

Group Briefing July 2017

Update on Social Welfare and Pensions Bill 2017

SUMMARY

On July 6 the Department of Social Protection published the Social Welfare and Pensions Bill. Unexpectedly, the Bill does not include references to the employer debt proposal or to the proposal to include a 12 month notice period on employers seeking to cease contributions to DB schemes or to the provisions relating to equal pension treatment. While not included in the Social Welfare and Pensions Bill, it is currently anticipated that these provisions will be revisited during the debates on the Bill in the next Dáil session.

BACKGROUND

On May 9 the Minister for Social Protection published the General Scheme of the Social Welfare and Pensions Bill 2017 (the “General Scheme”). It contained a number of heads of Bill (“Heads”) including four relating to DB schemes. Head 11 proposed changes to funding proposals (see below). Head 12 provided for a 12 month notice period prior to an employer

terminating its contributions to a defined benefit scheme (or taking any action to wind up a defined benefit scheme) whether that scheme was in deficit or not. Head 13 provided the Pensions Authority with a power to determine an amount and a schedule of contributions by employers to meet the funding standard and the funding standard reserve in certain circumstances. Head 14 allowed civil partners and same sex spouses who are members of occupational pension schemes, to obtain a spouse’s pension in certain circumstances.

THE SOCIAL WELFARE AND PENSIONS BILL 2017

The Bill (as opposed to the General Scheme for the Bill) does not include the initially proposed Heads 12 – 14. The provisions that did make it into the Bill concern the timing of funding certificates and funding proposals. The Social Welfare and Pensions Bill 2017 if enacted will amend the Pensions Act 1990 (the “Act”) to reduce the time permitted for submission of actuarial funding certificates, funding standard reserve certificates and funding proposals to the Pensions Authority. The Bill will require that actuarial

funding certificates and funding standard reserve certificates are submitted to the Pensions Authority within 6 months of the effective date (currently, these must be submitted within 9 months). Secondly, once the Bill is enacted section 49 of the Act will be amended to require that funding proposals are to be submitted within 6 months of the effective date of the actuarial funding certificate or funding standard reserve certificate to which they relate.

It is currently anticipated that revised versions of Heads 12-14 will be debated as the Bill progresses after the summer recess and may therefore be contained in later versions of the draft legislation.

KEY CONTACTS

For further information please speak to your usual Arthur Cox contact or one of the following lawyers:



PHILIP SMITH
PARTNER
+353 1 920 1204
philip.smith@arthurcox.com



CATHERINE AUSTIN
PARTNER
+353 1 920 1023
catherine.austin@arthurcox.com



SARAH MCCAGUE
ASSOCIATE
+353 1 920 1051
sarah.mccague@arthurcox.com



MICHAEL SHOVLIN
ASSOCIATE
+353 1 920 1046
michael.shovlin@arthurcox.com



DANIEL WATTERS
ASSOCIATE
+353 1 920 1323
daniel.watters@arthurcox.com



MARIE MCQUAIL
PARALEGAL
+353 1 920 1333
marie.mcquail@arthurcox.com

arthurcox.com

Dublin
+353 1 920 1000
dublin@arthurcox.com

London
+44 207 832 0200
london@arthurcox.com

Silicon Valley
+1 650 943 2330
siliconvalley@arthurcox.com

Belfast
+44 28 9023 0007
belfast@arthurcox.com

New York
+1 212 782 3294
newyork@arthurcox.com