

The National Pensions Summit 2023

SPECIAL REPORT



From left: Maeve McCleane, chief people officer and board executive, Lidl Ireland and Northern Ireland; Ray McKenna, partner, Lockton Ireland; Tracy Kevans, global director, Foreign Direct Investment, Morgan McKinley; Ivan Yates, summit host, entrepreneur and broadcaster; Jacinta Shiels, senior HR director, Europe, Lionbridge International; Terence Deacon, senior manager Corporate Life & Pensions and Dr Catherine Duggan, head of sustainability, Financial Services Advisory, Grant Thornton



Zoe Alexander, director of strategy and corporate affairs, NEST, UK; Ivan Yates, summit host, entrepreneur and broadcaster and Rose Leonard, head of corporate sales and customer relationship management, Zurich



From left: Jane McKeever, consultant, Employment & Benefits team, William Fry; Maeve McCleane, chief people officer and board executive, Lidl Ireland and Northern Ireland; Neil McDonnell, chief executive, Isme and Ann Prendergast, head of State Street Global Advisors Europe Ltd and IAPF chairperson

Pictures: Maura Hickey

Aiming to get a pension for everyone

With a turbulent year now behind, 2023 will be a key period for Irish pensions as the new auto-enrolment scheme is finalised, writes **Quinton O'Reilly**

After a short break due to Covid, the National Pensions Summit 2023 was able to return to Croke Park.

Taking place on Thursday January 26, the summit brought not only an abundance of expert analysis, case studies and food for thought but humour too thanks to Ivan Yates, entrepreneur and broadcaster, who acted as the summit chair.

In his opening remarks, Yates noted the level of preparation and quality on show, saying the topics discussed couldn't be more important to address.

Cautious optimism populated the opening two talks, with the first keynote speaker being Connall MacCoille, chief economist of Davy.

Giving the audience a macro-economic sense of local, British, European and global trends, he highlighted Ireland's strong position and alleviated some concerns about the recent tech layoffs happening globally.

"[Where] 300,000 multinational workers reside, let's bear in mind that over half of the jobs growth and over half of employment in the multinational sector is not in the tech sector," he said. "It's in pharmaceuticals, medtech, business and financial services, and those sectors continued to grow quite sharply last year."

Following MacCoille was a talk on master trust delivered by Rose Leonard, head of corporate sales and customer relationship management at Zurich.

Highlighting that the world's population recently hit the eight billion mark, she mentioned that currently there are about five workers for every retired person. When we reach 2050, it's estimated that ratio will drop to two workers for every retired person.

She highlighted three positive actions from the government with regards to pensions: looking more seriously at auto-enrolment; setting up two funds – the Irish Strategic Investment Fund and the National Reserve Fund; and implementing the IORP II directive. "The master trust would take

away some of that governance from lay people and move it to the trustees, the master trust providers," she explained. "There are four insurance companies who provide master trust that are financially strong and score very highly... and one reason I can say is that they've all been around a long time and regulators are serving you very well in that area."

That made way for the first panel session, which focused on scheme portfolios and returns, specifically post-pandemic investing, and what's next for them.

This session featured Joe Creegan, head of corporate life & pensions for Zurich, Sarah-Jane Larkin, director general of the Irish Venture Capital Association, and Graham Fox, head of distribution for Amundi Ireland.

"The biggest challenge is the lack of coverage, and auto-enrolment is really important to encourage people to save for retirement," said Creegan. "We need more people to fund for retirement."

The dominant topic throughout the late-morning talks and discussions focused on how pensions will transform via auto-enrolment, which is expected to come into play on January 1, 2024, a date that's seen as ambitious by some.

First up discussing this was Zoe Alexander, director of strategy and corporate affairs at National Employment Savings Trust (NEST) UK, which has 11.5 million members and serves a million employers.

Alexander went through NEST's experiences, highlighting the pros, cons and potential recommendations for Ireland's system, advising Ireland to "be brave" in its approach.

After a coffee break, the room returned to a talk about behavioural economics from Pete Lunn, founder and head of the Behavioural Research Unit at the ESRI.

Of the many facts and observations mentioned, Lunn talked about how powerful a psychological factor defaults are to people as they determine how we judge information.

"It's powerful because they are the reference point for losses and



Graham Fox, head of distribution, Amundi Ireland; Sarah-Jane Larkin, director general – Irish Venture Capital Association and Joe Creegan, head of Corporate Life & Pensions, Zurich



Olivia Kelly, senior manager, PwC; Martin McAlister, senior manager, PwC and Ross Mitchell, director, PwC

gains," he said. "People weigh losses more than gains as it takes more to give it up than it takes to acquire something in the first place."

Following this was a case study on how auto-enrolment can prevent a cost-of-retirement crisis, brought by Stuart Murphy, co-head of DC, Legal & General Investment Management in the UK.

While DC has been a huge success, getting 40 per cent more people saving into a DB, there's still a long way to go – with a bleak picture for women, with all business sectors having a gender pension gap.

"The great myth is that the gender pension gap happens after women take career breaks," he said. "In reality, there's been a gender pension gap since day one. It accelerates from age 35, but women never recover – with the average pension pot being 50 per cent of what it is for men

at that point."

Before noon arrived, there was the ministerial address from Heather Humphreys, Minister for Social Protection and Rural & Community Development, who covered the many areas the gov-

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Retirement should be when people reap the rewards of a long working life

ernment is working on and was optimistic that auto-enrolment and similar policies would have a major positive impact.

"Retirement should be when people reap the rewards of a long working life," she said. "It's a truly meaningful impact, and auto-enrolment is all about getting people to save earlier, getting them into that process and providing significant employer and state contributions."

Unlocking engagement

The final discussion on auto-enrolment was a panel on what employers need to know, featuring: Neil McDonnell, chief executive of Isme; Jane McKeever, consultant on the employment & benefits team for William Fry; Maeve McCleane, chief people officer & board executive for Lidl Ireland



Stuart Murphy, co-head of DC, Legal & General Investment Management, UK



Pete Lunn, founder and head of Behavioural Research Unit (BRU), Economic & Social Research Institute

before lunch.

Focusing on its role in pension fund strategies and outcomes, the session featured: Paul Price, founder of Haven Green Capital Partners; Rob Meaney, principal and senior investment consultant for Mercer; Aedin O'Leary, independent director, investment & ESG consultant; and Sandra Rockett, director of wealth & corporate distribution at Irish Life Investment Managers, who brought up the major opportunities of linking pensions to issues people care about.

"Pensions can be an abstract concept, but using ESG and connecting people with their investments and pension scheme, there's a real opportunity to unlock that engagement," said Rockett.

"We did some research and the numbers are astounding: 80 per cent of people would save more if they knew their pension was used responsibly. As trustees and employers, let's harness the strength of ESG... and use it as a means for better engagement."

After lunch, there were four round-table discussions for attendees to join. The first was 'IORP II: What employers need to know' with Ray McKenna, partner at Lockton Ireland. The second round-table focused on attracting and retaining talent with employee benefits with Tracy Kevans, global director of foreign direct investment with Morgan McKinley, and Jacinta Shiels, senior HR director of Europe for Lionbridge International.

Round-table three was titled 'Supporting customers in their longer lives: The longevity challenge and its implications' which McCleane and Terence Deacon, senior manager for corporate life & pensions at Zurich, headed.

The fourth and final round-table concerned ESG data collection, management and reporting and was chaired by Dr Catherine Duggan, head of sustainability for financial services advisory in Grant Thornton.

After the hour-long session concluded, Yates invited all chairs up to the stage for a wrap-up panel, discussing the topics and insights that popped up during the sessions.

Concluding the National Pensions Summit, Yates mentioned a great need for communication around the whole area, including master trust and regulatory responsibilities. With the auto-enrolment scheme to be introduced to the Oireachtas later this year, the 2024 summit will be one to keep an eye on.



Heather Humphreys, Minister for Social Protection and Rural and Community Development; Rose Leonard, head of Corporate Sales and Customer Relationship Management, Zurich and Wayne Leitch, lead partnership manager, iQuest and Business Post LIVE



From left: Aedin O'Leary, independent director, investment and ESG consultant; Paul Price, founder of Haven Green Capital Partners, chair of IAIM, former global head of Sales and Distribution, Morgan Stanley Investment Management and former chief executive, Morgan Stanley Investment Management Ireland; Sandra Rockett, director – Wealth & Corporate Distribution, Irish Life Investment Managers and Rob Meaney, principal and senior investment consultant, Mercer



Rose Leonard, head of Corporate Sales and Customer Relationship Management, Zurich; Ivan Yates, summit host, entrepreneur and broadcaster and Connall MacCoille, chief economist, Davy