Irish Association of Pension Funds

Defined Benefit Survey

October 2009

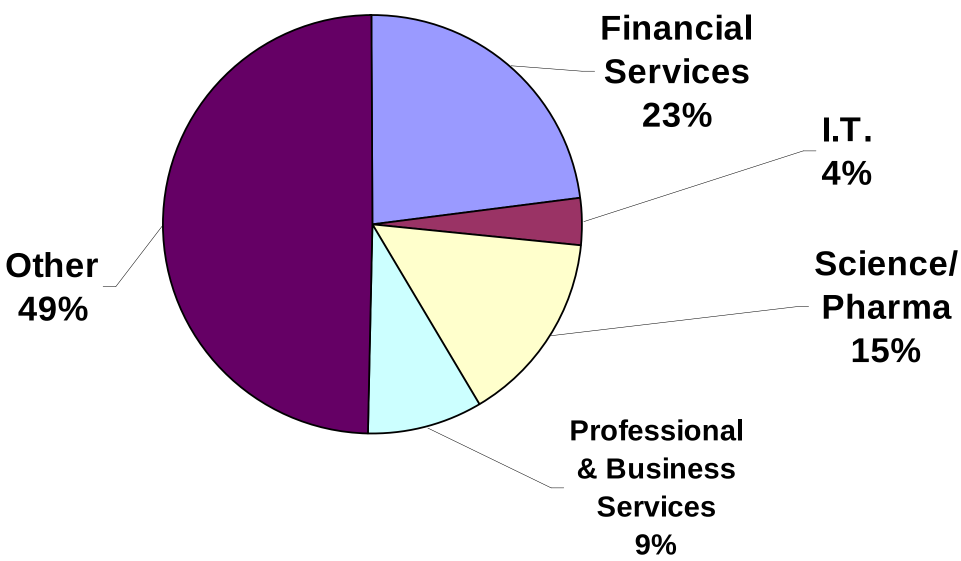
Survey Background:

The purpose of this survey was to understand current thinking and the various approaches being taken by companies in addressing and managing the future of their Defined Benefit pension plans and to help IAPF members understand what other plans are doing.

The survey was conducted through the website “Survey Monkey” during the course of September 2009. 137 responses were obtained.

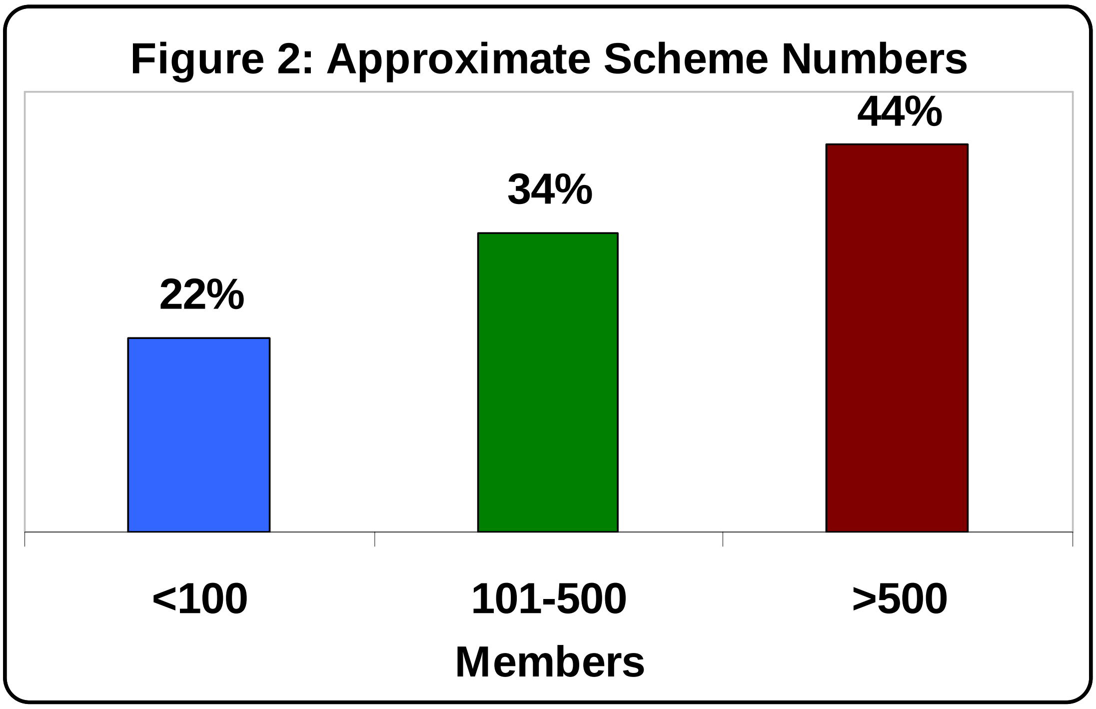
Question 1: Respondent Details: What sector is your company in?

Figure 1 : Respondent Profile



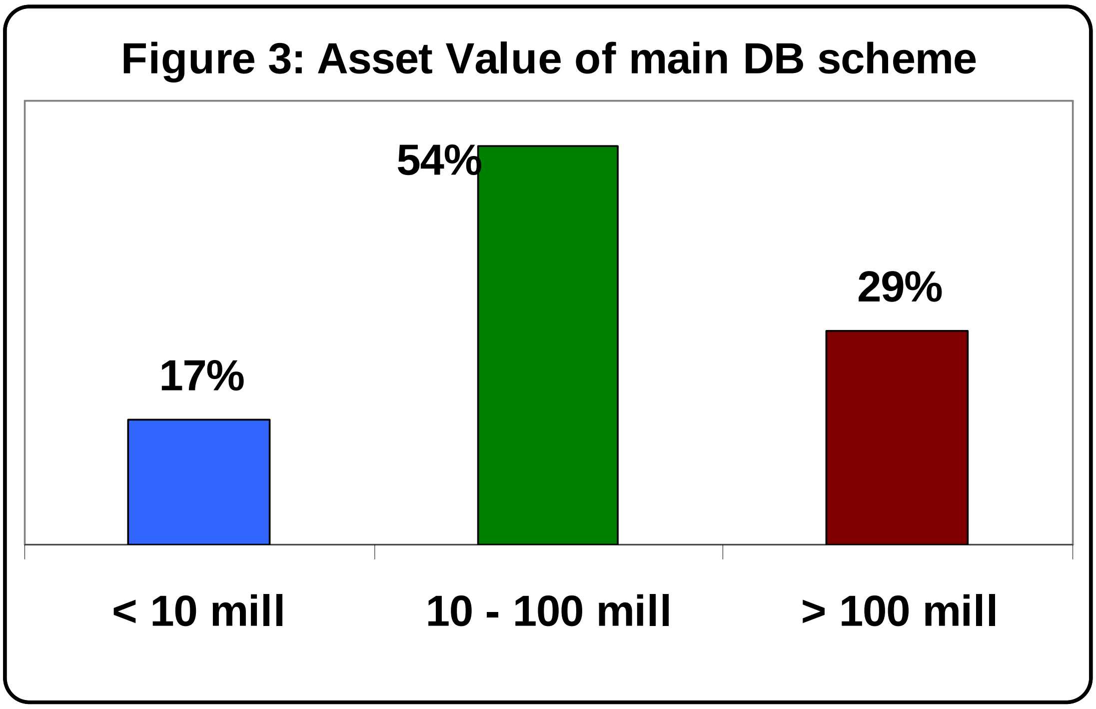
Respondent Details: What sector is your company in?		
Answer Options	**Response Percent**	**Response Count**
Financial Services	22.6%	31
I.T.	3.6%	5
Science/Pharmaceutical	14.6%	20
Professional & Business Services	8.8%	12
Other	50.4%	69

Question 2: What are the approximate number of employees in the scheme?



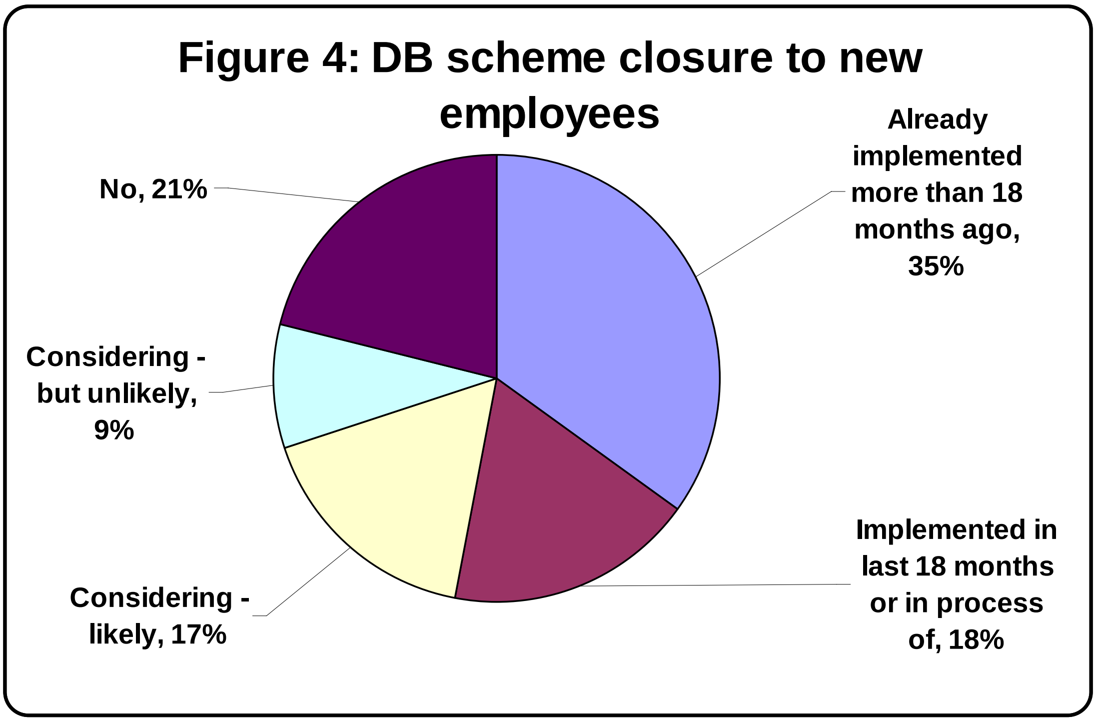
What are the approximate number of employees in the scheme?		
Answer Options	**Response Percent**	**Response Count**
< 100	21.9%	30
101 - 500	33.6%	46
> 500	44.5%	61

Question 3. What is the approximate asset value of your main DB scheme?



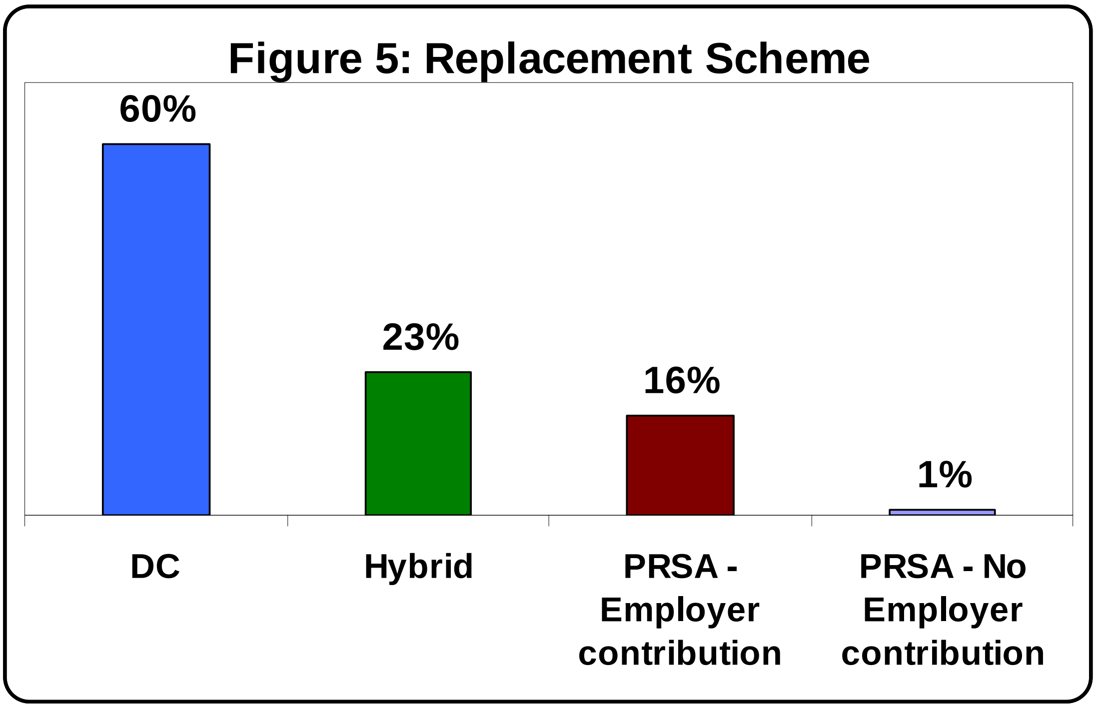
What is the approximate asset value of your main DB scheme?		
Answer Options	**Response Percent**	**Response Count**
< 10 million	17.0%	23
10 - 100 million	54.1%	73
> 100 million	28.9%	39
	answered question	**135**

Question 4: Have you closed or are you considering closing your main DB plan to new employees?



Have you closed or are you considering closing your main DB plan to new employees?		
Answer Options	**Response Percent**	**Response Count**
Already implemented more than 18 months ago	34.8%	46
Implemented in last 18 months or in process of	18.2%	24
Considering - likely	17.4%	23
Considering - but unlikely	9.1%	12
No	20.5%	27
	answered question	**132**

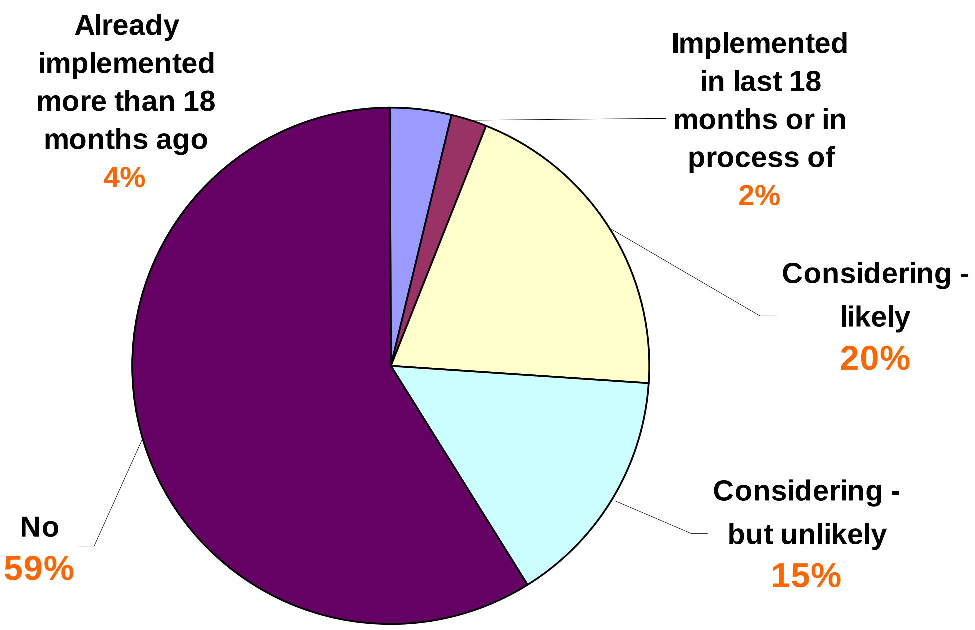
Question 5: If implemented, or in the process of implementing, tick one of the following representing the type of plan set up for new employees:



If implemented, or in the process of implementing, tick one of the following representing the type of plan set up for new employees:		
Answer Options	**Response Percent**	**Response Count**
Defined Contribution	59.6%	59
Hybrid	23.2%	23
PRSA - Employer contribution	16.2%	16
PRSA - No Employer contribution	1.0%	1
	answered question	**99**

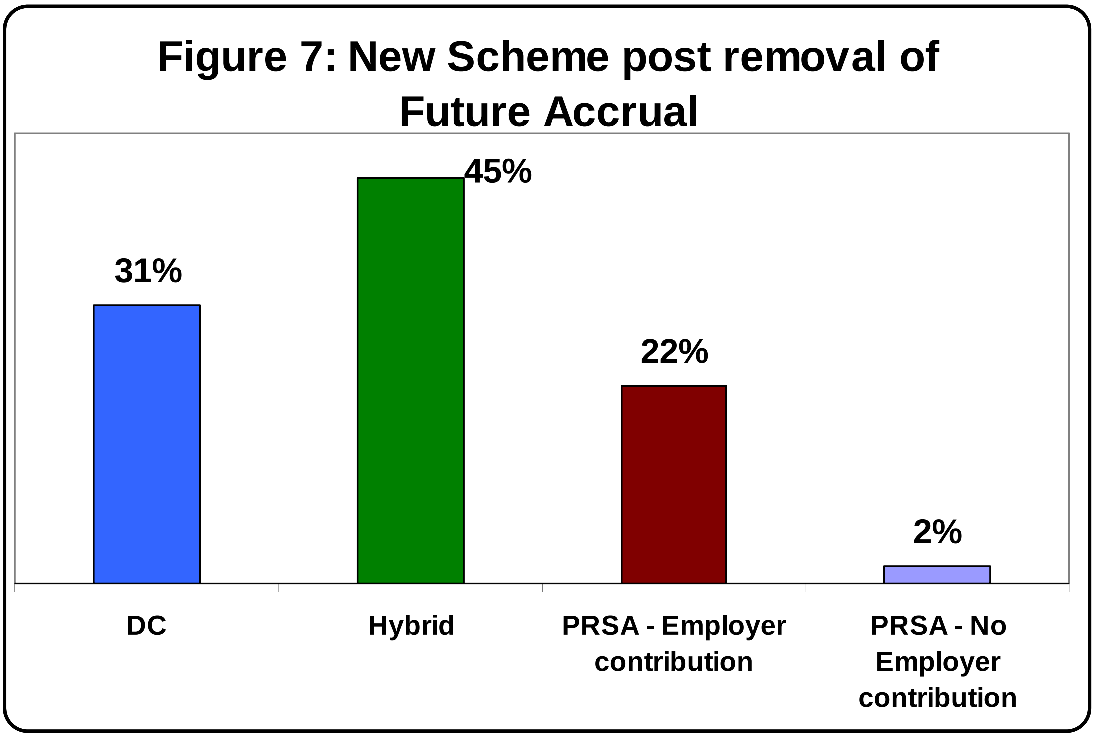
Question 6: Have you removed future accrual for existing employees in your main DB pension plan?

Figure 6: Removal of Future Accrual



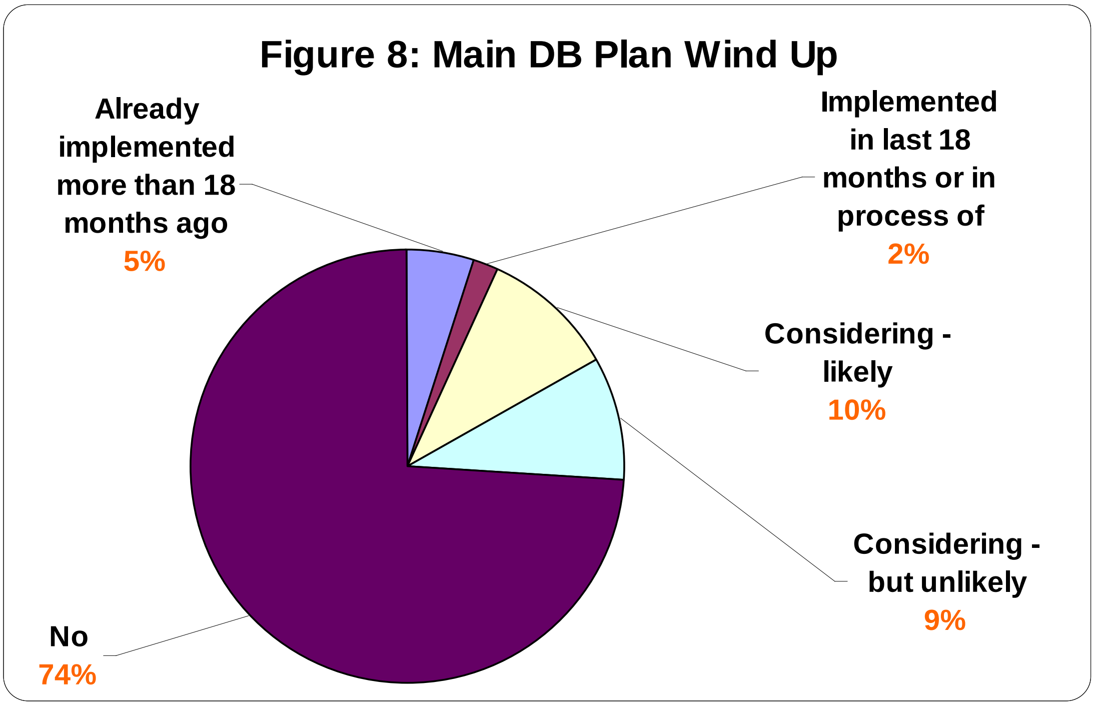
Have you removed future accrual for existing employees in your main DB pension plan?		
Answer Options	**Response Percent**	**Response Count**
Already Implemented more than 18 months ago	3.8%	5
Implemented in last 18 months or in process	2.3%	3
Considering - Likely	20.0%	26
Considering - but Unlikely	14.6%	19
No	59.2%	77
	answered question	**130**

Question 7: If implemented, or in the process of implementing, tick one of the following representing the type of plan set up for existing employees:



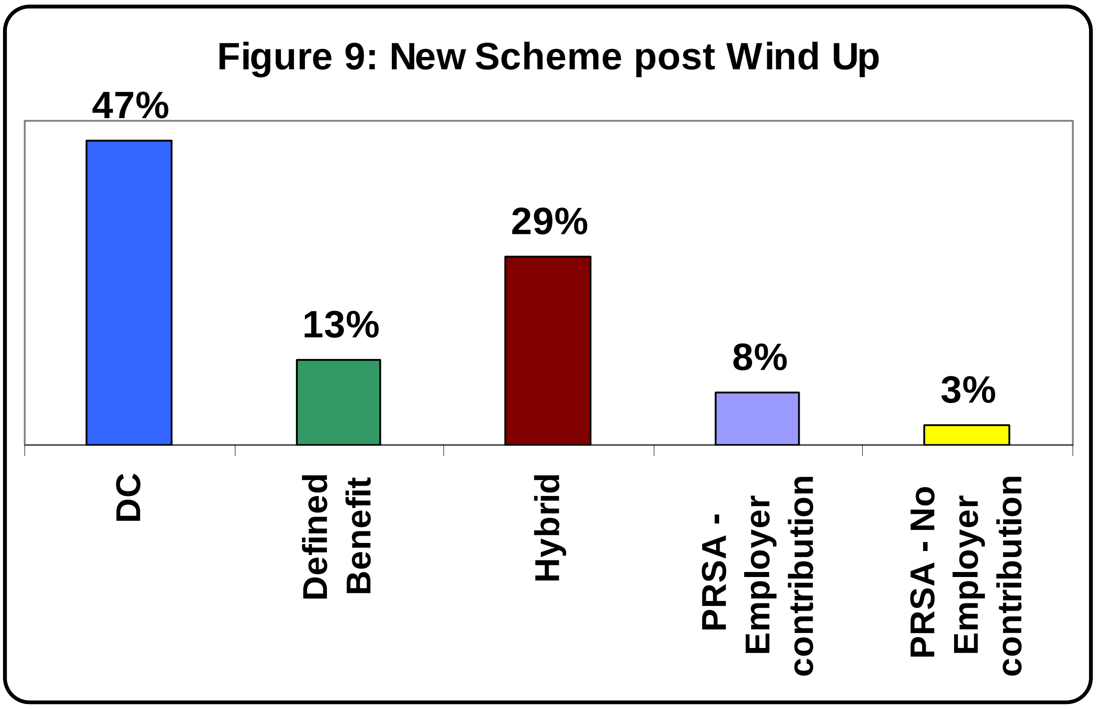
If implemented, or in the process of implementing, tick one of the following representing the type of plan set up for existing employees:		
Answer Options	**Response Percent**	**Response Count**
Defined Contribution	31.0%	13
Hybrid	45.2%	19
PRSA - Employer contribution	21.4%	9
PRSA - No Employer contribution	2.4%	1
	answered question	**42**

Question 8: Have you wound up or are you in the process of winding up your main DB plan?



Have you wound up or are you in the process of winding up your main DB plan?		
Answer Options	**Response Percent**	**Response Count**
Already Implemented more than 18 months ago	4.6%	6
Implemented in last 18 months or in process	1.5%	2
Considering Likely	10.0%	13
Considering but Unlikely	9.2%	12
No	74.6%	97
	answered question	**130**

Question 9: If implemented or being considered, tick one of the following representing the type of plan set up in its place:



If implemented or being considered, tick one of the following representing the type of plan set up in its place:		
Answer Options	**Response Percent**	**Response Count**
Defined Contribution	47.4%	18
Defined Benefit	13.2%	5
Hybrid	28.9%	11
PRSA – Employer Contribution	7.9%	3
PRSA – No Employer Contribution	2.6%	1
	answered question	**38**

Question 10: What other actions, if any, have you taken or considered implementing? Tick all that apply

What other actions, if any, have you taken or considered implementing? Tick all that apply					
Answer Options	**Already Implemented more than 18 months ago**	**Implemented in last 18 months or in process**	**Considering Likely**	**Considering but Unlikely**	**No**
Reduce future accrual rate eg 60ths to 80ths **(Base 102)**	5%	2%	14%	22%	57%
Freeze/Restrict Pensionable salary **(Base 108)**	6%	7%	29%	17%	41%
Increase retirement age **(Base 102)**	1%	5%	8%	21%	66%
Cap/reduce pension increases **(Base 105)**	11%	11%	35%	9%	34%
Increase member contributions **(Base 113)**	7%	15%	34%	22%	22%
Reduce investment risk **(Base 112)**	11%	30%	38%	7%	14%
Offer enhanced transfer values to deferred members with company funding **(Base 99)**	0	2%	13%	12%	73%
Reduce past benefit levels (Section 50 or 50(A)) **(Base 101)**	0	2%	12%	12%	74%