



**PENSION REFORM IN RUSSIA: FROM
LEGISLATION TO IMPLEMENTATION**

**Explaining Reform to the Public,
Educating the Consumer and
Protecting Pension Fund Members
Country Case Study: Ireland
(Room Document N°14, Session 7)**



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BACKGROUND TO IRISH PENSION REFORM

PROBLEMS

- ❖ Only 50% of workforce had private pensions
- ❖ No agreed national pensions policy

REFORM PROCESS

- ❖ National Pensions Coverage Survey 1996
- ❖ A research and consultation process (National Pensions Policy Initiative) 1996-1998
- ❖ A consensus report on the way forward for pension provision (Securing Retirement Income) 1998
- ❖ Government acceptance of report and all party support for implementation
- ❖ Legislation to implement main recommendations including PRSAs Pensions (Amendment) Act, 2002

PENSIONS (AMENDMENT) ACT, 2002

- ❖ Introduces framework for Personal Retirement Savings Accounts (PRSAs)
- ❖ Includes large number of amendments to existing pension provisions including:
 - ❖ Introduces Pensions Ombudsman scheme
 - Improved vesting, preservation and revaluation requirements for early leavers
 - Provisions on dealing with surpluses
 - Provisions on indexation of pensions in payment
- ❖ Aim is to increase private pension coverage and progress is to be reviewed in 3 years

ROLE OF PENSIONS BOARD

- ❖ To regulate occupational pension schemes
- ❖ To regulate PRSAs
- ❖ To advise Minister/Government on all pension issues (including Social Welfare pensions and personal pensions)
- ❖ To promote pensions development and increased private pension coverage
- ❖ To play major role in Government sponsored National Pensions Information and Awareness Campaign



THE PENSIONS BOARD MISSION STATEMENT

- ❖ To promote the security and protection of members of occupational pension schemes and contributors to Personal Retirement Savings Accounts, in accordance with the Pensions Acts;
- ❖ to promote the development of efficient national pension structures;
- ❖ to promote a level of participation in the national pension system which enables all citizen to acquire an adequate retirement income; and
- ❖ to provide information and authoritative guidance to relevant parties in support of pension security, structures and participation.

THE PENSIONS BOARD STRATEGY 2002-2005

- ❖ Board has published “Strategy 2002-2005”
- ❖ General Objectives agreed for implementation of strategy
- ❖ Divided into 5 main areas to include

Pensions Development/Information/Awareness

- ❖ *To provide information and where appropriate support, on pension-related matters to wide range of parties including scheme members, pensioners, trustees, the media and the general public*

PENSIONS DEVELOPMENT/INFORMATION/ AWARENESS

Information Services for Members and other interested parties

- ❖ Effectiveness of Pensions Acts in safeguarding rights of scheme members depends on members
 - using rights they have under the Acts
 - to monitor administration and financial soundness of their scheme
- ❖ Board produces information booklets relevant for
 - Members
 - Members' dependants
 - Prospective Members
 - Trustees
 - Employers
 - General Public
- ❖ 21 Booklets produced to date
- ❖ Broad distribution network and online at www.pensionsboard.ie



PENSIONS DEVELOPMENT/INFORMATION/ AWARENESS

Information Services for Members and other interested parties

- ❖ Pensions Acts and Regulations override Trust Deeds and Rules of Schemes
- ❖ Important trustees, administrators and their professional advisers refer to up to date legislation
- ❖ Board provides clear, authoritative guidance to trustees and practitioners on
 - compliance with Pensions Acts
 - good practice generally relating to scheme administration
- ❖ Guidance Services include
 - Legislation Service
 - Guidance Notes
 - Enquiry Service

PENSIONS DEVELOPMENT/INFORMATION/ AWARENESS

Information Services for Members and other interested parties

❖ Board's information and enquiry service deals with enquiries/complaints from groups listed in tables below

Enquirer	1993		1992		Enquirer	2002		2001	
	Number	%	Number	%		Number	%	Number	%
Active Member	539	45	376	43	Active Member	1,202	23	1,289	32
Pensioner	55	5	49	6	Pensioner	114	2	113	3
Trade Union	34	3	23	3	Trade Union	36	1	50	1
Company/Employer	41	3	41	5	Company/Employer	702	14	436	11
Trustee	60	5	26	3	Trustee	95	2	112	3
Pension Practitioner	349	29	272	31	Pension Practitioner	811	16	686	17
Other	111	10	80	9	Other	2,216	42	1,340	33
Total	1,189	100	867	100	Total	5,176	100	4,026	100

PENSIONS DEVELOPMENT/INFORMATION/ AWARENESS

Trustee Support Services

- ❖ Information booklet for Trustees
- ❖ Trustee Handbook
- ❖ Codes of Practice
- ❖ Enquiry Service for Trustees
- ❖ Trustee Training



PENSIONS DEVELOPMENT/INFORMATION/ AWARENESS

Promulgating The Pensions Message

- ❖ Information Presentations
- ❖ Pensions Board Information Stand
- ❖ The Pensions Board Bulletin
- ❖ Pensions Board Online
 - 44,515 Visitors per annum
 - “What’s New” Section
 - Frequently Asked Questions (FAQs) on all aspects of pension provision
 - Information booklets
 - Structure and functions of Board
 - List of approved Trustee Training Courses

www.pensionsboard.ie

- ❖ Media Relations

DISCLOSURE OF INFORMATION REQUIREMENTS

- ❖ Prescribed by Pensions Act, 1990 and detailed Regulations
- ❖ Trustees must give information to scheme members and others about personal entitlements
- ❖ Information about running of scheme and, in particular, about its financial situation must also be made available
- ❖ Regulations prescribe information to be given automatically and on request and timescales within which it is to be provided
- ❖ Information includes:
 - Scheme documents
 - Audited Accounts (DB schemes)
 - Actuarial Valuations (DB schemes)
 - Annual Reports
 - Basic Scheme Information
 - Personal Benefit Statements
 - Pension Adjustment Orders



NATIONAL PENSIONS AWARENESS CAMPAIGN (NPAC)

- ❖ National Pensions Policy Initiative (NPPI) Report recommended Government driven pensions education and awareness campaign
- ❖ NPPI target to increase coverage from 50% of workforce to 70%
- ❖ Pensions Board to conduct campaign on behalf of Government
- ❖ Allocation of €500,000 in Budget 2003 for campaign activity for 2003
- ❖ Anticipated to have 3 year duration subject to future Budgetary allocations

NATIONAL PENSIONS AWARENESS CAMPAIGN (NPAC)

- ❖ Objective of NPAC is to heighten pensions awareness with view to increasing pension coverage
- ❖ Focus will be on general public particularly sectors of population with consistently low pension coverage
- ❖ Mix of communications initiatives to be used
- ❖ Employers' mandatory access to PRSAs deadline of 15 September 2003 is a focal point
- ❖ Support for employers provided through
 - working in conjunction with employers representative groups e.g. Roadshows events
 - mass distribution of booklet on PRSAs and employers' obligations



NATIONAL PENSIONS AWARENESS CAMPAIGN (NPAC)

Public Information

- ❖ **Media Supplements/Engagement**
- ❖ **Guest Articles**
 - national, regional and industry representative media
- ❖ **Schools and Universities**
- ❖ **Minister's Pensions Outreach Community FORA**
- ❖ **National Pensions Awareness Week**
- ❖ **Public Relations support**
 - Media management
 - Issues management
 - Support to NPAC Project Manager



NATIONAL PENSIONS AWARENESS CAMPAIGN (NPAC)

Alternative Advertising and Promotions

- ❖ Radio Advertising
- ❖ Bus Advertising
- ❖ Supermarket receipt advertising
- ❖ In-shop plasma screens
- ❖ Pensions Calculator
- ❖ Sports Personalities

Direct Marketing

- ❖ 3 Information booklets
 - “PRSAs and Employers’ Obligations”
 - “PRSAs – A Consumer Guide”
 - “What are my Pension Options?”
- ❖ Nationwide distribution



NATIONAL PENSIONS AWARENESS CAMPAIGN (NPAC)

Measurement

- ❖ Quantitative and Qualitative
- ❖ Funds reserved to commission market awareness across all sectors
- ❖ Media audit to be done end 2003
- ❖ Pensions Board will track information requests to provide additional quantitative data

NATIONAL PENSIONS AWARENESS CAMPAIGN (NPAC)

One message!

Put your future top of your shopping list

Blink and you're 25. Blink and you're 35. Blink and you're 45! Life ever seem like that? Well it's time to think about tomorrow. Today. Talk to your bank, insurance company or financial advisor and ask about State-supported Personal Retirement Savings Accounts (PRSAs) which have the benefit of great tax incentives.



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Authority for Pensions
www.pensionsboard.ie
LoCall 1890 65 65 65

Think about tomorrow. Today.