

Green Paper on Pensions Consultation Process

Green Paper on Pensions:
Learning from International Experience
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Consultation process

- Green Paper published October 2007
- Over 250 submissions to date
- Six regional seminars
- Today's conference
- Consultation process ends 31 May

Overview of Submissions

- Wide range of views and no consensus on overall 'pension model'
- Many individual submissions focus on State Pension entitlements
- Other issues include:
 - System of tax reliefs
 - Access to Approved Retirement Funds (ARFs)
 - Retirement Age
 - Charges / Regulation

Overall pension model – some views

- Views vary widely
- Mandatory system (administered publicly or privately)
- Auto-enrolment (soft mandatory) with access to funds
- Higher state pension (higher PRSI)
- Current system works well

Tax reliefs – some views

- Greater benefits going to higher earners
- Matching contribution (SSIA-type) would give greater clarity
- Lower tax reliefs for higher earners
- Provide relief for all at higher tax rate
- Tax credits

Approved Retirement Funds – some views

- Unfair that DC occupational schemes have to purchase annuities
- Extend ARF option to all pensions
- Alternative view that extending option would jeopardise pensions
- State annuity fund would provide better value than market annuities

Retirement Age

- Increasing retirement age an effective way of reducing costs
- People want to have the option to work longer (but voluntarily)
- Any changes in pension arrangements need to be supported by employers retaining older workers

State Pension – Key Issues

- Marriage Bar / Homemakers
 - Backdate beyond 1994
 - Award credits rather than disregard
 - Discriminates against women
- Average contributions test
 - Move to 'total contributions' approach
- Self-employed; farmers

Submissions also concerned with ...

■ Private and Occupational Pensions

- Protecting defined benefit entitlements
- Public Sector Pensions
- Guarantees and Security
- Charges on pension funds and contributions

■ State Pensions

- Returning emigrants
- Qualified adults (means testing)
- Indexation
- Means test for State Pension (Non-Contributory)

Next steps

- Submissions from social partners and representative groups still coming in
- Analysis and report on consultation process
- Consideration by social partners and Government
- Develop framework by end-2008