



## IT'S ONLY PART-TIME RETIREMENT FOR ANNE MAHER *By Jill Kerby*

**T**alk to most ordinary people about pensions and their eyes glaze over. Talk to Anne Maher, the chief executive of the Pensions Board and her eyes light up. Pensions - setting them up and their funding, management and trusteeship - have been a part of her life since she took her first job at Phoenix Insurance in London after leaving the National University with a civil law degree.

*It was an unusual career for an Irish country girl in the 1960s, she says, but she now has the most enviable job - for a pension practitioner - of producing the Report of the National Pensions Initiative. It is expected to be the most radical document on pension reform in the history of the State.*

*"This is a good time to be doing this job," she says, smiling broadly in the Pension Board's office on Holles Street.*

*"We are in a unique position as a nation to do something right now about the future of our pensions. Other countries envy our lack of baggage - such as too much or*

*poor regulation. Our demographics are favourable and finally, we're launching this major initiative against the background of the Celtic Tiger. I couldn't have taken over this job at a better time."*

These were the opening paragraphs of the profile that I wrote about the Pensions Board CEO and that was published in *The Irish Times* on November 27, 1997. Nearly a decade later, on the eve of her retirement, at just 61, it seems that some things never change: the two initiatives - the pension review and the report on mandatory schemes - have both been presented to Government at a time of unprecedented economic prosperity and improving population numbers.

I asked her about the high and low points of the past decade at the Board. Did the job stack up as she hoped it would when she

accepted the post?



*The IAPF Council, 1993-94 with chairperson, Anne Maher*

"Oh, much more so," she replies from the board room at Mount Street. "I may have known a lot about the technical aspects of pensions when I took over in 1996, but the scope of the Board's role has grown over that time, especially the supervisory and regulatory role.

"I had a chance to really become familiar with the regulatory role and I ended up on a large number of regulator authorities – like the Irish Accounting Auditing Supervisory Authority, the Health Insurance Authority, in the UK on the Commission Oversight Board and Accounting and Actuaries Oversight Board so I seem to have gotten into the regulatory space.

"Professional regulation is pretty much the same whatever profession you are talking about – education, having the right skills, CPD monitoring, governance and reporting responsibilities. I found it much more interesting than I thought I might have." Her decade long experience will now be put to good use as the new Chair of the Performance Committee of the Medical Council and in her role as a pensions consultant to the World Bank.

One of her last projects at the Pensions Board, she says was the introduction of new supervisory systems for pensions schemes. "I'm disappointed I won't be here to see the end of it, but until now we have used the same supervision model for all pensions schemes. We're now going to

## MAHER JOINS MEDICAL COUNCIL AS CHAIR OF PERFORMANCE COMMITTEE

**A**nne Maher, who has just retired from the Pensions Board has been appointed the first Chair of the Performance Committee of the Irish Medical Council. The Performance Committee is a quality assurance body being set up by the Council to assure the processes it is using to assess doctors. This will be the first time a person who is not a doctor and who is not a member of the Medical Council will chair a committee of the regulatory body for the medical profession. The Committee will have a key role in new competence assurance measures for doctors which have begun on a pilot basis.

Ms Maher is also a board member of the Irish Accounting and Auditing Supervisory

Authority, the Health Insurance Authority and of the Professional Oversight Board (UK). She is also a member of the FTSE Policy Group, a Governor of the Pensions Policy Institute (UK), and a member of the EU Committee of European Insurance and Occupational Pensions Supervisors. Her background is a law degree from University College Dublin.

"The Medical Council is honoured that Anne has accepted this position," Dr John Hillery, President of the Medical Council, said today. "She has a track-record of outstanding public service, independence of mind and the experience to take on this challenging job."

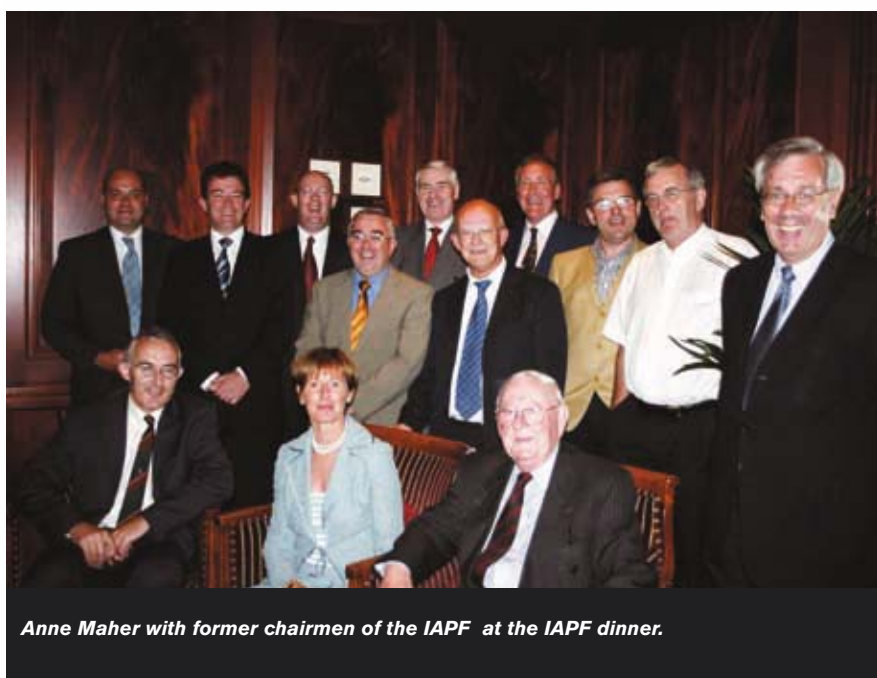
refine that and have a risk assessed type of supervision which many regulators in other countries are doing."

Even with the old system in place, Ms Maher believes that Irish pensions have been "comparatively well regulated" and thinks that we have achieved a reasonably balanced regime here.

"The big consideration is always between consumer protection and cost. In some mainland euro countries like the Netherlands or Germany," she says, "they have a much tighter regulation of pensions, particularly on the investment side. Here we follow the prudent man investment principle where the trustees have the responsibility and so long as they follow a prudent course we don't breathe down the back of their necks.

"Going forward, I think there will need to be a bit more standardisation across Europe where all the regulators use difference funding standards and it is hard to compare the efficacy of systems."

On the matter of funding standards she puts that issue on the plus side of her achievements: "The emergency provisions were put in as a temporary measure but are now a permanent measure, and the proof of the success of that decision, I suppose is that we haven't had too many total closures of pension schemes in Ireland. There are now about 40% of DB schemes that are closed to new entrants and more are likely to follow. But 60% to 70% of Defined Benefit schemes had problems at one stage – some very big problems – and we're now down to only about 30% of schemes, covering only about 47,000



Anne Maher with former chairmen of the IAPF at the IAPF dinner.

out of the 240,000 people.

"It's a comparatively small number of people and virtually all of the schemes have a funding standard in place. That investment returns are up has also helped." She's also pleased that there has been "a very genuine commitment by many employers to put, in some case, a great deal of money into their funds."

Some of the other high points of the past 10 years she says, is the success of the whistle-blowing legislation that helped head off serious malpractice or "honest incompetence" from becoming "a genuine pension scandal" and the rise of a much more vigorous adherence to good corporate governance.

She's proud that the Board has helped to raise awareness on the street of the need for greater pension coverage and funding by taking their stands to big public events like the Ploughing Championships, the Oxygen rock concert, and even the recent 'Off the Rails' fashion show at the RDS. "Women definitely outnumber men in visiting our stand."

Perhaps less of a high point has been the slow take-up of the PRSA, she says, on which so much time, effort and expectations have been invested. The 1998 NPPI Report recommended that there only be two types of pensions in Ireland – employer occupation pensions and the PRSA. "Our system is an awful lot more complicated than I would have like it – though not as complicated as the UK system. But one thing I have come to recognize is that you will never simplify the past but you can try to avoid making new complexities in the future. It is very, very difficult to change what has happened."

Going forward, she says at the very least there has to be a simpler delivery system in place if coverage is to increase, and this is in the latest Pension Board report to the minister.

"No private system will work without incentives," she insists, "and the current tax incentives are excellent – I can't think of another country that has such good incentives. But they are very complicated. Yet I can see why government might be reluctant

to make that change – in every system there are losers as well as winners."

Other mistakes were also made she admits. "The PRSA originally was to be an off the shelf product that you could practically pick up in the supermarket. Well, you certainly couldn't buy it there now. The PRSA framework became too complicated." In an admission that will bring a wry smile to many pension advisor's lips, she says, "There is perhaps more consumer protection in there than the consumer needs which only adds to costs. One of our objectives has been to streamline the PRSA, but once something is in place it's always very difficult to take it out."

***I think I'm going to have to get used to doing practical things, like working out my own technology and not filling my days – and nights with the job***

A good working relationship with all the various Ministers for Social Affairs – "they have all been deeply committed" she says – was essential in fulfilling her role.

"There is a growing of recognition – by everyone: government, the social partners and, I think, the public of the importance of pension," though she admits that the level of coverage remains "stubbornly resistant" to efforts to raise it. "This is a feature of countries with voluntary systems like the UK and US – it is very difficult to get coverage beyond 50%." Which also explains the drift towards mandatory or auto enrolment of workers into private pension plans.

Nevertheless Ms Maher is heartened by the fact that "pensions featured so highly in the

partnership talks – it became one of the defining issues at the end, and that came as a pleasant surprise to us all."

As she departs for what is going to be busy of semi-retirement that will include non-executive seats on various boards and a roving pension consultancy with the World Bank, she is generous with her praise for each of the Board's chairs and board members and her colleagues in "the pensions world".

"Pensions is still a comparatively small world," she says smiling. "Most people actually know each other and those relationships helped when you tried to make things happen.

"I can say truthfully, after spending a very long time in it, that you find some of the most decent and talented people in the pensions world. Many who join, stay, because they get hooked on it – on doing a decent job for people. And when they retire, they often say to me that they really enjoyed their time working in it because the people were great."

And is she looking forward to her own retirement? I get a typical Anne Maher scoff and wave of an elegant, bejeweled hand.

"Someone asked me last week, 'how will you spend your leisure time?' And I answered, 'I've no idea, I've never had any before.' All I can say is that what I'm aiming for is to get a good balance between the jobs I take on. They won't be in the pensions area, with the exception of the World Bank jobs.

"I think I'm going to have to get used to doing practical things, like working out my own technology and not filling my days – and nights with the job. But this year Paddy (her husband) also just retired as an actuary, so my timing was great.

After 40 years in the 'pensions world', as she says, it's time to go and experience a bit more of the other worlds out there.

**- Jill Kerby**