



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

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**Ó Cuív announces earlier target for introduction of new Defined
Benefit model under Pensions Framework**

Minister for Social Protection, Éamon Ó Cuív TD at his opening address at the Annual Benefits Conference of the Irish Association of Pension Funds (“IAPF”) this morning (Wednesday 13 October 2010) announced that the Government has agreed to expedite the proposal to move to a “**new**” **Defined Benefit** model as outlined in the **National Pensions Framework**.

The National Pensions Framework agreed by Government in March 2010 recognised the difficulties with the current design of defined benefit schemes and proposed an alternative approach to the design.

The Minister said: “following the decision to expedite its work on this new defined benefit model, my Department will aim to introduce it, following legislative changes, on 1 July 2011. During considerations, my Department will look at issues regarding the governance of defined benefit schemes, the basis for the funding standard (including areas such as risk management, smoothing out effects of changes in the bond markets and strategies for transitioning schemes to this new model). Full consultation will, of course, take place with the pensions industry, employers, trades’ unions and other stakeholders in developing the new model.”

The Minister noted that a broad number of measures have been taken to assist scheme trustees to maintain the viability of their schemes, including the introduction of the Pensions Insolvency Payment Scheme. He also stated that in considering further changes, “thorough consideration is being given to the Sovereign Annuity proposal into which significant work has been put by the Irish Association of Pension Funds and the Society of Actuaries in Ireland.”

The Minister also announced that, on the basis of the decision made by the Government to bring forward the work to restructure defined benefit schemes, the Pensions Regulator has announced that the current deadline for the phased submission of recovery plans of 30 November 2010 is being extended further to allow schemes to take account of the new approach for DB provision. The Pensions Board will shortly announce the details of this extended timeframe.

PRESS RELEASE ENDS