



**An Roinn Coimirce Sóisialaí
Department of Social Protection**

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Burton addresses IAPF Investment Conference

Minister for Social Protection, Ms Joan Burton T.D., addressed the Irish Association of Pension Funds (IAPF) Investment Conference today (*Wednesday, 23rd March 2011*). This was Minister Burton's first address at a pensions event since taking up her role as Minister for Social Protection recently.

The conference focused how pension scheme trustees can address the issue of risk but continue to seek returns for their schemes. The Minister acknowledged that many trustees are working to save schemes which are experiencing funding difficulties and said that: "Balancing risk and reward is very difficult and trustees face an onerous task and have a huge responsibility in trying to get this balance right".

The Minister acknowledged the role of the IAPF and the Society of Actuaries in Ireland in developing proposals which led to the introduction of the sovereign initiative late last year. She described it as a good example of how representative organisations can influence policy development.

In relation to defined benefit schemes, the Minister said that "people need to have some degree of certainty that the scheme will be able to pay the pension they have been promised". Work on the development of a new defined benefit model is ongoing and issues such as risk management and the basis for the funding standard are being examined in detail in this regard. The Minister also said that: "It is important to remember that pension schemes will still have to address their liabilities, their investment strategies and the risks they take in order to ensure that they are properly funded."

The Government has introduced major reforms in respect of politician's entitlements to pensions. From this Dáil onwards, no political pensions will be paid to sitting TDs and restricting the payment of pensions to TDs so that in future a member can only qualify for a pension at State pension age and upon leaving public life.

The Minister said: "We are committed to reforming the pension system to progressively achieve universal coverage, with particular focus on lower-paid workers, to achieve better risk sharing, and to provide for greater flexibility for those who wish to retire on a phased basis". The Minister concluded by thanking the IAPF for its continued contribution to the pensions policy debate.

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