



An Bord Pinsean
The Pensions Board

Annual Report and Accounts 2012

www.pensionsboard.ie

Contents

Chairperson's statement	2
Chief Executive's review	4
Board members	8
Meeting the Board's strategic objectives	9
Current working groups and committees of the Board	14
Running an efficient organisation	16
The Pensions Board staff	17
Financial statements for the year ended 31 December 2012	
Report of the Comptroller and Auditor General	19
Statement of Board responsibilities	21
Statement on internal financial control	22
Statement of accounting policies	23
Income and expenditure account	24
Balance sheet	25
Cash flow statement	26
Notes to the financial statements	27
Appendix I: Membership of the current working groups and committees of the Board	
Appendix II: Annual monitoring indicators	
Appendix III: Key performance indicators	
Appendix IV: The Pensions Board prosecutions 2012	
Appendix V: Membership of occupational pension schemes and Personal Retirement Savings Accounts	
Appendix VI: Information booklets, checklists, guidance and FAQs up-dated in 2012	



Chairperson's statement

Occupational and personal pensions are about providing predictable and secure pensions, to supplement the pension provided by the State. The original concept of pensions originated from the desire to provide an income for people when they were no longer able to work. We have come a long way over the last 70 years, on average living well into our 80s, retiring earlier and having expectations of living and enjoying life in retirement. But that very progress, coupled with the economic and financial shock of the last five years, is threatening the core intent of pensions. As a society, we need to reassess the implications of this progress in terms of our expectations of pensions and the real cost of delivering these expectations. Good pension provision is expensive. However, good supplementary pensions are achievable and affordable if we begin saving early, if the savings are invested prudently and if the costs of maintaining the pension represent value for money.

A key challenge we face is rebuilding confidence and trust in the pensions system. Trust in pensions has been eroded by the impact of the financial crisis on pension fund values, by the fall in confidence in financial institutions and by uncertainty about the future taxation regime for pension contributions. In this regard, the Board welcomes the Government's confirmation that the pensions levy will not continue beyond 2014. The investment environment for pensions has improved as investment markets produce improving returns. However, the economic climate continues to be a concern and saving for retirement has taken a back seat. Our most recent data shows further declines in supplementary pension numbers among the working population. Our research shows that people understand the importance of supplementary pensions in planning for a comfortable retirement. However, a combination of economic circumstances and, perhaps, uncertainty about the reliability of the pensions promise, has resulted in reduced supplementary coverage.

I welcome the Minister's initiative in commissioning the OECD to provide useful and timely commentary on the current challenges and the options we can consider. It is heartening to see the analysis of Ireland's success in lifting the older generation away from the risk of poverty. The report on pension charges, prepared by the Department of Social Protection, raises the need for vigilance on pension costs. It also points to the possible need for structural change to counter the inefficiencies inherent in the large number of smaller schemes. Where excessive charges exist, these impact on confidence in pensions. In these times, all pension products and services must demonstrate good value for money.

With the significant changes that have occurred in the labour market, the investment performance of pensions and the recent experience of those saving for a pension, it is important to reassess our understanding of pension related behaviour. Consumer behaviours and attitudes to pension savings are changing. It is important that we fully understand such changes. Such understanding is key to assessing the role the Board can play in making pensions more attractive. This is particularly true for categories of employees who are less likely to have made adequate provision for secondary pension coverage e.g. women, temporary and part-time employees, employees in the hospitality and office services sectors and younger workers starting out in their career. The specification of this research has begun and the fieldwork will be undertaken during 2013.

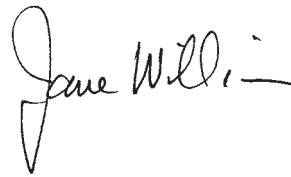
The concept of saving for a pension is inherently simple – saving for retirement with an inducement in the form of tax relief. However, the pension system has become extremely complex and beyond the average person, without investment of considerable amounts of time and effort. The Board believes that simplifying aspects of the pension system could make pensions more attractive, more accessible and more credible. We have made progress in specifying this work and implementation will fall into 2013.

The Pensions Board's primary job is to support secure and predictable supplementary pensions. We do this through ensuring the rules are enforced, by helping the public to be aware of its rights, and trustees their responsibilities, and by providing advice to the Minister and the Department of Social Protection and other Departments. The Board's committees and working groups, working with the Executive, have delivered significant pieces of work during 2012 to address key issues (The Chief Executive's report highlights this work in more detail). The Minister has announced a revised structure to include a Pensions Authority to provide operational oversight and a Pensions Council to provide policy advice, distinguishing between the oversight and the policy advice functions. These new structures are likely to continue to address issues such as schemes in deficit, the adequacy of contributions, inadequacy of coverage and other issues that have been on our agenda over the last two and a half years. We wish the members of the new structures every success in their important roles.

My sincere thanks are due to the Minister and her officials who have been, in turn, demanding and supportive, drawing the best out of the Board and allowing us to use the expertise that exists in Board members and the Executive to deliver on the Board's strategy and to support the Department's work.

I would like to thank the Executive of the Board for their ongoing support; for their hard work and commitment to the work of regulating, providing information and policy advice; and for their knowledge and experience in this complex field. I would particularly like to acknowledge the leadership and ethos of the Chief Executive, whose in-depth understanding of pensions and his commitment to public service is so valuable to The Pensions Board.

I would like to thank Board members for their generous time and valuable expertise. The time commitment required to serve as a Board member, in addition to membership of committees and working groups of the Board, is very demanding. They also bring an ethos of public service to the work as Board and committee members which transcends their 'day job' in a way that is commendable. Their valuable insights and suggestions help with the implementation of Government policy in ways that make it more effective, minimise any unintended consequences and where this is not possible ensure that the Minister and the Department are aware of the potential consequences so that they take decisions fully informed.



Jane Williams
Chairperson



Chief Executive's review

Regulation

In 2012, as in recent years, a considerable part of the Board's time and effort has been spent investigating and prosecuting cases where some employers in the construction industry have failed to remit contributions to a pension scheme after deducting them from employees' pay. This work has resulted in a significant number of prosecutions and convictions of companies and, in many cases, directors, and these have continued in 2013. The Board has also been investigating other offences with a view to prosecutions as soon as possible.

The construction industry prosecutions have been the result of whistleblows by scheme trustees and others, and the number of these alerts is now falling sharply. This means that the Board will be able to devote more time in 2013 to proactive supervision and we can focus our attention on other areas of non-compliance.

Our work is driven by the Board's risk priorities, which means that we will always focus more attention on potentially more serious breaches. However, this does not mean that there is any area of compliance that we will overlook. Furthermore, because supervision depends on being able to get the necessary information, we will always pursue cases where those involved with pension schemes fail to abide by their legal responsibilities to provide information to the Board.

Poor pensions administration and record keeping could result in members not receiving all of the benefits to which they are entitled, without necessarily being aware of the fact. The Board's oversight of Registered Administrators is therefore particularly important. During 2012, the Board carried out 28 onsite investigations. In four cases, the standard of administration was such that, had remedial action not been taken, the Board would have considered withdrawing the registration of the administrator concerned. It is extraordinary that any administrator should be so unaware of its responsibilities that this situation should arise. The Board will continue these onsite investigations in 2013 and future years, and will take appropriate steps in response to its findings, in conjunction with the Central Bank, where appropriate.

The proportion of schemes where the trustees have not fulfilled their legal responsibility to appoint a Registered Administrator is too high, and this will be the focus of Board activity in the coming months. Trustees should be aware that failure to appoint a Registered Administrator may make them subject to prosecution. Administrators should also be aware that it is an offence to act as a Registered Administrator except where one has been appointed as such by the scheme's trustees.

Another area where the level of compliance is unacceptably low is the submission of annual scheme information. This will also be the focus of particular attention by the Board in 2013.

Pension coverage

This annual report shows a further fall in the number of active members of pension schemes. This fall is not surprising given the economic situation of the country and the difficulties faced by those in the workforce and by employers. Nonetheless, it is a cause for concern.

It is important that any debate about how best to provide better pensions is based on a realistic understanding of what adequate pensions will cost. We must also be prepared to examine our assumptions about what are reasonable pension expectations, especially in an era of improved longevity and low interest rates.

I echo the Chairperson's comments on the importance of stability and trust in the pensions system, and we recognise the responsibility of the Board to contribute through effective regulation, policy advice and the provision of information.

Defined contribution

The work of the Board must reflect the increasing importance of defined contribution (DC) pension savings, and we have begun to address a number of DC related issues. The objective of the Board's work in this area will be to ensure that the outcomes for contributors are as good as possible. The most important issues in defined contribution are investment risks and losses, contribution inadequacy and costs, and the Board's work will comprise a mix of proposed additional regulation, contributor information and trustee guidance.

The investment guidelines issued by the Board in early 2013 are an important first step.

The report by the Department of Social Protection on pension charges was one of the most important recent events for pensions and is especially relevant for defined contribution arrangements. This report shows that there are pension schemes which provide good results for members, but there are cases where the charges are much higher than is reasonable. There are no simple solutions for these issues, and there is a lot of work needed to make sure that all pension scheme members receive good value for money. One of the most important findings is the differences in outcomes between small and large schemes. Ireland has more small and especially single member schemes than any other country in Europe, and too often, this results in poorer value for money and lower standards of governance. The Board's view is that members would benefit if smaller schemes were discouraged and is considering a number of initiatives in this area. The Board will consider making legislative recommendations to the Minister for Social Protection on this matter. It has also initiated a number of specific responses to the recommendations in the report, including promoting better awareness on charges to pension scheme members, trustees and employers, improving the impact of disclosures on fees and charges and enhancing the comparability of charges on different pension products.

The Board is also considering the role and performance of DC trustees and how best to ensure that the role of trustees improves the results for members, and that will be the subject of further discussion during 2013.

Defined benefit

Although investment returns were generally good during 2012, there has been no overall improvement in the position of defined benefit schemes. The majority of such schemes have considerably less assets than are needed to meet the funding standard, and must prepare and submit a recovery plan to the Board by mid-2013. The Board is well aware that many scheme trustees are facing considerable challenges in preparing such a plan.

The objective of the funding standard is to ensure that contributions are adequate, and that the scheme has a reasonable probability of providing promised benefits to all members. Without an adequate standard, there is a substantial risk that by the time that younger members retire, the scheme assets will have been exhausted in paying the benefits of those who retired before them; the longer that schemes put off meeting the standard, the greater is this risk.

We continue to have concerns about the understanding that some defined benefit trustees have of their role and responsibilities. The task of trustees is to manage the scheme to ensure as far as possible that members and beneficiaries receive the benefits promised under the scheme rules. This requires trustees to understand the finances of their scheme and the risks that it faces, and to manage the scheme to mitigate these risks. This is especially important for investment risks, which are in effect borne disproportionately by the younger members of the scheme.

Many involved in pensions are concerned that the effect of the funding standard rules will be to oblige pension schemes to increase holding of bonds, and for most schemes, this is likely to be the case. However, it should be noted that, even still, Irish pension schemes hold a higher proportion of equities than any other comparable country where the employer is not obliged to underwrite the pension promise. It is also worth noting one of the major causes of the current deficits of defined benefit schemes has been these high equity holdings and the schemes' reluctance to guard at least partially against the effect of falling interest rates by means of higher bond holdings.

The Board's view is that investment strategy must be based on the nature of the scheme liabilities, which is in any case, an obligation on trustees under the investment regulations. As long as the obligations of defined benefit schemes are to provide fixed retirement income, the most appropriate investment strategy is likely to include a corresponding amount of high quality bonds, unless the scheme has a reasonable surplus or the sponsoring employer is willing and able to underwrite a less matched investment policy.

There has been considerable debate in a number of countries, especially the U.K. and the Netherlands, about the cost and sustainability of the defined benefit promise and discussion of possible alternative approaches. The type of benefits provided by occupational pensions is a matter for the sponsoring employer, scheme members and their representatives. However, the Board's view is that it would be useful to consider alternative models of retirement provision, and not limit scheme design to traditional defined benefit or its polar opposite, pure defined contribution.

Information services

Regulation is only one part of what is needed to support pension provision. Both those who are currently saving for retirement and those who are considering it need a source of independent, relevant and understandable information. The Board works to provide this information through our website, through publications, and to those who contact the Board directly.

It is not enough to provide information that is technically correct: it must be produced in a form that best suits the enquirer and can be easily understood. The Board has reconfigured its website so that the information we provide to the public is structured in a member-centred way, based on their needs and current situation. We will continue to work on all aspects of information provision to make it as useful as possible, and we will take account of recent developments in this area in both our own work and in the advice we provide to the Minister for Social Protection.

The needs of trustees are different and more extensive than those of contributors, and we recognise our responsibility to meet these specific needs. There is a corresponding responsibility on trustees to recognise that there is specific knowledge needed to fulfil their role, and to take steps to acquire it. There is a wide range of trustee training available, including the Board's own online facility, but the Board is concerned that a minority of trustees, especially DC trustees, are not meeting their training obligations: this is a priority for our work in 2013.

Policy activity and advice

Pension legislation is complicated. As a result, any proposed change to pension legislation, regulation or guidance requires a great deal of work and knowledge to ensure that it is consistent with existing provision and does not have any unintended consequences. During 2012, members of the Board's Executive provided technical support to the Department of Social Protection in preparing the legislation and regulation needed to implement the changes to the defined benefit funding standard, and the Board also issued its own statutory guidance on relevant aspects of the legislative changes. The Executive also completed the implementation of sovereign annuities and the certification of the first products: this is an example of a relatively simple concept which turned out to be extremely difficult in practice. The legal, policy and technical work of the Executive is not particularly visible, but it underlies much of the other work of the Board, and has to be carried out to a high standard.

Managing the organisation

The day to day work of the Board is funded entirely by occupational pension scheme and Personal Retirement Savings Account (PRSA) fees. Apart from the funding allocated by the Department of Social Protection for the 2012 National Pensions Awareness Campaign, the Board receives no Exchequer funding.

Our financial statements for 2012 show a deficit of €738,000. This deficit was principally the result of the recruitment of 12 additional enforcement and legal staff in 2011 and 2012 following the sanction by the Department of Public Expenditure and Reform for additional staffing resources for the Board. The twelve additional staff comprise six permanent posts and six three year contract posts. It is worth noting that, despite the additional staff, total expenditure by the Board was lower in 2012 than in 2006.

This is the first deficit incurred by the Board since 2001: this record reflects the Board's awareness of its responsibility to manage its affairs as cost-effectively as possible. In recent years, the Board has achieved efficiencies in many areas, including consultancy and legal work, office and, I.T. costs, and these savings have made possible two reductions in fees in recent years.

Given the current resources of the Board, there is no immediate need for an increase in Board fees. However, the costs of running the Board are greater than the current fee income and this is expected to continue in future years. Eventually it may be necessary to seek an increase in fees. We will continue to monitor our financial position closely.

Conclusion

The Board has an excellent working relationship with the Department of Social Protection, which nonetheless respects the distinct role of each within the pension system. We value the support that we receive from the Department and look forward to continuing to work with our Departmental colleagues.

I would like to thank my colleagues working in the Board for their support, their flexibility and their hard work in 2012.

I would also like to thank the Chairperson and members of the Board who bring their knowledge and experience to the work of the Board and who constructively challenge the staff of the Board and each other to ensure that we continue to respond to the difficulties facing Irish pensions.

The recent announcement by the Minister for Social Protection of changes to the structure of the Board and the creation of a Pensions Council marks a significant change to the relationship between this organisation and all those concerned with pensions. The Council will provide all pension stakeholders with a forum in which to make their views known and to provide advice to the Minister. My colleagues and I look forward to working with the Pensions Council in this important work and in advancing the policy advice activity of the present and previous Board members.



Brendan Kennedy
Chief Executive

The Pensions Board

The Pensions Board is a statutory body comprising a chairperson and up to 16 ordinary members. While all members are appointed by the Minister for Social Protection under the provisions of the Pensions Act (the Act), the Board must be comprised of representatives of trade unions, employers, consumer interests, pensioner interests, the Government, the pensions industry, member trustees and professional groups involved with pension arrangements.

The term of office for Board members is five years. On 22 December 2010, the Minister for Social Protection announced the appointment of the current Board members.

On 23 April 2013, the Minister for Social Protection announced a number of proposed changes to the structure of The Pensions Board to strengthen governance and regulation of the country's occupational pensions. The legislative changes will be included in the Social Welfare Bill, 2013.

The current members of the Board are:



Jane Williams

Chairperson

The Sia Group

Nominee of the Minister
for Social Protection

(Board meeting attendance: 9/9)



Rosalind Briggs

Mercer

Nominated by the Society
of Actuaries in Ireland

(Board meeting attendance: 8/9)



Noreen Deegan

Friends First

Nominated by IBEC

(Board meeting attendance: 8/9)



Kevin Finucane

Willis Ireland

Nominated by the Association
of Pension Lawyers in Ireland

(Board meeting attendance: 9/9)



Brendan Johnston

Zurich Life Assurance plc

Nominated by the Irish
Insurance Federation

(Board meeting attendance: 8/9)



Patricia Murphy

Department of Social Protection

Representative of the Minister
for Social Protection

(Board meeting attendance: 9/9)



Terence Noone

DHKN Chartered Accountants

Nominee of the Minister
for Social Protection

(Board meeting attendance: 7/9)



David Owens

Department of Public
Expenditure and Reform

Representative of the Minister for
Public Expenditure and Reform

(Board meeting attendance: 9/9)



Emer O'Flanagan

O'Driscoll O'Neill Ltd

Nominee of the Minister
for Social Protection

(Board meeting attendance: 9/9)



Don O'Higgins

Irish Business and Employers
Confederation (IBEC)

Nominated by IBEC

(Board meeting attendance: 8/9)



Phelim O'Reilly

Willis Ireland

Nominated by the Irish
Association of Pension Funds

(Board meeting attendance: 9/9)



Rachael Ryan

SIPTU

Nominated by the Irish
Congress of Trade Unions

(Board meeting attendance: 8/9)



Mary Walsh

Chartered Accountant

Nominee of the Minister
for Social Protection

(Board meeting attendance: 6/9)



Niall Walsh

Deloitte & Touche

Nominated by the Consultative
Committee of the Accountancy
Bodies – Ireland

(Board meeting attendance: 7/9)



Robin Webster

Age Action Ireland

Nominee of the Minister
for Social Protection

(Board meeting attendance: 5/9)

Meeting the Board's strategic objectives

The Pensions Board Strategy 2011-2015 sets out a series of principal goals which the Board aims to achieve across the regulatory, information, expert advice and corporate functions over the period of the strategy. The strategy document is available under "The Board" section on www.pensionsboard.ie.

This section of the Annual Report provides a qualitative analysis and commentary of progress achieved in 2012 on the basis of the indicators and targets set out in The Pensions Board Strategy 2011-2015. These indicators comprise a set of annual monitoring indicators that measure Board activity and outputs as well as a set of outcome-focused key performance indicators.¹

Principal goals

To support a sustainable pensions system that will provide adequate and reliable pensions for retired and older people and that achieves wide coverage.

The Board aims to achieve this by:

1. safeguarding the interests of occupational pension scheme members and Personal Retirement Savings Account (PRSA) holders through effective regulation
2. developing policy proposals and supporting the Minister and Department of Social Protection and other government departments through high quality policy advice and technical support
3. providing relevant information and guidance to the public and those involved with pensions.

Safeguarding the interests of members through effective regulation

It can be difficult to measure in a quantitative manner many aspects of the Board's supervisory work. However, the Board feels that regular and detailed desk based audits and onsite inspections are an integral part of the supervisory process in safeguarding pension scheme member's best interests. It is important to highlight that while the Board expects to see high standards of administration and equally high levels

of compliance it has no hesitation in using its powers under the Act to deal with issues of non-compliance.

The Board's regulation work is driven by its risk priorities, which means that the focus of attention will be on potentially more serious breaches. However, because supervision depends on being able to get the necessary information, cases where those involved with pension schemes fail to abide by their legal responsibilities to provide information to the Board will always be pursued.

The Board's risk priorities are:

1. scheme or PRSA assets or contributions being misappropriated
2. benefit entitlements being calculated incorrectly
3. defined benefit schemes being funded inadequately
4. inappropriate investment of pension assets
5. insufficient information provided to members.

The Board expects to learn of most instances of non-compliance through its own proactive supervisory activity and through information provided by pension professionals. However, the Board will continue to respond to and investigate reports or complaints by members of the public.

Investigations and prosecutions

In 2012, 20 prosecutions² were concluded. The Board secured convictions in 15 cases and a further five cases were struck out or withdrawn due to payment of arrears.

- 15 cases related to deduction and non-remittance to the scheme (Section 58A(1)) and failure to respond to the Board (Section 18).
- five cases related to failure to respond to the Board (Section 18).

Cases prosecuted by the Board in 2012 related to deduction and non-remittance of pension contributions by employers in the construction sector to the Construction Workers' Pension Scheme (CWPS). Where employers fail to engage with the

¹ See Appendix II and III.

² See Appendix IV.

Board or the scheme, the Board uses its prosecution powers under the Act as necessary. This approach reflects the seriousness of these offences in the Board's risk priorities with non-remittance of contributions being a significant compliance issue. The Board's regulatory activity has led to prosecutions being taken against companies and their directors.

The Courts have recognised the seriousness of these cases by convicting both the directors and companies concerned and in some cases imposing custodial sentences and/or community service on the company directors as well as fines.

There were 25 new suspected cases of deduction and non-remittance of pension contributions by employers in the construction sector reported to the Board in 2012 as compared to 98 cases in 2011. Since 2007 the Board has been notified of 514 cases alleging deduction and non-remittance of pension contributions to the construction workers scheme.

During 2012, 102 cases were closed. Cases were closed for a number of reasons including:

- employers fully paying off their arrears
- cases deemed unsuitable for prosecution

In 2012 a total of €1,328,341.89 of previously unremitted employer and employee contributions were paid to the construction workers scheme as a direct result of the Board's intervention.

To date the value of restored contributions to the construction workers scheme resulting from the Board's activity stands at over €7,000,000 since April 2008.

Fines

During 2012 fines totalling €66,000 were paid over to the Board by 17 trustees of six schemes. These monies were subsequently passed on to the Exchequer.

The grounds for these fines were:

- five schemes for failure to submit or late submission of actuarial funding certificates
- one scheme for failure, over a number of years, to meet statutory deadlines in respect of the preparation and/or disclosure of annual reports and audited accounts and to issue annual benefit statements to members.

The introduction of fines as an alternative to prosecution for specified offences has been very effective in raising the standards of administration and instilling a culture of compliance.

The Board will continue to allocate resources to investigating these specific offences.

Registered Administrators (RAs)

The Board assesses levels of compliance with the Act through a process of direct engagement with regulated entities and their administration providers. Since 2010 the Board has been carrying out onsite inspections of Registered Administrators as part of this process.

Poor pensions administration and record keeping could result in members not receiving all of the benefits to which they are entitled, without necessarily being aware of the fact. The Board's oversight of Registered Administrators is therefore particularly important.

During 2012, the Board carried out 28 onsite investigations. In four cases, the standard of administration was such that, had remedial action not been taken, the Board would have considered withdrawing the registration of the administrator concerned. The Board will continue these onsite investigations in 2013 and future years, and will take appropriate steps in response to its findings, in conjunction with the Central Bank, where appropriate.

A report on the outcome of the 2012 inspections can be accessed in the Registered Administrators section on the Board's website.

There were 173 Registered Administrators on the Board's register at year end and none were refused renewal or had their activities restricted in 2012.

Inspections and meetings

During 2012 the Board held 52 meetings with trustees, pension providers and public service administrators to discuss a range of compliance issues.

For efficiency, the Board focuses on engagement with the trustees of larger schemes, the administrators of public service schemes and PRSA providers. This form of engagement with regulated entities and their administration providers is in keeping with the Board's risk-based approach to supervising the operation of the Act.

This engagement takes the form of individual meetings with these entities at the Board's premises to discuss a broad spectrum of compliance issues relating to the Act. Any issues of concern to the Board are identified and a timescale is set to resolve the matter to the Board's satisfaction. If there are more serious matters that have existed over a period of time the Board will consider appropriate sanctions under the Act.

Supervision of PRSA providers

There are currently 16 PRSA providers in respect of whom 130 PRSA products have been approved by the Board and the Revenue Commissioners. The details of these are available on the PRSA providers and products register on the Board's website.

The Board reviews each provider's PRSA annual report and engages with relevant providers and their actuary to resolve any minor breaches declared in their reports. Where issues of concern to the Board are identified a timescale and resolution plan is agreed with the provider to address such issues. If necessary the Board can restrict or disqualify PRSA providers who do not meet their statutory obligations.

On 15 July 2011 the Central Bank appointed inspectors to Custom House Capital Limited to conduct an investigation into the affairs of this firm. The Board suspended, with effect from 15 July 2011, the approval of the three PRSA products as provided by Custom House Capital Limited. The Board's investigation into Custom House Capital Limited and its compliance with the Act and relevant regulations was ongoing during 2012.

Membership of occupational pension schemes and PRSA contracts

There was a further fall in the number of active members of occupational pension schemes during 2012. At 31 December 2012 there were 760,620 in 61,232 schemes. There was an overall decrease in DB membership of 7,533 and 6,211 in DC membership. This fall is not surprising given the economic situation of the country and the difficulties faced by those in the workforce and by employers. A significant part of the fall in DB membership can be accounted for by the continuing decline in construction sector employment.

However, during 2012 the number of PRSA contracts in place increased by 8,898 comprising of 5,361 Standard PRSAs and 3,537 Non-Standard PRSAs.

The number of schemes and their respective membership and the number of PRSA contracts in force as at 31 December 2012 are included in the appendices of this report³.

The funding standard

The Board estimates that over 80% of defined benefit schemes were in deficit at the end of the year. Although investment returns were generally good during 2012, there has been no overall improvement in the position of defined benefit schemes. The majority of such schemes have considerably less assets than are needed to meet the funding standard, and must prepare and submit a recovery plan to the Board by mid-2013.

In 2012, five sets of statutory guidance were introduced on the following: sovereign annuities and the funding standard; employer undertakings; contingent assets; funding proposals; and section 50 benefit reductions. This statutory guidance is available on the Board's website.

Funding proposals

The Board has not required schemes to furnish recovery plans in recent years. During 2012 the Board set the deadline of 30 June 2013 for all defined benefit schemes in deficit to submit a funding proposal to the Board. The main change brought about by the 2012 Act is that where the term of a funding proposal extends beyond 1 January 2016, the trustees must ensure that their funding proposal takes account of the funding standard reserve requirement in addition to the funding standard.

During 2012, the Board received 10 Section 49(3)⁴ applications and specified a later date in respect of nine of these cases. Further clarification is being sought in one case. There were 10 Section 50⁵ applications received. Nine were approved and one application was withdrawn during 2012.

The Pensions Insolvency Payment Scheme (PIPS)

The Pensions Insolvency Payment Scheme is a cost-neutral Exchequer scheme offering special payments in cases where a defined benefit pension scheme is winding up in deficit (on a minimum funding standard basis) and the sponsoring employer becomes insolvent – the “double insolvency” criterion. In the case of multi-employer schemes, all sponsoring employers must be insolvent for a scheme to qualify for this support.

3 See Appendix V.

4 A Section 49(3) application seeks Pensions Board approval for a recovery plan under which the scheme will be returned to solvency.

5 A Section 50 application seeks Pensions Board approval for benefit reductions that a scheme plans to introduce to assist the scheme returning to solvency.

The Board received four applications during 2012 and certified all four as being eligible for consideration under the scheme and forwarded the applications to the Department of Public Expenditure and Reform for the next stage of the process.

Sovereign annuities

Legislation facilitating the introduction of sovereign annuities was introduced in the Social Welfare and Pensions Act, 2011.

A sovereign annuity is an annuity contract issued by insurance companies where the annual income payment is linked directly to payments under bonds issued by Ireland or any other EU Member State (known as reference bonds). Sovereign annuities can only be purchased by the trustees of occupational pension schemes (both defined benefit and defined contribution schemes). Insurance companies interested in offering such products must have them certified by the Board under Section 53B of the Act.

In 2012 the Board certified the first sovereign annuity policy. Details of all sovereign annuity product providers are available on the Board's website.

Further information for trustees on sovereign annuities is available on the Board's website.

Developing policy proposals and supporting the Minister and Department of Social Protection through high quality policy advice and technical support

The Board provides policy advice to the Minister and Department of Social Protection and the Board's Executive provide technical support on pensions matters to the Department and other agencies of Government. This advice can be provided at the initiative of the Board or at the request of the Minister or Department of Social Protection. This work is informed by the knowledge gained by the Board from its regulatory activity and by ongoing monitoring and analysis of trends in occupational pensions. The Board's Executive also participated in and supported a number of the working groups of the Board involved in policy related matters.

Activity in 2012 included:

- the Board's Executive provided technical support to the development of policy proposals for defined benefit pension provision including a review of the funding standard.

- a consultation on the simplification of defined contribution pension provision. The consultation process ended in February 2012 and the issues identified are the basis for continuing work by the Board.
- participating in a project on pension charges. The project was led by the Department of Social Protection with input from the Board and the Central Bank. Work began in autumn of 2011 with the aim of obtaining comprehensive and detailed information on all types of costs across all pension scheme types. This report on charges was published in October 2012.
- participating on an Inter-Departmental group on work and retirement, led by the Department of Social Protection and dealing with policy issues relating to the increase in the State Pension Age.

EU regulatory policy

The Board was also active in contributing to EU regulatory policy through its participation in the European Insurance and Occupational Pensions Authority (EIOPA). The Chief Executive of The Pensions Board continued to chair the Occupational Pensions Committee (OPC) of EIOPA. During 2012, this committee continued its work preparing and finalising a *response to the EU Commission's call for advice on the review of Institutions for Occupational Retirement Provision (IORP) Directive*.

As an extension of this work, the committee commenced work on a Quantitative Impact Study (QIS) of the effect that a possible harmonisation of pensions funding rules across Europe might have on IORPs. The work on this study is expected to be completed by mid-2013 but there could well be a requirement for follow up work.

The Board also participated in the Information and Best Practice Subgroup of the OPC which developed best practice guidelines on the provision of information for defined contribution schemes. The guidelines are designed to enable policymakers to take into account established and recent insights about the way people process information and make financial decisions.

Providing relevant information and guidance to the public and those involved with pensions

The Board works to sustain and enhance its position as an independent, relevant and trustworthy source for pension information.

The Board supports regulatory activity by providing an integrated information and enquiry service to the following:

- members of the public, both with and without pensions
- occupational pension scheme members and PRSA contributors
- scheme trustees and the pensions industry
- the media, who are a conduit to others.

The Board dealt with 6,295 enquiries in 2012. The majority of enquiries related to matters concerning disclosure of information, trustee duties, preservation, funding standard and PRSAs. Eight enquiries were forwarded to the Board's enforcement unit for further action during 2012.

All enquiries are logged on the Board's enquiry database and remain open until a final resolution has been achieved. Any emerging trends of concern arising from general enquiries are closely monitored by the Board.

Information publications

The Board provides a comprehensive range of free information and guidance material which is regularly updated and amended to reflect changes in pensions' legislation and regulation.

During 2012 the Board produced statutory guidance and a number of booklets and checklists were published or updated⁶.

All this material is available on the Board's website where the Board also provides a free email alert service that notifies subscribers of any new information being posted on the website.

The Board's website (www.pensionsboard.ie)

The Board has added a new pension information lifecycle section to its website called 'Understanding your pension'. This searchable facility allows current and prospective pension scheme members alike select their own personal pension circumstances and receive information relevant to their personal stage in the pension lifecycle. The new section features an improved pension calculator, budget and risk tools as well as videos to explain pensions in plain language.

Public presentations and media relations

During 2012 the Board attended and presented at a diverse range of public events nationwide, issued 26 news releases and dealt with over 70 direct media enquiries. The Board provides information and educational articles and materials covering all aspects of pensions for both the media and a comprehensive range of consumer and industry stakeholders. The Board regularly seeks media opportunities to promote public discussion of pension issues.

Trustee support services

The Board recognises the essential role trustees play within the pension system.

Under the Act, the Board has an obligation to offer guidance to trustees and provides a range of resources to support trustees including:

- the Trustee Handbook
- trustee training e-learning system
- a register of trustee trainers.

Trustee training

During 2012 the Board continued to promote the requirement for trustees to receive formal training. Trustees are required to receive training within six months of their appointment and at least every two years thereafter. Trustees must also report their compliance with these obligations in their scheme's annual report. The Board will monitor trustee training compliance on an ongoing basis.

National Pensions Awareness Campaign (NPAC)

In 2012 the campaign continued its objective to communicate the importance of adequate pension provision among the sectors with traditionally low levels of pension coverage. The awareness campaign engaged throughout the year with the various associations representing the hospitality, retail and agricultural sectors and organisations representing women and young people. Activity with these groups included promoting the importance of pensions through their websites and social media, attendance at their events and editorial coverage in their newsletters and trade publications.

During 2012 the National Pensions Awareness Campaign continued to work alongside the National Consumer Agency and support its work on the 'Money Skills for Life' Workplace programme as well as continuing as a member of the OECD International Network on Financial Education.

6 See Appendix VI.

Current working groups and committees of the Board

To meet the objectives of the strategy the Board has established a number of working groups and committees⁷. These working groups focus on current priority pension issues, and or emerging issues which have been agreed by the Board as key areas of focus and attention. The outcome of the work is usually a set of recommendations and proposals to the Board for consideration.

Defined benefit (DB) working group *(met five times in 2012)*

The DB working group has been established by the Board to provide a forum where issues specific to DB pensions can be analysed and discussed. During 2012 the working group developed an overview guide on the funding standard and FAQs on recent changes to the funding standard which are published on the Board's website.

Defined contribution (DC) working group *(met thirteen times in 2012)*

The DC working group was established by the Board in late 2011. The focus of the group is to provide a forum where issues specific to DC pensions can be analysed and discussed. The underlying purpose is to inform the Board's regulatory stance on DC pensions and to contribute to the development of Board policy on DC pensions. The scope of the group's work includes all forms of DC provision, i.e., occupational schemes, PRSAs and RACs.

In 2012 the working group developed guidelines on investment for trustees of DC pension schemes. This process included a consultation with the industry. The guidelines aim to assist trustees of DC schemes and their advisors in deciding on the investment choices to be made available to scheme members. The guidelines were finalised in late 2012 and published online in January 2013.

Finance and audit committee *(met six times in 2012)*

The finance and audit committee is a key governance committee of the Board and through its work aims to ensure that the Board is compliant with its governance obligations as a State body. This includes the ongoing oversight and assessment of the Board's financial affairs and corporate governance systems. The finance and audit committee reports to the Board and regularly commissions internal audits and reviews, carried out by an external audit service provider. The committee successfully completed an internal audit programme in 2012. The programme consisted of a review of procurement (value for money), implementation and outputs from the Board's data management system ISIS and testing to support the Chairperson's statement on the effectiveness of the system of internal financial control.

National Pensions Awareness Campaign (NPAC) working group *(met twice in 2012)*

The Board has run NPAC on behalf of the Government since 2003. The campaign was established to increase public awareness of pensions with a view to improving pension coverage. The Minister for Social Protection allocated €400,000 for the continuation of NPAC in 2012. The working group reviewed and recommended the action plan and advertising awareness activity programme for 2012 to the Board.

Pensions and employment working group *(met five times in 2012)*

The group produced a report on pensions and employment issues, particularly with reference to the increase in the State Retirement Age. This report was sent to the Minister for Social Protection.

⁷ See Appendix I for membership details of each group.

Regulatory advisory group (RAG)

The regulatory advisory group is a strategic working group whose function is to advise the Chief Executive, the Board and the regulatory review group on issues of principle and general regulatory policy. It does not advise on specific cases. In 2012 the regulatory advisory group did not meet.

In the fourth quarter of 2012, the Board revised the terms of reference of the regulatory advisory group and decided that its membership should be increased to six Board members. In 2013, Board representation was increased and a new Chairperson was appointed.

Regulatory review group (RRG)

(met ten times in 2012)

The Board has delegated the exercise of a number of regulatory functions under the Act to the Chief Executive. In order to maintain regulatory oversight of those functions which have been delegated to the Chief Executive, the Chief Executive is required to consult with the regulatory review group before deciding to exercise a delegated regulatory function in a particular case.

The work of the regulatory review group involves discussion of specific cases with a view to the Chief Executive taking regulatory decisions, imposing sanctions or instigating legal proceedings in particular cases. Cases where the regulatory review group is required to be consulted include those involving the approval of funding proposals and section 50 benefit reductions, the issuing of on-the-spot fines, decisions as to whether a prosecution should be initiated, decisions to refuse to register or renew a Registered Administrator and the proposed use of any of the Board's powers which require an application to the High Court.

Remuneration committee

(met four times in 2012)

The committee sets performance targets for the Chief Executive. It also reviews the CEO's performance against the targets set and, when appropriate, sets the remuneration of the Chief Executive within the guidelines for the Public Service and the CEO's contract. The process was established in 2011 and is now in its second year. The committee and CEO agree that the process plays a significant role in delivering the Board's objectives and targets and in achieving accountability, albeit that the traditional link between performance and reward outcomes cannot apply at present due to public sector pay restrictions.

Research and communications working group *(met once in 2012)*

The research and communications working group was established during 2012. Its focus is two-fold – to develop a communications plan which supports the overall work of the Board in raising awareness amongst the Irish public of the need to save for retirement. The plan will, in turn, be informed by the outcome of behavioural research to understand more fully the Irish consumer's attitude to pensions and savings.

Running an efficient organisation

The Board is aware of its responsibility as a government agency to achieve and demonstrate value for money and efficiency in all its activities. The Board actively investigates and pursues opportunities for cost savings and efficiencies including the use of shared services and outsourcing. The Board makes maximum use of information computer technology to optimise efficiency and to focus regulatory activity on areas of greatest risk.

Organisational structure

The Board's operational executive structures were reorganised during 2012 in order to ensure that the Board's regulatory practices and procedures remain efficient and that activities are aligned to the risk priorities.

The Board has five main areas of activity:

1. Enforcement

Enforcement is responsible for investigations of possible non-compliance, instigation of Board prosecutions and other sanctions. Enforcement are also responsible for the ongoing oversight of Registered Administrators and Personal Retirement Savings Accounts providers.

2. Funding and Actuarial

Funding and Actuarial are responsible for the oversight of defined benefit scheme funding and for the processing of funding and related proposals.

3. Operations

Operations are responsible for all routine interaction with the public through the provision of the Board's information, guidance and enquiry services. Operations oversee the updating and reliability of all regulatory data submitted to the Board through its Interactive Scheme Information System (ISIS).

4. Policy

Policy is responsible for policy advice, development and delivery. Policy manages Board relationships with external Government and pension representative organisations and institutions.

5. Legal and Corporate Services

Legal and Corporate Services are responsible for providing legal advice and support for all aspects of the Board's activity. Corporate Services are responsible for financial controls, compliance, human resources, office facilities and act as secretariat to the Board.

Occupational pension scheme and PRSA fees

In 2012 the Board collected €3.23 million in occupational pension scheme fees and RAC fees, a decrease of 9% on the previous year. The Board also collected €1.68 million in respect of PRSA products which was consistent with the 2011 position.

Human resources

In order to support activities during 2012, a number of industry focused training and development initiatives were launched for employees of the Board. The aim of these initiatives is to take a proactive approach to training and development and to ensure that employees are equipped to deal with changes in the area of pensions and regulation.

Organisational and individual performance management and training and development needs are identified through the Board's Performance Management Development System (PMDS). Employees continuously seek new ways to improve business processes and service delivery.

Health and safety

The Board is committed to supporting the health and safety of its employees and to providing a safe place of work. Health and Safety practices are continuously reviewed and there were no accidents or incidents to report during 2012.

Energy usage

In 2012, the total energy consumption by the Board was 167,900 KWh of electricity. As the Board occupies 10,600 square feet of modern energy efficient office space in Dublin city centre, there is limited scope for any further sizeable reductions in energy usage. However this will continue to be reviewed.

Prompt payments

The Board operates a 15 day payment policy. Quarterly prompt payment reports are returned to the Department of Social Protection and posted on the Board's website.

The Pensions Board staff

Day to day decision making is delegated to staff under the Board's active supervision.
Staff of the Board at 31 December 2012.



Brendan Kennedy
Chief Executive



Mary Hutch
Head of Policy



Tom Dunphy
Head of Enforcement



Pat O'Sullivan
Head of Funding and Actuarial



Sylvia McNeece
Head of Legal



Grace Guy
Deputy Head of Legal
(Secretary to the Board)



David Malone
Head of Operations

Assistant Principal Officers

Aideen Bugler
Eoin Cassells
Gerard Clarke
Madeleine Delaney
Catherine Goulding
Mary Howe
Maura Howe
Andrew Nugent
Cheryl Richardson
John Shanahan

Higher Executive Officers

Mary Broderick
Martin Buggy
Rachael Gleeson
Ciarán Holahan
Deirdre Kelly
Jo Kenny
John McCarthy
Dympna Moran
Paul Muldowney
Eimear Murphy
Kieran O'Dea

Executive Officers

Sherry Bass
Valerie Christie
Maire Ni Fhiachain
Alison Flynn
Emily Keyes
Cathy Lynch
Catherine McAuley
Renée O'Reilly
Edel Stenson
Christina Winters

Clerical Officers

Laura Allen
Robert Bradley
David Byrne
Mary Conlon
Niamh Crowley
Marie Earley
Paul Flaherty
Eileen Flynn
Emma Hunter
Lydia Leonard
Julie McCarthy
Maura Moroney

Financial statements

for the year ended 31 December 2012

Report of the Comptroller and Auditor General	19
Statement of Board responsibilities	21
Statement on internal financial control	22
Statement of accounting policies	23
Income and expenditure account	24
Balance sheet	25
Cash flow statement	26
Notes to the financial statements	27

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

An Bord Pinsean

I have audited the financial statements of An Bord Pinsean for the year ended 31 December 2012 under the Pensions Act 1990. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 22 of the Act, and in accordance with generally accepted accounting principles.

Responsibilities of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Board's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Board's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Board's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Board's affairs at 31 December 2012 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Board. The financial statements are in agreement with the books of account.

*Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas
continued*

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Board's annual report is not consistent with the related financial statements, or
- the Statement on Internal Financial Control does not reflect the Board's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Patricia Sheehan

For and on behalf of the Comptroller and Auditor General

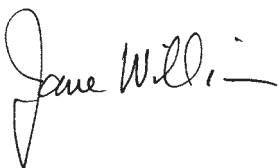
28 May 2013

Statement of Board responsibilities

Section 22(1) of the Pensions Act, 1990, as amended, requires the Board to prepare financial statements in such form as may be approved by the Minister for Social Protection with the concurrence of the Minister for Finance. In preparing the 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 a going concern basis unless it is inappropriate to presume that the Board will continue in operation
- disclose and explain any material departures from applicable accounting standards.

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, 1990, as amended. The Board is also responsible for safeguarding the assets of the Board and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Jane Williams
Chairperson



Niall Walsh
Board member

13 May 2013

Statement on internal financial control

Responsibility for system of internal financial control

On behalf of the Board, I acknowledge our responsibility for ensuring that an appropriate system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period.

Key control procedures

The Board has taken steps to ensure an appropriate control environment by:

- clearly defining management responsibilities
- establishing reporting procedures to control significant failures and ensuring appropriate corrective action is taken
- establishing a dedicated Finance and Audit Committee
- clear separation of Board and Executive functions
- publication of a Code of Conduct for the Board members and staff of the Board
- appointing internal auditors.

The Board has established processes to identify and evaluate business risks by:

- identifying the nature, extent and possible implication of risks facing the Board including the extent and categories which it regards as acceptable
- assessing the likelihood of identified risks occurring
- assessing the Board's ability to manage and mitigate the risks that do occur
- having regard to the costs of operating particular controls relative to benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board
- regular reviews by the Finance and Audit Committee and the Board of periodic and annual financial reports which indicate financial performance against forecasts

- setting targets to measure financial and other performance
- regular internal audits.

As implemented in 2003 the internal audit function is a key element in informing the Board of the effectiveness of the system of internal financial control. The internal auditors operate in accordance with the Code of Practice for the Governance of State Bodies. The work of internal audit is informed by analysis of the risk to which the body is exposed and a full risk analysis exercise has been undertaken in that regard.

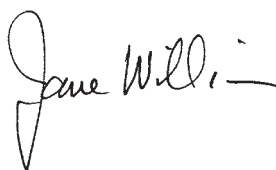
The analysis of risk and the internal audit plans are endorsed by the Finance and Audit Committee and approved by the Board.

The Board has in the year ended 31 December 2012, through the ongoing activity of its Finance and Audit Committee, monitored the work of the Executive in the area of financial control. Specifically, the Committee examined the following:

- regular and/or periodic management accounts for 2012, with analysis and explanation of significant deviations from budget
- annual accounts for 2011 and explanation of significant variances
- annual budget and financial plan for 2013
- review of occupational pension scheme fee
- review of investment strategy
- internal audit reports.

Annual review of controls

I confirm that in respect of the year ended 31 December 2012 the Board conducted a review of the effectiveness of the system of internal financial control.



Jane Williams
Chairperson

13 May 2013

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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 Protection with the concurrence of the Minister for Finance, in accordance with Section 22(1) of the Pensions Act, 1990, as amended.

The financial statements are also prepared in accordance with accounting standards generally accepted in Ireland, being standards developed by the Accounting Standards Board. The financial statements are denominated in euro.

b) Fee income

Fee income represents:

- i) The amount estimated by the Board as collectable in respect of occupational pension schemes in the year. This estimate takes account of cash receipts and the reasonableness of this figure is checked against the expected fee income based on the Board's computerised profile of schemes
- ii) Amounts due in respect of application, product and annual fees levied on Personal Retirement Savings Account (PRSA) providers. Annual PRSA fees are calculated by reference to the number of registered approved products and the value of funds under management by the provider as at the end of the prior year.

c) State grant

State grant represents the amount made available in respect of the year by the Department of Social Protection to:

- recoup the cost of superannuation benefits paid by the Board
- meet the costs associated with the National Pensions Awareness Campaign
- contribute to other relevant costs.

d) PRSA capital reserve

This reserve represents the unamortised amount of State grant used for the purchase of fixed assets relevant to PRSA administration and is amortised in line with depreciation of the relevant assets acquired.

e) 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.

- Leasehold improvements 6 $\frac{2}{3}$ % – 15 years
- Computer equipment 25% – 4 years
- Office furniture 12 $\frac{1}{2}$ % – 8 years
- Office equipment 20% – 5 years

f) Operating lease

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

g) Superannuation

In view of the arrangements, as described in note 19, which the Board has in place in relation to the defined benefit scheme it operates for employees, the Board is of the view that the provisions of Financial Reporting Standard 17, Accounting for Retirement Benefits in relation to accounting for pension liabilities which arise under defined benefit schemes, are not applicable.

Accordingly, the Board charges the employer contributions to income and expenditure in the year as if the scheme was a defined contribution scheme.

Superannuation benefit payments are included as an expenditure item and shown as a corresponding income representing recoupment of payments from the Department of Social Protection.

h) Compliance enforcement reserve

As the Board is a statutory regulatory body charged with monitoring and enforcing compliance by scheme trustees with the provisions of the Pensions Act, 1990, as amended, it may be necessary for the Board, from time to time, to have recourse to legal action.

In certain cases, such action could 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, amounts are transferred from the income and expenditure account to the compliance enforcement reserve when deemed necessary.

Income and expenditure account

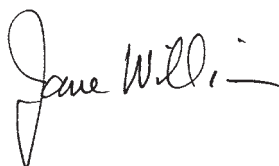
for the year ended 31 December 2012

	Notes	2012 €	2011 €
Income			
Occupational pension scheme fees		3,232,268	3,587,363
Personal Retirement Savings Account fees		1,680,721	1,699,156
State grant in respect of:			
Pension payments to retired staff		295,821	130,646
National Pensions Awareness Campaign costs	1	400,000	377,208
Other income	2	228,909	189,708
Total income		5,837,719	5,984,081
Transfer from PRSA capital reserve	15	26,851	27,841
		5,864,570	6,011,922
Expenditure			
Salaries, pensions and related expenses	3 & 4	3,993,583	3,247,286
Board members' fees and expenses	5	91,077	105,525
Rent and office expenses	6	743,397	747,633
Training, education and staff related expenses	7	122,690	75,489
Information, research and publicity	8	284,589	304,271
Consultancy and other professional fees	9	697,135	571,079
General administration	10	390,214	360,753
Depreciation	11	279,730	250,031
Total expenditure		6,602,415	5,662,067
(Deficit)/Surplus for the year		(737,845)	349,855
Revenue reserve at 1 January		6,825,040	6,475,185
(Deficit)/Surplus for the year		(737,845)	349,855
Revenue reserve at 31 December		6,087,195	6,825,040

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.

The results for the year relate to continuing operations.

The statement of accounting policies, cash flow statement and notes 1 to 24 form part of these financial statements.



Jane Williams
Chairperson



Brendan Kennedy
Chief Executive

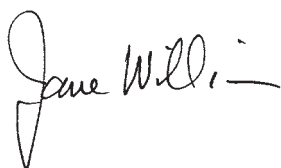
13 May 2013

Balance sheet

at 31 December 2012

	Notes	2012 €	2012 €	2011 €	2011 €
Fixed assets					
Tangible assets	11		619,515		736,768
Current assets					
Debtors	12	555,868		528,042	
Bank	18	6,831,731		7,649,097	
		<u>7,387,599</u>		<u>8,177,139</u>	
Current liabilities					
Creditors amounts falling due within one year	13	337,115		479,212	
Net current assets			7,050,484		7,697,927
Total assets			<u>7,669,999</u>		<u>8,434,695</u>
Financed by					
Compliance enforcement reserve	16	1,500,000		1,500,000	
PRSA capital reserve	15	82,804		109,655	
Revenue reserve		6,087,195		6,825,040	
			<u>7,669,999</u>		<u>8,434,695</u>

The statement of accounting policies, cash flow statement and notes 1 to 24 form part of these financial statements.



Jane Williams
Chairperson



Brendan Kennedy
Chief Executive

13 May 2013

Cash flow statement

for the year ended 31 December 2012

	Notes	2012 €	2011 €
Cash flow statement			
Net cash (outflow)/inflow from operating activities	17	(737,652)	452,133
Returns on investments and servicing of finance			
Interest received		187,632	133,728
Capital expenditure			
Payments to acquire tangible fixed assets		(268,246)	(210,490)
Receipts from sale of tangible fixed assets		900	–
Management of liquid resources			
Decrease/(increase) in short term deposits		649,635	(109,866)
(Decrease)/increase in cash		(167,731)	265,505
Reconciliation of net cash flow to movement in net funds	18		
(Decrease)/increase in cash in the year		(167,731)	265,505
(Decrease)/increase in short term deposits		(649,635)	109,866
Movement in net funds in the year		(817,366)	375,371
Net funds at 1 January		7,649,097	7,273,726
Net funds at 31 December		6,831,731	7,649,097

Notes to the Financial Statements

for the year ended 31 December 2012

1. National Pensions Awareness Campaign funding and costs

The Board on behalf of the Government continued the National Pensions Awareness Campaign in 2012. A grant of €400,000 (2011, €377,208) from the Department of Social Protection was made available in the year for this purpose. The primary objective of the NPAC was to heighten pension awareness with a view to increasing pension coverage in Ireland.

The grant was spent in the following main cost categories:

	2012 €	2011 €
Information and awareness activities	292,618	253,926
Project management	94,728	96,934
Administration	12,595	26,348
	399,941	377,208

2. Other income

	2012 €	2011 €
Interest income	220,339	170,564
Court costs	6,950	16,904
Miscellaneous income	1,620	2,240
	228,909	189,708

3. Employee costs

The average number of full time equivalent employees during the year was 48, (2011, 40.2). The aggregate employee and related costs were as follows:

	2012 €	2011 €
Salaries	2,733,103	2,309,477
Employer superannuation contributions ¹	719,750	598,313
Employer PRSI contributions	237,476	179,840
Superannuation benefits payable	295,821	130,646
Contract staff – general	7,433	29,010
	3,993,583	3,247,286

¹ See note 19.

4. Chief Executive Officer remuneration

	2012 €	2011 €
Salary	153,885	153,885
Employer superannuation contribution	38,471	38,471
	192,356	192,356

The Chief Executive's pension entitlements do not exceed the standard entitlements provided in the model public sector defined benefit superannuation scheme.

Notes to the financial statements continued

5. Board members' fees and expenses

	2012 €	2011 €
Board fees	90,203	103,669
Expenses ²	874	1,856
	91,077	105,525

² Domestic travel and subsistence relating to travel costs for attendance at Board meetings.

Board fees

Name	2012 €	2011 €
Jane Williams – Chairperson	11,970	11,970
Noreen Deegan	7,695	7,695
Brendan Johnston	7,695	7,695
Terence Noone	7,695	7,695
Emer O'Flanagan	7,695	7,695
Rosalind Briggs	7,695	7,695
Don O'Higgins	7,695	7,695
Phelim O'Reilly	7,695	7,695
Rachael Ryan	1,283	7,695
Mary Walsh	7,695	7,695
Robin Webster	7,695	7,695
Niall Walsh	7,695	7,695
John McHale (resigned in December 2011)	–	7,054
	90,203	103,669

6. Rent and office expenses

	2012 €	2011 €
Rent	560,042	564,075
Service charge	45,665	47,316
Rates	61,379	62,442
Electricity	32,076	26,565
Cleaning	22,314	21,547
General maintenance	16,170	20,655
Offsite storage	5,751	5,033
	743,397	747,633

The Board occupies office premises at Verschoyle House, Lower Mount Street, Dublin 2, under a 25 year lease, which commenced on 16 July 2001.

7. Training, education and staff related expenses

	2012 €	2011 €
Training and education	95,930	49,567
Staff related expenses ³	26,760	25,922
	122,690	75,489

³ Includes canteen expenses, contributions to staff sports and social club and other activities.

8. Information, research and publicity

	2012 €	2011 €
Advertising and awareness activities	179,663	201,397
Printing, publications and website	41,631	51,547
Information stands and launches	40,044	19,126
Research	23,251	32,201
	284,589	304,271

9. Consultancy and other professional fees

	2012 €	2011 €
Legal advice	359,958	330,610
Investigations and compliance support	32,910	109,266
Public relations and information	5,166	23,247
Project development	189,343	10,636
Research consultancy	32,472	26,348
Technical/pension consultancy fees	6,150	14,453
Internal audit fees	19,065	18,168
Statutory audit fees	14,100	14,100
Recruitment consultancy	7,056	7,710
Other	30,915	16,541
	697,135	571,079

10. General administration

	2012 €	2011 €
Stationery and administration expenses	58,735	41,826
Corporate subscriptions	72,838	59,826
Telephone and postage	42,834	44,072
Computer maintenance and consumables	113,562	121,198
Travel and subsistence	49,479	42,883
Insurances	49,209	48,553
Interest and charges	3,557	2,395
	390,214	360,753

Notes to the financial statements continued

11. Tangible fixed assets

	Leasehold improvements €	Computer equipment €	Office furniture €	Office equipment €	Total €
Cost or Valuation					
At 1 January 2012	1,157,692	1,365,883	209,224	85,444	2,818,243
Additions in year	5,742	147,493	–	9,242	162,477
Disposals in year ⁴	–	(445,457)	(369)	(14,023)	(459,849)
At 31 December 2012	1,163,434	1,067,919	208,855	80,663	2,520,871
Accumulated Depreciation					
At 1 January 2012	837,137	992,601	194,769	56,968	2,081,475
Charge for year	77,562	185,943	3,367	12,858	279,730
Disposals in year	–	(445,457)	(369)	(14,023)	(459,849)
At 31 December 2012	914,699	733,087	197,767	55,803	1,901,356
Net Book Value					
At 31 December 2011	320,555	373,282	14,455	28,476	736,768
At 31 December 2012	248,735	334,832	11,088	24,860	619,515

⁴ Disposals in the year related to certain IT equipment and software that became obsolete when replaced by the Board's Interactive Scheme Information System (ISIS).

12. Debtors

	2012 €	2011 €
Amounts falling due within one year:		
Fee income	370,000	400,000
Accrued interest receivable	106,527	73,820
Prepayments and accrued income	57,284	37,648
Debtors other	22,057	16,574
	555,868	528,042

13. Creditors

	2012 €	2011 €
Amounts falling due within one year:		
Creditor accruals	205,823	163,573
Capital accruals	23,993	129,763
Tax creditor	91,505	110,178
DSP creditor	6,000	36,792
Trade creditors	9,794	38,906
	337,115	479,212

14. Financial commitments**(i) Capital commitments**

There were no capital commitments at 31 December 2012.

(ii) Operating leases

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

	2012 €	2011 €
Lease of office accommodation		
Expiring after five years	555,000	555,000

15. PRSA capital reserve

	2012 €	2011 €
At beginning of year	109,655	137,496
Transfer to Income and Expenditure Account		
Amortisation – prior year's acquisitions	(26,851)	(27,841)
At end of year	82,804	109,655

16. Compliance enforcement reserve

	2012 €	2011 €
At beginning and end of year	1,500,000	1,500,000

17. Reconciliation of surplus/(deficit) for the year to net cash inflow/(outflow) from operating activities

	2012 €	2011 €
(Deficit)/surplus for year	(737,845)	349,855
Non-operating items		
Interest received	(187,632)	(133,728)
Gain on disposal of fixed assets	(900)	–
Non-cash items		
Transfer (from) PRSA capital reserve	(26,851)	(27,841)
Depreciation	279,730	250,031
(Decrease) in debtors	(27,826)	(63,173)
(Increase)/decrease in non-capital creditors	(36,328)	76,989
Net cash (outflow)/inflow from operating activities	(737,652)	452,133

Notes to the financial statements continued

18. Analysis of changes in net funds

	At 1 January 2012 €	Cash flow €	At 31 December 2012 €
Cash at bank and on hand	692,933	(167,731)	525,202
Short term deposits	6,956,164	(649,635)	6,306,529
	7,649,097	(817,366)	6,831,731

19. Accounting treatment for retirement benefits⁵

The Board operates a defined benefit pension scheme for its employees. The scheme structure is based on the Public Service Model and is approved by the Minister for Social Protection and the Minister for Finance. Pension benefits payable under the scheme are funded by the Exchequer.

In addition, the Board's arrangements have a number of specific characteristics:

- the Board makes an agreed contribution to the Department of Social Protection;
- the contribution comprises an employee element along with an employer element. The employer contribution amounts to 25% of gross pay for employees paying PRSI at the A rate and 30% of gross pay for employees paying PRSI at the D rate and is paid by the Board; and
- there is an explicit commitment from the Department of Social Protection, with the agreement of the Department of Finance, that the Exchequer will meet the cost of benefits as they fall due.

The Board considers that its pension arrangements as described above have the same financial effect from the Board's point of view as a defined contribution scheme. It is of the view that the provisions of Financial Reporting Standard 17, Accounting for Retirement Benefits, which arise under defined benefit schemes are not appropriate. Accordingly it accounts for its contribution as if the scheme was a defined contribution scheme.

⁵ See note 3.

The total superannuation deductions and contributions remitted to the Department of Social Protection were as follows:

	2012 €	2011 €
Employer ordinary contributions	719,750	598,313
Employee ordinary contributions	173,532	125,390
Pension related deduction ⁶	184,779	153,306
	1,078,061	877,009

⁶ Deducted from staff members and remitted to the Department of Social Protection pursuant to the Financial Emergency Measures in the Public Interest Act, 2009.

20. Board members – disclosure of transactions

The Board in accordance with the Code of Practice for the Governance of State Bodies has a Code of Business Conduct in place for Board members and employees. This code includes guidance in relation to the disclosure of interests by Board members and these procedures have been adhered to by the Board during the year. The Board from time to time engages the services of appropriately qualified external consultants to undertake assignments to assist the Board in its work. Such contractual arrangements are subject to the normal tendering procedures, which apply throughout the public service. The award of any particular project is a matter for decision by the Board having regard to the requirements of the work to be carried out. Given the nature of its business the Board may enter into contractual arrangements with undertakings in which Board members are employed or are otherwise interested.

During 2012 €84,993 (inclusive of VAT) was payable to third parties in which Board members had an interest. €76,875 was in respect of two contracts with Attain Consulting, a firm of which Phelim O'Reilly, Board member, was an employee. Attain was acquired by Willis Ireland with effect from 29 May 2012. €73,185 of the €76,875 was incurred during the period after acquisition when both Kevin Finucane and Phelim O'Reilly, Board members, were employees of Willis Ireland. €6,150 was in respect of one contract with Deloitte & Touche, a firm of which Niall Walsh, Board member is a partner. An amount of €1,968 was paid in respect of one contract with Willis Ireland, a firm of which both Kevin Finucane and Phelim O'Reilly, Board members, are employees.

21. Taxation

The Board is exempt from Corporation Tax under Section 220 of the Taxes Consolidation Act, 1997.

22. Comparative figures

Some changes have been made to the presentation of items in the financial statements and the comparative figures have been reclassified where necessary on a basis consistent with the current year presentation.

23. Board restructuring (subsequent to the financial statements year-end)

The Minister for Social Protection announced on 23 April 2013 that there will be a change in name and governance arrangements of the Board.

These changes will have no impact on the day to day operations of the Board, consequently the financial statements have been prepared on a going concern basis.

24. Approval of financial statements

The financial statements were approved by the Board on 13 May 2013.

Appendix I

Membership of the current working groups and committees of the Board

Defined benefit working group

- Brendan Johnston
- Roz Briggs
- Don O'Higgins
- Rachael Ryan

Defined contribution working group

- Phelim O'Reilly
- Kevin Finucane
- Mary Walsh
- Patricia Murphy
- Terence Noone

Finance and audit committee

- Niall Walsh
- Kevin Finucane
- Don O'Higgins
- Vera McGrath (Department of Social Protection)

National Pensions Awareness Campaign (NPAC) working group

- Robin Webster
- David Owens
- Roz Briggs
- Vera McGrath (Department of Social Protection)

Pensions and employment working group

- Noreen Deegan
- David Owens
- Rachael Ryan
- Patricia Murphy
- Emer O'Flanagan
- Niall Walsh

Regulatory advisory group

- Rachael Ryan
- Emer O'Flanagan
- David Owens
- Terry Noone
- Mary Walsh

Regulatory review group

- Emer O'Flanagan
- Terence Noone
- David Owens
- Mary Walsh

Remuneration committee

- Jane Williams
- Mary Walsh
- Patricia Murphy
- Terence Noone

Research and communications working group

- Jane Williams
- Noreen Deegan
- Robin Webster
- Patricia Murphy
- Terence Noone

Appendix II

Table 1: Annual monitoring indicators

Regulation

Function and indicators	2012 target/ expectation	2012 outturn	2013 target/ expectation	Explanation
No. of level 1* and level 2^ meetings with DB and public sector schemes	30	24	15**	* Level 1 meetings are meetings with trustees, pension providers and public service administrators to discuss general compliance issues which are not necessarily specific to the individuals. ^ Level 2 meetings focus on specific compliance issues of concern to the Board. ** The 2013 target is lower than 2012 due to work arising from the reintroduction of the funding standard.
No. of level 1 and level 2 meetings with registered administrators/providers (incl. PRSA providers) and DC schemes	6	28*	6^	* The figure for 2012 was higher than expected because, following some registered administrator onsite inspection activities, there were more follow up meetings than anticipated to monitor remedial actions. Given that the funding standard deadline was extended from December 2012 to June 2013, resources were redirected to proactive level 2 activity, such as meeting with providers to discuss, for example, whistleblowing procedures. ^ Activity in this area will be reactive e.g. consequent on findings from RA onsite inspections and the results of scheme specific audits and is therefore an expectation rather than a target.
No. of onsite inspections of registered administrators and PRSA providers	40	28*	24^	* Of the 40 scheduled in 2012, 12 meetings were not held as extra work was required to deal with regulatory issues that arose during the year, relating to both PRSAs and registered administrators. ^ This target figure is lower than 2012 due to team restructuring within the Board.
No. of Construction Workers' Pension Scheme onsite investigations	4	3	4*	* Such action is only considered when payroll evidence is not provided through the section 18 process, and then depending on seriousness of the case. The figure of 4 is an expectation based on previous years' experience and is not a target.
No. of prosecutions initiated	No target	25*	No target^	* This figure is the number of cases initiated in 2012.

Appendix II continued

Function and indicators	2012 target/ expectation	2012 outturn	2013 target/ expectation	Explanation
				^ Prosecutions are only initiated as necessary. There is no set target as the Board will only prosecute where warranted.
No. of on-the-spot fine investigations launched	200	31*	200	* The target figure of 200 included the introduction of audit-type investigations which were not carried out due to other work commitments including the ongoing investigation of CWPS cases and Custom House Capital Limited. Audit-type investigations have commenced in 2013.
Proportion of schemes where no registered administrator appointed	10%	6%*	5%	* This figure only relates to active schemes. The 2012 outturn for all schemes, including frozen schemes, the majority of which are single member defined contribution schemes, is 26%. However, some frozen schemes do not need to appoint a registered administrator. A priority for the Board in 2013 is that all schemes required to appoint a registered administrator have one in place.
No. of cases reported of non-remitted contributions to Construction Workers' Pension Scheme	No target	25	No target*	* No target set as such action only arises as necessary.
No. of schemes for which s49(3) and/or s50 applications processed	400	66*	450	* Outturn for 2012 was lower than anticipated due to the extension to the deadline for submission of funding proposals from 31 December 2012 to end June 2013.

Information and guidance

Function and indicators	2012 target/ expectation	2012 outturn	2013 target/ expectation	Explanation
Number of enquiries handled	No target	6,295*	No target	* The majority of enquiries related to matters concerning disclosure of information, trustee duties, preservation, funding standard and PRSAs.

Other

Function and indicators	2012 target/ expectation	2012 outturn	2013 target/ expectation	Explanation
Board membership attendance rate	100%	87%	100%	

Appendix III

Table 2: Key performance indicators

Corporate/organisational effectiveness			
Annual Board expenditure in relation to budget estimate	2011	2012	2013
Budget (€ million)	€6.4	€6.5	€5.9
Actual expenditure (€ million)	€5.7	€6.4	n/a
% variance	-10%	-1%	n/a

The Board's performance under regulation, information and guidance and policy advice as detailed below will be monitored by reference to the following indicators.

Regulation		
	Baseline	2015 target
Proportion of ongoing DB schemes meeting the funding standard or following an approved funding plan ⁸	42% (December 2010)	100%

Information and guidance		
	Baseline	2015 target
% of stakeholders satisfied/very satisfied with quality of Board information and guidance material	82% (November 2011)	90%
% of respondents satisfied/very satisfied with Board response to enquiries	65% (November 2011)	80%

Policy advice and technical support		
	Baseline	2015 target
Effectiveness of the policy advice functions will be assessed via qualitative feedback from the Department of Social Protection and other relevant departments.	Representatives of the Board met with the Departments of Social Protection, Finance and Public Expenditure and Reform in January 2012 to assess their levels of satisfaction with the Board's policy advice. All three departments expressed their satisfaction with the policy advice function of the Board.	That the Board continues to be a competent, credible and relevant source of advice to the Minister and Department of Social Protection and other relevant departments.

⁸ The Board has not required schemes to furnish recovery plans in recent years. During 2012 the Board set the deadline of 30 June 2013 for all defined benefit schemes in deficit to submit a funding proposal to the Board.

Appendix IV

The Pensions Board prosecutions 2012

Case name	Relevant section of the Pensions Act	Penalty
EJF Plant Hire Limited	S58A & S18	Fined €2,000
Eamon Flanagan, Director of EJF Plant Hire Limited	S58A & S18	Fined €2,500
Lucy Flanagan, Director of EJF Plant Hire Limited	S18	Fined €500
T. Duffy Plant Hire Limited	S58A & S18	Fined €1,500
Forbairt MBB Teoranta	S58A	Fined €3,000
Annadale Construction Limited	S18	Fined €200
Munster Sealant Services Limited	S58A	Fined €750 and costs of €836.50
Alan Hennessy, Director of Munster Sealant Services Limited	S58A	Fined €750
Breifne Hanratty, Director of Munster Sealant Services Limited	S58A	Fined €750
Sharon Finnegan, Director of Sharon Finnegan Design & Construction Limited	S58A	240 hours community service
Michael Walsh, Director of Micom Construction Limited	S58A & S18	Fined €5,000
Paul Fitzgerald, Director of Michael Fitzgerald & Sons	S18	Fined €2,500
Peter Fitzgerald, Director of Michael Fitzgerald & Sons	S18	Fined €2,500
Leinster Formworks Limited	S58A	Convicted, sentence pending
Patrick Browne, Director of Leinster Formworks Limited	S58A	Convicted, Bench Warrant issued on sentencing
Tony Henderson, Director of Leinster Formworks Limited	S58A	Convicted, Bench Warrant issued on sentencing
Equality Management Limited	S18	Fined €1,500 and costs of €150
Cornerstone Homes Company Limited	S18	Fined €10 and costs of €500
Owen Walsh, Director of Cornerstone Homes Company Limited	S18	Fined €1,000 and costs of €500
Thomas McHugh Limited	S58A	Fined €1,000
Broadpark Enterprises Limited	S58A	Fined €2,400
Francis Goff, Director of Goff Developments Limited	S58A	Conviction and fine of €4,000 affirmed on Appeal
Jonathan Healy, Director of J&M Healy	S18 & S58A	Fined €100

Appendix V

Membership of occupational pension schemes and Personal Retirement Savings Accounts

Table 3: Number of schemes and membership as at 31 December 2012

Scheme Size	Defined Contribution		Defined Benefit				All Schemes	
			Subject to the Funding Standard		Not subject to the Funding Standard			
	No of Schemes	Active Members	No of Schemes	Active Members	No of Schemes	Active Members	No of Schemes	Active Members
Frozen	n/a	n/a	121	1,218	0	0	121	1,218
In wind-up	n/a	n/a	57	5,166	0	0	57	5,166
Non Group	47,525	47,525	4	4	0	0	47,529	47,529
1 to 50	12,051	63,368	473	6,864	40	751	12,564	70,983
51 to 99	320	21,943	74	5,530	11	814	405	28,287
100 to 500	251	48,803	137	32,712	29	6,842	417	88,357
501 to 1000	26	17,672	39	26,294	3	2,772	68	46,738
1001+	19	33,628	28	111,856	24	326,858	71	472,342
2012 Total	60,192	232,939	933	189,644	107	338,037	61,232	760,620
2011 Total ⁹	65,770	239,150	993	197,177	105	335,551	66,868	771,878
Change since 2011	-5,578	-6,211	-60	-7,533	2	2,486	-5,636	-11,258

Table 4: PRSAs as at 31 December 2012

	End 2011	End 2012	Change
Total number of contracts:	198,038	206,936	8,898
■ Standard PRSA contracts	151,122	156,483	5,361
■ Non-Standard PRSA contracts	46,916	50,453	3,537
Total assets:	€3.03 billion	€3.46 billion	€0.43 billion

9 As a consequence of testing and clean-up of scheme data the figures used in last year's report for 2011 were as at April 2012.

Appendix VI

Information booklets, checklists, guidance and FAQs updated in 2012

The following guidance, FAQs, booklets and checklists were produced or updated in 2012 and have been added to the Board's website:

- *How does my pension scheme work?* – gives an overview of occupational pension schemes, how they work and the information that must be given to scheme members.
- *Investment Guidelines* – these guidelines aim to assist trustees of defined contribution pension schemes and their advisors in deciding on the investment choices to be made available to scheme members.
- *Women and Pensions checklist* – describes the ways in which women can improve financial security for themselves and their dependants in retirement. It addresses issues of particular interest to women such as maternity leave, part-time working and breaks in employment.
- *What are my pension options?* and *PRSAs* – A consumer and employers' guide – were both updated.
- *A brief guide to the pension provisions of the Family Law Acts* – was updated and a new Pensions on separation and divorce checklist – was produced.
- Funding standard overview guide.
- FAQs on recent changes to the funding standard.
- Statutory guidance – statutory guidance has the force of law and may not be altered without the prior consent of the Minister for Social Protection. It should be read in conjunction with the provisions of the Act and related regulations.
 - **Section 42 guidance** prescribes the manner in which the actuary may value pensions in payment when completing an actuarial funding certificate and/or funding standard reserve certificate, where a scheme holds sovereign bonds and/or sovereign annuities.
 - **Section 47 guidance** in relation to employer undertakings prescribes the manner in which trustees may include an unsecured undertaking as a scheme resource for the purpose of determining whether the scheme satisfies the funding standard reserve.
 - **Section 47 guidance** in relation to contingent assets prescribes the requirements which a contingent asset must satisfy to be included as a scheme resource for the purpose of determining whether the scheme satisfies the funding standard or the funding standard reserve.
 - **Section 49 guidance** prescribes the requirements with which the actuary must comply when certifying a funding proposal; the circumstances in which the Board may specify a later date for submission of a funding proposal; the circumstances in which trustees are not required to submit a funding proposal; the trustees' obligations on failure to comply with a funding proposal; and the circumstances in which the Board may declare a funding proposal invalid.
 - **Section 50 guidance** prescribes the requirements with which trustees must comply when making an application to the Board under section 50 of the Act.

The Pensions Board
Verschoyle House
28/30 Lower Mount Street
Dublin 2

Telephone: (01) 613 1900
Fax: (01) 631 8602
Locall: 1890 65 65 65

www.pensionsboard.ie

ISSN 1649 8690