

Minutes
Calculation Rates and Policy Levers
Meeting of 10th February 2021

Pensions Commission

Minutes

Meeting held on Webex – start time 10am.

In Attendance:

Commission Members: Josephine Feehily (Chair), Aedín Doris, Anne Vaughan, Ethel Buckley, Ian Power, Ita Mangan, Jackie Maguire, John McGrane, Roma Burke, Seamus Coffey, Tony Donohue

Secretariat: Roshin Sen, Kasey Treadwell Shine, Louise Banable, Brian Purcell, Margaret Mulhall

Attendees: Claire Walsh (DSP), Gearoid O'hIci (DSP), Mark Lee (DSP)

Observers: Alan Flynn (DSP), Ivana McGarr (DPER), Felix O'Kane (DETE), Mairead Ross (DFIN)

1. Minutes and Matters Arising

- The Chair welcomed new Commission member Jackie Maguire, who is a colleague of former member Jack Keyes at Age Friendly Ireland and current Chief Executive of Meath County Council. The Chair acknowledged the valuable contribution of Mr Keyes to the work of the Commission and members wished him well.
- Various other matters arising were discussed.

2. Total Contribution Approach and Calculation Methods

- The Secretariat gave a presentation on calculation methods and the Total Contribution Approach.
- The presentation provided an overview of the eligibility criteria and the different methods for calculating the payment rate of the State Pension Contributory. It also included a broad overview of the means test for the State Pension Non-Contributory.

- The presentation included information on the various components of a Total Contributions Approach – a methodology for the calculation of payment rate for the State Pension Contributory. The introduction of this method is a commitment in the Programme for Government.
- Members commented on the interaction between the State Pension Contributory and Non – Contributory. Further information was requested on individuals and the extent to which individuals who do not qualify for State Pension Contributory may qualify for the State Pension Non-Contributory.

3. Policy Levers and Reform Options

- The Secretariat presented an overview of possible policy options that the Commission may wish to consider and discuss going forward. The options focused on Commission's Terms of Reference.
- The Secretariat advised that the list of options should be considered a work in progress. Options can be deleted or amended and further options can be added based on members' deliberations and consultation process
- The Secretariat also set out the impacts of the various options on different groups and the impacts from a fiscal sustainability perspective, as well as the implementation challenges.
- Commission members discussed the presentation.

4. Documents to be published

PC0600 *Meeting Agenda* (Approved)

5. Specific Action Points

Colour Code:

Closed/Agreed ■

In progress ■

Ongoing/Repeated Action ■

Not Started ■

NB Actions not included: 1) closed by previous meeting; 2) ongoing but with no change since previous meeting. See action log for full details.

ID	Action	Lead	Deadline	Status
PCA0102	Commission website to be published	Secretariat	Jan-21	In progress
PCA0105	Generate note of Media coverage, recent developments and items of interest	Secretariat	Ongoing	Ongoing
PCA0109	Add 'checkpoints' at meeting 5 and periodically thereafter to sense-check if work and deliberations are interlinking issues systematically. Reframe meeting schedule as needed.	Chair with Secretariat	Meeting 5/then TBD	Ongoing
PCA0110	Establish whether the Widow/er's and Surviving Civil Partner's Pension is within the remit of the Commission's work	Secretariat	Meeting 3	See PQ circulated, Mtg 3. Decision still to be made
PCA0112	Consider, as part of labour market input in Meeting 4, a summary note on the prevalence of private contracts specifying a retirement age <66; produce descriptive statistics etc. position of 65-year-olds	DETE/Secretariat	Meeting 4	Closed see PCA0112Sec_LabourMarket_StatsNte
PCA0113	Liaise with DETE colleagues to determine if there is a need for research around retirement age, the gap to pension age and issues arising	Secretariat	Meeting 4	In progress
PCA0114	Liaise with DFIN to determine the current position with respect to proposals to amalgamate USC and PRSI	DFIN	Meeting 9	In progress
PCA0216	Provide age-breakdowns of those with no pensions cover from CSO Pension Coverage Survey	Secretariat		Closed see PCA0216Sec_AgeRangesPensCov_StatsNte
PCA0317	Scope venues for a physical meeting dependent on Government advice	Secretariat	Early January 2021	Closed [venues checked, but no face to face meetings while under Level 5 restrictions]
PCA0318	Establish whether Government as employers pay PRSI	Secretariat	Meeting 4	In progress

APPROVED

PCA0319	Generate broader note on the examples of Social Insurance Systems in other countries, and, in particular, the structure of their Social Insurance Fund equivalent where relevant.	Secretariat	Meeting 5	Completed
PCA0320	Gather further data on the gap between effective retirement age and pension age	Secretariat	Meeting 4	Included in Meeting 4 Secretariat Labour Market note
PCA0321	Generate a detailed proposal for the first stage of the consultation process	Secretariat	Meeting 5	Completed
PCA0322	Generate a high-level overview of the evolution of current schemes, rates and contributions	Secretariat	Meeting 5	Closed see PCA0322Sec_KeyDevelopStatePensionsArrangements_policybrief
PCA0323	Contact DETE in relation to consultation on mandatory sick pay	Secretariat	Meeting 4	Contact established
PCA0424	Draft note giving an overview of the Total Contributions Approach, implementation challenges	Secretariat	Meeting 6	Completed Meeting 6 – Please see: PC0631 Secretariat Note: Overview of Calculation Methods and the Total Contributions Approach PC0630 Secretariat Presentation on the Calculation Methods and the Total Contributions Approach
PCA0425	Provide overview and update of Automatic Enrolment	Secretariat	Meeting 5	Completed
PCA0426	Follow up with ESRI on availability of data for Ireland on prevalence involuntary retirement versus involuntary work	Secretariat		In progress
PCA0427	Source labour force projections by age	Secretariat		Not started
PCA0428	Determine the extent to which WRC mediation services are used for mandatory retirement age cases, seek WRC data or professional inputs on these cases	Secretariat		In progress
PCA0429	Further information on duration of social welfare schemes by age and practices for 65-year olds	Secretariat		Not started
PCA0430	Note on tax arrangements by age in decumulation phase of occupational arrangements	Secretariat		Not started
PCA0431	Provide report and summary of the November 2020 Interdepartmental Pensions Reform and Taxation Group	Secretariat		Not started
PCA0532	Generate Note on Universal Pensions	Secretariat	Meeting 6	Completed
PCA0533	Generate Note on Value for Money of the State Pension	Secretariat	Meeting 6	Completed

APPROVED

PCA0634	Further information on applicants who are not eligible for SPC but qualify for SPNC	Secretariat		In progress
PCA0635	Generate note on the policy commitment re benchmarking and indexation of State Pension Rates	Secretariat	Meeting 7	In Progress