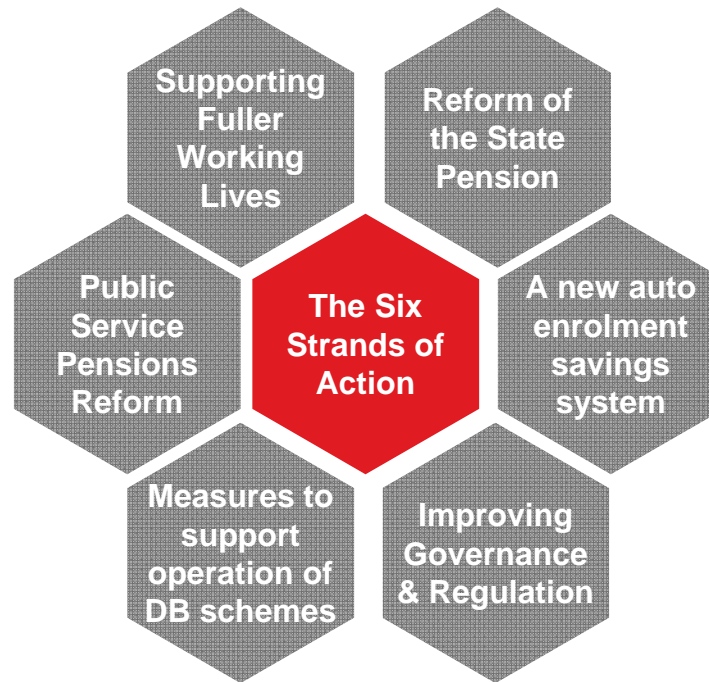


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A Roadmap for Pensions Reform 2018 - 2023

A Roadmap for Pensions Reform – 2018 to 2023



Objectives

“*Eliminate anomalies* in the State Pension system and *ensure its sustainability*”

“Foster and support a *new culture of retirement saving* to *improve outcomes* for all”

“Provide for *improvements* in the *governance and supervision* of public and private pensions”

“...promote the *continued and active engagement of older people* in society to ensure that all of us as we get older can continue to *enjoy a life of security and opportunity*”



Strand 1

Reform of
the State
Pension

Reform of the State Pension

Adequacy	Sustainability and Equity
<ul style="list-style-type: none">▪ Benchmark State Pension at 34% of average earnings▪ Link future increases to CPI/Wages increases▪ Both by end 2018	<ul style="list-style-type: none">▪ Introduce Total Contributions Approach (TCA)▪ Public consultation on TCA will be held during 2018. Aim is to legislate for TCA in 2019 and implement by end Q3 2020▪ No change to State Pension age before 2035▪ Future changes linked to life expectancy and at least 13 year's notice▪ Fund State Pension on a sustainable basis (2018)

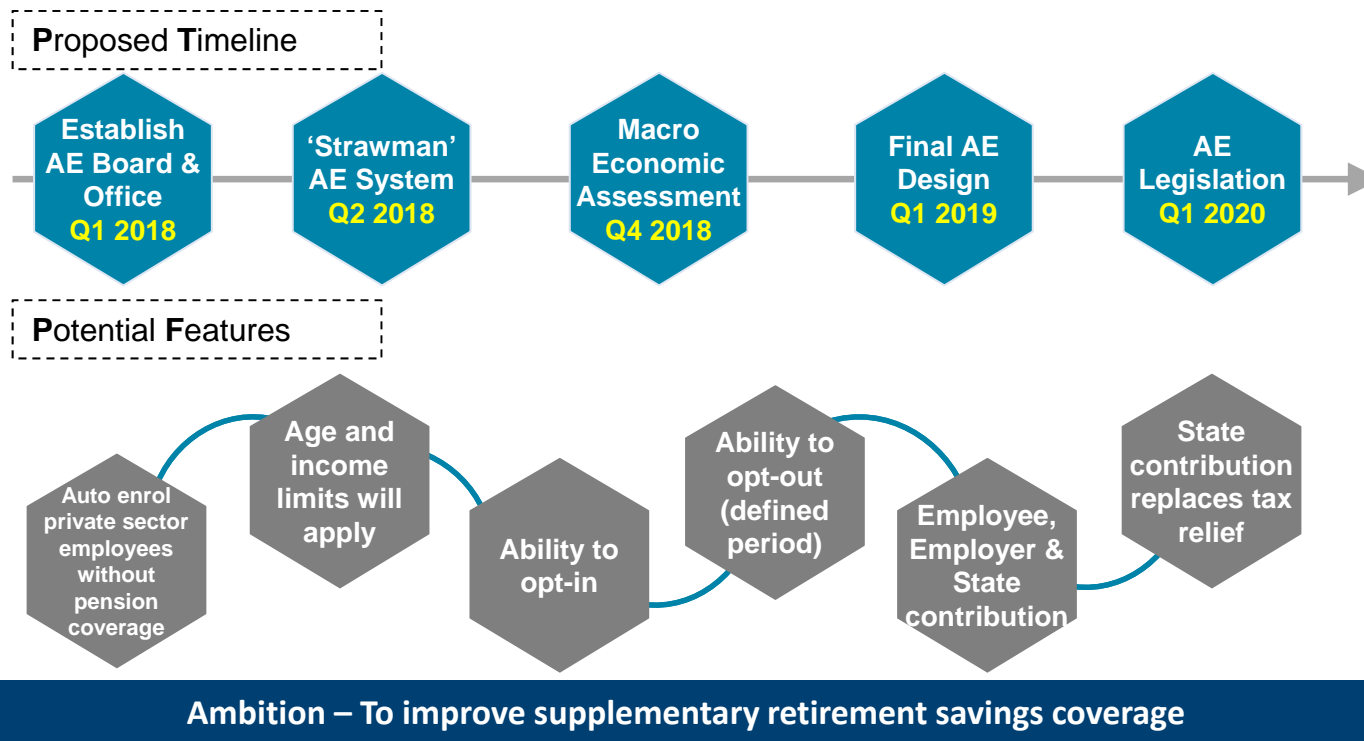
Ambition – To improve transparency, fairness and sustainability



Strand 2

A new auto
enrolment
savings
system

Auto-Enrolment (AE)



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Strand 3

Improving
Governance
&
Regulation

Improving Governance & Regulation

What	When
1. Implement IORP II Directive	Q3 2018
2. Authorised status process for all schemes	Q2 2018
3. Fitness & Probity benchmark for trustees	Q1 2019
4. 'Professional' standards for trustees, incl. CPD	Q1 2019
5. New membership rules for trustee boards	Q1 2019
6. New director qualifications for sole corporate trustees	Q1 2019
7. Annual CPD requirements for trustees	Q1 2019

New schemes must meet standards at outset – lead-in time for existing

Improving Governance & Regulation

What	When
8. New governance codes and standards	Q1 2020
9. New powers for the Pensions Authority (incl. removal of trustees)	Q4 2019
10. Harmonisation of rules between different retirement arrangements	Q4 2018
11. Rationalise the number of individual pension vehicles (incl. multi-employer structures)	Q2 2020
12. Review cost of funded supplementary pensions	Q3 2018
13. Review of utilisation of ARFs and if fit for purpose	Q4 2018

Ambition – To restore confidence in the private pension system

Strand 4

Measures to
support DB
schemes

Measures to Support DB Schemes

Advance SWPCR 2017 Bill

- Advance the Social Welfare, Pensions and Civil Registration Bill 2017 to give effect to new controls in relation to funding of DB schemes
- Q2 2018

Identify other regulatory measures

- Identify and investigate other potential regulatory measures to improve effective oversight and transparency in the financial status of DB schemes
- Q3 2018

Further consultation

- Arrange for further consultations to take place with sectoral representatives to identify any appropriate and sustainable funding standard reform options
- Q4 2018

Ambition – Protect rights and legitimate expectations of DB beneficiaries



Strand 5

Public
Service
Pensions
Reform

Public Service Pension Reform

- Increase compulsory retirement age to 70 for public servants recruited before 2004 (Q2 2018)
- Convert Pension Related Deduction to a permanent Additional Superannuation Contribution (Q1 2019)

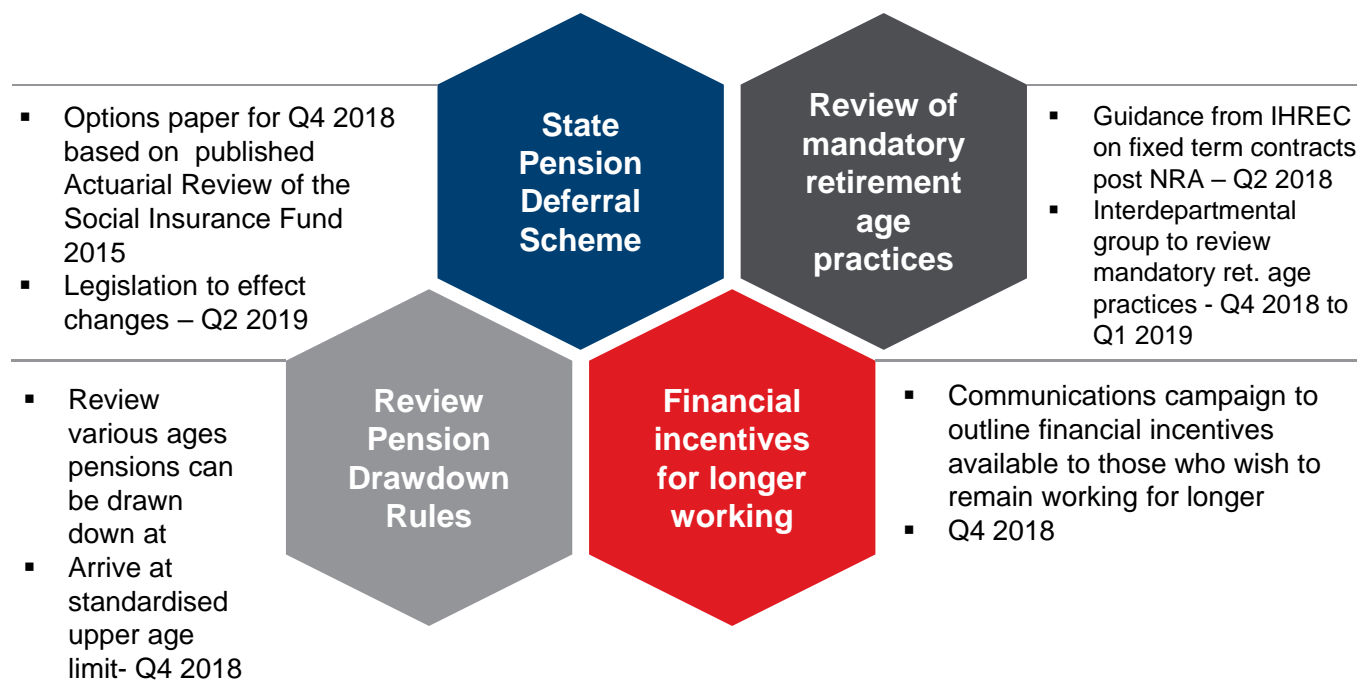
Ambition – Ensure sustainability of public sector pension liabilities while providing greater flexibility and safeguarding the delivery of promised retirement benefits



Strand 6

Supporting
Fuller
Working
Lives

Supporting Fuller Working Lives

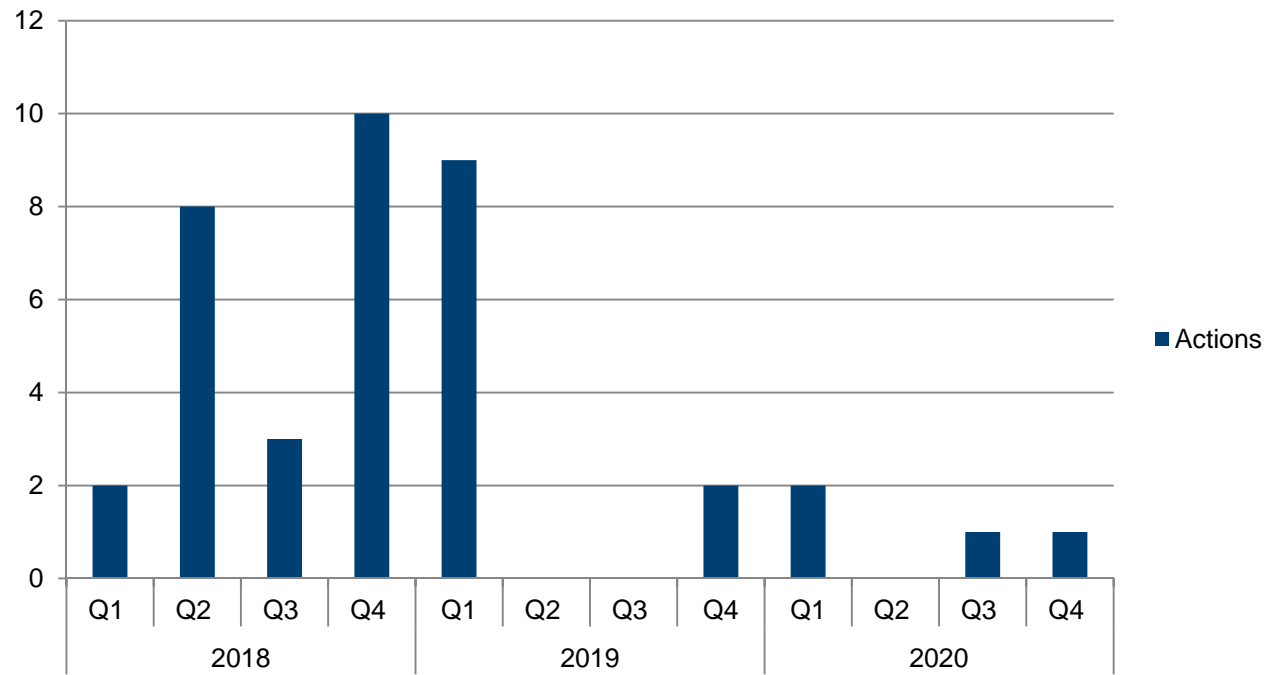


Ambition – to make changes to the pension system to support a positive ageing environment

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Timeline

Actions Timeline





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