

AN BORD PINSEAN -
THE PENSIONS BOARD

A large, stylized logo consisting of the letters 'P' and 'B' in a dark, bold font. The 'P' is on the left and the 'B' is on the right, with the two letters overlapping. The logo is set against a dark red background.

Annual Report 1992



The Pensions Board was established by the Minister for Social Welfare under the terms of the Pensions Act, 1990 - legislation designed to safeguard the pension rights of members of occupational schemes.

The Board is responsible for providing information on the Act and its regulations, advising the Minister on pension matters and for encouraging the provision of appropriate training for trustees. But it also has extensive powers to enforce compliance with the legislation, including those of investigation and prosecution.

It is funded by fees collected from occupational pension schemes, which are now required to register with the Board.

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Chairperson's Introduction

I have great pleasure in submitting the second report of An Bord Pinsean - The Pensions Board, for the year ended 31 December 1992 in accordance with the requirements of Section 23 of the Pensions Act, 1990.

Our top priority in 1992 was making certain that all the necessary structures and procedures were in place to enable the Board to fulfil its statutory obligations, effectively and efficiently. I am pleased to report that this was achieved.

In 1992 the Board received and responded to nearly 1,500 enquiries concerning both the provisions of the Pensions Act and broader pension issues. A third of these came from scheme members or their trade union representatives and the vast majority of the balance from pension practitioners. Only a few enquiries, however, required extensive investigation. Compliance with the Act's provisions was achieved in all cases referred to the Board, without recourse to legal action.

Last July we submitted a report to the Minister on how to give effect to member participation in the appointment of trustees by way of regulations under Section 62 of the Pensions Act. The Minister asked us in November to consider and clarify a number of the issues arising from this report and we submitted a supplementary report two months later.

We also submitted other reports during 1992 which considered the controls on the investment powers of trustees under the Pensions Act and the application of the Act to schemes with members in both Ireland and other States.

We continued to develop our guidance and information services, the most notable developments in this last year were:

- the issuing of technical guidance notes on the disclosure of information and equal treatment requirements under the Pensions Act; and
- the launch of our new Legislation Service, which provides subscribers with a consolidated text of the Pensions Act and its regulations, which is updated every time there is a change in either.



MARY BROUGHAN

A national register of occupational pension schemes has been compiled. We intend to ensure that all outstanding details of existing schemes will be included by the end of this year and arrangements made for their subsequent updating. The fee collection system is now fully operational and the vast majority of payments due in respect of 1992 were collected by the year end.

We have continued to receive the co-operation and goodwill of life assurance companies, brokers/consultants and other scheme administrators, which is very much appreciated. For our part, we will continue to liaise closely with scheme administrators so that administrative difficulties and associated costs of registration and fee collection are minimised.

Expenditure last year was well within budget, although the Board did have to seek fee increases for 1993 to meet full year costs for that year and to make up the shortfalls in 1991 and 1992 fee income. The shortfalls arose due to the uncertainty regarding the numbers of active members in schemes, on which the fee amounts are based, when the fees for these years were set. The fee increases were sanctioned by the Minister for Social Welfare and the Minister for Finance and provided for in regulations introduced in November.

Guidelines for the conduct of members and staff in relation to the business of the

Pensions Board were adopted. These include procedures for the disclosure of interests by Board members and have been fully implemented.

Priorities for 1993

We intend to continue striving to provide an effective and efficient service which provides support to trustees, pension administrators and other practitioners, and scheme members. We are ever mindful of our primary responsibility under the Pensions Act to ensure that pension rights under occupational pension schemes are safeguarded.

Member participation in the selection of trustees is an important additional safeguard which will be provided shortly. We will work with officials of the Department of Social Welfare to ensure that the regulations to give effect to this can be introduced as soon as possible. We intend to make available comprehensive and clear guidance on the application of these regulations and to provide trustees with comprehensive guidance on good practice in the exercise of their duties and responsibilities.

Our other priorities this year include:

- guidance on the preservation of benefit requirements under the Pensions Act for practitioners, and guidance on what is involved in providing, on a voluntary basis, for the preservation of the pre-1991 pension rights of current members; and
- a review of the equal treatment requirements under EC legislation and the implications for Part VII of the Pensions Act, following delivery of the Judgment by the European Court of Justice in a series of cases on this matter, which is expected by mid 1993.

The final report of the National Pensions Board on the future development of the national pensions system in Ireland is due to be completed and published this year. We will study this important report and consider, in particular, the implications of any recommendations it makes for the future development of occupational pension

schemes. We will report our findings and will be pleased to advise and consult on any other aspects of the report's recommendations.

As Chairperson of the Board I wish to commend the continued hard work and commitment of my Board colleagues and our staff over the past year. Two of our colleagues, Tim Quirke and Brian McCracken, left the Board during the course of the year. We greatly appreciate the major contribution they made during their time with us. They have able replacements in John Hynes and Michael Lane, to whom we have extended a warm welcome.

I also wish to mention especially our appreciation of the support given to the Board by the experts in pensions administration and law who serve on our committees and sub-committees.

I am pleased to report that to date we have found a high level of commitment to compliance with the Pensions Act and goodwill generally towards the work of the Pensions Board by those involved in pension scheme administration. This augurs well for the continuing development of occupational pension schemes in Ireland and their capacity to provide scheme members with secure pensions.



M. BROUGHAN

Chairperson.



Member Participation in the Appointment of Trustees

Normally the Trust Deed and Rules of a scheme allow the employer or employers associated with it to appoint the trustees. But new regulations, due to come into force from 1 January 1994, will give scheme members the right to participate in the selection of a proportion of trustees. This article outlines the main issues arising from these important new regulations.

Why member participation?

Occupational pension schemes are established for the benefit of the members. The pension rights they acquire may be among the most valuable assets they have - even more valuable than their house.

By participating in the selection of trustees who are responsible for looking after these assets members should, in the first instance, become more aware of just how valuable their pension rights are. Enlightened members are more likely to understand how important it is to have good occupational cover and to use their rights under the Pensions Act, particularly their rights to information, which will help ensure that their pension entitlements are fully protected.

Most trustees appointed by the employer exercise their duties and responsibilities properly and conscientiously. But in a small number of cases trustees have been unduly influenced by their close ties to the employer in managing the affairs of the scheme, placing the entitlements of scheme members in jeopardy.

This usually happens where an employer is experiencing trading and/or financial difficulties or where the company has been taken over by a new employer who does not have the same level of commitment to the existing and former employees of the company.

Employer appointed trustees may also be put under pressure to take actions, perhaps in the short term interests of the company, which could threaten the financial viability and solvency of the scheme. In such cases trustees selected by members will be required to play a major role in protecting members' pension rights.

Protecting employers' interests

Employers also have a major stake in the proper administration of a scheme. A badly administered one can give rise to unnecessarily high administrative costs which ultimately may have to be borne by the employer. In the case of defined benefit schemes bad investment decisions can significantly increase employer costs if substantial increases in contributions are needed to maintain proper funding levels.

Trustees must treat all scheme members equitably, especially if the rules permit discretion in determining entitlements. They must also treat all personal information about scheme members as strictly confidential. Failure to do so may cause problems for the members affected. But it may also create serious personnel and industrial relations difficulties for employers.

Were member participation in the selection of trustees to cause the type of problems outlined above, not alone could it put at risk individual employers' willingness to continue with a scheme, but it could result in employers generally being unwilling to introduce schemes in employments where occupational pension cover has not been provided for so far.

Balanced provision

As with all the provisions of the Pensions Act, a balance has to be achieved between the need to safeguard members' pension rights and the avoidance of over-regulation which leads to unnecessary financial and administrative burdens on schemes. Failure to achieve that balance can lead to scheme members' entitlements being reduced in real terms, in some cases being put seriously at risk, and inhibit the further development and extension of occupational pension cover.

In its report to the Minister on how member participation in the selection of trustees should be introduced the Pensions Board has tried to achieve that balance.

Achieving consensus

The procedures proposed by the Board in its report are designed to promote member participation in the appointment of trustees by way of consensus. Employers and members will have the following options:

- retention of existing arrangements;
- consultation with members to determine whether a majority wishes either to approve the appointment or retention of trustees chosen by the employer or to elect their own nominees;
- a direct move, by-passing either of the above stages, to an election of trustees by members from among their own nominees;
- agreement on the overall number of trustees and on the Chairperson.

It is envisaged that the specific rules provided for in the regulations under Section 62 should only have to be invoked in cases where consensus cannot be achieved, either on the process generally or on particular parts.

The Board urges members and employers to start discussions on the various options as soon as the new regulations under Section 62 are published.

Competent trustees are vital

A consensus approach is likely to lead to the selection of trustees who are competent, capable and committed to carrying out their duties and responsibilities effectively. That is in both the employer's and the members' best interests.

It is essential that people nominating or electing trustees be diligent in their selection. Being a trustee is a challenging, often time consuming responsibility, and most new trustees will benefit from training.

As we pointed out in our first Annual Report "often mismanagement of a scheme's resources is not due to wilful intent, but to trustees' lack of knowledge about their duties and responsibilities - in turn often due to lack of training."

The Board is here to help, by providing appropriate information, codes of practice and "best practice" guidelines and by encouraging the provision of good quality training courses at reasonable cost.

Clarifying the role of trustees

It is important that all trustees understand their precise role, which is to ensure that their scheme is administered strictly in accordance with the Trust Deed and Rules, as they stand, and the requirements of the Pensions Act and Trust Law.

Employers should be aware that the primary responsibility of trustees they appoint is to the scheme members. Such trustees must maintain at all times a proper balance between protecting members' interests and those of the employer financing the scheme.

Members may think that the people they have selected as trustees should negotiate improved benefits and entitlements generally under the scheme on their behalf. But trustees have no function in this area and members must be left in no doubt about this.

Guidance and information

The Board intends to issue guidance notes setting out in detail how the new requirements should be complied with and to publish a detailed information booklet for both employers and members. In particular, the booklet will provide guidance on how member participation in the selection of trustees can be achieved by way of consensus and in a way that will result in the selection of competent trustees.

Overall aim - effective protection of pension rights

The Board believes that affording members the right to participate in the selection of trustees will introduce an important additional protection for the pension rights of occupational pension scheme members. But this right will be far less effective than it should be if competent, caring trustees are not selected - people who are capable of earning the confidence of both employers and members.

Administrative and Financial Report

The administrative structures which support the Board's activities were developed further during 1992. The computerised registration and fee collection systems became fully operational. Systems to support the processing of enquiries and actuarial funding certificates were being developed towards the end of the year and are expected to be in use by April 1993.

The staff complement remained at 10. But this is under constant review to ensure that the Board has adequate resources to carry out its functions effectively.

It is the policy of the Board to ensure the safety, health and welfare of its employees by maintaining a safe place and system of work. This policy is based on the requirements of the Safety, Health and Welfare at Work Act, 1989.

Finance

Expenditure during 1992 was expected to reach approximately IR£600,000. The actual expenditure of IR£494,870, therefore represents a reduction of IR£105,130, achieved mainly because a full year's expenditure on salaries, rent and services/maintenance contracts had not been incurred.

Savings on rent, which cost just two thirds of the normal annual figure, were achieved through negotiation of favourable terms.

Further savings in this area accrued from the subletting of office space currently surplus to requirements. The reductions in salary costs are due to staff vacancies during the year.

Fee revenue of IR£467,702 was broadly similar to 1991, as the fee levels and structure remained as follows:

Fee Levels - 1992

Number of active members	Fee
2 - 500	IR£2 per member
501 - 1,000	IR£1,000 flat fee
1001 +	IR£1 per member

No fee was payable on "frozen", "death benefit only" or "Additional Voluntary Contribution only" schemes, or on those with less than two members.

The fee payable by public sector schemes, excluded from the application of the Funding Standard under the Pensions Act, is 40% of that due from other schemes of comparable size.



FINANCE COMMITTEE MEETING: GERRY MANGAN, ROBERT WOODS, THOMAS DUNPHY, MICHAEL GUILFOYLE, EAMONN HEFFERNAN, JOSEPHINE FEEHILY AND DONAL MCALEESE.

Increases in fee levels

Fee levels were reviewed in October 1992 in the light of the projected full year costs for 1993 and the need to provide for possible future costs of compliance enforcement.

It was necessary to recommend to the Minister for Social Welfare a revised fee level to take effect from 1 January 1993. This recommendation was accepted by the Ministers for Social Welfare and Finance and provided for in regulations, S.I. No. 367 of 1992. The revised fee levels are as follows:

Fee Levels - 1993

<i>Number of active members</i>	Fee
2 - 500	IR£3 per member
501 - 1,000	IR£1,500 flat fee
1001 +	IR£1.50 per member

In addition an annual fee of IR£3 is now payable by one member schemes established on or after 1 January 1993.

Financial outlook

The 1993 financial year will represent the Board's first year of normal financial operations as most of the start up costs have now been borne and a pattern of necessary costs is beginning to emerge. We expect that normal annual expenditure by the Board will be in the order of IR£600,000 at 1993 prices.

In addition, however, the Board needs to make annual provision for the costs of taking legal action, including Court proceedings, should this be necessary to ensure compliance with the Pensions Act. This provision will ensure, as far as possible, that such costs are spread evenly over the years.

The revised fee levels are expected to provide the Board with a matching level of income so that it can perform its statutory functions satisfactorily.

Registration of Occupational Pension Schemes and Collection of Fees

Schemes established prior to 1 January 1991 were required to register with the Pensions Board by 31 December 1991. All schemes established since then must register within one year of commencement.

Fees due for 1991 had to be paid before the end of that year. Fees due for a particular scheme year must now be paid within three months of the commencement of that year or 31 December, whichever is the earlier.

Fee collection

At the end of 1992 there were 6,487 occupational pension schemes with more than one member in respect of which fees are payable. The administrative costs involved in collecting fees annually from each individual scheme would be high and would ultimately have to be borne by the schemes, as the Board's administrative expenses are financed fully from fee income.

The Board, therefore, has made arrangements, in many cases with life assurance companies and brokers/consultants, for the payment by them of annual fees to the Board on behalf of the trustees of schemes to which they provide administrative services. They also update the registration details for these schemes. Table 1 below shows how this has reduced considerably the number of contact points for registration/fee payments.

Arrangements are also being made with life assurance companies for the payment of fees in respect of schemes with one member registered on or after 1 January 1993.

We wish to record our appreciation of the major contribution being made to the fee collection/registration process by the life assurance companies and the brokers/consultants concerned. This has reduced significantly the potential administrative difficulties and costs of this operation for the Board.

Scheme registration

The initial registration of schemes established prior to 1 January 1991 was largely completed by April 1992. The data was then processed by the Board's computer system with a view to eliminating duplication (where schemes were registered more than once), and identifying, for fee collection purposes, the schemes in respect of which fees were due.

The Board also issued forms for each scheme registered which included, for verification, the details on the scheme held on the Board's register and space to provide outstanding registration details. These forms are now being returned to the Board and the aim is to have the outstanding registration details processed before end 1993.

Table 1			
Registration/Fee Contacts			
	Number	Number of Schemes	Number of Members
Life assurance companies	16	5,228	55,183
Brokers/consultants	27	976	92,707
Individual schemes	283	283	265,858
Total	326	6,487	413,748

Registration data

It is now possible to give a more accurate breakdown of the numbers of schemes registered with the Pensions Board, than that provided in our report for 1991. We have been able to separate out the "Additional Voluntary Contributions (AVC) only" and "Death Benefit only" schemes, which were mainly included among the defined

contribution schemes in the tables given in our 1991 report.

Tables 2 and 3 below show the numbers of schemes registered with the Board at end 1992 and the numbers of active members who are covered for retirement pensions. The total number of these members is 438,007.

Table 2
Current Schemes - Defined Benefit*

Scheme Size	Number of Schemes	Number of Members
One Member	297	297
2 - 50	1,721	25,316
51 - 100	240	17,285
101 - 500	284	62,733
501 - 1,000	40	27,141
1,000 +	39	252,449
Total	2,621	385,221

Table 3
Current Schemes - Defined Contribution*

Scheme Size	Number of Schemes	Number of Members
One Member	23,962	23,962
2 - 50	4,092	20,908
51 - 100	46	3,143
101 - 500	25	4,773
501 - 1,000	0	0
1,000 +	0	0
Total	28,125	52,786

*Excluding AVC only and Death Benefit only schemes



**VALERIE
CLOONEY
AND
DAVID
MOORE.**

The majority of scheme members are in schemes which are financed fully on a pre-funded basis. These include all members of defined contribution schemes and members of most defined benefit schemes.

The following tables give a breakdown of the defined benefit schemes which provide retirement pension cover, as between schemes which are financed fully on a pre-funded basis and those excluded from the funding standard either because they are financed partially or fully on a "pay as you go" basis.

Table 4. Defined benefit schemes subject to funding standard.

Scheme Size	Number of Schemes	Number of Members
One Member	297	297
2 - 50	1,698	24,874
51 - 100	234	16,873
101 - 500	272	59,819
501 - 1,000	36	24,818
1,000 +	23	80,864
Total	2,560	207,545

Table 5. Defined benefit schemes excluded from funding standard.

Scheme Size	Number of Schemes	Number of Members
One Member	0	0
2 - 50	23	442
51 - 100	6	412
101 - 500	12	2,914
501 - 1,000	4	2,323
1,000 +	16	171,585
Total	61	177,676

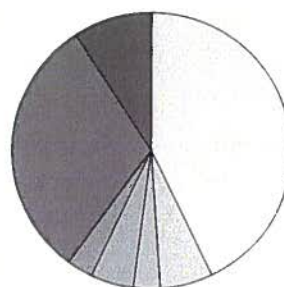
The schemes in table 5 are all in the public sector and are excluded from application of the Funding Standard by regulations, because the benefits are or may be paid, in whole or in part, out of monies provided from the Central Fund or monies provided by the Oireachtas.

Enquiries and Investigations

During 1992 staff of the Board dealt with a total of 1,438 enquiries/complaints. This figure does not include enquiries of a routine nature. We received 476 enquiries on registration and fee collection, virtually all from pension practitioners, including scheme administrators within companies.

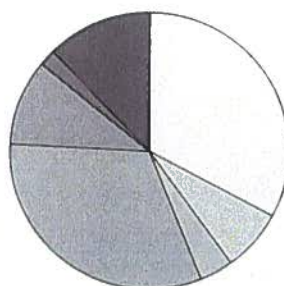
Of the remaining 962 enquiries over half were from scheme members, which includes pensioners and trade unions representing members. Most of the balance came from pension practitioners. The following table gives a breakdown of the categories of enquirers. It excludes enquiries on registration and fee collection and also reflects the fact that some enquirers raised more than one question on the Pensions Act.

Enquirer	Number	%
Active Member	376	43
Pensioner	49	6
Trade Unions	23	3
Company/employer	41	5
Trustees	26	3
Pension practitioners	272	31
Other	80	9



Apart from registration and fees, the largest number of enquiries related to disclosure of information, as the following table shows.

Nature of Enquiry	Number	%
Registration/Fees	476	33
Preservation	101	7
Funding Standard	54	4
Disclosure	466	32
Trustee Duties	141	10
Equal Treatment	35	2
Other	165	12



Many of these were from pension practitioners and were directly related to the preparation of annual scheme reports and audited accounts for the 1991 scheme year, which had to be made available before end September 1992 by schemes whose year began in January.

However, a considerable number of these enquiries also came from members seeking guidance on their rights to obtain information on their scheme and on their individual entitlements. Members' enquiries also represented a significant proportion of those on preservation of benefits and trustee duties.

Many of the enquiries from members relating to disclosure of information and trustee duties reflected concerns about changes in schemes - from defined benefit to defined contribution, non contributory to contributory - and about reductions in pension payments by the amount of Social Insurance pensions.

Enquiries under these headings also covered the establishment of schemes for separate categories of employees and issues arising on the winding up of schemes.

Investigations

A total of 187 enquiries required casework to be carried out, involving correspondence and/or meetings. Protracted investigations, required in only a small number of these cases, included disputes on entitlements under a scheme following rule changes, on the application of scheme resources on wind up and on foot of concerns relating to the investment of scheme resources.

Compliance with the provisions of the Pensions Act was achieved in all the cases where such compliance was at issue without having to resort to legal action. In the other cases the Pensions Board was involved in providing full explanations of members' rights and entitlements in dispute, but where non-compliance with the Pensions Act was not at issue.



EDEL STENSON AND CATHERINE GOULDING

Guidance and Information

The Board is continuing to develop its guidance and information services. Guidance Notes on disclosure of information and on the implementation of equal treatment were issued by the Board during the year. Notes on the preservation of benefits for early leavers, such as those changing employment, and on member participation in the selection of trustees are currently being prepared. Subscribers to our Guidance Notes Service receive updates for a specified period.

The Pensions Board was consulted by the Society of Actuaries in Ireland when the latter was preparing guidelines for its members on the application of the funding standard. We were also consulted by the Auditing Practices Review Committee of the Institute of Chartered Accountants in Ireland on drawing up an Auditing Guideline for accountants auditing scheme annual accounts, in accordance with the disclosure of information requirements.

We wish to record our appreciation of the significant contribution being made by these professional bodies through their preparation of guidelines to ensure compliance with the Act's provisions in these key areas.

Legislation Service

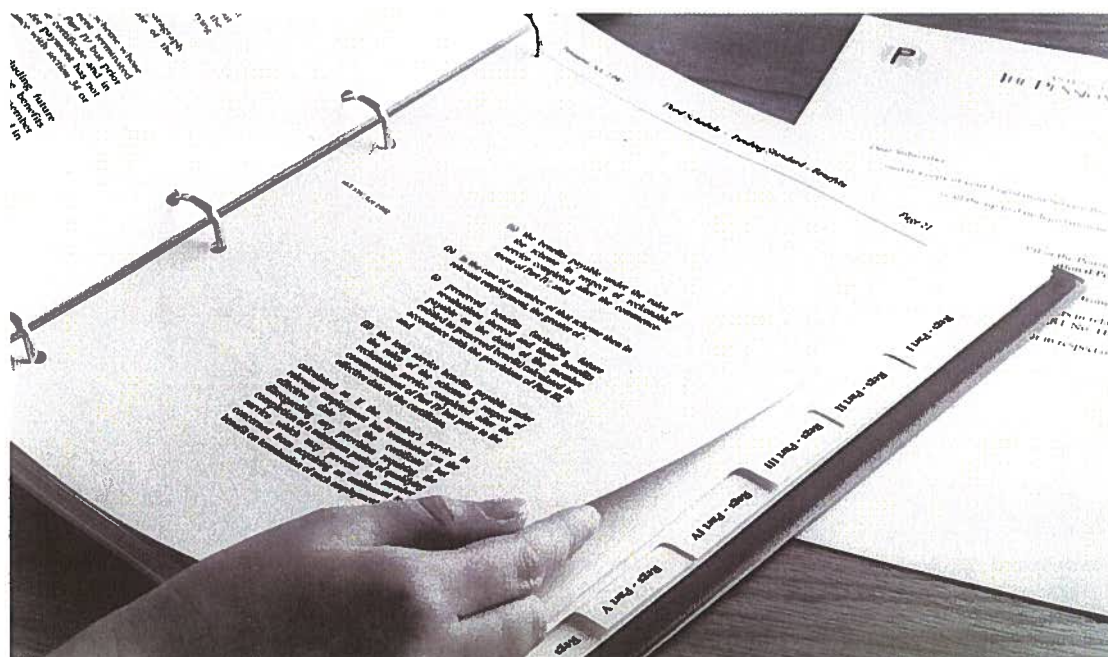
The Pensions Board introduced its Legislation Service in 1992. This provides in a single folder, a consolidated text of the Pensions Act, including all amendments made to date, and consolidated texts for all the Act's regulations. Subscribers receive updates whenever the Act or its regulations are amended.

Promoting good practice and encouraging trustee training

We are keen to promote good practice among trustees and to encourage trustee training. We have already published brief guides on the duties and responsibilities of trustees and on disclosure of information. Work is currently underway on more comprehensive and detailed guidance for trustees which will incorporate codes of practice in relation to their key duties, and in particular their duty to invest scheme resources properly.

A list of training courses for trustees has been compiled and is available from the Board. Course providers are only included on this list when they have satisfied the Board on the course content. We are also discussing the possibility of organising suitable trustee training with other potential course providers.

LEGISLATION SERVICE FOLDER



Information for members

It is also essential that members take an active interest in the administration and financial viability of their pension schemes. The disclosure of information provisions and the granting to members of the right to participate in the selection of trustees are designed to promote greater accountability to members by the administrators of their schemes.

It is still essential, however, that every effort is made to ensure that members fully understand their rights under the Pensions Act and, in general, the value of benefits that membership of an occupational pension scheme confers.

The information booklets produced by the Pensions Board are designed with scheme members as well as trustees in mind.

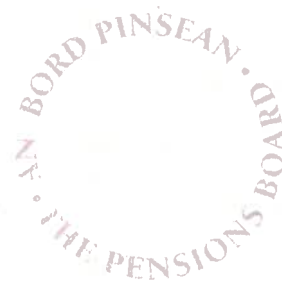
A booklet on the protection of pension rights generally under the Pensions Act, aimed specifically at members, has just been issued. Information booklets and leaflets on preservation of benefits, equal treatment and membership involvement in the selection of trustees will be prepared.

The Board's Information Service has organised, in conjunction with the Information Service of the Department of Social Welfare, "Information Events" in different regions. The main purpose of these events for the Pensions Board is to reach people who may not have ready access to our Dublin-based Information Service. We plan to develop this aspect of our services further in the coming years.



GERALDINE SLATTERY AT RECEPTION

Advisory Role of the Board



A key statutory function of the Pensions Board is that of advising the Minister for Social Welfare on all relevant matters under the Pensions Act and on pension matters generally, either at the Minister's request or on the Board's own initiative.

The Board is normally consulted on any amendments being made to the Pensions Act, on the drawing up of draft regulations to be introduced under the Act and on amendments to these regulations. General pension matters are necessarily less precise, but include all matters pertaining to occupational pensions policy, for which the Minister for Social Welfare has general responsibility.

The Pensions Board has two roles in relation to this. We are in an ideal position to provide sound technical advice using the expertise and experience of individual Board members and our staff on occupational pension scheme administration and the further expertise to which we have access in the organisations which our Board members represent.

We are also able to foster consensus support among the various parties represented on the Board for policy changes which may affect their interests. Similarly, we can make the Minister aware of any concerns about changes being considered and their likely consequences.

The overall objective of the Board in this area is to contribute to the development of policy that is technically sound and broadly acceptable.

The Board submitted reports to the Minister for Social Welfare during 1992 about the operation and implementation of the Pensions Act on the following subjects (dates when reports submitted are in brackets):

- Amendments to the Pensions Act, 1990 - mainly technical amendments for inclusion in the 1992 Social Welfare Bill (January 1992);
- Member Participation in the Appointment of Trustees* (July 1992);
- Level of Annual Fee Payable to the Pensions Board (October 1992);

- Controls on the Investment Powers of Trustees Provided for in the Pensions Act* (October 1992);
- Application of the Pensions Act to Schemes with Members in Ireland and in other States (November 1992).

* Reports requested by the Minister.

Amendments to the Pensions Act

The recommendations for amendments to the Pensions Act, 1990, for inclusion in the 1992 Social Welfare Bill, were accepted by the Minister and enacted in the Social Welfare Act, 1992. A further series of recommendations for amendments to the Pensions Act were prepared during 1992, with a view to their inclusion in the 1993 Social Welfare Bill.

These amendments, which are mainly technical, were recommended as a result of our continuous review of the operation of the Act and followed consultation with organisations and professional bodies represented on the Board. The remainder of the amendments being proposed are based on recommendations to the Minister contained in the reports listed above.

Regulations

The Board was also consulted on the drafting of the following regulations which were introduced in 1992:

- Occupational Benefit Schemes (Equal Treatment) Regulations, 1992 - S.I. No. 365 of 1992.

These regulations provide, in accordance with Section 71 (3) of the Pensions Act, that where scheme rules have provided for different retirement ages for male and female members or other benefits for members of one gender only, entitlements based on service before 17 May 1990 may remain subject to these rules for a period of up to 25 years, in the case of retirement ages, and up to 6 years, in any other case.

- Pensions Act, 1990 (Part VII) (Commencement Order, 1992) - S.I. No. 366 of 1992

This order provides for the bringing into force of Part VII of the Pensions Act on equal treatment for men and women in occupational benefit schemes with effect from 1 January 1993.

- Occupational Pension Schemes (Fees) (Amendment) Regulations, 1992 - S.I. No. 367 of 1992

These regulations provide for an increase in the levels of fee payable to the Pensions Board, pursuant to Section 25 of the Pensions Act, in respect of scheme years commencing on or after 1 January 1993, and for an extension of the requirement to pay fees to those one member schemes established on or after 1 January 1993.

- Occupational Pension Schemes (Preservation of Benefits) Regulations, 1992 - S.I. No. 445 of 1992

These regulations concern preservation of benefits, including the circumstances in which transfer payments can be made by the trustees without the consent of the member; certain situations involving changes in a member's employment or the ownership of a business; and modifications to the calculation of preserved benefit if there is a change in normal pensionable age.

They also specify who is entitled to apply to the Pensions Board for a determination of a preservation of benefits issue, pursuant to Part III of the Pensions Act, and provide for the exclusion of certain public service schemes from Part III.

Review of the Pensions Act and its regulations

All the Parts of the Act and the regulations required to give full effect to its provisions (except for the provision on member participation in the appointment of trustees) have been brought into force. A complete review of the legislation is now being undertaken by the Pensions Board with a view to bringing forward comprehensive proposals for any further amendments which may be required.

Preservation

Few private sector occupational pension schemes in the past made adequate provision for the protection of the pension entitlements of scheme members who change jobs, particularly in relation to maintaining the real value of these entitlements.

As a result many members who left a scheme early to take up other employment opted for a refund of their contributions. But this meant that the pension entitlements acquired on reaching retirement were considerably less than their periods of membership should otherwise have conferred.

Lack of protection of pension entitlements on leaving can also be a major barrier to mobility between employments, particularly for people over 30 years of age who are usually much more conscious of their need for adequate pension cover and of their responsibilities to dependants.

Part III of the Pensions Act, which requires preservation of benefits, has begun to remedy this by providing that members of pension schemes who change jobs after 1 January 1993 are entitled to have benefits which have accrued in respect of service from 1 January 1991 either:

- preserved in the scheme they are leaving, or
- transferred to a new scheme or to a life assurance company retirement bond.

To be eligible, a person must have been a member of the scheme for at least five years, including two years after 1 January 1991.

Preservation of pre-1991 pension rights

The Minister for Social Welfare has urged that schemes should begin making similar arrangements on a voluntary basis for the preservation of pre-1991 pension rights in respect of their current members. In the case of defined benefit schemes the feasibility of doing this should be examined as part of actuarial valuations taking place over the period to end 2001, by which time the funding standard will have full effect in respect of pre-1991 service liabilities.

The additional cost will vary for individual schemes because it depends on:

- the scheme's specific benefits structure;
- the age distribution of the scheme membership;
- the level of staff turnover actually experienced; and
- the funded status of the scheme.

Many schemes, however, may not require a significant increase in the level of funding over the period to 2001 to provide this important additional protection.

When employees leave service without adequate provision for full preservation of their entitlements, the release of liability to the scheme subsidises the cost of providing the benefits for the remaining members.

This is not a desirable practice and the Pensions Board would like to see substantial progress being made on extending preservation of pre-1991 service entitlements for current members by way of voluntary agreements over the coming years.

Funding Standard

Trustees of a defined benefit scheme must obtain an actuarial funding certificate every three and a half years which states that their scheme complies with the funding standard, in accordance with Part IV of the Act.

An actuarial funding certificate must be submitted to the Pensions Board within nine months of the effective date of the actuarial valuation of the scheme's assets and liabilities. The main purpose of the funding standard is to ensure that the scheme has enough assets to secure the accrued entitlements of scheme members in the event of it having to be wound up.

The effective date of the first actuarial funding certificate for schemes established on or before 1 January 1991 must be no later than 31 December 1993, and these certificates must be forwarded to the Board no later than end September 1994. Compliance with the funding standard for these schemes requires that the future pensions of those already receiving pensions must be fully secured, as well as the preserved rights, in respect of service from 1 January 1991, of those yet to retire. Schemes have up to 1 January 2001 to ensure that pre-1991 rights are fully funded, but in many cases these are already fully secured.

There are over 2,500 defined benefit schemes established before 1 January 1991 registered with the Board and required to comply with the funding standard. By the end of 1992 the Pensions Board had only received actuarial funding certificates in respect of 96 schemes.

In 1993, as a matter of priority, the Board will be urging the trustees of defined benefit schemes who have not already arranged for an actuarial valuation to do so immediately, thereby ensuring that they can meet the legal deadline.

Investment controls for purposes of the funding standard

A major feature of the funding standard is that self-investment or concentration of investment that exceeds 20% of the assets of the scheme cannot be taken into account for the purposes of meeting the standard. The

Minister for Social Welfare asked the Pensions Board to examine these limits, in particular, as part of an overall review of the controls on the investment powers of trustees in the Pensions Act.

The funding standard is designed to ensure that, at a minimum, there should be sufficient assets in the scheme to meet accrued liabilities in the event of the scheme being wound up. In many cases schemes are wound up when the employer company is put into receivership or liquidation. When that occurs the company is normally not in a position to meet all liabilities to its creditors.

If in such cases up to 20% of the resources of the scheme required to meet its accrued liabilities on winding up are invested in the employer company (a practice known as self-investment), there may be insufficient assets remaining to meet these liabilities in full. A scheme is also vulnerable if investment in any one shareholding or property (known as concentration of investment) is at a 20% level, although not to the same extent as in the case of self-investment.

It has been argued that allowing schemes to take into account 20% levels of self-investment and concentration of investment for the purposes of compliance with the funding standard is too lenient.

We agree with this view and in our report to the Minister stated that there is a strong case for reducing the maximum limits on these investments for the purposes of the funding standard. If this were to be done, however, it would be important, both in the interests of the scheme and the employer company, that the lower limits be phased in gradually to allow sufficient time for orderly re-investment by those schemes affected.

We suggested that the period from 1 January 1994, immediately after the latest effective date of the first actuarial funding certificate, to after 1 January 2001, when all accrued liabilities must be fully funded, would be an appropriate phasing in period.

Accounting to Members

The disclosure of information requirements of the Pensions Act are among the most important safeguards for the protection of members' pension rights.

The trustees' annual report on their administration of a scheme is of particular importance. It must contain information on such matters as the scheme's accounts, the investment of its resources and, in the case of defined benefit schemes, the latest actuarial funding certificate.

Annual Reports for scheme years ended on or before 30 June 1992 should now be available.

For the disclosure of information requirements to be really effective it is important that scheme members and, where appropriate, their trade union representatives, exercise their statutory rights to obtain the information and use it fully to monitor the administration of their scheme.

Failure on the part of trustees to comply with the disclosure of information requirements and to meet the statutory deadlines for the supply of that information, may warrant a detailed investigation of the scheme's affairs by the Board and the scheme trustees may also be open to prosecution in the Courts for breaching the Pensions Act.

The Board is reviewing the effectiveness of the disclosure of information requirements generally with a view to ensuring that the statutory requirements are being met and establishing whether any further reporting of information by trustees to members and to the Pensions Board may be necessary to ensure the protection of members' pension rights.

The existing requirements for the reporting to members of investment decisions, which result in self-investment exceeding 5% of the scheme's assets, were also addressed in our report to the Minister on "Controls on the Investment Powers of Trustees".

Equal Treatment for Men and Women

Part VII of the Pensions Act provides for the implementation of the principle of equal treatment for men and women in occupational pension schemes. It gives effect to the following provisions of EC Law:

- Article 119 of the Treaty of Rome on equal pay, which now clearly applies to occupational benefit schemes following the ruling of the European Court of Justice of 17 May 1990 in the "Barber" case (C282/88); and
- Council Directive 86/378/EC of 24 July 1986, which specifically provides for the implementation of the principle of equal treatment in occupational benefit schemes.

Compliance with the principle of equal treatment

Part VII of the Pensions Act was brought into force on 1 January 1993, and changes in scheme rules, which are required to comply with the principle of equal treatment, must have retrospective effect to 17 May 1990 (the date of the "Barber" judgment).

After 1 January 1993 if scheme rules discriminate between men and women the more favourable treatment under the rules applied to persons of one gender, must be applied to persons of the other gender, at least in respect of service from 17 May 1990.

Equal Treatment for Men and Women

Differences in treatment permitted

Some schemes are allowed to maintain acquired entitlements based on service before 17 May 1990, for up to 25 years in the case of retirement ages, and for up to six years in any other case, without affording similar treatment to persons of the other gender. This is to avoid, as far as possible, application of the principle of equal treatment resulting in entitlements already acquired being reduced.

Differences in treatment are permitted in relation to:

- the levels of employer contributions to defined contribution schemes, for the purposes of removing or limiting differences between men and women in the amount or value of benefits provided under such schemes, which arise from the use of actuarial calculation factors that differ according to gender in calculating the benefits due; or
- special treatment for women in connection with pregnancy or childbirth; or
- certain optional provisions which only apply at the discretion of individual members.

These differences in treatment are in line with the provisions of the relevant EC Directive. However, there are two issues which are the subject of a series of cases before the European Court of Justice. These are:

- whether the retrospective application of the principle of equal treatment, i.e. to benefits in respect of service prior to 17 May 1990, is required under EC Law; and
- whether the use in certain circumstances of actuarial calculation factors which differentiate between men and women is contrary to the principle of equal treatment.

The Court's Judgment on these questions, which is expected by mid 1993, will determine whether the differences in treatment permitted under the provisions of the Pensions Act to which the above questions relate, are in conformity with EC law.

The Judgment will have a bearing on all the differences in treatment permitted, with the exception of the special treatment for women in connection with pregnancy or childbirth. The Board will examine the Judgment in detail when it is issued. If we consider that changes to Part VII of the Act are required as a result we will advise the Minister accordingly.

Enforcement of equal treatment

The Board has responsibility for ensuring that the rules of occupational pension schemes comply with the principle of equal treatment, with the exception of the rules governing access to these schemes.

Equal treatment in relation to access to occupational benefit schemes, including occupational pension schemes, and in relation to schemes which provide benefits other than pensions, such as sick pay, are matters for Equality Officers and the Labour Court under the Pensions Act.

Guidance Notes

Trustees of occupational pension schemes have direct responsibility under Part VII of the Act for compliance with its provisions, except in relation to access to schemes. The Board has issued Guidance Notes on the equal treatment requirements, in so far as they relate to the rules governing occupational pension schemes only. These notes will be reviewed and may be revised in the light of the EC Court Judgment.

Schemes with Members in other States

The Pensions Act applies in general to any occupational pension scheme which includes employees who are employed within Ireland. The Act is therefore capable of applying to schemes based in another State in respect of employees in Ireland and to a scheme based in Ireland which includes members who are employed in another State.

A report on the application of the Pensions Act to these schemes was submitted by the Board to the Minister for Social Welfare in November.

It examined:

- enforcement of the Act's provisions by the Pensions Board, where the trustees are resident in another State; and
- compliance on the part of the schemes with the Act's provisions where these differ and, in certain instances, conflict with the requirements which have to be met under the legislation of another State.

We had two main purposes:

- to determine the measures required to ensure that the protections provided for in the Act are effectively extended to members of all schemes employed in this country; and
- to ensure that such measures do not cause significant administrative difficulties and costs for the schemes in meeting the legislative requirements in each of the States where scheme members are based.

We are pleased that our recommendations have been accepted by the Minister. Provision has been made by means of the Social Welfare Act, 1993, to give the Minister the necessary powers to introduce regulations under the Pensions Act prescribing, where necessary, how the various parts of the Act shall apply to these schemes. The regulations are currently being drafted in consultation with the Board.

They will cover such matters as the requirement on trustees resident in another State to appoint a scheme administrator resident in this State, with responsibility for complying with certain provisions of the Act; and necessary modifications of the Act's provisions in relation to member participation in the appointment of trustees, preservation of benefits, the funding standard, priorities on winding up and disclosure of information.

UK Pension Law Review Committee

For most of the schemes affected by these new regulations the other State involved is the United Kingdom.

A Pension Law Review Committee (the "Goode Committee") was set up by the United Kingdom Government on 8 June 1992 to review the framework of law and regulation within which occupational pension schemes operate in the UK and to make recommendations.

The Committee issued a Consultation Document in September 1992 and invited interested parties to put their ideas to the Committee in writing.

We forwarded a report in December to this Committee with detailed information on the Pensions Act and its application. We also referred to the issue of the protection afforded to the pension rights of persons employed in one State who are members of schemes based in another, and gave an outline of the measures being considered by the Pensions Board to provide for the protection of the pension rights of members of such schemes in Ireland.

The Pensions Board

MEMBERSHIP OF THE PENSIONS BOARD

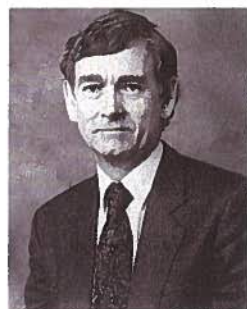
The current members of the Board are:



Mary Broughan
(Chairperson)
Appointed directly by the
Minister for Social Welfare.



Michael Guilfoyle
Representative of the Minister for
Finance.



Eamonn Heffernan
Nominated by the Irish
Association of Pension Funds.



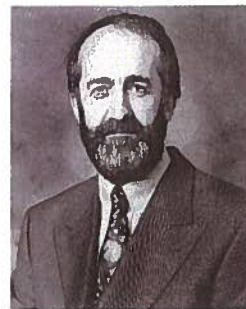
Kate Hayes
Appointed directly by the Minister
for Social Welfare.



Mary Howe
Appointed directly by the
Minister for Social Welfare.



Monica Healy
Appointed directly by the Minister
for Social Welfare.



John Hynes¹
Representative of the Minister for
Social Welfare.

The Pensions Board

The Pensions Board is a representative Board, comprising a chairperson and 12 ordinary members. Members are appointed by the Minister for Social Welfare, but under the provisions of the Pensions Act the Board must comprise representatives nominated by trade unions, employers, the Government, the pensions industry and professional groups involved with occupational pension schemes.

The term of office for a Board member is five years. Casual vacancies are filled by the Minister for Social Welfare, or the nominating body, as appropriate. A person who fills a casual vacancy only holds office until what would have been the normal expiry date of the term of office of the person he or she has replaced.



James R. Kehoe
Nominated by the Society of Actuaries in Ireland.



Donal McAleese
Nominated by the Irish Business and Employers Confederation.



Michael Lane¹
Nominated by the Association of Pension Lawyers.



Patricia O'Donovan
Nominated by the Irish Congress of Trade Unions.



Ciarán Long
Nominated by the Irish Insurance Federation.



Robert Woods
Nominated by the Consultative Committee of Accountancy Bodies in Ireland.

¹ Replaced Tim Quirke who resigned in May 1992.

² Replaced Brian McCracken who resigned in February 1993.

The Board met 11 times in 1992.

The Board works through a committee system. Much of its detailed work, such as reports to the Minister for Social Welfare, is initially prepared by a committee. The committees can include people who are not members of the Board, but who have particular expertise in the matter under consideration.

Equal Treatment Committee

James R. Kehoe (*Chairperson*)

Kate Hayes
Monica Healy
Mary Howe
Gerry Mangan
Patricia O'Donovan
Brendan O'Leary
Catherine Hazlett (*Secretary*)

The Committee met 4 times in 1992.

Finance Committee

Robert Woods (*Chairperson*)

Josephine Feehily
Michael Guilfoyle
Eamonn Heffernan
Ciarán Long
Donal McAleese
Gerry Mangan
Thomas Dunphy (*Secretary*)

The Committee met 10 times in 1992.

Legislation Committee

Brian McCracken (*Chairperson*)*

Eamonn Heffernan
Mary Howe
James R. Kehoe
Ciarán Long
Gerry Mangan
Michael Sullivan
Adrian Smith (*Secretary*)

**Replaced by Eamonn
Heffernan from April
1993.*

Members of Sub-Committees

Thomas Duggan.
Kevin Finucane.
Eamonn Heffernan.
Mary Howe.
Mary Hutch.
James R. Kehoe.
Paul Kenny.
Ciarán Long.
Donal O'Carroll.
Brendan O'Leary.
Ultan Stephenson.
Thomas Wright.
Adrian Smith (*Secretary*).

The Committee met 16 times in 1992. There were, in addition, 14 sub-committee meetings involving members of the Legislation Committee and other experts in pensions law and administration, as listed above.

Trusteeship Committee

Eamonn Heffernan (*Chairperson*)

Don Bray
Mary Howe
Donal McAleese
Stephen McCarthy
Gerry Mangan
Brendan O'Leary
Catherine Hazlett (*Secretary*)

The Committee met 14 times in 1992.

Staff of the Board

Chief Executive

Gerry Mangan

Head of Investigations

Adrian Smith

Head of Information and Research

Catherine Hazlett¹

Accountant/Registrar

Thomas Dunphy
(Secretary to the Board)

Enquiries and Information

Catherine Goulding

Systems Manager

David Moore

Support Staff

Aideen Bugler
Valerie Clooney
Susan Moen²
Geraldine Slattery
Edel Stenson

*Has resigned and will be replaced by Mary Hutch with effect from May 1993.
Appointed April 1993.*



**THE PENSIONS BOARD MANAGEMENT TEAM:
ADRIAN SMITH, THOMAS DUNPHY, CATHERINE HAZLETT AND GERRY MANGAN.**

Report of the Comptroller and Auditor General

I have examined in accordance with auditing standards the financial statements on pages 27 to 34 which are in the form approved under the provisions of the Pensions Act, 1990.

I have obtained all the information and explanations which I considered necessary for the purpose of my audit.

In my opinion proper books of account have been kept by the Board and the financial statements, which are in agreement with them, give a true and fair view of the state of the Board's affairs at 31 December, 1992 and of its transactions and cash flow for the year then ended.

P.L. McDonnell

Comptroller and Auditor General

30 April 1993

Statement of Accounting Policies

The following are the more important policies used by the Board.

(a) Accounting Convention

The financial statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Social Welfare with the concurrence of the Minister for Finance in accordance with Section 22(1) of the Pensions Act, 1990.

(b) Fee Income

Fee income comprises the fees receivable in respect of the year to 31 December in respect of occupational pension schemes as laid down in regulations made by virtue of Section 25 of the Pensions Act, 1990.

(c) Taxation

The Board is exempt from Corporation Tax under Section 41 of the Finance Act, 1991.

(d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is charged in the income and expenditure account, on the straight line basis, at the annual rates set out below, so as to write off the assets, adjusted for estimated residual value, over the expected useful life of each appropriate category.

(i) Leasehold improvements	10%
(ii) Computer equipment	25%
(iii) Office furniture	12½%
(iv) Office equipment	20%
(v) Motor vehicle	20%

A full year's depreciation is provided for in the year of acquisition.

(e) Leases

(i) Finance leases

Where an asset is acquired under a finance lease, the capital element is included in tangible fixed assets and amortised over the life of the asset and the outstanding capital element of the leasing obligation is included in bank and other advances. The interest element is written off over the primary period of the lease.

(ii) Operating leases

Rental payments are dealt with in the income and expenditure account in the year to which they relate.

(f) Superannuation

All superannuation benefits to or in respect of employees of the Board are provided for through superannuation schemes. Contributions in respect of these schemes are dealt with in the year to which they relate.

(g) Enforcement Compliance Provision

As the Pensions Board is a statutory regulatory body charged with monitoring and enforcing compliance by scheme trustees with the provisions of the Pensions Act, 1990, it may be necessary for the Board, from time to time, to have recourse to legal action, in certain cases, in order to carry out its responsibilities in this regard. Such action would necessarily involve the Board in significant costs.

It is not possible to anticipate when such cases may arise or the resulting level of costs, but the Board considers it prudent to ensure that adequate resources are available and to spread such costs over the years.

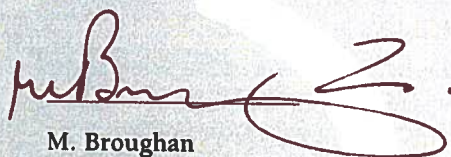
Accordingly, an amount of IR£30,000 has been transferred from income and expenditure account to an enforcement compliance provision account during 1992. Similar transfers will be made annually until such time as, in the opinion of the Board, a reasonable provision is arrived at and maintained.

Income and expenditure account

for the year ended 31 December 1992

	notes	1992 IR£	1991 IR£
Income			
Fee income		467,702	434,977
Other income	2	8,886	1,473
Total Income		476,588	436,450
Expenditure			
Salaries, fees and expenses	3	218,175	87,199
Board member fees		12,000	12,000
Accommodation and establishment expenses	4	76,421	83,436
Recruitment, training and education	5	5,734	32,550
Information, research and publicity		23,160	18,157
Computer consultancy and other professional fees	6	44,980	77,988
General administration	7	42,751	10,645
Depreciation	8	41,649	40,737
Enforcement compliance provision	13	30,000	-
Total Expenditure		494,870	362,712
(Deficit)/surplus for year		(18,282)	73,738

The statement of accounting policies together with notes 1 to 18 form part of these financial statements.



M. Broughan
Chairperson

2 April 1993



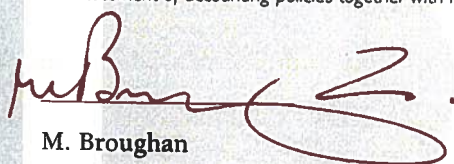
G. Mangan
Chief Executive

Balance Sheet

at 31 December 1992

	notes	1992		1991	
		IR£	IR£	IR£	IR£
Fixed assets					
Tangible assets	8		140,193		170,388
Current assets					
Debtors	9	104,711		207,916	
Cash on hand		102		39	
		104,813		207,955	
Current liabilities					
Creditors: amounts falling due within one year					
Bank and other advances	10	68,388		91,785	
Other creditors	11	87,641		205,606	
		156,029		297,391	
Net current liabilities			(51,216)		(89,436)
Creditors: amounts falling due after one year					
Bank and other advances	10	(3,521)		(7,214)	
Enforcement compliance provision	13	(30,000)	(33,521)	-	(7,214)
Total assets			55,456		73,738
Financed by					
General reserve	14		55,456		73,738

The statement of accounting policies together with notes 1 to 18 form part of these financial statements.


M. Broughan
Chairperson


G. Mangan
Chief Executive

2 April 1993

Cash flow statement
for the year ended 31 December 1992

	notes	1992 IR£	1991 IR£
Net cash inflow from operating activities	15	164,765	22,924
Returns on investments and servicing of finance			
Interest received		1,473	-
Rent received		6,305	-
Interest paid		(4,994)	(65)
Finance lease interest paid		(1,275)	(617)
Net inflow/(outflow) from returns on investments and servicing of finance		1,509	(682)
Investing activities			
Purchase of tangible assets		(139,121)	(40,311)
Stamp duty on lease		-	(67,571)
Net cash outflow from investing activities		(139,121)	(107,882)
Net cash inflow/(outflow) before financing activities		27,153	(85,640)
Financing activities			
Payments to finance lease creditors	16	3,693	2,413
Increase/(decrease) in cash and cash equivalents	17	23,460	(88,053)
		27,153	(85,640)

Notes to the Financial Statements



1. The Pensions Board

The Board was established on 21 December 1990 and commenced operations on 10 January 1991, the date on which the Board held its first meeting.

2. Other Income

	1992	1991
	IR£	IR£
Rent	6,305	-
Publications	1,433	-
Deposit interest	698	1,473
Miscellaneous	450	-
	<u>8,886</u>	<u>1,473</u>

3. Employee Numbers and Costs

The total number of employees at 31 December 1992 was 10 (1991 - 8). The average number of employees in the Board during the year was 9 (1991 - 3). The aggregate employee and related costs were as follows:

	1992	1991
	IR£	IR£
Salaries	178,132	71,014
Superannuation costs	29,212	11,573
Employers PRSI	10,831	4,612
	<u>218,175</u>	<u>87,199</u>

4. Accommodation and Establishment Expenses

	1992	1991
	IR£	IR£
Rent	40,810	-
Service charge	11,704	1,809
Rates	12,000	1,500
Electricity	3,845	174
Cleaning	3,802	937
VAT and stamp duty on lease	-	67,571
Conveyancing fee	-	7,288
Architectural fee	1,888	4,157
General maintenance	2,372	-
	<u>76,421</u>	<u>83,436</u>

The Board occupies office premises at Holbrook House, Holles Street, Dublin 2, under a 20 year lease which commenced on 13 November 1991. Under the terms of the lease the first six months occupancy was rent free. A portion of the demised office space (566 sq. ft.) was sub-let on a short term lease on 9 July 1992.

5. Recruitment, Training and Education

	1992	1991
	IR£	IR£
Recruitment	1,754	30,882
Training and education	3,980	1,668
	<u>5,734</u>	<u>32,550</u>

6. Computer Consultancy and Other Professional Fees

	1992	1991
	IR£	IR£
Computer consultancy fees	40,457	73,217
Legal fees	1,918	2,771
Audit fees	2,000	2,000
Other	605	-
	<u>44,980</u>	<u>77,988</u>

7. General Administration

	1992 IR£	1991 IR£
Stationery and office expenses	14,323	4,340
Telephone and postage	7,238	3,340
Travel and subsistence	1,937	1,852
Insurances	1,926	287
Computer expenses	10,668	144
Interest and charges	5,384	65
Leasing finance charges	1,275	617
	<u>42,751</u>	<u>10,645</u>

8. Tangible Fixed Assets

	Leasehold improvements IR£	Computer equipment IR£	Office furniture IR£	Office equipment IR£	Motor vehicle IR£	Total IR£
Cost or Valuation						
At 31 December 1991	49,425	102,953	22,560	23,827	12,360	211,125
Adjustment	(1,617)	-	-	-	-	(1,617)
Additions in year	-	825	10,822	1,424	-	13,071
At 31 December 1992	<u>47,808</u>	<u>103,778</u>	<u>33,382</u>	<u>25,251</u>	<u>12,360</u>	<u>222,579</u>
Accumulated Depreciation						
At 31 December 1991	4,942	25,738	2,820	4,765	2,472	40,737
Adjustment	(773)	-	-	-	-	(773)
Charge for year	4,781	25,945	4,173	5,051	2,472	42,422
At 31 December 1992	<u>8,950</u>	<u>51,683</u>	<u>6,993</u>	<u>9,816</u>	<u>4,944</u>	<u>82,386</u>
Net Book Value *						
At 31 December 1992	<u>38,858</u>	<u>52,095</u>	<u>26,389</u>	<u>15,435</u>	<u>7,416</u>	<u>140,193</u>
At 31 December 1991	<u>44,483</u>	<u>77,215</u>	<u>19,740</u>	<u>19,062</u>	<u>9,888</u>	<u>170,388</u>

* Assets acquired under finance leases, at cost less accumulated depreciation, included in tangible fixed assets, amounted to IR£7,416 (1991 IR£9,888). The depreciation charged during the year on such assets amounted to IR£2,472 (1991 IR£2,472).

9. Debtors

	1992 IR£	1991 IR£
Amounts falling due within one year:		
Fee income	93,836	181,805
Prepayments	9,672	24,638
Accrued deposit interest	698	1,473
Miscellaneous	505	-
	<u>104,711</u>	<u>207,916</u>

10. Bank and Other Advances	1992	1991
	IR£	IR£
Amounts falling due within one year:		
Bank overdraft	64,695	88,092
Obligations under finance lease	3,693	3,693
	<u>68,388</u>	<u>91,785</u>
Amounts falling due after one year:		
Obligations under finance lease	3,521	7,214
	<u>71,909</u>	<u>98,999</u>
Repayable as follows:		
Within one year	68,388	91,785
Between one year and two years	3,521	4,198
Between two and five years	-	3,016
	<u>71,909</u>	<u>98,999</u>
11. Creditors	1992	1991
	IR£	IR£
Amounts falling due within one year:		
Creditors	6,932	45,092
Accruals	80,709	160,514
	<u>87,641</u>	<u>205,606</u>

12. Financial Commitments

(i) Capital Commitments

There were no capital expenditure commitments at 31 December 1992.

(ii) Finance Leases

The Board's financial commitments at 31 December 1992 in respect of finance lease obligations are set out in note 10.

There were no commitments existing at the balance sheet date in respect of finance leases which had been entered into but which commenced after the year end.

(iii) Operating Leases

The Board had commitments payable in the next twelve months under non-cancellable operating leases as follows:

Lease of office accommodation at Holbrook House.	1992	1991
	IR£	IR£
Expiring within one year	-	-
Expiring after one year and before five years	-	-
Expiring after five years	62,267	35,732
	<u>62,267</u>	<u>35,732</u>

(iv) Superannuation

The Pensions Board Staff Superannuation Scheme, 1993 and the Pensions Board Spouses' and Children's Contributory Pension Scheme, 1993 have been established, to take effect from 1 January 1991, in accordance with Section 17 of the Pensions Act, 1990.

Contributions in respect of these schemes are paid over to the Department of Social Welfare on the basis that benefits arising under the schemes will be met by that Department as and when they fall due.

13. Enforcement Compliance Provision	IR£
At beginning of year	-
Transfer for year	30,000
At end of year	<u>30,000</u>

14. General Reserve	IR£
At beginning of year	73,738
Deficit for year	(18,282)
At end of year	<u>55,456</u>

15. Reconciliation of Surplus for the Year to Cash from Operating Activities

	1992	1991
	IR£	IR£
(Deficit)/surplus for the year	(18,282)	73,738
Adjustment for non operating items:		
Interest receivable	(698)	(1,473)
Rental and miscellaneous income	(6,755)	-
Interest payable	5,384	65
Finance lease charges	1,275	617
Stamp duty on lease	-	67,571
Adjustment for non cash items:		
Depreciation	41,649	40,737
Decrease/(increase) in operating debtors	102,880	(206,443)
Increase in operating creditors	9,312	48,112
Increase in enforcement compliance provision	30,000	-
Cash inflow from operating activities	<u>164,765</u>	<u>22,924</u>

16. Reconciliation of Finance Lease Creditors

	Creditors due within one Year	Creditors due after one Year	Total
	IR£	IR£	IR£
At beginning of year	3,693	7,214	10,907
New leases taken out in year	-	-	-
Cash payments in year	(3,693)	-	(3,693)
Transfer	3,693	(3,693)	-
At end of year	<u>3,693</u>	<u>3,521</u>	<u>7,214</u>

17. Movement in Cash and Cash Equivalents and Analysis of Balances

	Cash at bank and in hand	Bank overdraft	Total
	IR£	IR£	IR£
At beginning of year	39	(88,092)	(88,053)
Cash movement	63	23,397	23,460
At end of year	<u>102</u>	<u>(64,695)</u>	<u>(64,593)</u>

18. Approval of Financial Statements

The financial statements were approved by the Board at its meeting held on 2 April 1993.

Appendix 1 - Legislation

The Pensions Act, 1990, was enacted on 24 July 1990. Since then, it has been amended and a significant number of regulations have been made under the Act, by way of Statutory Instruments.

THE FOLLOWING IS A LIST OF RELEVANT LEGISLATION TO DATE.

Acts

The Pensions Act, 1990	No. 25 of 1990
The Social Welfare Act, 1991.	No. 7 of 1991
The Social Welfare Act, 1992	No. 5 of 1992
The Social Welfare Act, 1993	No. 5 of 1993

Statutory Instruments

Pensions Act, 1990 (Sections 60 and 61) (Commencement) Order, 1990	S.I. No. 329 of 1990
Pensions Act, 1990 (Parts III, IV and V) (Commencement) Order, 1990	S.I. No. 330 of 1990
Pensions Act, 1990 (Parts I and II) (Commencement) Order, 1990	S.I. No. 331 of 1990
Occupational Pension Schemes (Disclosure of Information) Regulations, 1990	S.I. No. 332 of 1990*
Pensions Act, 1990 (Part II) (Establishment Day) Order, 1990	S.I. No. 343 of 1990
Occupational Pension Schemes (Disclosure of Information) Regulations, 1991	S.I. No. 215 of 1991
Pensions Act, 1990 (Sections 59, 63 and 64) (Commencement) Order, 1991	S.I. No. 259 of 1991
Occupational Pension Schemes (Registration) Regulations, 1991	S.I. No. 325 of 1991
Occupational Pension Schemes (Funding Standard) Regulations, 1991	S.I. No. 371 of 1991
Occupational Pension Schemes (Fees) Regulations, 1991	S.I. No. 372 of 1991
Occupational Benefit Schemes (Equal Treatment) Regulations, 1992	S.I. No. 365 of 1992
Pensions Act, 1990 (Part VII) (Commencement) Order, 1992	S.I. No. 366 of 1992
Occupational Pension Schemes (Fees) (Amendment) Regulations, 1992	S.I. No. 367 of 1992
Occupational Pension Schemes (Preservation of Benefits) Regulations, 1992	S.I. No. 445 of 1992

* Revoked from 1 August 1991

Appendix 2 - Operative dates of parts of the Pensions Act

The Pensions Act, 1990, as amended, has a total of 84 Sections in seven Parts. Amendments made to the Pensions Act in the period since 1991 were included in the Social Welfare Acts of 1991, 1992 and 1993 and came into force in April of the years in which the relevant social welfare legislation was enacted.

The provisions of the original Pensions Act, 1990 were brought into effect on various dates by way of Statutory Instruments. The following list shows the operative dates, and also those sections which are not yet operative.

		<i>Operative Date</i>
PART I	Preliminary and General	21 December 1990
PART II	Establishment of Pensions Board	21 December 1990
PART III	Preservation of Benefits	1 January 1991
PART IV	Funding Standard	1 January 1991
PART V	Disclosure of Information in Relation to Schemes	1 January 1991
PART VI	Trustees of Schemes	
	Section 59	1 November 1991
	Sections 60 and 61	1 January 1991
	Section 62	Not yet operative*
	Sections 63 and 64	1 November 1991
PART VII	Equal Treatment for Men and Women in Occupational Benefit Schemes	1 January 1993

*The Minister for Social Welfare has announced his intention to bring this section, on member participation in the appointment of trustees, into force on 1 January 1994.

Appendix 3 - Publications

The following publications are available from the Pensions Board:

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| <ul style="list-style-type: none"> • So You're a Pension Scheme Trustee?
A brief guide to the duties and responsibilities of trustees of occupational pension schemes written for the lay-person. • What Do You Know About Your Pension Scheme?
An overview of the information which occupational pension schemes must give. This booklet is of use to trustees and administrators of schemes and to scheme members. • Is My Pension Secure?
In response to the level of concern by members that their pension may not be there for them when they retire, this booklet outlines the various protections provided by the Pensions Act. • The Pensions Board
An introduction to the Board, its functions and its membership. | <ul style="list-style-type: none"> • Legislation Information Service *
Designed for pension practitioners, the Board has introduced a legislation information service which contains the text of the Pensions Act, 1990, and includes all amendments made under the Social Welfare Acts in 1991, 1992 and 1993. It also contains a complete set of the regulations made under the Act. Subscribers to this service receive regular updates as legislation changes. • Guidance Notes *
The Board is preparing a series of technical guidance notes on the Pensions Act and its regulations with pension scheme practitioners in mind. Notes, which cover the Disclosure of Information and Equal Treatment requirements, are now available. It is intended to develop a full series of guidance notes over time. |
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* Available by subscription only.