

*Tuarascáil Bhliantúil & Cuntais*

*Annual Report & Accounts*  
*1994*

## MISEAN AN BHORD PINSEAN

Sábháilteacht pinsean ceirde a chur chun cinn trí:

- threoir údarásach a sholáthar do iontaobhaithe agus do riarthóirí ar chomhlíonadh Acht na bPinsean agus ar dbeachtachtadh ginearálta i ndáil le riaradh scéime, agus trí thraenáil iontaobhai eú a mholadh;
- réimse leathan eolais ar chearta na mball faoi Acht na bPinsean a chur ar fáil go héasca do bhaill scéime agus do dhaoine eile ar suim leo é agus trí bhaill a spreagadh dun na cearta seo a úsáid d'fhonn a dteidl pinsin a chosaint; agus
- mhonatóireacht agus stiúradh a dhéanamh ar scéimeanna pinsean gairme agus, áit is gá, comhlíonadh Acht na bPinsean a chur i bhfeidhm tríd na Cúirteanna.

Tuilleadh forbairte ar phinsin in Éirinn a chothú trí sholáthar:

- treoir polasaí agus comhairle dírithe ar fheidhm níos leitne a bhaint as pinsin atá oiriúnach, sábháilte, solúbtha agus éifeachtach ó thaobh chostais de d'fhonn freastal ar sholáthar pinsean sna blianta romhainn do dhaoine atá ag dul in aois.

## MISSION OF THE PENSIONS BOARD

To promote the security of occupational pensions by:

- providing authoritative guidance to trustees and scheme administrators on compliance with the Pensions Act and on good practice generally in relation to scheme administration, and by encouraging appropriate trustee training;
- making a wide range of information on members' rights under the Pensions Act readily available to scheme members and other interested parties and by encouraging members to use these rights to assist in safeguarding their pension entitlements; and
- monitoring and supervising the administration of occupational pension schemes and, where necessary, enforcing compliance with the Pensions Act through the Courts.

To promote the further development of pensions in Ireland through the provision of:

- policy guidance and advice aimed at encouraging the wider application of adequate, secure, flexible and cost efficient pensions to meet the challenge in the coming decades of pension provision for an ageing population.

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## CHAIRPERSON'S INTRODUCTION



Mary Broughan  
*Chairperson*

I am pleased to submit, in accordance with Section 23 of the Pensions Act, 1990, the fourth annual report of An Bord Pinsean - The Pensions Board for the year to 31 December 1994.

The period covered by this report was an especially important one in the development of the Board's operations. In our first three years our work included clarifying our precise role and functions, creating appropriate structures to discharge our responsibilities, providing guidance and disseminating information on the Pensions Act to a variety of interested parties and overseeing compliance with its provisions.

In addition the Board had an important role to play in advising the Minister for Social Welfare on the specific regulations, Pensions Act amendments and other aspects involved in giving best effect to the primary legislation.

### STRATEGIC REVIEW OF OPERATIONS

During 1994 we undertook a comprehensive review of the Board's operations. As the first Board established under the Pensions Act, 1990, we recognised at the outset that a primary function

during our term would be to lay the foundations for the effective discharge of the Board's functions under the Act. To a great extent the Board and its staff have explored 'unknown territory', in that their task has been to oversee the implementation of new legislation. It was simply not possible, for example, to predetermine with any precision the level of resources required to discharge its functions on an ongoing basis.

With a base of three years' practical experience, however, it was possible last year to undertake a meaningful strategic review of operations, with the assistance of consultants. This encompassed all the main areas of activity and responsibility, including:

- the effectiveness of existing procedures for monitoring compliance with the terms of the Pensions Act, especially in respect of
  - Disclosure of information to members
  - Registration and payment of fees
  - the Minimum Funding Standardand for investigations, where warranted, into the state and conduct of schemes
- the effectiveness of the Board's measures to promote good practice generally in relation to scheme administration
- the extent to which amendments to the Pensions Act were required or considered desirable in order to strengthen or streamline the operations of the Board
- the role of the Pensions Board in advising Government on pensions matters generally, and specifically on the further development of pension provision in Ireland in light of the recommendations made in the Final Report of the National Pensions Board.

The review involved a detailed examination of our procedures and modus operandi and involved individual consultation with each Board member



## CHAIRPERSON'S INTRODUCTION

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and senior manager in the organisation. The main conclusions derived from this review were that:

- The basic structures and procedures for ensuring compliance were generally appropriate and satisfactory, but that the Board did require additional resources, on an on-going basis, and the revision of some procedures. As a result, additional personnel are being recruited and the executive has been authorised to make greater use of external professional expertise in specialist areas.
- Furthermore, amendments to the Pensions Act would help the Board in the discharge of its duties. Following our review of the Act in 1993, we had already recommended amendments to the Minister. Additional recommendations were made as a result of the 1994 strategic review.

Arising from the review, the Board devised and adopted a mission statement, which appears on the inside front cover of this report. This places particular emphasis on the important role of the Board in raising public awareness of the need for adequate pension cover and in advising on how best this can be achieved.

### MONITORING COMPLIANCE

Under Part IV of the Pensions Act (Minimum Funding Standard), trustees of defined benefit schemes are required to submit actuarial funding certificates to the Board. In the case of schemes established before 1 January 1991, the ultimate deadline for submission of certificates was 30 September 1994. The vast majority of schemes had complied before the statutory deadline.

The Board issued two 'reminder notices' before the due date and followed those up with a 'cautionary notice' to schemes which had failed to comply within the specified period. Legal

proceedings have now commenced against trustees to ensure compliance.

In light of the review of our operations in 1994 more resources have been deployed and revised procedures put in place to ensure compliance with the Disclosure of Information requirements, Registration and Fee Collection and enforcement will be achieved, if necessary, through the Courts.

### INFORMATION AND INVESTIGATION SERVICES

The Pensions Board is responsible for the provision of guidance and the preparation and dissemination of information on the Pensions Act and its regulations and is empowered to undertake, where necessary, investigations into schemes on behalf of members.

During 1994 the Board made available new detailed guidance notes for trustees on the preservation of benefits requirements in the Act as well as an information booklet on the same subject for scheme members.

The Board's pensions legislation service to subscribers was revised and significantly upgraded last December.

Considerable progress was also made on the development of a Trustee Handbook, which will incorporate codes of practice, and which should be of considerable assistance in promoting best practice in scheme administration and compliance with the Act. The Board intends that the Handbook will take full account of the proposed changes to the Pensions Act and the provisions of the new Family Law Bill.

During 1994 the Board received and responded to a large number of routine enquiries and 2,159 specific enquiries on the provisions of the Pensions Act and broader pensions issues. As in previous years, approximately a third of these came from scheme members or their trade union

## CHAIRPERSON'S INTRODUCTION

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representatives and the vast majority of the balance came from pension practitioners.

Detailed investigations were necessary into the state and conduct of a small number of schemes. These were mainly required in respect of schemes being wound up which had insufficient assets to meet accrued liabilities. It has not been necessary to have recourse to legal action to enforce compliance, following on from these investigations.

### ADVICE TO GOVERNMENT

The Pensions Board has a specific duty to provide advice to the Minister for Social Welfare on the Pensions Act and broader pensions issues. During 1994 and the current year (1995) the Board has worked closely with officials in the Departments of Social Welfare and Equality and Law Reform in the development of legislative proposals in the Family Law Bill which apply to pension schemes.

As pension rights are often the most valuable asset which a married couple has, the Board welcomes the broad thrust of the proposals, which provide for the division of these rights as part of the financial settlement following marital breakdown.

The legislative provision required to give effect to the division of these rights, however, is complex and could give rise to significant administrative difficulties and costs for schemes. That is why, in our detailed consideration of these issues, we have been concerned to ensure that, while enshrining the principle of equity, the necessary provisions will minimise such difficulties and costs. The Board will publish detailed guidance notes on the application of the pension provisions in the Family Law legislation as soon as practicable following enactment.

We also worked closely with officials in the Department of Social Welfare on the drafting of new regulations which modify the terms of the Pensions Act, where appropriate, in relation to

UK-based schemes which have members who are employed in Ireland.

The Board also provided advice on draft proposals for an EU Directive which will be introduced during the course of 1995 and which is intended to protect the occupational pension rights of scheme members who have acquired such rights as a result of being employed in more than one Member State.

### FUTURE PENSIONS POLICY

Conscious of our responsibility to advise Government on the further development of pension provision in Ireland, we sought and obtained approval to conduct a detailed survey in conjunction with the Department of Social Welfare. This survey is designed to establish the extent of supplementary cover under occupational and personal pension arrangements and how adequate this cover is in terms of maintaining established living standards. The last time such a survey was conducted in Ireland was by the Department of Social Welfare in 1985.

The survey will be undertaken during 1995 and the report on the findings should be completed in the first half of 1996. The Board appeals to employers and scheme administrators to co-operate in this survey, the findings of which are likely to have a significance for future pensions policy.

### BOARD MEMBERSHIP

Two of the Board's members, John Hynes and Patricia O'Donovan, left during 1994. As Chairperson I would like to thank them both for the significant contributions they made during their terms of office. We welcomed Deirdre Carroll and Stephen McCarthy, who replace them.

Under the provisions of the Pensions Act the Board is appointed for a specific term, and our term expires on 20 December 1995. I would like to thank all my colleagues for their commitment,

## CHAIRPERSON'S INTRODUCTION

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enthusiasm and hard work over the past four and a half years.

As a new State body, one charged with considerable responsibilities in a highly complex and technical area, the establishment of the Pensions Board on a sound footing has only been possible because my colleagues were willing to contribute so much of their time, expertise and effort over this period. I know that the results of their labour will endure.

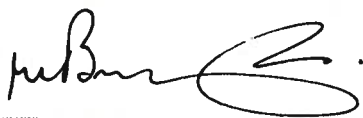
I am satisfied that at the end of our term of office there will be:

- a comprehensive body of legislation in place to regulate occupational pensions
- a clear set of guidelines for trustees and pension practitioners on compliance with the requirements of the Pensions Act and on good practice generally in relation to scheme administration, and
- the necessary procedures in place and resources available to enable the Board to effectively discharge its statutory functions.

As Chairperson I also want to thank the Chief Executive, Gerry Mangan, and all the staff for their hard work during this Board's term of office. I also want to thank the many experts in pensions practice and law who served so willingly on our committees and sub-committees.

I wish to acknowledge especially the support and cooperation we received from the officials of the Department of Social Welfare both in relation to the drafting of legislation and during the difficult start up phase of our operations.

Finally, I would once again like to acknowledge the excellent cooperation we have received from those involved in pension scheme administration as we work towards achieving our shared goal of ensuring that the pension rights of scheme members are adequately safeguarded.



**M. Broughan**

*Chairperson*

## THE PENSIONS BOARD

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*The current members  
of the Board are:*



**Mary Broughan**  
(Chairperson)

Appointed directly by the  
Minister for Social Welfare.



**Deirdre Carroll** †

Representative of the  
Minister for Social Welfare.

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 by the nominating body, as appropriate. A person who fills a 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.



**Michael Guilfoyle**

Representative of the  
Minister for Finance.



**Kate Hayes**

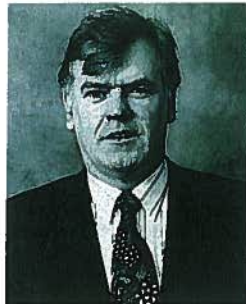
Appointed directly by the  
Minister for Social Welfare.





**Monica Healy**

Appointed directly by the Minister for Social Welfare.



**James R. Kehoe**

Nominated by the Society of Actuaries in Ireland.



**Donal McAleese**

Nominated by the Irish Business and Employers Confederation.



**Eamonn Heffernan**

Nominated by the Irish Association of Pension Funds.



**Michael Lane**

Nominated by the Association of Pension Lawyers.



**Stephen McCarthy**<sup>2</sup>

Nominated by the Irish Congress of Trade Unions.



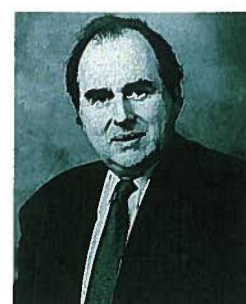
**Mary Howe**

Appointed directly by the Minister for Social Welfare.



**Ciarán Long**

Nominated by the Irish Insurance Federation.



**Robert Woods**

Nominated by the Consultative Committee of Accountancy Bodies in Ireland.

<sup>1</sup> Replaced John Hynes who resigned in October 1994.

<sup>2</sup> Replaced Patricia O'Donovan who resigned in August 1994.

**The Board met 13 times in 1994.**

## COMMITTEES

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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

Kate Hayes	Monica Healy	James R. Kehoe
Mary Howe	Gerry Mangan	(Chairperson)
Mary Hutch (Secretary)	Brendan O'Leary	

*The Committee met 2 times in 1994.*

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### Finance Committee

Michael Guilfoyle	Ciarán Long	Robert Woods
Donal McAleese	Gerry Mangan	(Chairperson)
Thomas Dunphy (Secretary)	Michael Sullivan*	

*The Committee met 5 times in 1994.*

*\* Replaced by Anne Vaughan from January 1995.*

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### Legislation Committee

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

*\* Replaced by Anne Vaughan from January 1995.*

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### Members of Sub-Committees

Patrick Cosgrave	Thomas Duggan	Kevin Finucane
Eamonn Heffernan	Mary Howe	Mary Hutch
James R. Kehoe	Paul Kenny	Michael Lane
Gerry Mangan	Donal O'Carroll	Ciarán Long
Pat Ryan	Jimmy Skehan	Brendan O'Leary
Ultan Stephenson	Thomas Wright	Adrian Smith

*The Committee met 19 times in 1994. There were, in addition, 17 sub-committee meetings involving members of the Legislation Committee and other experts in pensions and law, as listed above.*

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### Trusteeship Committee

Don Bray	Mary Howe	Eamonn Heffernan
Donal McAleese	Stephen McCarthy	(Chairperson)
Gerry Mangan	Brendan O'Leary	
Mary Hutch (Secretary)		

*There were 5 sub-committee meetings in 1994.*

## STAFF OF THE BOARD

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*The management team at the Pensions Board: Gerry Mangan, Adrian Smith, Mary Hutch and Thomas Dunphy.*

Chief Executive	Gerry Mangan
Head of Investigations	Adrian Smith
Head of Information and Training	Mary Hutch
Financial Controller/Registrar	Thomas Dunphy (Secretary to the Board)
Systems Manager	David Moore
Enquiries and Information	Catherine Goulding
Registration and Funding	Eric Plunkett
Accounting and Systems	Liam Kelly
Support Staff	Aideen Bugler Valerie Clooney Jennie Coughlan Geraldine Slattery Edel Stenson

## FAMILY LAW REFORM – PENSIONS ISSUES

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Pension rights under an occupational pension scheme are often the most valuable asset a person has, even more valuable than the family home. It is now becoming generally accepted in many countries that in financial settlements made following marital breakdown pension rights should be treated as marital property and subject to division, in the same way as other property of the marriage.

If enacted, the Family Law Bill which was introduced in February 1994 will enable the Courts to order various types of financial settlements following the grant of a decree of judicial separation or in the case of a recognised foreign divorce. Furthermore, if the proposed amendment to the Constitution to enable the Oireachtas to introduce legislation permitting divorce is supported by a majority in the upcoming referendum, it is envisaged that these Family Law provisions will be extended to cover financial settlements following a divorce.

Given the importance and value of pension rights, the Pensions Board considers it essential that specific provision be made to enable full account to be taken of these rights and welcomes in principle the broad thrust of the provision made in this regard in the Family Law Bill.

From an early stage in its consideration of the proposed legislation, however, the Board concluded that it would have major implications for pension schemes, which is why this aspect of the Bill became one of the main policy issues considered by the Board in 1994.

### FREQUENCY OF PENSION ADJUSTMENT ORDERS

The Bill indicates that priority should be given by the Courts to the adjustment of non-pension assets as a means of taking account of the pension rights

of the spouses, stating that Court orders for the division of pension rights i.e. pension adjustment orders, should only be made where the reallocation of pension rights by means of an adjustment of non-pension assets is not feasible. The Board has concluded, however, that the adjustment of non-pension assets may not be possible in many cases due to the non-availability of adequate non-pension assets and the difficulties involved in valuing the pension rights for the purposes of arriving at an equitable division of the non-pension assets. In practice, therefore, applications to the Courts for pension adjustment orders may become routine for the purposes of financial settlements following marital breakdown.

### NATURE OF FINANCIAL SETTLEMENTS

The approach taken in the Bill in relation to the division of pension rights on marital breakdown may vary depending on the nature of the overall financial settlement between husband and wife. This may take either of the following forms:

#### ■ A clean-break settlement

A 'clean-break' settlement is a once-and-for-all settlement of all financial matters, after which the parties will be wholly independent of one another in relation to these matters.

#### ■ A continuing relationship settlement

A 'continuing relationship' settlement would normally involve the making of continuing maintenance payments. This type of settlement is likely to be more common where there are dependent children.



### DIFFERENT APPROACHES TO THE DIVISION OF PENSION RIGHTS

The different approaches to the division of pension rights on marital breakdown available under the terms of the Family Law Bill fall into four principal categories:

#### ■ Adjustment of non-pension assets

The scheme member's pension rights remain undisturbed but their value is recognised in the overall settlement.

#### ■ 'Earmarking' of benefits

A specified amount or proportion of some or all of the benefits which will eventually become payable from the scheme to the scheme member or the dependants is earmarked for payment direct to the other spouse. Earmarking could be applied separately to:

- the scheme member's personal benefits under the pension scheme
- the benefits contingently payable to the spouse or other dependants in the event of the scheme member's death.

#### ■ 'Pension splitting' within the scheme

The scheme member gives up part of his or her pension rights and the spouse is provided with pension rights in the same scheme of equal actuarial value to the part given up by the scheme member.

#### ■ 'Pension splitting' by transfer payment

A variation of the approach immediately above, it involves the transfer of an amount equal to the value of the pension rights allocated to a member's spouse out of the scheme to an approved insurance contract or to another pension scheme of which he or she is a member.

All the approaches (with the exception of 'earmarking') are consistent with a 'clean break' settlement, and would normally involve valuing the

pension rights available to the member before the benefits become payable under the scheme.

'Earmarking' is akin to a continuing relationship settlement.

### GUIDANCE NOTES

Given the difficulties involved in valuing pension rights under a defined benefit scheme for the purposes of a 'clean break' settlement, provision has been made in the Family Law Bill, on the basis of a proposal by the Pensions Board, for guidelines on the making of such valuations to be issued by the Board under Section 10(1)(c) of the Pensions Act. These difficulties are mainly due to the fact that the value of pension rights is not directly available until benefits become available under the scheme and, therefore, have to be calculated on the basis of various actuarial assumptions.

The Board decided, however, that as a first step in the preparation of these Guidelines a detailed expert analysis of the feasibility of the overall provision made in the Bill for pension adjustment orders was required, in view of the concerns expressed by a number of members of the Board.

This expert analysis was completed at the end of October 1994 and after consultation with the various bodies represented on the Board a report was submitted by the Board to the Minister for Social Welfare early in 1995. This was forwarded to the Minister for Equality and Law Reform for his consideration. Consultations are ongoing between the Department of Equality and Law Reform and the Pensions Board, with a view to addressing the issues raised in the report.

Detailed Guidance Notes on the application of the pension provisions will then be drawn up with a view to these notes being available as soon as practicable, if the Family Law Bill is enacted.

### OBJECTIVES

In its assessment of the provision to be made for the division of pension rights on marital breakdown the Board has had particular regard to the following objectives:

- (i) The need for equity - not only between the two spouses concerned but also between the non-member spouse and any subsequent spouse of the member and between the member spouse and other members of the scheme.
- (ii) The need for consistency in the treatment of individual cases.
- (iii) The mechanisms available to the Court should be as simple as possible, both in calculation and administration.
- (iv) The approaches available should be sufficiently flexible to cater for different types of financial settlement.
- (v) As far as possible there should be minimal costs for pension schemes.
- (vi) Where possible a clean break solution to the division of pension rights should be made available.
- (vii) The methods available and procedure to be followed should be suited to the Irish pensions environment.
- (viii) The statutory provisions should be consistent with Government policy of encouraging the development of occupational pension schemes on a voluntary basis.

The Board recognised that no single method could satisfy all these objectives and compromise would be necessary to achieve a practical solution.

### MEETING THE OBJECTIVES

Issues relating to pensions provision are complex and may not be well understood by the parties concerned. They may find it difficult to decide on the type of pension adjustment order which they should apply for and may find it necessary to seek

specialist advice on this. Furthermore, the two parties may not agree on which type of pension adjustment order they prefer. If both parties were to apply for different types of order, considerable time and effort could be expended both by the Court and pension scheme administrators in collecting and considering all the relevant information in relation to the options available.

For those reasons, the Board recommended that the matters to be decided by the Court in relation to an application for a pension adjustment order should be confined to:

- the period during which the pension rights were acquired that the Court considers should be reallocated, and
- the relevant apportionment of such rights.

The Board envisages that normally the maximum period would be from the date of marriage to the date of separation, with the calculation of the amounts involved being made by the trustees based on Pensions Board guidelines. The pension rights thus reallocated should be treated in the same way as a property adjustment order and should not automatically revert to the scheme member in the event of his or her spouse's death.

### TRANSFERS TO OTHER ARRANGEMENTS

The Board also recommended that when a pension adjustment order is made it should normally be left to the spouse in whose favour it is made to decide whether and when to seek a transfer payment to some other pension arrangement in substitution for the benefits allocated under the scheme. The principal reason for this recommendation is that under defined benefit schemes there could be a substantial difference in the value between the benefits payable in respect of a specified period when the scheme member reaches retirement, and those available in respect of the same period when a transfer payment is taken. This is due to the fact that under a defined benefit scheme the transfer payment would generally reflect benefits based on

the member's current salary, whereas the ultimate retirement benefits will be based on the member's final salary at retirement.

If the trustees were given the statutory right to make this decision they could deprive the other spouse of a substantial part of his or her benefit by electing to make a transfer payment. Also, as explained above, if this decision was left to the Courts it could give rise to significant administrative difficulties and costs for all concerned.

There are, however, certain categories of schemes where the difference in these values is insignificant, such as those typically operated in the public sector and defined contribution schemes which vest the full amount in the member on leaving service. The trustees/administrators of such schemes should be allowed to make a transfer payment to another scheme or a buy-out bond without the consent of the spouse in respect of whom a pension adjustment order has been made and the Board has recommended that appropriate provision be made in the legislation to permit this.

Where the scheme member leaves the scheme prior to normal pensionable age, the trustees should also have the right to make the transfer payment without his or her spouse's consent.

### DEATH IN SERVICE BENEFITS

The Court is also to be empowered to separately earmark, either for the spouse or dependent members of the family, benefits (including lump sums) payable in the event of the scheme member's death in service. The Board has recommended that the Court should only be permitted to make such an order within a period of twelve months following the date of judicial separation and should be required to specify at the time the order is made the amount or the proportion of the benefits to be earmarked. The earmarking of death in service benefits would override any discretion which the trustees may have in relation to the selection of beneficiaries or the non-payment of a benefit.

If, after an order has been made earmarking death in service benefits, the spouse remarries or dies before or after the benefits begin to be paid, the earmarking order would cease to have effect. The earmarked portion of the benefit may, if the trustees so decide, simply cease to be paid or it may revert to whomsoever is in receipt of the balance of the benefit.

### COSTS

The Board is satisfied that the overall approach outlined above should minimise the legal and administrative costs for all concerned. It has, however, sought to ensure that the costs incurred should be borne by the parties to the marital separation and not by the scheme. The Board recommended, therefore, that where the Court fails to make a determination as to costs, the trustees should have the power to recover their costs by reducing the benefits payable to either or both the husband and wife by an amount equivalent to the value of the costs incurred.

### PROVISION OF INFORMATION

The Board also considers that there is a need, particularly for the spouse seeking a pension adjustment order, to be fully informed of what is involved and the implications of the various options available. A crucial decision for such a spouse in the case of a defined benefit scheme is whether he or she should opt for a clean break at the time of the settlement or whether to leave his or her share of the benefits in the original scheme until the scheme member reaches retirement. As pointed out above, a major disadvantage of opting for a transfer is that the value of the benefits transferred are in many instances likely to be significantly less than would be available if the benefit were left in the original scheme.

The Pensions Board intends to produce an information booklet on this whole area for the general public.

## ADMINISTRATIVE AND FINANCIAL REPORT

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The administrative structures put in place to support the Board's activities operated satisfactorily in 1994. The approved staff complement rose to 14 following Ministerial sanction for the creation of three additional posts. The Board is in the process of filling these posts in early 1995.

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.

Guidelines for the conduct of members and staff in relation to the business of the Board, adopted in 1992, are being observed. This includes implementation of procedures for the disclosure of interests by Board members.

The Board, in response to a request from the Department of Social Welfare, submitted an action programme during 1994 to the Department and to Bord na Gaeilge in the context of the implementation of Government Policy in the area of expanding bilingualism in Irish society. This programme is based on the recommended guidelines as issued to all Government Departments and State Agencies for the development of Action Programmes in the State sector as approved by the Minister for Arts, Culture and the Gaeltacht.

### FINANCE

Expenditure for the year amounted to IR£676,700. While expenditure on consultancy and professional fees had been higher than budgeted, savings were made in other areas including staff costs.

Fee revenue at IR£755,810 was generated in respect of 1994 and reflects the revision in fee levels introduced by virtue of the Occupational Pension Schemes (Fees) (Amendment) Regulations, 1992 (S.I. No. 367 of 1992) which took effect from 1 January 1993. It also includes some exceptional income from schemes which paid for four years when they registered for the first time in 1994.

The Board also earned miscellaneous income amounting to IR£48,134.

The surplus of income over expenditure arising amounted to IR£127,244 as against a figure of IR£110,874 in the previous year. When the fee was increased from 1993, the intention was to provide the Board with a stable financial base from which to operate consistent with the aim of maintaining a stable fee level over a few years. The Board is satisfied that both aims have been met.

Accordingly, the Board recommended to the Minister that the current fee level be maintained for 1995 and this recommendation was accepted.

### FINANCIAL OUTLOOK

The financial year to 31 December 1994 represented a further period during which the pattern of normal running costs and operating levels continued to emerge. This settling down period will help the Board in its financial and operational planning during 1995 and future years.

A provision of IR£30,000 was again made against income and expenditure account in 1994 and this provision now stands at IR£90,000. This provision will be built up to a reasonable figure to ensure that the Board will have the necessary resources to institute legal proceedings should this be necessary to ensure compliance with the Pensions Act and that such costs are recognised and spread as evenly as possible over the years.

The annual transfer from income and expenditure account to the compliance enforcement and depreciation provisions results from time to time in the Board having cash which is surplus to its immediate requirements. When this occurs, the surplus cash is invested in short term low risk securities to yield an adequate return consistent with the statutory functions and authority of the Board as laid down in the Pensions Act.

At the end of 1994, the Board had cash or cash equivalents amounting to IR£302,541.



## REGISTRATION OF OCCUPATIONAL PENSION SCHEMES AND COLLECTION OF FEES

8,853 new schemes were added to the register in the period 1 January 1994 to end April 1995 of which 7,507 were one member schemes. The total number of schemes registered at the end of April was 55,718. This includes 'Additional Voluntary Contribution (AVC) only' and 'Death Benefit only' schemes.

Tables 1 and 2 below show the number of schemes registered with the Board at the end of April 1995, which provide retirement benefits, and the number of active members of these schemes. The total number of these members is 477,526.

The tables below also show that compared to the position at the end of 1993, there has been a reduction in the number of defined benefit schemes and in the number of persons who are active members of such schemes. This in part reflects the application of the funding standard, which resulted in some schemes, almost exclusively those with less than 50 members, switching from defined benefit to defined contribution or it being established that certain of these schemes had originally been incorrectly registered as defined benefit. It also transpired that there had been some duplication in relation to defined benefit schemes registered with the Board.

There has been an increase in the number of defined contribution schemes registered with the Board and in the number of members of such schemes, which increases are in part due to the change in status of schemes from defined benefit, resulting from the application of the funding standard. A significant proportion of the new schemes registered with the Board during 1994, however, were defined contribution.

Excluding public sector schemes which are all defined benefit, it is still the case that in the private and commercial semi-State sectors there are nearly 3 scheme members of defined benefit schemes for every one member of defined contribution schemes.

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 most members of defined benefit schemes.

Tables 3 and 4 overleaf give a breakdown of the defined benefit schemes which provide retirement cover, as between schemes which are financed fully on a pre-funded basis and those excluded from the funding standard either because they were financed partially or fully on a 'pay as you go' basis.

TABLE 1

### Current Schemes - Defined Benefit\*

Scheme Size	No. of Schemes		No. of Members	
	April 1995	Dec. 1993	April 1995	Dec. 1993
One Member	126	354	126	354
2 - 50	1,362	1,654	23,232	25,037
51 - 100	229	229	16,636	16,398
101 - 500	287	284	65,122	63,571
501 - 1,000	37	37	24,793	24,803
1,001 +	42	41	274,681	276,282
<b>Total</b>	<b>2,083</b>	<b>2,599</b>	<b>404,590</b>	<b>406,445</b>

TABLE 2

### Current Schemes - Defined Contribution\*

Scheme Size	No. of Schemes		No. of Members	
	April 1995	Dec. 1993	April 1995	Dec. 1993
One Member	33,034	27,461	33,034	27,461
2 - 50	5,139	4,405	29,155	24,099
51 - 100	71	62	4,906	4,381
101 - 500	32	29	5,841	5,504
501 - 1,000	0	0	0	0
1,001 +	0	0	0	0
<b>Total</b>	<b>38,276</b>	<b>31,957</b>	<b>72,936</b>	<b>61,445</b>

\* excluding AVC and Death Benefit only schemes

## REGISTRATION OF OCCUPATIONAL PENSION SCHEMES AND COLLECTION OF FEES

TABLE 3

### Defined Benefit Schemes subject to the funding standard

Scheme Size	Number of Schemes	Number of Members
One Member	126	126
2 - 50	1,336	22,769
51 - 100	222	16,154
101 - 500	273	61,598
501 - 1,000	33	22,244
1,001 +	25	80,540
<b>Total</b>	<b>2,015</b>	<b>203,431</b>

TABLE 4

### Defined Benefit Schemes excluded from the funding standard

Scheme Size	Number of Schemes	Number of Members
One Member	0	0
2 - 50	26	463
51 - 100	7	482
101 - 500	14	3,524
501 - 1,000	4	2,549
1,001 +	17	194,141
<b>Total</b>	<b>68</b>	<b>201,159</b>

The schemes in Table 4 are all in the public sector and are excluded from the 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.

### FEE COLLECTION

At the end of 1994 there were 7,199 occupational pension schemes with more than one member in respect of which fees are payable. Fees were also payable in respect of 5,569 one member schemes established since 1993. This excludes 'AVC only' and 'Death Benefit only' schemes.



*Aideen Bugler and David Moore who work in the area of scheme registration and fee collection.*



*Valerie Clooney, Liam Kelly and Eric Plunkett who work in the area of scheme registration and fee collection.*



## ENQUIRIES AND INVESTIGATIONS

The Board receives and replies to a wide range of enquiries about the Pensions Act and about pension matters generally from an equally wide range of sources, including members of schemes, employers, pension professionals, trade unions and the general public.

During 1994 staff of the Board dealt with a total of 2,159 enquiries/complaints. This figure does not include enquiries of a routine nature. The number includes 751 enquiries on registration and fee collection that were in the main received from pension practitioners.

Of the remaining 1,408 enquiries, very close to a half were from scheme members, pensioners and trade unions representing members. 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 enquirers raised more than one question on the Pensions Act.

ENQUIRER	1994		1993	
	NUMBER	%	NUMBER	%
Active Member	513	39	539	45
Pensioner	61	5	55	5
Trade Union	55	4	34	3
Company/employer	81	6	41	3
Trustee	124	9	60	5
Pension Practitioner	331	25	349	29
Other	158	12	111	10
<b>Total</b>	<b>1,323</b>	<b>100</b>	<b>1,189</b>	<b>100</b>

Apart from registration and fees, the largest number of enquiries as in 1993 related to disclosure of information. The next main grouping of enquiries was in relation to trustee duties, which reflected the introduction of the regulations on member participation in the selection of trustees from 1 January 1994.

There was a marked increase in the number of enquiries in the area of equal treatment in the latter part of 1994. This resulted from the series of Judgements issued by the European Court of Justice on 28 September on the application of Article 119 of the Treaty of Rome to occupational pension schemes. Most of these enquiries related to the effects of the Judgements on part-time workers

The following table gives a breakdown of the enquiries received.

NATURE OF ENQUIRY	1994		1993	
	NUMBER	%	NUMBER	%
Registration/Fees	751	35	714	36
Preservation	120	6	116	6
Funding Standard	113	5	69	3
Disclosure	430	20	489	25
Trustee Duties	325	15	275	14
Equal Treatment	73	3	24	1
Other	347	16	292	15
<b>Total</b>	<b>2,159</b>	<b>100</b>	<b>1,979</b>	<b>100</b>

## ENQUIRIES AND INVESTIGATIONS

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A considerable number of enquiries from members concerned their rights to obtain information on their scheme and on their individual entitlements. Most of the enquiries in relation to preservation and trustee duties came from members.

A total of 171 enquiries/complaints required casework to be carried out in 1994, which involved correspondence and/or meetings. This compares with a figure of 158 for 1993. At the year end

there were 27 cases outstanding. Of those dealt with and finalised during the year, compliance was achieved in all such cases where this was an issue, without having recourse to legal action. In the remaining cases, the Pensions Board was involved in providing full explanations of members' rights and entitlements in dispute, where compliance with the Pensions Act was not at issue.



*Catherine Goulding, Jennie Coughlan and Edel Stenson who work in the area of enquiries and investigations.*



## GUIDANCE AND INFORMATION

Given the voluntary nature of occupational pension schemes it is appropriate that, as far as possible, the primary responsibility for ensuring that a scheme is properly administered should lie with the trustees. It is also important, however, that members accept that they too have a significant responsibility, which is to use the rights they have under the Pensions Act to monitor the administration of their scheme.

It is the role of the Pensions Board to promote the security of occupational pensions by providing authoritative guidance to trustees and scheme administrators on how to comply with the Pensions Act and good practice generally in relation to scheme administration and by making available to scheme members comprehensive information on their rights under the Act.

If a scheme's trustees and members discharge their responsibilities properly there should be little, if any, need for the Board to become directly involved in the affairs of the scheme. Pensions Board intervention, therefore, should only arise in the case of a relatively small proportion of schemes.



*Pensions Act and Regulations folder.*

During 1994 the Board continued its important work in respect of the provision of guidance and information services.

### LEGISLATION SERVICE

This service was introduced in 1992 and subscriptions to the service were due for renewal at the end of 1994. On renewal, subscribers have been given a completely revised and re-designed folder, dividers and a case for holding the folder, together with the consolidated text of the Pensions Act and its regulations, incorporating all amendments made up to the end of 1994. The price for the service remained the same as in 1992.

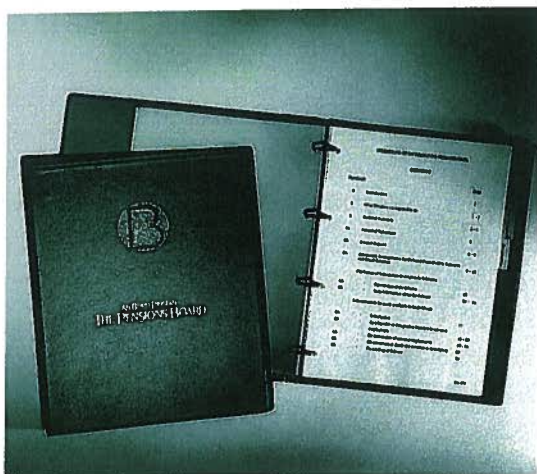
There are currently 142 subscribers to the service. There has been a very favourable response on the part of subscribers to the quality of the service and to its reliability and usefulness for scheme administrators and professional advisers.

### GUIDANCE NOTES

This service is also designed mainly for pension practitioners and provides guidance on those parts of the Act which override scheme rules. Subscribers to this service receive updates for a specified period to take account of any legislative changes.

Guidance notes on the following parts of the Act have been issued to date:

- Preservation of Benefits (Part III of the Pensions Act and regulations S. I. No. 445 of 1992 and S. I. No. 217 of 1993). Currently 146 subscribers.
- Disclosure of Information (Part V of the Pensions Act and regulations S. I. No. 215 of 1991). Currently 188 subscribers.



*Guidance notes folders.*

- Member Participation in the Selection of Trustees (Part VI of the Pensions Act (Section 62) and regulations S. I. No. 399 of 1993). Currently 512 subscribers.
- Equal Treatment for Men and Women (Part VII of the Pensions Act and regulations S. I. No. 365 of 1992). Currently 343 subscribers.

The guidance notes on Preservation of Benefits (Part III), which is one of the more complicated parts of the Act, were drawn up with consultancy assistance and issued in mid 1994.

The Board has not issued guidance notes on the Minimum Funding Standard (Part IV), which applies to defined benefit schemes, because the application of the more complex and technical provisions are a matter for the scheme actuary. Having consulted with the Board, the Society of Actuaries in Ireland provides guidance to its members on the application of the Funding Standard.

The Board intends to include more general guidance on the responsibilities of trustees in

relation to the funding standard in the Trustee Handbook which is currently being prepared.

The professional accountancy bodies also provide supplementary guidance to their members on auditing scheme annual accounts in accordance with the disclosure of information requirements.

### GUIDANCE ON OTHER LEGISLATION

The Pensions Board will be issuing guidance notes on the provisions on pensions in the Family Law Bill, as soon as practicable after the proposed legislation is enacted (see pages 10 - 13).

The Board has established a working group to assist the Retirement Benefits District of the Revenue Commissioners with the consolidation and revision of the Revenue Practice Notes which govern the tax treatment of occupational pension schemes. When the task is completed the revised notes will be available to subscribers in loose leaf format, in the same manner as the other guidance notes issued by the Board. This will facilitate the updating of these notes, as and when required.

### GUIDANCE FOR TRUSTEES

Significant progress was made during 1994 in the preparation of a Trustee Handbook, incorporating codes of practice. It is intended that the handbook will be issued as soon as possible after the proposed legislative changes to the Pensions Act are enacted but, in any case, not later than end November 1995. The handbook will contain comprehensive guidance for trustees on all aspects of their responsibilities for compliance with the Pensions Act and on good practice in relation to scheme administration.

## GUIDANCE AND INFORMATION

Subscribers to the handbook service will receive updates, where these are required as a result of legislative or other changes. The Board believes that the handbook will be of considerable value to all trustees and that they should have personal copies. It is intended, therefore, that the handbook subscription rate will be set sufficiently low to make this a realistic option for all schemes.

### TRUSTEE TRAINING

Special emphasis will be given in the handbook to the importance of trustees receiving appropriate training. Guidance will be given as to how the training can be obtained, together with the Board's list of approved training course providers. Trustees will also be encouraged to contact the Board if they experience difficulties in obtaining trustee training and this feedback will be used to assess the adequacy and availability of such courses. Appropriate action will be taken to address any problems identified.

In line with its statutory function of encouraging trustee training, the Board provides assistance and guidance to course providers, with particular reference to the Pensions Act requirements and the role and functions of the Pensions Board under the Act.

### INFORMATION FOR MEMBERS

The Board has produced a wide range of information booklets on various parts of the Pensions Act which are available to scheme members and the public generally free of charge. The latest booklet, produced in 1994, was a guide to the preservation and transfer of benefits for early leavers under the Pensions Act. Other booklets currently being prepared cover the financing of occupational pension schemes, the annual trustee report and equal treatment for men and women.

In 1994 copies of the available booklets were widely distributed to institutions such as libraries, where they can be obtained by members of the public.

The Board is keen to ensure that as many scheme members as possible are aware of their rights under the Pensions Act and the services provided by the Pensions Board, and further initiatives to achieve progress in this area will be undertaken in the current year.



*Range of information booklets.*



## ADVISORY ROLE OF THE BOARD

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The Board has an important role to play in providing policy guidance and advice with a view to promoting the further development of pension provision in Ireland. The advice and guidance to be provided normally falls into three broad categories:

- application of the Pensions Act and the regulations thereunder, involving advice both on any technical amendments required to meet more effectively the various objectives of this legislation and amendments of a more substantial nature considered necessary to enhance the protection afforded pension rights under the legislation;
- proposals for other legislation at either national or European Union (EU) level, which would apply to occupational pension schemes;
- the overall strategic direction and further development of pension provision in Ireland, with particular reference to the provision of adequate pension cover for an ageing population.

Board policy in relation to the first two categories is intended to ensure that a balance is achieved between the objectives of the legislation and the need to avoid over-regulation. Excessive regulation could jeopardise the future development of occupational pension schemes and, in particular, the objectives of improving pension cover.

When legislative changes applying to occupational pension schemes come into force the Board makes available, if appropriate, guidance notes on the application of the legislation (see pages 19 - 21).

### CHANGES IN LEGISLATION - PENSIONS ACT

A review of the Pensions Act was undertaken by the Pensions Board in 1993 with a view to bringing forward comprehensive proposals for any remaining technical amendments considered necessary to meet the objectives of the Act.

Two reports, together with recommendations for changes, were submitted to the Minister for Social Welfare in late 1993, with a view to the amendments, if approved by the Minister and the Government, being ready for inclusion in the 1994 Social Welfare Bill.

That was not possible, however, and the Board was advised in May 1994 that, if it considered further amendments to be necessary, it should submit a supplementary report to the Minister with a view to all the amendments being included in a separate Pensions Bill. The Board welcomes the introduction of a separate Pensions Bill, as it will result in more time being available to the various interested parties to consider the proposals and bring forward their views on any changes to the proposals considered necessary or desirable.

A supplementary report was submitted in October 1994 which mainly proposed amendments designed to streamline and, where appropriate, strengthen the powers of the Board under the Pensions Act.

### REGULATIONS

The Board was consulted on the drafting of the following regulations which were introduced in 1994.

*Occupational Pension Schemes (External Schemes) (United Kingdom) Regulations, 1994 - S. I. No. 238 of 1994.*

These regulations provide that specified provisions of the Pensions Act shall apply with certain modifications in the case of UK occupational pension schemes, in relation to the members of these schemes who have given reckonable service while employed in the Republic of Ireland.

Such members are referred to as 'Irish Members' in the regulations. The provisions of the Pensions Act which are modified include those relating to preservation of benefit, the funding standard, winding up of schemes and disclosure of information.



The Regulations also provide that functions conferred on the trustees of a UK scheme by the Pensions Act, as well as regulations made thereunder, in relation to such Irish members of the scheme, are also conferred on the employer of those members.

### OTHER PENSIONS LEGISLATION

The Pensions Board was also consulted and gave comprehensive advice on proposals relating to pensions in the Family Law Bill (see pages 10 - 13), on proposals at national and EU levels on equal treatment (see page 28) and on proposals at EU level for a draft directive to establish a general framework to protect individual rights acquired, or being acquired, under occupational pension schemes by people who have been employed in more than one EU member state (see page 30).

### DEVELOPING PENSION PROVISION IN IRELAND

As part of its strategic review the Pensions Board concluded that priority should be given in the future to promoting adequate pension cover for all employees and the self-employed to meet the challenge of an ageing population.

In the Pensions Board's 1993 Annual Report we expressed serious reservations about the long-term viability of an earning related pension scheme under social insurance. These are due to the projected increases in expenditure required to maintain the existing level of flat rate pensions under the social welfare system in the decades ahead in the light of demographic changes, and the already limited scope for increasing revenue from PRSI in the light of the serious unemployment situation.

In view of this, it will continue to be necessary to promote second tier pension coverage through occupational schemes and personal pension arrangements.

The Pensions Board concluded that as a first step a comprehensive survey should be carried out to establish the extent to which income earners have supplementary cover under occupational and personal pension arrangements and the adequacy of this coverage in terms of maintaining established living standards. The last such survey was carried out for the Department of Social Welfare in 1985 by the Economic and Social Research Institute (ESRI).

The approval of the Minister has been obtained to carry out the survey as a joint Pensions Board/Department of Social Welfare project and the survey will again be undertaken by the ESRI. The bulk of the funding for this project is being provided by the Department of Social Welfare.

The survey will include the following components:

- (1) A survey of employers to establish
  - (a) the proportion of employers, by size and sector, which have made occupational pension arrangements for their employees, and
  - (b) the nature, scope and extent of the pension coverage provided for where such arrangements have been made.
- (2) A survey of self-employed persons to establish what proportion of this category has made personal pension arrangements.
- (3) A survey of those in receipt of social welfare pensions to ascertain the extent and nature of occupational pension coverage for this group.
- (4) A survey of the unemployed to ascertain the extent (if any) of occupational pension cover in this sector and how this is catered for (e.g. preserved benefit, buyout bond etc.).

The survey will be carried out during the course of 1995, and the report on the findings of the survey should be completed in the first half of 1996.

### SUPPLEMENTARY PENSIONS IN THE EUROPEAN UNION

In 1992 the European Commission established a Network of experts on supplementary (including occupational) pension schemes, bringing together 12 independent national experts (one from each Member State) and a co-ordinator.

The Network's main task is to review and analyse the different facets of the current development in Member States of schemes and arrangements, whether private or public, whose aim is to enable individuals to obtain at retirement a cash benefit over and above an individual's entitlement under mandatory State social security legislation. Members of the Network are also consulted by the EU Commission on proposals involving possible EU legislation on supplementary pensions.

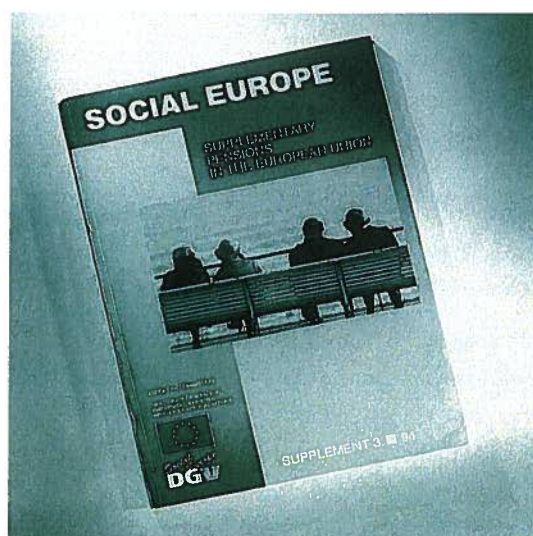
The first report of the Network, entitled *Supplementary Pensions in the European Union - Development, Trends and Outstanding Issues* (Ref. Social Europe - Supplement 3.94) was published in 1994.

Detailed studies are currently being undertaken by the Network in respect of each Member State on

protection of workers' rights under supplementary pension provision and on supplementary pensions in the context of demographic, economic and social change.

The Chief Executive of the Pensions Board, Gerry Mangan, represents Ireland on the Network. The Board has decided to publish a book he is preparing, entitled *Pensions in Ireland - A Guide to the Irish Pensions System and Pensions Issues*, which will be mainly based on his reports for the Network. Publication of this book, which should occur in the second half of 1995, will make available comprehensive information on the Irish pensions system and on the issues to be addressed in providing pensions in the decades ahead for an ageing population.

The information contained in the publication will not necessarily reflect either the position or the views of the Pensions Board. It should, however, contribute to greater awareness and knowledge of the pensions system in Ireland and facilitate a more informed debate on the future development of that system in the context of greater European political, economic and social integration.



*Report on Supplementary Pensions in the EU.*

## ACCOUNTING TO MEMBERS – PARTICIPATION IN THE SELECTION OF TRUSTEES

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The regulations on member participation in the selection of trustees had effect from 1 January 1994. Detailed guidance notes on the procedures involved were made available to subscribers by the Board. An information booklet on trusteeship and the procedures involved in selecting member trustees, available from the Pensions Board free of charge, was widely distributed. There was also a significant increase in demand for the information booklet on the duties and responsibilities of trustees, particularly from prospective candidates. A Telephone Helpline has been in operation since 4 January 1994 to deal with any queries people may have on the process.

There is no requirement to notify the Pensions Board of the selection of member trustees and, accordingly, there is no firm data on the number of schemes which have arranged for member participation in trustee selection. On the basis of the volume of enquiries received by the Board, and the nature of these enquiries, it appears that a significant proportion, particularly of the larger schemes, were making the necessary arrangements for member participation in the selection of trustees.

The Board is aware that members of some schemes have opted for an 'alternative arrangement' proposed by the employer, usually after consultation with scheme members and their representatives, and reflecting the particular characteristics of the employment. A number of these alternative arrangements have involved the appointment of a 'corporate trustee', of which a proportion of the directors have been selected by members. There has also been a number of schemes which already had made provision for member participation in the selection of trustees or in a 'pension committee', and the members involved were satisfied to retain these arrangements.

A review of the process will be carried out by the Board commencing in September 1995. As part of this review the various organisations represented on the Board will be invited to submit comments on their experience of the process. It is also the Board's intention to include questions on trustee selection in the survey of occupational pension schemes to be carried out in 1995, with a view to this data being made available, as a priority, for the purposes of the Review.



## ACCOUNTING TO MEMBERS – DISCLOSURE OF INFORMATION

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As in previous years, a high proportion of enquiries received from members in 1994 related to difficulties in obtaining information or in failing to understand the position as set out in the information provided. There is also continuing concern regarding the degree of compliance with the requirement to have the annual trustee report and (in many cases) audited accounts available by the statutory deadline, which is within nine months of the end of the scheme year.

Accordingly, the Board has decided to put new procedures in place to monitor compliance with the disclosure of information requirements. A proportion of schemes will be selected on a random basis each year and the trustees of these schemes will be asked to forward to the Board copies of their annual report and, where appropriate, audited accounts, together with the scheme booklet or other publication containing basic scheme information. These publications will be checked to establish if they meet the disclosure of information requirements and if the registration details on the scheme held by the Board are in line

with the corresponding information contained in the annual report. If it is found that the trustees have not fully complied with the disclosure of information requirements and the requirement to update registration details, they will be open to prosecution in the Courts for breaches of the Pensions Act.

The new procedures will be applied in respect of the annual trustee report for scheme years commencing in 1994 and subsequent scheme years. Priority will also be given to encouraging and helping members to monitor the administration of their scheme. Information booklets are in the course of preparation which will provide guidance to members in understanding what the annual report of their scheme should contain and the significance of the information provided. Similar guidance will be provided in relation to their rights to basic information on the scheme and on their own personal entitlements. The intention is to ensure that these booklets will receive a wide distribution.

## FUNDING STANDARD

Trustees of funded defined benefit schemes established before 1 January 1991, and under which scheme members are still accruing long service benefits, were required to have forwarded the first actuarial funding certificate to the Pensions Board by 30 September 1994.

Because this was the first time schemes had to comply with the requirements, the Pensions Board issued a first reminder in May 1994 to such schemes in respect of which actuarial funding certificates were outstanding. A second reminder was issued in September 1994.

When the actuarial funding certificates received had been processed, contact was made with the main intermediaries with a view to establishing the status of schemes registered as defined benefit and in respect of which funding certificates were still outstanding. This exercise resulted in the Board establishing that in the case of a significant number of these schemes the status had been changed to defined contribution or the scheme had been incorrectly registered as defined benefit, or had been wound up. There was also some duplication of schemes resulting from incorrect registration. One very important result of this exercise was that registration details on all those defined benefit schemes, which had been initially registered in bulk by intermediaries, were either confirmed as accurate or corrected and updated.

A third reminder was subsequently issued to those schemes confirmed as defined benefit, explaining the potential consequences of failure to submit actuarial funding certificates. This has been followed up by the issue of summonses to trustees for breaches of the Pensions Act.

The Board will not hesitate to take appropriate action to enforce compliance. In future years action to enforce compliance will be taken within one month of the statutory deadline.

### ACTUARIAL FUNDING CERTIFICATES RECEIVED

Schemes established before 1 January 1991 have up to 1 January 2001 to ensure that all pre-1991 pension rights are fully funded. They must, however, certify in the first actuarial funding certificate the degree of solvency achieved in respect of accrued benefits relating to service prior to 1 January 1991, for those not in receipt of benefits. The term used for this is the 'specified percentage'. They are then required to certify, in the case of subsequent actuarial funding certificates with an effective date not later than 31 December 2000, that the specified percentage has not reduced in the meantime, below the percentage initially certified. The following table shows the number of first actuarial funding certificates received and the specified percentage certified in respect of these schemes.

ACTUARIAL FUNDING CERTIFICATES RECEIVED			
SCHEME SIZE	NO.	SPECIFIED PERCENTAGE	
		LESS THAN 100%	100%
One member	38	11	27
2-50	1,025	185	840
51-100	198	19	179
101-500	254	9	245
501-1000	30	3	27
1000+	25	1	24
<b>Total</b>	<b>1570</b>	<b>228</b>	<b>1342</b>

The above table shows that the pre-1991 pension rights are fully funded in the case of 85.5% of schemes and compliance with the funding standard will require that this funding level be maintained in the future.

## FUNDING STANDARD

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### FUNDING PROPOSALS

If a scheme fails to meet the funding standard, the actuary must certify that this is the case on the actuarial funding certificate submitted to the Board. These certificates must be accompanied by a funding proposal designed to ensure that, in the opinion of the actuary, the scheme could

reasonably be expected to satisfy the funding standard at the effective date of the next actuarial funding certificate. The funding proposal must be signed by the actuary and the employer.

Funding proposals have been received in the case of 10 schemes.

## EQUAL TREATMENT FOR MEN AND WOMEN

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In a series of judgements during 1994, the European Court of Justice further clarified the application of EU Law on equal treatment for men and women in occupational pension schemes. The European Commission has indicated in their medium term social action programme for 1995 - 1997 that the Commission will propose amendments to Directive 86/378/EEC on equal treatment for men and women in occupational social security schemes to align it with the jurisprudence of the European Court of Justice in the light of the Barber Judgement and subsequent judgements interpreting Article 119 of the Treaty of Rome.

The Commission's proposals will be introduced during the course of 1995. The Pensions Board will examine Part VII of the Pensions Act, which gives effect in Irish law to Directive 86/378/EEC, with a view to establishing whether any changes to Part VII are required to conform with the revised Directive. A report on the matter will then be submitted to the Minister for Social Welfare.

### LEGAL UNCERTAINTY AT NATIONAL LEVEL

There is also uncertainty at national level in relation to equal treatment legislation in that the definition of 'pay' in the Anti-Discrimination (Pay) Act, 1974 is similar to the definition in Article 119 of the Treaty of Rome, which the European Court of Justice in the Barber Judgement ruled encompasses occupational pension schemes. The Anti-Discrimination (Pay) Act, therefore, could be invoked in relation to discrimination in occupational pension schemes, although it would only apply to situations where there is equal work. In these situations, however, it is wider in scope than Part VII of the Pensions Act, which contains a number of exceptions to the requirement to comply with the principle of equal treatment.

The Government has announced its intention to replace the Anti-Discrimination (Pay) Act, 1974 and the Employment Equality Act, 1977 with new employment equality legislation, which will also apply in certain non-gender areas. The Pensions Board has requested in Reports to the Minister for Social Welfare that the legal uncertainty in relation to the application of the principle of equal treatment to occupational pension schemes be addressed in that context.



## SCHEMES WITH MEMBERS IN OTHER STATES

The Pensions Act applies to schemes which have obtained approval for tax purposes or have applied for such approval from the Revenue Commissioners. The Act is, therefore, capable of applying to schemes based in another State in respect of employees in Ireland.

Provision was made by means of the Social Welfare Act, 1993, to give the Minister for Social Welfare 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, which are termed 'external schemes' in the Act.

The vast majority of 'external schemes' with members employed in Ireland are based in the United Kingdom and are also governed by UK Law. Regulations (S. I. No. 238 of 1994), which came into force on 21 July 1994, apply to UK external schemes. These regulations provide for necessary modifications to the Pensions Act designed to provide for the application of the provisions on preservation, the minimum funding standard and equal treatment under the Pensions Act to members of these schemes who are or have

been employed in Ireland. The Disclosure of Information requirements under UK legislation are similar to those which apply under the Pensions Act. Accordingly, the regulations provide that those requirements under the Pensions Act shall not apply to a UK scheme, so long as that scheme complies with the UK requirements and furnishes the information pursuant to UK legislation to those eligible to receive such information under the Pensions Act. The Regulations also specifically provide for furnishing to the persons concerned a copy of the latest actuarial funding certificate (if any) prepared under Section 42 of the Pensions Act, as there is no requirement to comply with a funding standard under current UK legislation.

As trustees of UK 'external schemes' are invariably resident outside the jurisdiction of this State, the regulations also provide that functions conferred on the trustees of a UK scheme by the Pensions Act and the regulations made thereunder in relation to Irish members of the scheme are also conferred on the employer of these members, who would normally be resident within this State's jurisdiction.



*Geraldine Slattery at reception.*

## SCHEMES WITH MEMBERS IN OTHER STATES

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### UK PENSION LAW REVIEW COMMITTEE

In our 1993 annual report, we referred to the paper submitted by the Pensions Board to the UK Pension Law Review Committee (the 'Goode Committee') on the protection of pension rights under occupational pension schemes, which have members both in the United Kingdom and Ireland. The Goode Committee published its report in September 1993 and in conclusion/recommendation No. 218 stated that

*"The approach suggested by the Irish Pensions Board for progress through bilateral agreements for occupational pension rights should be explored in discussions between the UK and Irish Governments."*

The UK Government in its White Paper on pensions published in June 1994 indicated its acceptance of this recommendation. The UK Government has introduced legislation to implement the proposals in the White Paper, but the majority of the changes will not come into force

until April 1997. In the circumstances, it is unlikely that a Bilateral Agreement on these matters could come into force at least until after that date.

### EU COMMISSION PROPOSALS

The EU Commission refers in its medium term social action programme 1995-1997 to the fact that workers who move across the Union often face problems in transferring rights built up in occupational or supplementary pension schemes. The Commission has indicated that it will propose a draft directive to establish a general framework to protect individual rights acquired, or being acquired, in such schemes for people who cross national borders. The intention is to introduce these proposals during the course of 1995. The Pensions Board, which has already given its views on early drafts of these proposals, will be submitting further views on the final proposals to the Department of Social Welfare, as appropriate.

## REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

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I have audited the financial statements on pages 32 to 42.

### RESPONSIBILITIES OF THE BOARD AND OF THE COMPTROLLER AND AUDITOR GENERAL

The Board is responsible under Section 22(1) of the Pensions Act, 1990, for the keeping of all proper and usual accounts of all moneys received or expended by it. It is my responsibility, under Section 22(2), to audit the financial statements presented to me by the Board and to report on them. As the result of my audit I form an independent opinion on the financial statements.

### BASIS OF OPINION

In the exercise of my function as Comptroller and Auditor General, I plan and perform my audit in a way which takes account of the special considerations which attach to State bodies in relation to their management and operation.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate, consistently applied and adequately disclosed.

My audit was conducted in accordance with auditing standards which embrace the standards issued by the Auditing Practices Board and in order to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. I obtained all the information and explanations that I required to enable me to fulfil my function as Comptroller and Auditor General including a representation by management of the valuation of fees to be taken as income for the year under review. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

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 1994 and of its income and expenditure and cash flow for the year then ended.



**John Purcell**

*Comptroller and Auditor General*

Treasury Building  
Dublin Castle

2 June 1995



## STATEMENT OF BOARD RESPONSIBILITIES

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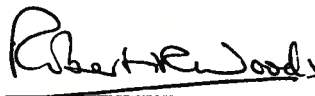
Section 22(1) of the Pensions Act, 1990, requires the Board to prepare financial statements in such form as may be approved by the Minister with the concurrence of the Minister for Finance. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Board will continue in operation.

The Board is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Board and which enable it to ensure that the financial statements comply with Section 22(1) of the Pensions Act. The Board is also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**M. Broughan**  
*Chairperson*



**R.T.R. Woods**  
*Board Member*

5 May 1995

# STATEMENT OF ACCOUNTING POLICIES

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

## (A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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.

Financial Reporting Standards recommended by the recognised Accountancy Bodies are adopted as they become operative.

## (B) FEE INCOME

Fee income comprises the fees receivable for 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. As the returns which give the information essential for fee calculation can remain outstanding for a considerable period, it is difficult to accurately determine the fees outstanding at a point in time. Accordingly, a reasonable but prudent approach is necessarily applied in arriving at the valuation of the fee income receivable and hence the figure for fee income for the year under review.

## (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 a 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 required in respect of these schemes are dealt with in the income and expenditure account 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 1994. 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 1994

	NOTES	1994 IR £	1993 IR £
<b>Income</b>			
Fee income	2	<b>755,810</b>	642,500
Other income	3	<b>48,134</b>	39,459
Total income		<b>803,944</b>	681,959
<b>Expenditure</b>			
Salaries and related expenses	4	<b>279,029</b>	248,362
Board member fees		<b>12,000</b>	12,000
Accommodation and establishment expenses	5	<b>70,512</b>	95,018
Recruitment, training and education	6	<b>25,870</b>	3,318
Information, research and publicity		<b>43,280</b>	32,538
Consultancy and other professional fees	7	<b>106,762</b>	46,476
General administration	8	<b>62,665</b>	59,126
Depreciation	9	<b>46,582</b>	44,247
Enforcement compliance provision	14	<b>30,000</b>	30,000
Total expenditure		<b>676,700</b>	571,085
Surplus for year		<b>127,244</b>	110,874

The Board had no gains or losses in the financial year or the preceding financial year other than those dealt with in the income and expenditure account.



**M. Broughan**

Chairperson



**G. Mangan**

Chief Executive

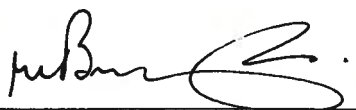
5 May 1995



# BALANCE SHEET

at 31 December 1994

	NOTES	1994		1993	
		IR£	IR£	IR£	IR£
<b>Fixed Assets</b>					
Tangible assets	9		71,317		105,825
<b>Current Assets</b>					
Debtors	10	102,957		76,616	
Cash at bank and on hand		302,541		192,394	
		<u>405,498</u>		<u>269,010</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year					
Bank and other advances	11	3,067		3,016	
Other creditors	12	90,174		145,489	
		<u>93,241</u>		<u>148,505</u>	
<b>Net current assets</b>			312,257		120,505
Enforcement compliance provision	14	(90,000)	(90,000)	(60,000)	(60,000)
<b>Total assets</b>			<u>293,574</u>		<u>166,330</u>
<b>Financed by</b>					
General reserve	15		<u>293,574</u>		<u>166,330</u>



**M. Broughan**

Chairperson



**G. Mangan**

Chief Executive

5 May 1995

# CASH FLOW STATEMENT

for the year ended 31 December 1994

	NOTES	1994 IR£	1994 IR£	1993 IR£	1993 IR£
<b>Net cash inflow from operating activities</b>	16		<b>96,217</b>		288,487
<b>Returns on investments and servicing of finance</b>					
Interest received		12,251		700	
Rent received		13,992		13,842	
Interest paid		(59)		(1,368)	
Finance lease interest paid		(297)		(770)	
<b>Net inflow from returns on investments and servicing of finance</b>			<b>25,887</b>		12,404
<b>Investing activities</b>					
Purchase of tangible assets		(12,008)		(39,706)	
<b>Net cash outflow from investing activities</b>			<b>(12,008)</b>		(39,706)
<b>Net cash inflow before financing activities</b>			<b>110,096</b>		261,185
<b>Financing activities</b>					
Payments to finance lease creditors	17		3,016		4,198
<b>Increase in cash and cash equivalents</b>	18		<b>107,080</b>		256,987
			<b>110,096</b>		261,185

## 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. Fee Income

	1994 IR£	1993 IR£
Fee income arising for the current year	680,042	641,690
Fee income arising for the previous year	48,973	391
Fee income arising for earlier years	26,795	419
	<u>755,810</u>	<u>642,500</u>

### 3. Other Income

	1994 IR£	1993 IR£
Rent and service charge	14,202	13,992
Publications	20,700	14,339
Interest income	11,340	2,296
Refund of employers PRSI	1,826	8,832
Surplus on disposal of fixed asset	66	-
	<u>48,134</u>	<u>39,459</u>

### 4. Employee Numbers and Costs

The total staff complement as approved by the Minister at 31 December 1994 was 14 (1993 - 11). The average number of employees in the Board during the year was 11 (1993 - 10). The aggregate employee and related costs were as follows:

	1994 IR£	1993 IR£
Salaries	235,960	212,881
Superannuation costs	38,202	30,705
Employers PRSI	4,867	4,776
	<u>279,029</u>	<u>248,362</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 5. Accommodation and Establishment Expenses

	1994 IR£	1993 IR£
Rent	62,267	62,267
Service charge	12,341	12,041
Rates	(13,505)*	11,000
Electricity	3,982	4,107
Cleaning	4,137	4,063
General maintenance	1,290	1,540
	<u>70,512</u>	<u>95,018</u>

The Board occupies office premises at Holbrook House, Holles Street, Dublin 2, under a 20 year lease which commenced on 13 November 1991.

\* The rates figure for 1994 arises from the reversal of an overprovision in previous years. The actual charge for rates in respect of the year under review is IR£10,995.

### 6. Recruitment, Training & Education

	1994 IR£	1993 IR£
Recruitment	21,116	115
Training and education	4,754	3,203
	<u>25,870</u>	<u>3,318</u>

### 7. Consultancy and Other Professional Fees

	1994 IR£	1993 IR£
Strategic planning review	20,606	-
Legal fees	50,844	9,692
Audit fees	2,900	2,900
Pensions/actuarial consultancy fees	30,250	-
Computer consultancy fees	-	27,059
Other	2,162	6,825
	<u>106,762</u>	<u>46,476</u>

### 8. General Administration

	1994 IR£	1993 IR£
Stationery and office expenses	16,965	13,782
Telephone and postage	13,550	10,980
Travel and subsistence	1,965	2,383
Insurances	2,951	3,027
Computer maintenance and consumables	26,202	26,776
Interest and charges	736	1,408
Leasing finance charges	296	770
	<u>62,665</u>	<u>59,126</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Tangible Fixed Assets

	Leasehold improvements IR£	Computer equipment IR£	Office furniture IR£	Office equipment IR£	Motor vehicle IR£	Total IR£
<b>Cost or Valuation</b>						
At 31 December 1993	47,808	105,442	36,448	30,400	12,360	232,458
Additions in year	-	3,624	1,109	7,941	-	12,674
Disposals in year	-	-	-	(1,500)	-	(1,500)
At 31 December 1994	<u>47,808</u>	<u>109,066</u>	<u>37,557</u>	<u>36,841</u>	<u>12,360</u>	<u>243,632</u>
<b>Accumulated Depreciation</b>						
At 31 December 1993	13,731	78,043	11,547	15,896	7,416	126,633
Charge for year	4,782	27,267	4,693	7,368	2,472	46,582
Eliminated in respect of disposals	-	-	-	(900)	-	(900)
At 31 December 1994	<u>18,513</u>	<u>105,310</u>	<u>16,240</u>	<u>22,364</u>	<u>9,888</u>	<u>172,315</u>
<b>Net Book Value*</b>						
At 31 December 1994	<u>29,295</u>	<u>3,756</u>	<u>21,317</u>	<u>14,477</u>	<u>2,472</u>	<u>71,317</u>
At 31 December 1993	<u>34,077</u>	<u>27,399</u>	<u>24,901</u>	<u>14,504</u>	<u>4,944</u>	<u>105,825</u>

\* Assets acquired under finance leases, at cost less accumulated depreciation, included in tangible fixed assets, amounted to IR£2,472 (1993 IR£4,944). The depreciation charged during the year on such assets amounted to IR£2,472 (1993 IR£2,472).

### 10. Debtors

Amounts falling due within one year:

Fee income

Prepayments

Accrued interest

Miscellaneous

1994	1993
IR£	IR£
<b>89,578</b>	58,932
<b>11,186</b>	9,266
<b>1,383</b>	2,294
<b>810</b>	6,124
<u><b>102,957</b></u>	<u>76,616</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Bank and Other Advances

	1994	1993
	IR£	IR£
Amounts falling due within one year:		
Bank overdraft	3,067	-
Obligations under finance lease	-	3,016
	<u>3,067</u>	<u>3,016</u>

### 12. Creditors

	1994	1993
	IR£	IR£
Amounts falling due within one year:		
Creditors	18,484	61,362
Accruals	37,242	61,377
Deferred income	34,448	22,750
	<u>90,174</u>	<u>145,489</u>

### 13. Financial Commitments

#### (i) Capital Commitments

There were no capital expenditure commitments at 31 December 1994 (1993 IR£nil).

#### (ii) Finance Leases

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.

	1994	1993
	IR£	IR£
Expiring within one year	-	-
Expiring after one year and before five years	-	-
Expiring after five years	62,267	62,267
	<u>62,267</u>	<u>62,267</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.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Enforcement Compliance Provision

	1994	1993
	IR£	IR£
At beginning of year	60,000	30,000
Transfer in year	<u>30,000</u>	<u>30,000</u>
At end of year	<u>90,000</u>	<u>60,000</u>

### 15. General Reserve

	1994	1993
	IR£	IR£
At beginning of year	166,330	55,456
Surplus	<u>127,244</u>	<u>110,874</u>
At end of year	<u>293,574</u>	<u>166,330</u>

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

	1994	1993
	IR£	IR£
Surplus for the year	127,244	110,874
Adjustment for non operating items:		
Interest income	(11,340)	(2,296)
Rental and miscellaneous income	(14,268)	(13,992)
Interest expense	133	978
Finance lease charges	297	770
Adjustment for non cash items:		
Depreciation	46,582	44,247
Increase in enforcement compliance provision	30,000	30,000
(Increase)/decrease in operating debtors	(27,042)	29,841
(Decrease)/increase in operating creditors	<u>(55,389)</u>	<u>88,065</u>
Cash inflow from operating activities	<u>96,217</u>	<u>288,487</u>



## NOTES TO THE FINANCIAL STATEMENTS

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### 17. Reconciliation of Finance Lease Creditors

	Creditors due within one Year IR£
At beginning of year	3,016
Cash payments in year	<u>(3,016)</u>
At end of year	<u>-</u>

### 18. Movement in Cash and Cash Equivalents and Analysis of Balances

	Cash at bank and in hand IR£	Bank overdraft IR£	Total IR£
At beginning of year	192,394	-	192,394
Cash movement	<u>110,147</u>	<u>(3,067)</u>	<u>107,080</u>
At end of year	<u>302,541</u>	<u>(3,067)</u>	<u>299,474</u>

### 19. Approval of Financial Statements

The financial statements were approved by the Board on 5 May 1995.

## APPENDIX I – 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
The Social Welfare (No. 2) Act, 1993	No. 32 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 <sup>1</sup>
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 <sup>2</sup>
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
Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) Regulations, 1993	S.I. No. 216 of 1993 <sup>3</sup>
Occupational Pension Schemes (Preservation of Benefits) (Special Calculations) Regulations, 1993	S.I. No. 217 of 1993
Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No. 2) Regulations, 1993	S.I. No. 399 of 1993
Occupational Pension Schemes (Funding Standard) Regulations, 1993	S.I. No. 419 of 1993
Occupational Pension Schemes (External Schemes) (United Kingdom) Regulations, 1994	S.I. No. 238 of 1994

<sup>1</sup> Revoked from 1 August 1991

<sup>2</sup> Revoked from 31 December 1993

<sup>3</sup> Revoked from 21 December 1993

## APPENDIX II – OPERATIVE DATES OF PARTS OF THE PENSIONS ACT, 1990

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The Pensions Act, 1990, as amended, has a total of 84 Sections in seven Parts. The following list shows the operative dates for the main provisions.

	<b>Operative Date</b>
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	21 December 1993
Sections 63 and 64	1 November 1991
PART VII Equal Treatment for Men and Women in Occupational Benefit Schemes	1 January 1993

## APPENDIX III – PUBLICATIONS

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The following publications are available from the Pensions Board, Holbrook House, Holles Street, Dublin 2. Telephone (01) 6762622 Fax: (01) 6764714.

- **So you're a Pension Scheme Trustee?**  
A brief guide to the duties and responsibilities of trustees of occupational pension schemes.
- **Is My Pension Secure?**  
A guide to the protections provided by the Pensions Act.
- **What Do You Know About Your Pension Scheme?**  
An overview of the information which trustees of occupational pension schemes must give.
- **What Happens to My Pension if I Leave?**  
A guide to the preservation and transfer of benefits for early leavers under the Pensions Act.
- **Selecting Member Trustees**  
A guide to the participation by members in the selection of the trustees of occupational pension schemes.
- **The Pensions Board**  
An introduction to the Board, its functions and its membership.
- **Legislation Service\***  
Subscribers to this service receive in a single folder the consolidated texts of the Pensions Act and the Act's regulations, including all amendments made to date. They also receive updates whenever further amendments to the Act or its regulations are made.
- **Guidance Notes\***  
A series of technical guidance notes on the Pensions Act and its regulations, designed mainly for pension practitioners, are being prepared by the Board. Notes on the requirements in relation to disclosure of information, member participation in the selection of trustees, equal treatment and preservation of benefits are now available.

\* Available by subscription only.