was referred to as). The present funding standard reduces members and pensioners entitlements and will contribute to such actions in the future.There are huge sums of money floating around in pension funds without sufficient regulation or control. There should be an extremely strong funding standard (unlike the existing one) that guarantees entitlements to deferred pensioners, present contributors, and pensioners.

4. The present funding standard is useless.

5. The current standard does not guarantee entitlements as stated above. One of the problems with defined benefit pension schemes is that the literature surrounding them is very rosy with terms such as "guarantees standards of living throughout retirement"; " a wage linked pension which is far better than an inflation linked pension". Such statements have been produced in formal reports on pension schemes by pension scheme trustees and actuaries. But they are not incorporated in funding certificates. Where such formal reports are issued by trustees and actuary they should be incorporated in the pension promise and accounted for in the funding certificate and actuarial valuations.

6. A proper meaningful funding certificate should be established for every scheme.

Submission 143

Integration of Occupational Pension Scheme and Social Welfare

The benefits of integration of occupational pension schemes is of more benefit to employers than the individuals. This imbalance should be addressed especially for average/median income earners.

In the late 1960s/early 1970,s following Government policy, our occupational pension scheme was integrated with social welfare. This reduced the employer's pension cost, as well as the employees. This integration came in before compulsory PRSI was introduced in April 1974.

Nearly 40 years later, the reality of this is only coming to the fore. For instance, a person on the average industrial wage of 30,000 euros per annum after contributing for 40/45 years will have an occupation pension of 3500 euros per annum and a lump sum of 45,000 euros. In effect their occupational pension is just under 12% of their salary.

If a person opted opt for no lump sum this increases their annual pension by 5000 euros. Most people in DB schemes opt for a lump sum unless they have received redundancy in conjunction with pension even though this is 9 years purchase in advance which is also very expensive and costly.

Submission 211

The effect of the decision in 1970 to close out the un-coordinated pension scheme to new employees from 1970 on is now clearly being felt by those employees who are beginning to retire in our organisation.

These employees who will have served up to 40 years with the same organisation will have deducted from their company pension the full State Old age Pension payment.

With State Old Age pensions increasing by upwards of 7% per year over the last five to seven years, and wage inflation by 4% per year it is obvious that the value of the company pension is been eroded year on year.

Example

30000 Salary

A Un-Coordinated pension would give an employee with 40 years service = 20000 Euro + State Old Age Pension of Approx 12000 ....
Combined Uncoordinated Pension = 32000 Euro

A Co-ordinated pension will give another employee with the same salary a 20000 Company pension - 12000 Euro State Old Age Pension = 8000 euro Company Pension + State Pension of 12000...........................
Combined Coordinated pension of 20000 euro.

The main beneficiaries of this scheme are the Employers who now only have to match the contribution of the co-ordinated pension paid in by each employee … in the case of the employees outlined above, that would equate to about 4% of basic pay.

The uncoordinated pension had a 6.375% payment by both employee and employer = 13.75% in total

The coordinated pension has approx 4% payment by both employee and employer = 8% in total.

It is clear from this combined contribution rate that pensions are being underfunded by both employee and employer and the effects are only felt by the employee at his most vulnerable time ...when he is retiring.

Our organization is now planning to bring in new employees at a 20000 Euro salary per year and the mathematics are quite clear ...This will result in a payment from both employee and employer of approx 3.5% each ...total of 7%.

With the Government committed to increasing State pensions over the rate of wage inflation as outlined by the commitment to increase State Pensions to 300 Euro per week

during the life of this government.....there will be no Company pension due to these employees in 40 yrs time if the wage/pension inflation link in the coordinated pension system is not addressed.

Conclusion

The link between State Pension inflation and Wage inflation in relation to coordinated pensions needs to be addressed in this green paper as a priority.

Submission 289

In view of the issues and challenges facing the Social Welfare pensions system and the approaches to reform discussed in this chapter, the key questions include:

1. In the light of the reforms to the Social Welfare system undertaken in the 1970s, 80s and 90s which will, in future, see most people qualifying for contributory pensions, are there implications for people who are at present not receiving support through the Social Welfare pension system?

There are many considerations that would need to be addressed individually. One of the most critical would be how to deal with worker mobility within the EU both in respect of Irish-born citizens who spend some of their careers overseas and also workers who come to Ireland for part or all of their career. Presumably coordination and integration of national pension arrangements is something that should be dealt with at EU level.

2. Is the introduction of a universal pension arrangement a desirable and feasible option?

Pension arrangements need to be simple to understand. However, there will inevitably be some level of complexity for exceptional cases. But for the majority of workers in the mainstream there should be a universal pension arrangement.

3. If universal provisions are not considered appropriate then what groups, if any, currently outside the Social Welfare pensions system should be targeted for action?

There should be a needs-based approach whereby those with most need, i.e. those in economic hardship, should be targeted.

4. Policy in relation to pensions has, for many years, concentrated on improving the position of all pensioners. Is this the most appropriate way of improving pensioner incomes or should there be a more targeted approach using measures such as the Living Alone Increase?

Basic State pensions, as stated above, should be universal and simple to understand and meet basic financial needs. Other enhancements should be means tested and funded through mainstream Social Welfare funds. The basic State pension should be related to minimum wage rates on a 35 hour-week basis.

5. If the basis of qualification for contributory pensions was changed from average contributions made, to one based on total contributions, what would be an appropriate level of contribution a person should be required to have to receive a full pension?

The present arrangement of average contributions is the most equitable. It could be improved by increasing the number of variations to, maybe, 10 year multiples. e.g. 10 years contributions = ¼ pension, 20 years contributions = ½ pension etc. The calculation should also give credit for contributions paid elsewhere in EU.

6. Should a formal indexing arrangement linking pensions to some level of prices, earnings or risk of poverty threshold be introduced? How would a formal indexation mechanism be operated having regard to the overall budgetary and economic position?

Absolutely, pensions should be indexed to CPI, or average hourly pay-rates, or minimum hourly pay-rates or some other appropriate benchmark

7. Given the issues raised in this chapter, in Chapter 3, and in the Green Paper in general in relation to the long-term affordability of existing arrangements, how can the challenge of the growing cost of Social Welfare pensions be addressed?

It is not a question of "can it" but how it should be done. All citizens of the state are entitled to a basic pension that meets basic needs. The debate should be around how much is "basic" and how funding from the Exchequer should be raised and allocated.

Submission 292

Developing a Better Pension System

1. INTRODUCTION

In responding to the Green Paper, I am seeking to avoid repetition of, or unnecessary reference to, the wealth of data already provided; focussing instead on the broad policy principles on which I hope to see agreement and action in the near future.

In my view, early action of the kind suggested below is now urgent and should be seen as a national priority. I strongly believe – and the data confirms – that Ireland's 'demographic dividend' is rapidly waning in value; we no longer have the luxury of endless debate; and no further delays are acceptable if we are to develop a better pensions system - one that is truly inclusive and protective of all the 'children of the nation' irrespective of age. Thus I would argue that the various proposals put forward below, for changes in the tax, social insurance and occupational/other supplementary pension systems, be made in tandem - concurrently rather than consecutively - as we have no time to waste.

2. BACKGROUND AND OBJECTIVES

Trade unions such as SIPTU have striven for decades to negotiate the introduction and/or improvement of many hundreds of Occupational Pension Schemes (and, more recently, some PRSAs) in the private sector. They have also secured improvements in public sector pension arrangements, particularly for lower-paid public servants. They have lobbied consistently, with some successes, for improvements in the social welfare pension system; and have been the main advocates for the maintenance and further development of the social insurance system.

However, some of these gains are now being eroded. Many workers for whom good pension arrangements have been secured (and paid for) are now finding their benefits are being reduced; and, almost as worrying, that they are becoming objects of anger, aggression and envy, or victims of attempted 'levelling-down' to the poor position of those without adequate pension arrangements.

The agreed objective, in a civilised, wealthy and socially responsible society, must surely be the opposite: **to 'level-up' everyone to good standards of pension provision**. The fact of increasing longevity makes this increasingly important, albeit increasingly costly. But the longer the cost issue is avoided, the greater the bill becomes, as the period over which it must be paid also decreases. So it stands to reason that the sooner we start investing more in pensions, the better.

A further concern is that even people who believe themselves to be in 'good' or even 'adequate' pension arrangements may find this belief to be mistaken when they reach pension age. And at that stage, they may find themselves unable to do much about it. The **adequacy** of many existing arrangements is therefore a serious concern.

The other major concern is that nearly half the workforce has no supplementary pensions cover at all – whether good, bad or indifferent. Nothing whatsoever to supplement the social welfare pension, which does at least cover most workers, nowadays.

If this situation is allowed to continue, and half of today's workforce of about two million people retire on an income equivalent to about one-third of AIE, this will mean a lot of people retiring on far less than half their pre-retirement income. Anyone earning more than two-thirds of AIE will be in this unenviable situation.

Therefore, in my view, our **'priority objectives'** in relation to pensions, should address three main issues: **Protection, Adequacy and Coverage.** Protection of good existing pension arrangements, in both the public and private sectors. Adequacy of pension provision in both the public and private sectors, especially for lower-paid workers in both. And resolution of the coverage issue in a manner compatible with achieving the other two, equally important, objectives. This latter point raises a further important point of principle, because of course any one of the above objectives could be realised at the expense of one, or both, of the

others. As could other desirable objectives, like equality and equity – both achievable by extending coverage of a very poor standard to the entire population!

I believe that Ireland can and should build on what I would see as 'the bones' of a good pension system in order to achieve adequate pensions for the high proportion of the population who will not otherwise have post-retirement incomes sufficient to maintain a standard of living that is both minimally adequate and also bears a reasonable relationship to their former earnings.

This can be done if we first accept the absolute necessity of doing so; if we then face up to the real financial cost of adequate pension provision of this kind (and indeed the social and human cost of **not** doing so); if we assess, fairly and squarely, the most efficient way of meeting this substantial financial cost; and then agree to a 'fair sharing' of the costs involved.

3. OVERVIEW OF SUBMISSION

These three key objectives – extending **coverage**, ensuring **adequacy** and **protecting** good existing arrangements – could be achieved by a combination of reforms carefully designed to build upon and develop the positive features of the present system and remove the negative features.
Specifically, I would argue that

1. The **social welfare pension system** requires reforms to further extend its coverage and make it more **fully inclusive** – see **section 4** below.

2. The **level of the social welfare pension** should be raised to at least 40% of AIE1 over the next 6 years; and then to 50% over the subsequent 6 years – see **section 4** below.

3. The **tax incentive** for people to save for retirement should be 'equalised upwards', i.e. those on lower-incomes, paying tax at the standard rate (or less) should receive the equivalent level of relief or subsidy as those paying at the higher rate. This particular reform should be seen as part of a more comprehensive approach, for the reasons explained in **section 5** below; because as a 'stand-alone' reform, it may not be sufficiently effective in relation to the main 'target population', i.e. people on low and low-to-middle incomes.

4. Planning should commence immediately for the introduction, in 2009, of a system of **mandatory pension contributions** in respect of incomes which fall within a specified band and which are not already adequately 'pensioned' – see **section 6** below.

5. The commencement of **'Child Pension Accounts**', first suggested by SIPTU in 2003, should be the subject of an early Feasibility Study tasked with examining the possibility of introducing such Accounts in 2010 – see **section 7** below.

6. **Other reforms** designed to safeguard occupational pensions in both the public and private sector, are suggested in **section 8** below.
7. The issue of **costs**, and how these might be met and shared, is discussed in **section 9**.

4. THE SOCIAL WELFARE PENSION SYSTEM

The further development of the social welfare pension system is vitally important for both current and future pensioners; and in my view, both parts of the system (i.e. the social assistance and the social insurance pensions) should be improved so as to deliver better pensions to a higher proportion of the population.

(i) Inclusion

At this stage, after several decades of improvements and reforms, the social insurance system is fairly inclusive, but not fully so. This process must be completed by including, on a fair and equal basis, those groups who have traditionally been excluded because their 'employment status' or work patterns did not conform to the perceived 'norms' of the time.

Over the years, the system has adjusted to social realities and the exclusion of particular groups has been addressed. Thus categories such as non-manual workers, married women, public servants, self-employed people, part-time workers, and certain carers and homemakers, have been brought into the social insurance system for some or all of its benefits.

However, difficulties and anomalies remain, e.g. for 'assisting relatives', carers with spouses earning over specified amounts, homemakers who had children and left their employment before 1994, people who entered social insurance before a certain time, women who were victims of the 'marriage bar' and so on.
Surely the time has come to tackle the remaining anomalies, promptly and fairly; and for the Exchequer to pay the requisite amounts into the Social Insurance Fund so as to ensure that at the very least, people of pension age are not excluded from basic entitlements?

I see considerable merit in a system of **social insurance**, as distinct from a universal system paying basic pensions to all citizens or residents. However, the social insurance system **must be fully inclusive;** it must cater for the vast majority of the working population, so that only a small minority need depend on the non-contributory, social assistance pension financed wholly by the taxpayer.

This social welfare pension system should also allow for **greater flexibility** than at present e.g. in relation to retirement ages. Greater **transparency** would also be helpful, because despite the Department's range of booklets and fairly user-friendly website, it can be difficult for people (irrespective of their age!) to access information about their entitlements, their insurance record and so on. The system for checking people's PRSI records and likely entitlements, in advance of retirement, should also be improved.

(ii) Level of Social Welfare Pensions

At €223.20 per week, the current Contributory State Pension is barely 30% of estimated current AIE, which is about €750 per week. (I do not accept the Department's convention of expressing the **current** pension as a percentage of the **previous** year's AIE – even though the latter is generally the most recent figure to be published by the CSO. If the latest published figure is updated by reference to the known increase in average earnings in the interim, this gives a more realistic picture and usually proves quite accurate.)

Trade unions such as SIPTU have consistently argued for the contributory social welfare pension to be raised first to the target level agreed in 1998, which was 34% of AIE; and for progress to then be made towards 40% and ultimately, 50% of AIE. It is disappointing that so little progress towards this target has been made to date and I now believe that strenuous efforts should be made to achieve a national consensus in favour of (a) reaching 34% over the next 2 years, i.e. by 2010; (b) reaching 40% over the following 4 years; and (c) reaching 50% over the following 6 years, i.e. by 2020.

As for the non-contributory pension, I would favour the retention of a small differential (no more than 10%) between it and the contributory pension, so as to underline the principle of social insurance and deliver some financial reward to PRSI contributors. I welcome the present government's commitment to raise the non-contributory pension to €300 per week by 2012 and would like to see a parallel commitment to ensuring that the contributory pension rises to €330 per week by the same date. However, instead of these numerical targets, it would be preferable to **index both pensions to AIE** and to avoid adjustments in the percentage differential between them, as present practice enables unacceptable anomalies to arise (e.g. in one recent Budget, a smaller increase was given to contributory pensioners than to non-contributory pensioners, presumably so that the lower rate could be seen to be reaching the government's promised target, without incurring the cost of proportionate increases in the higher rate).

5. THE TAX INCENTIVE

There has been near-unanimity in recent years, among the 'key players' on the pensions pitch, that improving and equalising the value of the tax incentive (which encourages people to make or increase pension contributions) would be helpful in increasing pension coverage. Whether it would be sufficient, on its own, to bring enough of the 'target population' into good pension arrangements, is another matter. But there was general agreement that it was worth trying. The trade union representatives added a rider to the effect that it would be worth trying, **for a limited period** (as with the SSIA offer, for example), as long as it did not preclude or slow down planning for more radical measures if it proved insufficient on its own.

Unfortunately, however, successive governments have baulked at this idea – or, more likely, the cost of implementing it and the absence of any tangible short-term or even medium-term political gain from doing so. The immediate fiscal cost of extending to lower-paid workers a tax incentive which has proved highly effective for middle and upper-income earners, would obviously be high if the measure proved successful in increasing pensions take-up; but so would the long-term social benefit (and indeed, the returns to the Exchequer, arising from more people having higher taxable incomes in retirement).

If the power and potential of the tax incentive in relation to pensions is to be fully explored and exploited, the government should introduce a radical new scheme in Budget 2009, giving all taxpayers an opportunity to have their pension contributions tax-relieved at the same rate as higher-rate taxpayers. As this rate comes close to 50% (when the PRSI and Health Levy are added to 41% tax), this relief should be given in the form of **'one for one' matching contributions** – not only for simplicity and transparency, but because this 'SSIA-style' mechanism has so recently proved popular, comprehensible and effective in encouraging savings.

However, as with the SSIAs, any such measure should be strictly time-limited (e.g. people should be given no longer than 12-15 months to enrol in new pension or PRSA arrangements); and take-up should be carefully monitored so as to assess its effectiveness in relation to the main target population (i.e. women, young people and lower-paid workers in the 'least-pensioned' sectors). And, at the same time, work should also be intensified on the issue of whether and how a system of mandatory pension contributions can be introduced if the improved tax incentive proves insufficient.

Unfortunately, it is quite possible that even a greatly improved SSIA-style tax incentive will prove inadequate to the task of persuading low-paid workers, with heavy day-to-day demands on their disposable incomes, to make provision for their retirement. Nor would such a scheme act as any additional incentive to employers who currently will not, or maintain that they cannot, make a worthwhile contribution to their employees' pension fund, even though such contributions are fully tax-relieved. For this reason, it is important to stress that work on an appropriate system of mandatory pensions must be immediately resumed and intensified – see next section.

6. MANDATORY PENSIONS

In my view, serious planning must begin for the introduction of a system of mandatory pension contributions which is appropriate for Ireland's particular stage of pensions development, so that no more time is wasted if the improved tax incentive fails to deliver the required results within the agreed timeframe. The purpose of this new tier of pensions provision should be **to close the gaps** in pensions coverage which currently exist - and may still exist, even after the tax and other improvements described above have been implemented - and **not to replace or weaken existing good provision**. Indeed, it is crucially

important that extending good pensions **coverage**, to those currently without it, is not done at the expense of the other two main objectives – ensuring **adequacy** and **protecting** good existing pension arrangements. The experience of other countries is instructive in this regard.

The 2006 Report on Mandatory Pensions, prepared by a sub-committee of the Pensions Board within a very short time-frame, at the request of the then Minister for Social and Family Affairs, Seamus Brennan, made an excellent start in devising a system that would be appropriate to Ireland's needs. After studying the experience of other countries, commissioning some relevant research and deciding on various parameters and sets of assumptions, the sub-committee concluded that the type of system which would best suit our needs would be one that built on the present system by (a) further improving the social welfare pension and (b) introducing a supplementary scheme that would be mandatory for those without cover that was at least equivalent.

Specifically, what this Report recommended was

1. An increase in the **social welfare pension** to **40% of AIE**, over a 10-year period; in 2006, in round figures, this would have meant increasing it from €10,000 per annum to €12,000 per annum. This would benefit both present and future pensioners.

2. Introduce **Mandatory Supplementary Pensions** – which it called *'Special Savings for Retirement',* or SSRs – for all those at work who did not already have adequate provision and whose incomes were within specified bands. Thus all workers, both employed and self-employed, would be covered, if they earned between 50% and 200% of AIE (the suggested 'eligible income' band). In 2006 terms, using a round figure of about €30,000 per annum for AIE at that time, this would have implied compulsory contributions for anyone earning between €15,000 and €60,000 per annum who was not already in an adequate pension arrangement.

The Pensions Board based its costings for such a system on a required total contribution rate of 15% of 'eligible income' – so for someone on exactly AIE, for example, the total annual contribution would be €2,250 and for someone on twice AIE they would be €6,740. The Board accepted that contributions totalling 15% of 'eligible income' were the least that would be needed in order to produce an eventual pension of about 50% of that income.

How exactly this 15% contribution should be shared was, in the view of the Pensions Board, a matter for the government of the day to decide. (In Chile, for example, employees pay the entire contribution; in Australia, employers pay it all and it's up to workers to decide whether to add anything. Neither approach has yet resulted in what could be seen as 'adequacy' because the total has not been high enough; although in Australia, the employer contribution has now reached 9% and some workers choose to add to this.)

It seems to me that the fair and obvious way of sharing the cost would be an equal, 3-way split between employers, employees and government, i.e. 5% each. And even if, in some

cases, this had to be phased in (e.g. over 5 years), the important issue is the necessity to achieve, as soon as possible, a total contribution rate which will produce adequate pensions. There is no reason to believe that the 15% figure, accepted by the Pensions Board in 2006 as minimally adequate, is too high; if anything, unfortunately, it may now be too low.

Other features of the scheme devised by the Pensions Board were: **collection** of the contributions via the existing PRSI system (which would clearly be the most cost-effective, since the mechanism already exists) and **investment** of the contributions by the state – either directly (e.g. through the NTMA) or by letting individuals decide between various state-approved investment vehicles (as in New Zealand, for example).

The **investment issue** was one of the potential problem-areas identified by the Pensions Board as requiring much further attention than it was able to give it in the early part of 2006. If the state collects the contributions, and arranges their investment (directly or indirectly) must it also provide a state guarantee of the outcome? The experience of other countries appears to have been mixed: in Australia, they started with a single investment option only, but recently introduced a 'choice of funds'; in Chile, the state has no involvement in investment, but nevertheless guarantees the outcome.

Other potential problems identified by the Pensions Board were the **compliance issue** (who to exempt, how to decide who already had 'adequate' cover, how exactly to define 'adequacy' and what resources would be needed to ensure compliance) and, of course, the **danger of downward pressures** on existing standards.

These are crucially important issues to resolve before introducing any system of mandatory pensions in Ireland, but I believe that they can and should be resolved, through careful planning and consultation with all the key interests involved. There is no virtue in doing further damage to system already under pressure from a combination of forces, some of them almost entirely outside of our collective national control. Conversely, we cannot, as a society, tolerate further inaction which leaves both the current and future generations of pensioners at the mercy of these forces.

7. CHILD PENSION ACCOUNTS

At this stage, our national pension policy should aim to be fully comprehensive in the short, medium and **long term**. Thus, early improvements in the **social welfare** pensions are needed, in order to benefit today's pensioners and those workers who are coming up to retirement age shortly. For those who still have time to plan and save for better incomes in retirement, the social welfare changes plus improvements in the tax incentive, combined with the introduction of a new system of mandatory pension contributions for those who still do not have adequate cover, should between them deliver better pensions. And for those at an even earlier stage of life, we need measures which then could perhaps defuse the so-called 'pensions time-bomb' entirely for future generations.

The commencement of **Child Pension Accounts** (CPAs), suggested by SIPTU a number of years ago and elaborated on in some detail in 2003 and subsequent years should, in my view, be the subject of a Feasibility Study to be started in mid-2008 and competed by Easter 2009. If the scheme is considered to be both feasible and desirable, it should be introduced in respect of everyone born after January 1st, **2010**.

As part of SIPTU's pension proposals for Budget **2005**, the following measures were suggested as a possible way of addressing the long-term pensions challenges, with proposals to phase-in the measures over 16-18 years so as to minimise the start-up costs:-

"Set up a Pension Account for everyone born after 1st January 2005;
"Raise the Child Benefit rates to €150 / €185 per month and add 10% for pensions. For every child born after January 1st, 2005, add 10% of the basic Child Benefit rate (i.e. an additional €15 per month in 2005) and put this into their Child Pension Account (CPA).
"Facilitate additional contributions to CPAs – encourage parents, grandparents and other 'sponsors' to add (limited) amounts, tax free, to these CPAs (e.g. a maximum of 3-4 times the state contribution).
"For pre-2005 children, set up the Pension Accounts as they come off Child Benefit (usually between the ages of 16 and 18) – the state to put in a lump sum 'start-up bonus' (e.g. 6 months CB). This would mean a €900 'pension start-up bonus' for 16-18-year-olds in 2005, again with a facility for extra amounts to be added.
"This would mean that after 16-18 years, every young person below the age of 32-36 would have an established pension fund to supplement their Old Age Pension and to which further contributions can be made, by employers and by themselves.
"
(SIPTU, September 2004)

Clearly, these 2004 figures would need to be updated: Child Benefit is now €166 per month for each of the first two children and €203 for the third and subsequent child(ren). An extra 10% for CPAs would therefore mean an additional €16.60 or €20.30 per month, in 2008 terms. (These amounts would have to be standardised to ensure that all children born in the same year started with the same amount, e.g. €20 per month per child.) The amounts which parents, grandparents, etc. could contribute, tax-free, to these 'piggy-bank pensions' would also require careful consideration; as would the phasing-in arrangements and the mechanism for subsequently transforming these funds into occupational or personal pension schemes, or PRSAs, to which employers would also contribute at a later stage.

However, the virtues of starting 'the savings habit' at such an early stage should not be under-estimated; and there are also a number of other possible attractions associated with the idea of CPAs. For example: **partial encashment** of the fund could be allowed (say 25% at age 25 and a further 25% at age 50) without doing major damage to the eventual pension; and **greater flexibility around retirement ages** would also be possible, in the future, if a

pension fund had been accumulating for 55 or 65 years - or more - rather than 40, 35 or even fewer years as at present.

As regards the issue raised in Ch. 14 of the Green Paper, of **raising retirement ages** and/or enabling people to postpone retirement and remain in employment, I would see the introduction of CPAs as an important mechanism for easing the pressure on future generations of older workers to continue working for longer than they actually wish or are capable of doing. People should not be pressurised into postponing retirement for purely financial reasons, i.e. because their pensions are inadequate or it will 'cost too much' to provide pensions for them when needed. Such a system is likely to increase inequality in retirement and to impact most adversely on those who are already disadvantaged.

However, I am fully in favour of providing **real choices**: of encouraging employers to retain older workers – if the workers wish to be retained; of encouraging workers to work beyond Normal Retirement Age – if they wish to do so; and perhaps redefining NRA and 'retirement' itself. But these must be provided as real choices, **real ways of improving peoples' quality of life**, rather than as ways of cutting pension costs at the expense of older peoples' dignity and liberty.

8. OTHER ISSUES

A few other issues require brief mention:

(i) Later Retirement

This has been referred to at the end of section 7 above. If seen as a way of providing workers with free and real choices, I would favour greater flexibility and the ability to remain in employment, as long as this is **on a voluntary basis**. If seen merely as a way of reducing pension costs – by increasing pressure on older workers to remain in employment – then I have major reservations. In my view, a better way of reducing pension costs later in life, is to start making pension contributions at a much earlier stage in life (i.e. through CPAs) and to ensure that the contributions are adequate throughout one's life, especially one's working life (e.g. through supplementary pensions, whether voluntary or mandatory). This cannot be done for the current generation of pensioners, or for people due to retire soon, but it can and should be done for future generations.

(ii) Annuities

The main reforms needed in relation to annuities would seem to be as follows:

1. DC holders should have **greater flexibility** in relation to the timing of their annuity purchases. They should not be compelled to buy at their exact moment of retirement.

2. Individuals approaching retirement (and, indeed, before that time) should receive **better information** about their entitlements, the comparative costs of annuities, the choices they have (and haven't), etc.
3. The **state should become a provider** of annuities, in certain circumstances. E.g. where a company with a pension fund collapses, or transfers its engagements, the state should take over the assets of the fund and ensure that the appropriate pension payments, or annuities, are made thereafter.

(iii) The Funding Standard

I would urge considerable caution in relation to further amendments or relaxation of the Minimum Funding Standard, despite current market volatility and the consequent pressures on DB schemes. To date, there has been heavy reliance on the Pensions Board to assess serious under-funding situations and to read warning signs correctly, on a case-by-case basis. This approach has been successful to date, but if it is to continue, it may be necessary to increase the resources of the Board, in order to minimise the danger of delays with such assessments (e.g. to appoint temporary staff, and/or create a panel of experts to be drawn upon at short notice).

(iv) Growth of DC

Trade unions have been working for many years to try to ensure that the growth of DC schemes has not been accompanied by the growth of insecurity, inequity and inadequacy of pensions provision. The worst fears of pensions practitioners have been confirmed by recent surveys indicating serious 'under-pensioning' of members of DC schemes and PRSAs. More effective publicisation of this problem and more widespread emphasis on the need for higher contribution levels (e.g. the 15% taken as being minimally adequate in the 2006 Pensions Board Report on Mandatory Pensions) would be helpful; but probably, the only fully effective solution is to **require** a minimum contribution level (15%, updated to take account of 2008 realities?) so as to **ensure** better outcomes.

(v) Integration

While consistently seeking increases in the social welfare pension, trade unions have long been faced with the dilemma that many lower-paid workers who are in DB schemes, both in the public and private sector, view this as counter-productive. This is because it can have the effect of decreasing their 'pensionable pay' and thus the portion of their total pension which derives from their occupational scheme, as distinct from their social welfare pension. (And the consequent savings in contributions, by both employers and employees, are not always seen as being available to improve the benefits deriving from the scheme.)
One possible approach to resolving this problem, at least in the private sector, may be via better trustee training and greater clarity when preparing and explaining pension fund accounts. Better explanation of the 'savings' accruing to the contributors to integrated

schemes whenever the social welfare pension increases; better identification of the beneficiaries of such savings; and better-informed discussion (between actuaries, trustees, pension fund advisors and administrators, employers and employees) of possible alternative uses of such 'savings', could all contribute to progress in this area.

However, in the public sector, where unfunded schemes predominate, and governance and accounting procedures are very different, alternative mechanisms for discussion and progression of the integration dilemma would have to be devised; and in my view, work on this issue should commence as soon as possible.

(vi) Discrimination against same-sex/unmarried couples

Trade unions such as SIPTU have for many years sought the removal of all forms of discrimination against unmarried couples (whether same-sex or opposite sex) based on their marital status and/or sexual orientation. This includes discrimination in several areas of tax, social welfare, inheritance and pensions law and practice.
Many private and occupational pensions schemes have already remedied such discrimination in their rules and it is time for the state to do likewise, both in relation to the social welfare pension system and the civil and public service pension schemes. If civil partnership legislation is introduced, this may improve the position for some unmarried couples (i.e. those same-sex couples who then choose to enter formal contracts) but it will not ensure equal treatment for the remainder of unmarried couples, whether same-sex or opposite sex.

9. COSTS

There is no point in avoiding 'the elephant in the room' – the issue of greatly-increased costs, if adequate pensions are to be provided for all who need them now and in the future. However, it is difficult for the lay person to calculate these precisely. Nor, for that matter, is it easy to calculate the precise social and human costs of **not** ensuring that older people have adequate incomes in retirement - and can also, with encouragement and support from the state, maintain their pre-retirement living standards, at least to a certain, socially-acceptable level. But, clearly, these costs are also very high, due to such factors as higher health and social services expenditure; lower output by older workers and hence lower GNP; less voluntary and social work by older people; lower purchasing power by older people, resulting in less tax revenue from a growing portion of the population. (The 'silver economy' will be of increasing significance, to the economy as a whole, in future years.) If it were possible to compute all these 'future costs' and weigh them against the more measurable current costs, the picture would look very different and more complex than simplistic snapshots of current-year tax and welfare expenditures would indicate.
Each of the reforms proposed will involve additional expenditure in the immediate short-term and the primary question now is whether this can be faced, fairly and squarely, and

accepted as being **both socially and economically necessary**. If it can, then the second issue of exactly what the costs are, and how these should be shared, must be confronted.

I can only give a broad view on the likely costs arising from each of the above proposals and how they could/should be met:

(i) Social Welfare Pensions

1. The cost of removing all the various '**coverage**' anomalies and making the system fully inclusive, should, in my view, be calculated and met from the **Social Insurance Fund** (SIF) and, if necessary, in the context of Budget 2009 (i.e. as a once-off Exchequer contribution), bearing in mind that recent Exchequer contributions to the SIF have been very low and that large amounts, regarded as 'surplus', were removed from the SIF some years ago; therefore the question of raising employer or employee PRSI should not arise in this context.

2. The additional cost of ensuring **adequacy**, i.e. raising the level of the social welfare pension to the recommended amounts in the coming years, should be estimated and then allocated to the Social Insurance Fund (in the case of the contributory pension), to general Exchequer funds (the non-contributory pension) and to the National Pensions Reserve Fund (NPRF - see also section (iii) below).

   If necessary, the Exchequer contribution to the NPRF should be raised from its current level of 1% of GNP to a more appropriate level; as should the Exchequer contribution to the SIF. Increases in both employers' and employees' PRSI may also be necessary at some stage; and/or further increases in the income ceiling for employees' PRSI. The actuarial assessments of the SIF, started in the 1990s, should be carried out on a more frequent and regular basis than heretofore, so as to ensure that ongoing contributions are adequate and that drawdowns from the NPRF, after 2025, will also be sufficient.

(ii) Public Service Pensions

These are an essential element of public service remuneration. It is vital that the integrity of the public service pension system be maintained and if possible improved, particularly for lower-paid public servants. Actuarial assessments of the cost of public service pensions must be carried out regularly and there must also be regular checks to ensure that the portion of the NPRF allocated to public service pensions is clarified and is likely to be adequate to the task for which it was intended.

(iii) The National Pensions Reserve Fund

This Fund was set up in April 2000 following separate recommendations from two separate bodies - the NPPI and the PSPC. Strictly speaking, there should have been two separate

funds as they were intended for quite different purposes, but initially they were rolled into one fund and it was said that roughly one-third of it was for public service pensions and two-thirds for social welfare pensions. Over the years, this distinction has become blurred; many people now believe it's entirely for social welfare pensions, others believe it is all for public service pensions; and this is most unhelpful in relation to costing both social insurance and public service pensions.
Apart from this confusion, which is not of course the fault of the NPRF or its staff, or the Commissioners who oversee its operation, the Fund has performed well in the face of global uncertainty and is the only Irish fund to have signed up to the UN's Principles and Guidelines on Socially Responsible Investment. It would seem to be the best available vehicle for increased state involvement in pensions in the future, e.g. in relation to annuities and the investment of mandatory pension contributions.

(iv) Equalising the Tax Incentive

Giving lower-paid workers (who pay tax at 20% or less) a higher level of tax relief or SSIA-style subsidy towards pension contributions, would of course be 'costly' if take-up were high. If successful in incentivising a further 20% of the workforce to start or increase pension contributions, this could raise the present cost of tax relief on workers' contributions by up to one-third, i.e. from €540m. to about €720m.
However, if **un**successful, and if only an extra 10% of workers responded to such an incentive, the experiment would only cost an additional one-sixth (€90m. per annum) or €630 per annum in all. There would also, of course, be additional 'costs', i.e. tax foregone, in relation to investment income and any increases in employers' pension contributions. (The Green Paper contains somewhat different figures to these, but the basis of those calculations is not explained and is not clear to me.)

(v) Mandatory Pensions

The Pensions Board estimated in 2006 that the cost of introducing a mandatory pensions system of the kind it recommended would, as a percentage of GNP, raise the current Exchequer cost of pensions from 2.4% (in 2006) to 7% in 2026 and to 7.8% in 2056.
It found it difficult to model the exact costs because the effect of the new system on existing schemes was hard to predict. (And it would be even harder to predict if existing schemes had first been boosted by an improved tax incentive.) Again, there would be various ways of meeting the cost: it could be through extra injections to the NPRF, additions to PRSI, or existing taxes, or new taxes/levies/charges; or combinations of these; and it could be done on a funded and/or PAYG basis.

(vi) Child Pension Accounts (CPAs)

The cost of introducing CPAs in the manner suggested – i.e. phasing them in over 16-18 years – would be easier to calculate. The state contribution would be an extra 10% of about

2/17 of the annual cost of Child Benefit (assuming roughly the same number of children in each age–group: 0-1 and 16-18), but these figures could be done more precisely by the relevant government Departments, by reference to the actual, known numbers. There would also be a certain amount of tax foregone if parents, etc. were allowed to add to the CPAs on a tax-free basis, depending on the limits imposed. The question of whether to allow the investment income to build up tax-free (as in existing funded schemes), would also have to be addressed.

10. SUMMARY AND CONCLUSIONS

In putting forward the above proposals for the development of a better pension system for present and future generations in Ireland, I am aware of the substantial costs involved and the potential difficulties of not only meeting those costs and sharing them fairly, but also of ensuring the effectiveness and proper targetting of such high expenditures.

Nevertheless, I believe it is vital to seize the present opportunity for debate, consultation and clarification of ideas, if this vision for the future is to be realised in the not-too-distant future. Early action to ensure greater investment in pensions for all - for existing pensioners, people who will be retiring soon, and people who are still many years from retirement - must be seen as a major national priority.

Submission 294

I make this submission in good faith in reply to your Green Paper on Pensions, as:

1. An Elected Member of Meath County Council, and
2. An Elected Member of Trim County council, and as
3. Chairman of the Tara Mines Disabled Workers & Pensions Association, and
4. As a PAYE taxpayer and now as a pensioner.

The following are my submissions:

With SW OAP pensions increasing at a rate above inflation in order to meet the Government's commitment to have the OAP at €300 during the lifetime of this Government, and the majority of occupational pension schemes deducting one and a half times the OAP from basic salary. With wage increases linked to cost of living/inflation, this means the worker's pension is actually reducing each year in real terms. To compensate for this, I am suggesting for a test period of say 10 years, the deduction of one and a half times the OAP, be fixed at say the 2007 SW OAP rate.

It becomes even more ridiculous and unfair in some of the State companies where the deduction is twice the SW OAP from basic pay. This deduction leaves thousands of lowly paid workers with a pittance at 65. To give some increase in pension, this deduction is changed/reduced to maximum of one and a half times OAP and as I have explained in (1) the deduction fixed at the 2007 SW OAP rate.

The present retirement age of 65 years for workers should be increased to 70 years of age.

The present retirement age for Gardaí is too early and needs to be increased as many Gardaí consider them fit enough to take up private work when they retire. The taxpayers could be better served by increasing the retirement age and/or the total years of service within the Garda Siochána by say 5 years and the change reviewed in say 10 years.

The Terms of Reference / powers of the Pensions Ombudsman be revisited and in particular the rules for the election of Trustees.

The Terms of Reference / powers of the Pensions Board be revisited and in particular the rules of the Pensions Act for election of Trustees.

I believe the fines/penalties against companies/pensions brokers and trustees for misdemeanours and breach of the Pensions Act/s are not a deterrent. I believe the penalty should be jail as the companies can write off any fine against profits and trustees have insurance against any fines or claims against them for breach of duty fully covered!

Legislation to ensure income continuance plans are fully integrated with pension schemes, i.e. where income continuance provides 5% escalation of pension payments, the accompanying employer's pension scheme provides a pension at 65 which fully accounts for this 5%.

The pension scheme rules should provide funds to be made available for any member/s to go to the High Court when a worker or group believe their pension scheme is not being administered as per the rules, or maladministration, or not being run in the best interest of members.

The present structure of Boards of Trustees is unbalanced. Despite there being the same number of company representatives as the numbers representing the workers. With the employer having the right to elect the Chairman, and the Chairman having a casting vote or second vote, this then hands the power of veto to the employer, making the employer the dictator and the workers' representatives' power to change really worthless.

Many companies employ workers who do not belong to any trade union. Since it is the union nominees who become workers' representatives on Board of Trustees, the non-union workers have no representation.

Teachers who took career breaks in the 1960s and 1970s, and may have withdrawn their pension contributions, should be allowed to repay pension contributions without having to again take up a career in teaching (which may not be possible due to age). This would allow them get credit for their years of teaching service and add to their final pension, etc.

With the switch from Defined Benefit to Defined Contribution pension schemes, even less workers will be prepared to join private pension schemes for the reasons as outlined above as well as the uncertain time for workers!

I am prepared to go before the Joint Oireachtas Committee on Pensions to discuss the issues outlined by me in good faith. The same applies to any meeting with any Minister or Member of Government or group of civil servants as I believe that pensions provisions are an important part of remuneration and it's essential that the incentives are put in place to protect workers' rights.

Councillor Philip Cantwell