



Public Accounts Committee

Examination of the Pensions Board Annual Reports and Accounts 2010

Opening Statement to Committee by Mr Brendan Kennedy, Chief Executive

Chairperson and Committee members,

I am pleased to have been invited to this hearing to assist the Committee in its examination of The Pensions Board Annual Report and Accounts for 2010. I would like to introduce my colleagues, Mary Hutch, Head of Regulation and Andrew Nugent, Assistant Head of Policy.

As requested, our written statement for the Committee sets out the developments since the publication of our 2010 annual report. I would like to briefly set out the issues of most concern at present:

Prosecutions

You will have seen in our briefing that we have a large number of cases under investigation where we believe employers have not forwarded employee contributions to the Construction Workers Pension Scheme. There is obviously a considerable amount of work involved in investigating and, where necessary, prosecuting these cases, and this is absorbing a considerable proportion of our resources. However, this is very necessary work and in accordance with our priorities.

Defined benefit schemes

The Board's objective is to publish revised rules for defined benefit schemes by the end of the year, taking account of the recent changes to the funding standard which were announced recently by the Minister for Social Protection. These rules will allow trustees of defined benefit schemes to prepare funding proposals to deal with the deficits in their schemes.

There is no doubt that the process of agreeing these proposals between trustees, sponsoring employers and, in many cases, trade unions, is going to a very difficult process.

Tax

Pensions need stability and certainty, and the current uncertainty about the taxation of pensions is creating difficulties. We hope that the forthcoming budget will resolve this. The Board has recent provided the Minister for Social Protection with an analysis of the various changes to the taxation of pensions which might be under consideration.

Costs

The Pensions Board is involved in the Department of Social Protection's project to analyse pension costs.

Europe

The European Commission plans to revise the 2003 Pensions Directive, and some of the changes under consideration have the potential to have significant impact on Irish pensions. The Pensions Board is heavily involved in the work at E.U. level of analysing the Commission's initial proposals and questions.

We are happy to answer the questions of the Committee.