

Minutes
<b>Fiscal Sustainability and Funding Options</b>
<b>Meeting of 24<sup>th</sup> February 2021</b>

## Pensions Commission

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### Minutes

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*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

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

**Observers:** Carmel Dobson (DSP), Ivana McGarr (DPER), Felix O’Kane (DETE), Mairead Ross (DFIN)

**Apologies:** Tony Donohoe

#### 1. Minutes and Matters Arising

- The minutes from meeting 5 (revised) and meeting 6 were approved.
- The Secretariat provided an update on the consultation process.

#### 2. Fiscal Sustainability

- The Secretariat gave a presentation on different definitions and indicators of fiscal sustainability.
- Members agreed that the data shows that the cost of the state pension system is going to increase significantly in the coming years. This presents a funding challenge – who will meet these costs and how?
- Members noted that the data sources used to convey this message need to be reliable and irrefutable, and in this context, efforts need to be made to ensure that a diverse range of sources are examined.

**3. State Pensions – Options for Funding**

- The Secretariat presented an overview of the Funding Options paper. This included options set out in previous Government policy papers, and relevant commitments in the Programme for Government
- Members discussed the merits and challenges associated with the options.
- No decisions were made – all of the options remain open pending the findings from the consultation process.
- Member agreed that the next meeting will focus on flexibility policy options.

**4. Documents to be published**

PC0501 *Meeting 5 Minutes* (Approved)

PC0601 *Meeting 6 Minutes* (Approved)

PC0700 *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	Closed see PCA0114_USC-PRSIamalgamation_Snte
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	Note generated. See PCA0318_StatePRSI Payments_SNte

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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. See PCA0319_EUSIFCosts_Snte
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. See PC0541CheckptConsult_ConsumationInfo_Sppr
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. See PCA0425Sec_AutoEnrolmentOverview_Snte
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		In Progress
PCA0532	Generate Note on Universal Pensions	Secretariat	Meeting 6	Completed. See PCA0532_UniversalPensionOverview_Snte
PCA0533	Generate Note on Value for Money of the State Pension	Secretariat	Meeting 6	Completed. See

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				PC0533Sec_CalcPolLvrs_Valu eForMoneyStatePen_Snte
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	Completed. See PCA0635_BenchmarkingIndexationRoadmap_Snte
PCA0736	Generate note on PAYG vs. Funded system	Secretariat		Not Started
PCA0737	Revise Fiscal Sustainability paper	Secretariat		Not Started
PCA0738	Generate note on tax take from those aged 66 and over	Secretariat		Not Started
PCA0739	Note on the difference in approaches used by the IFAC and DSP in estimating the cost of not increasing the State pension age to 67	Secretariat		In Progress
PCA0740	An updated note on the UK's default retirement age.	Secretariat		In Progress