



An tOmbudsman Pinsean
Pensions Ombudsman

Office of the Pensions Ombudsman

Annual Report 2015

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Mr. Leo Varadkar, TD,
Minister for Social Protection,
Aras Mhic Dhiarmada,
Store Street, Dublin 1

A Aire,

May 2016

I am pleased to present the 2015 Annual Report and Accounts for the Office of the Pensions Ombudsman. This will be the last report that I present, as I am retiring shortly as Pensions Ombudsman.

I would like to record my thanks and appreciation to the Department of Social Protection for the support given to the Office in my time as Pensions Ombudsman, and to pass on my best wishes to my successor – Mr. Ger Deering, in his new role.

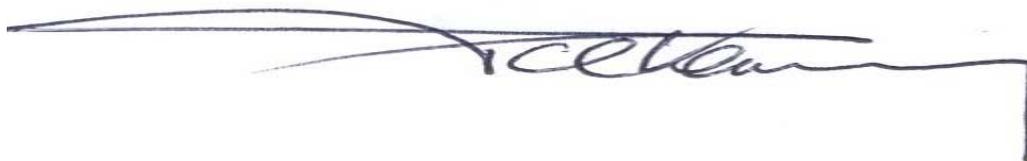
The 2015 Annual Report that I am presenting to you provides an over-view of the work and activities of the Office, together with details of the associated costs for the 2015 calendar year. Included in this Report is a commentary on and some examples of the work we were involved in during 2015. I hope that this will prove helpful to those involved in pension scheme administration and complaint-handling as well as to potential complainants and to their advisors.

The 2015 year was another challenging one for the Office of the Pensions Ombudsman, with the level of complaint submissions again increasing and five new cases before the High Court for appeal. I would like to formally acknowledge and commend the hard work and dedication of the Office's small staff in managing such a work-load.

The proposed amalgamation of the Office with the Financial Services Ombudsman's Bureau did not take place in 2015, although we moved premises to co-locate with them at Lincoln House, Lincoln Place, Dublin 2. We have continued to work with our colleagues in the Bureau and with the respective sponsoring Departments in the planning and preparation necessary to support this amalgamation.

The demand for our services remains high, and to meet this, the Office will continue to assist pension scheme members and holders of Personal Retirement Savings Accounts (PRSAs) with their pension-related complaints and enquiries, in as practical a manner as possible with the resources available to us.

Beir beannacht,

A handwritten signature in dark ink, appearing to read 'Paul Kenny', written over a horizontal line.

Paul Kenny, Pensions Ombudsman

SECTION 1- INTRODUCTION

The role of the Office is to investigate and adjudicate, in an independent and impartial manner, on complaints relating to occupational pension schemes, Personal Retirement Savings Accounts (PRSAs) and Trust Retirement Annuity Contracts involving maladministration and financial loss, and on disputes of fact or law, that may attach.

Our complaint handling process has evolved over the years so that only a small number of the cases investigated by the Office result in the production of a formal legally binding determination, as provided for under Section 139 of the Pensions Act 1990, as amended. Where we find that a complaint can be resolved by some mediation between the parties, or by providing the complainant with guidance/clarification of their benefit entitlement and independent reporting on the dispute issues, then we employ such methods.

In our experience, the handling of complaints in this manner, being less formal, has proven to be more consumer-friendly and resulted in a speedier and less confrontational evaluation process by the Office.

The statistical analysis included in Section 2 of this Report bears this out:- wherein it is shown that determinations were only issued in 30 of the 393 complaint cases completed by the Office in the 2015 year, while mediated/report cases accounted for 260 completions and complaints that were not proceeded with, accounted for a further 44 cases.

We have included in our statistical reporting details of cases where the complaints were not proceeded with, as well as ones that we could not adjudicate, report or give guidance on. These latter cases are ones that fall outside of our legal remit or ones where it's considered more appropriate for another Ombudsman/ Regulator or Tribunal to adjudicate on. We have included all of these cases in our work statistics as a considerable amount of time and effort goes into the examination of complaint submissions and the gathering of additional information and documentation needed to ascertain all the details of the complaint and to determine whether or not the Office can take jurisdiction over it.

In cases where a formal determination is issued by the Office, there is provision under Section 140 of the Pensions Act 1990, as amended, for any of the parties to a complaint to appeal the determination to the High Court. On the hearing of any appeal, the High Court may annul, amend or accept the determination.

As well as handling a significant number of complaints in 2015, the Office was involved in five appeal cases before the High Court. Four of the appeals have been decided to date, with one currently pending. The input needed to ensure that the Office is properly represented in such appeal cases is considerable as is the consideration that must be given to the judgements handed down and their implications. For these reasons, the Office's involvement in appeal cases warrants special mention in my commentary on the activities of the Office in the 2015 year.

It has been gratifying that, to date, the majority of the appeals taken against my determinations have been unsuccessful, and that in these cases the High Court upheld my determinations and awarded costs to the Office.

There is learning to be had for the Office in participating in the appeal process, but more particularly from the judgements handed down and the precedents established in the appeals taken against determinations of both this Office and that of the Financial Services Ombudsman's Bureau. The extent of an appeal hearing, the deference shown to the authority of and decisions made by the Ombudsmen and to the process and procedures of their investigations are all issues of note that have been covered in the judgements of various appeal cases. Some examples are referenced below.

The decision of Finnegan P. in the *Ulster Bank Investment Funds Ltd. V Financial Services Ombudsman* ([2006] IEHC 323) appeal case concerned the scope of an appeal from the finding of the Financial Services Ombudsman. Mention was made in the judgement of the Court's reluctance to overturn a ruling of the Ombudsman, acting within his own area of professional expertise. In his judgement Finnegan P. declared that to succeed in the appeal, the plaintiff would have to establish that the decision of the Ombudsman was "*vitiated by a serious and significant error, or a series of errors.*"

In his judgement in *Murray V the Administrators of the Irish Airlines (General Employee) Scheme* ([2007] IEHC 27), Kelly J. (as he then was) observed:-

"The procedures of the Ombudsman are undoubtedly less formal than those of a court." - and -
"Having regard to the statutory framework and the judgement of Finnegan P. in Ulster Bank Investment Funds Ltd. V Financial Services Ombudsman ([266] IEHC 323), I am of the opinion that, as a general rule, this court, in hearing an appeal under s.140 of the Act, is confined to the material which was before the Ombudsman."

Again, the afore-mentioned *Ulster Bank* judgement was relied on in the judgement of Kearns P. in *Willis & Others V Pensions Ombudsman & Another* ([2013] IEHC 352) wherein it was stated:-

"A high threshold must be crossed by any appellant from a decision of a financial/pensions ombudsman. The Court has no difficulty in accepting that the relevant test for a statutory appeal against a decision of the Pensions Ombudsman should be the same as that provided for in respect of the Financial Services Ombudsman as laid down by Finnegan P. in Ulster Bank....."

Within the judgement Kearns P. also stated:-

“It seems to me that the critical provision is that which imposes upon the Pensions Ombudsman the obligation to give ‘such directions as the Pensions Ombudsman considers necessary or expedient for the satisfaction of the complaint or the resolution of the dispute.’ ”

“I accept, as I must, that in this context the Pensions Ombudsman could not, regardless of the merits of the case, legitimately make a decision which the law did not permit. But subject only to that consideration he enjoys a significant discretion to allow and achieve a fair outcome in relation to a complaint.”

“...I am satisfied that this Court should only step in to set aside his conclusions (being those of an expert in this area) where a clear and serious legal error may be demonstrated. No such error has been demonstrated and there can be no doubt but that his decision achieved a fair result insofar as this particular complainant was concerned.”

In the judgement of Finlay Geoghegan J. in *Millar V Financial Services Ombudsman* ([2015] IECA 126), it was stated-

“The construction of a contract is not a pure question of law. It is a mixed question of law and fact... It is not permissible for the High Court on an appeal pursuant to s. 57CM to ‘examine afresh’ a contractual construction placed by the Ombudsman on a relevant term of a contract. Rather he should consider whether an appellant has established on the balance of probabilities that on the materials before him the Ombudsman’s construction contained an error.”

The case of *The Minister for Education and Science and the Minister for Public Expenditure and Reform V The Pensions Ombudsman* ([2015] IEHC 466) was the 2nd appeal of a determination of the Pensions Ombudsman in this case. As a result of the first appeal motion, the complaint had been referred back to the Pensions Ombudsman, by Order of the President of the High Court. Following a review, the Ombudsman issued a second determination – which became the subject of the aforementioned 2015 appeal.

On hearing the appeal, Judge Max Barrett rejected the Ministers’ case and said that he was “unhesitatingly” finding in favour of the Pensions Ombudsman. In his written judgement, he cited, among others, the *Millar* and *Willis* cases and included the following statements:-.

“When it came to Mrs. McDermott’s case, the Pensions Ombudsman (twice) arrived at a final determination that the law permits (not least in terms of what the High Court had ordered on 4th December 2003) and which accords with fairness. Helpfully this was a case in which what was fair was particularly obvious.”

“...it seems to the court that the procedures adopted by the Pensions Ombudsman in this case were fair and complied with statutory obligations.”

“...the court finds no deficiency or error in the procedures of the Pensions Ombudsman in the within proceedings as would require a remittal of his decision for fresh consideration.”

“...it appears to the court that the reasons set out in the pensions Ombudsman’s second and final determination are more than adequate. A finding of an Ombudsman is not in any event expected or required to be as detailed or formal as one would expect a Court judgement to be.”

The Appellants, in three of the last four appeals against determinations of the Pensions Ombudsman, were Government Departments or Agencies. Unusually, the fourth Appellant was the individual complainant and not the employer, trustee or respondent party in the complaint.

The judgements handed down in appeals against determinations of the Pensions Ombudsman and of the Financial Services Ombudsman, have provided clarity regarding the nature and scope of an appeal, as allowed for under the separate legislation that governs the operations of the respective Ombudsmen’s Offices. These have served to determine what can be considered under appeal, the Courts’ criteria in evaluating grounds of appeal, and the benchmark appellants need to achieve to succeed with an appeal. Within the judgements, cognisance has been given to the discretion/power the Ombudsmen have in managing investigations, in arriving at decisions, as well as in proposing just and equitable solutions to disputes. The Courts have shown deference to the authority and professional expertise of the Ombudsmen and a reticence to set aside or interfere with properly researched and qualified judgements of the Ombudsmen.

As can be seen from Table 2.2, Nature of Complaint Issues, the majority of new complaints to the Office in 2015 related to issues arising from conditions of scheme membership, disclosure of information and the calculation, value, and payment of retirement benefits.

SECTION 2 – 2015 Caseload Summary and Statistics

My Office received 1413 new cases in 2015. Although this represents a 7% increase on the total number of cases that we had in 2014, it is still lower than the number of cases that the Office received in 2013, so it may not be an indicator of an upward trend.

We started the 2015 year with 148 complaint cases on hand. During 2015 we re-opened 28 earlier cases and received 1,413 new cases to give a total caseload of 1,589 for the 2015 year. Having completed 1,489 cases during 2015, we ended the year with 100 complaint cases on hand. This represents a 32% reduction in the number of cases on hand at the end of 2015 year end when compared to the end of 2014.

The first course of action with any case that comes before my Office is to carry out an initial screening of the case to quickly gather as much information about the case as possible with a view to resolving the matter without the need for intensive scrutiny. It is our experience that most of the cases that are presented to us can be resolved by this initial screening either in a telephone call or a short exchange of email.

If the initial screening does not resolve the matter then it becomes necessary to open a detailed complaint file for the case. The detailed complaint files then undergo a thorough examination and we may undertake an attempt to resolve the matter by informal mediation. If the matter cannot be resolved following thorough examination or informal mediation then a formal investigation will be initiated. The outcome of a formal investigation is a legally binding Final Determination.

393 of the 1,489 cases completed in 2015 were cases for which detailed complaint files had been opened.

Figure 2.1 below outlines the position in relation to all cases for the 2015 year.

Figure 2.1- 2015 Caseload Summary

Year	New Cases Received	Cases Carried Forward	Cases Re-opened	Total 2015 caseload	Cases Completed	Cases on hand at year-end
2015	1413	148	28	1589	1489	100

Analysis of Detailed Complaint Cases in 2015

The statistics quoted in this section of the report refer to the detailed complaint cases handled by my Office in the 2015 year. We maintain comprehensive statistics only on cases for which we open detailed complaint files.

As stated, we started the 2015 year with 148 complaint cases on hand. During 2015, we re-opened 28 earlier cases, and set up 317 new detailed complaint cases, to give us a caseload of 493 detailed complaint cases. Having closed 393 of these during 2015, we finished the year with 100 detailed complaint cases on hand.

Figure 2.2 – Nature of New Complaint Issues

Nature of Investigation	2014	2015
Abatement/Supplementary Pension	0	1
Additional voluntary contributions	6	3
ARF/AMRF queries	1	2
Buy out Bonds	1	1
Calculation of benefits	84	64
Contribution refunds	4	3
Disclosure of information	25	35
Early retirement	8	3
Equal Treatment Issue	3	1
Fund values	16	34
General enquiry	8	3
Ill health	9	4
Incorrect / late/ no benefit payment	28	33
Incorrect info giving rise to false expectation	1	4
Membership/ entry conditions	12	13
Mis-selling	0	4
Pension Liberation	2	6
Pensions Adjustment Orders	2	5
Post-retirement increases	1	0
Preservation of benefits	6	8
Remittance of contributions	11	19
Spouses' and dependants' benefits	11	11
Transfers	16	11
Winding up	14	10
Years of service -cost of / credit for	12	39
	281	317

Figure 2.3 –Complaint Completions by reason in 2015

Completions by Reason	2014	2015
Advised of need for IDR	14	14
Appeal - Determination Upheld	1	3
Appeal - Not Proceeded With	0	1
Appeal - Determination Not Upheld	1	0
Complaint not proceeded with	51	44
Enforcement completed	1	1
Enforcement not for OPO	1	0
Final Determination - Complaint Not Upheld	11	21
Final Determination - Complaint Upheld	16	9
Investigation not possible due to legal action	2	1
OTOR*	14	20
OTOR* - Refer to Other Ombudsman/Regulator	23	19
Report and Guidance Given	209	214
Successful Mediation	50	45
Unsuccessful Mediation	3	1
Total	397	393

* OTOR = Outside Terms of Reference

As has been our practice over the last number of years, we now close the majority of cases without the need to issue a legally binding determination. As the above table demonstrates, Final Determinations were issued in less than 8% of the cases completed by my Office in 2015. We have found that adopting a less formal mediation or reporting/guidance approach has enabled us to clarify complaint issues, offer an independent assessment and move matters towards resolution in a less confrontational and speedier manner.

Figure 2.4 – Summary by Sector of new cases in 2015

Scheme Type	2014	2015
Public Sector Scheme	95	128
Private Sector Scheme	174	182
Personal Retirement Savings Account (PRSA)	7	5
	276	315
Not specified	5	2
	281	317

Within my remit I can examine complaints and disputes arising under both Private and Public Sector Pension Schemes, although I am not authorised to examine complaints or disputes relating to State Benefits payable by the Department of Social Protection, which has its own Appeals Office.

In the early years of the Pensions Ombudsman’s Office, 2003 -2005, the ratio between Private and Public Sector Pension Scheme complaints submitted to us stood at circa 3:2. This ratio has varied somewhat over the years but in 2015 it had reverted to approximately the same ratio of 3:2.

Figure 2.5– Gender Divide

Likewise the gender divide has altered over the years this Office has been in operation.

In our initial 2003/04 year approximately 80% of complaints received by us were from males and 20% from females. I can report that in the 2015 year, approximately 65% of new complaints received were from males and 35% were from females.

Gender	2014		2015	
	Number	Percent	Number	Percent
Not specified		0%	2	0.6%
Female	106	38%	110	34.7%
Male	175	62%	205	64.7%
	281		317	

SECTION 3 – Examples of Cases dealt with in 2015

Case A: Membership of Spouses' & Children's Scheme

On reaching her compulsory retirement age a Public Service employee was advised that she was not a member of the Spouses' and Children's Scheme, and that no benefits would be payable to her dependants in the event of her death after retirement.

On querying this she was advised by the Department of Public Expenditure and Reform (DPER) that she was listed in a letter received by them from her parent Department, naming officers who had opted out of the scheme when it was introduced.

The complainant had no recollection of opting out and maintained that she had been on leave when the scheme was introduced. Further examination of the case revealed that the employer had no record of the opt-out on her personnel file and that, contrary to the express requirements of the Department of Finance at the time, had not retained original documentation regarding opt-outs, except for one individual employee.

I did not initiate a formal investigation of this case but made representations to DPER with a view to negotiating an equitable solution to the problem. They responded positively and advised that, having considered the matter:-

"in light of the Pensions Ombudsman's advices and in light of the exceptional circumstances of this case:

- *That the officer was on leave at the time of the opt out.*
- *That she has no recollection of opting out nor believes that it is something that she would have done.*
- *That [the employer] do not have records that they offered this scheme to this employee.*
- *That they have no records of the opt out form on her personal records.*

We can advise that the officer may join the Spouses & Children's scheme provided that she pays back the appropriate contributions at 1% of pensionable salary for each year owing as per standard practice on this."

While I have been critical in the past about some of the rigid rules and the strict application that attach to the Spouses' and Children's provision in the public service, I am very pleased that such a fair outcome was reached in this case, and without the need for a legally binding direction from my Office.

Case B: An allegation of fraud

I received a complaint from an employer, which claimed a lien on the benefits under a pension scheme and made an allegation of fraud against the only member, a former director of the company.

I could not comment or adjudicate on the latter allegation but I advised the company that any lien which they claimed against the benefits would have to be enforced through the Courts. In the meantime, although employers have no standing to bring complaints to the Office, I decided to examine the papers, as the documentation with which I was provided raised quite a number of issues, that were of concern.

The Insurance Company involved advised that the scheme was set up in 1986 with the ex-director as the only member. He signed the letter of exchange and was recorded on their systems as a 20% director of the company.

In 2013, the insurers were notified by the employer that he was no longer a director and a change of address was also provided by the Company. At that time the insurers updated the address in their system, but unfortunately did not correctly change the director status in their records.

In 2014, the insurers received Maturity Option Forms through a broker who had not had any previous dealings with the scheme. The signatures thereon matched the original application form and letter of exchange, which the member had signed, describing himself as “director” and he reconfirmed his director status on his Funding Check Requirements Form. As a result, they accepted his signature to draw down on the benefits and to appoint the new broker as financial broker to the scheme. The broker was not aware that the member was no longer a director of the employer company and forwarded his documents to the insurers in good faith.

Further examination of the documents signed by the member at the time of his retirement revealed that he described himself as the trustee of the scheme, when the actual trustee was the employer which had brought the complaint. The member, now retired and in receipt of benefits under the scheme, responded to a letter of mine detailing the issues outlined above by referring me to his solicitor.

As my Office is not authorised to investigate allegations of fraud, I had to advise the employer that I could not take jurisdiction of the complaint. It is my understanding that the employer has contacted An Garda Síochána in relation to the allegation of fraud.

Under the protocols agreed in our Memorandum of Understanding, I referred the case to the Pensions Authority, as the regulator responsible for possible breaches of the Pensions Act.

Case C: Pension Adjustment Order and Professional Added Years

The Office received more than one enquiry on this topic, that required some examination by us but did not necessitate or result in the issuance of any formal determinations.

These enquiries related to Pension Adjustment Orders (PAO) in public service cases where it was queried if “professional added years” which stood to be awarded to the member spouse should be comprehended by the Pension Adjustment Order.

The effect of a PAO is to award an element of the member spouse’s pension benefit to the non-member spouse. Frequently, particularly where house property may be in negative equity, the pension entitlements may be one of the most valuable assets available for distribution on separation or divorce.

Under most public service schemes there is a provision to grant Professional Added Years to certain qualifying members. These are additional years of notional service awarded for pension purposes in cases where the qualifying conditions for a job specify the need for a professional qualification and perhaps completion of a certain period of relevant work experience. The intention behind the grant of Professional Added Years is to recognise that the member’s pensionable service would be restricted because of the time required to gain the relevant professional qualification and experience required for the specific job.

Having examined the issue I formed the view that for the following reasons, this notional service could not be taken into account in computing the overall prospective pension of the member spouse at the point of the separation or divorce decree.

1. The PAO can only apply to benefits *accrued* to the date of the decree of separation or divorce.
2. Professional Added Years do not accrue until the point of retirement, and may eventually not even be awarded – there are various contingencies in which no award can be made, or an expected award reduced.
3. If the non-member spouse wanted to transfer his/her interest in the scheme to another pension scheme or bond (which is a statutory right under the Family Law Acts), Added Years could not be included, since not yet awarded.

I advised each of the applicants of the reasons why this notional service could not form part of the benefit to be taken into account in a Pensions Adjustment Order and the cases went no further.

Case D: Deferred Benefits

This was a dispute about the calculation of a benefit due to a member who had left employment many years previously and moved away from the jurisdiction. She had had no contact with the scheme trustees since leaving service and the scheme of which she was a member had been merged with other schemes of the Group to which the employer belonged.

Over the years, the original professional administrator had been replaced by in-house administration, but subsequently outsourced again to another professional firm. When the member applied for her pension, she was quoted what proved to be an erroneous figure, which was subsequently considerably reduced. This clearly did not inspire confidence, particularly since the explanation offered was that the original deferred pension, which had been expressed in Irish pounds, had been converted into Euro in their records, but subsequently “re-converted” into Euro – in other words, the original figure had been multiplied by 1.61 instead of by 1.27 approximately.

A subsidiary dispute arose around the salary used for the calculation of the original deferred pension, and the salary figure that could be used to compute the tax-free lump sum payable on retirement.

It turned out that there were no salary records for the period available from the employer, and the administrator was merely working backwards from the pension and pensionable service to estimate a salary. The member was able to produce P60 Certificates as verification of historic earnings.

There followed an investigation which involved a close examination of the rules of the scheme, and the slightly unusual definition of “pensionable salary” therein and the obtaining of general pay information for the period in question for the industry in which the employer traded. On foot of this, and I was able to satisfy myself, that on the balance of probabilities, the correct pensionable salary figure was used to calculate the deferred pension benefit. The earnings figure shown in the last P60 returned to Revenue was higher than the scheme pensionable salary figure and I determined that the higher final salary figure could be used as the basis to calculate the tax-free cash sum payable on retirement.

In this case, the employer made an additional payment to the complainant, in recognition of the delay and inconvenience experienced in determining her correct scheme benefit and putting this into payment.

This case and the other similar ones submitted to the Office highlight the difficulty deferred members can experience in verifying their scheme benefits and putting these into payment. With the passage of time since leaving service and the closure of many companies and pension schemes, even locating scheme benefits can prove difficult. The Pensions Authority does hold a register of pension schemes, with contact details, that can be a good place to start a search to locate deferred scheme benefits.

Case E: A Ruling on Scheme Entitlement

Following the death of her husband, the complainant applied for payment of benefit from his former employer's pension scheme. The employer, who was also the Scheme Trustee, refused any payment on the grounds that the deceased man should not have been included as a member of the pension scheme:- they argued that he had erroneously been listed therein due to an administrative error by the broker.

Having been unsuccessful in challenging this stance, the complainant first brought the dispute to the Pensions Authority, which then referred it to my Office.

On my examination of the case it was established that:-

- the complainant's late husband had been proposed as one of the inaugural members of the pension scheme and a single contribution allocated thereunder in his respect.
- The one and only contribution involved was paid into the scheme by the employer.
- Membership of the pension scheme was not conditional on the employee contributing.
- The Insurer provided the employer with the scheme documentation which included an initial membership schedule, listing the complainant's late husband as a scheme member. This was not questioned or challenged by the employer, at the time.
- Annually thereafter the Insurer produced and issued to the employer, Benefit Statements for the scheme members, including ones for the complainant's late husband. It appeared that these were not forwarded to the individual members. Again, the Company did not question the inclusion of the complainant's late husband in the pension scheme.
- When the husband left the company's employment this was not reported to the broker or insurer and no scheme leaving service benefit statement was provided to him.
- The broker was not advised of his leaving till some years later and it was suggested to them that he had not completed sufficient service to qualify for a preserved scheme benefit. The Company asked to have his pension benefit re-allocated to that of the Managing Director.
- Despite requests to the Company, the broker was unsuccessful in obtaining from them the documentation and information necessary to establish whether or not he had a preserved benefit entitlement under the scheme. They would not accede to the Company's request to re-allocate the scheme monies. In writing to the Company, the broker pointed out the duty they had as Scheme Trustee to confirm the ex-employee's details and determine if he had a preserved benefit entitlement under the pension scheme.
- When later notified of his death, the Company refused payment of any benefit from the pension scheme, claiming that the complainant's late husband had no entitlement thereunder and had erroneously been listed as a member.
- The complainant's late husband left service more than 2 years after the disputed date of entry into the pension scheme.

In deciding on this case I determined that the complainant's late husband was an inaugural member of the pension scheme. From payslip and tax records, I was able to establish his date of leaving service and found that by then he had been a pension scheme member for more than the 2 years required to qualify for a preserved benefit thereunder.

I instructed that the broker liaise directly with the complainant to arrange for the settlement of the preserved scheme benefit of her late husband.

I found that the Trustees had failed to fulfil their responsibilities on several counts – not least in not keeping proper records, in failing to provide Annual Benefit and Leaving service Statements and in not putting member benefits into payment. These matters were reported to the Pensions Authority.

OFFICE OF THE PENSIONS OMBUDSMAN ANNUAL REPORT 2015

SECTION 4

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2015

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Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Office of the Pensions Ombudsman

I have audited the financial statements of the Office of the Pensions Ombudsman for the year ended 31 December 2015 under the Pensions Act 1990, as amended. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 143 of the Act, as amended and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Pensions Ombudsman

The Pensions Ombudsman is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the circumstances of the Office of the Pensions Ombudsman, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the Financial Statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Office as at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice in Ireland.

In my opinion, the accounting records of the Office were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I Report by Exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Office's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Andrew Harkness

For and on behalf of the
Comptroller and Auditor General

23 May 2016

Statement of Responsibilities of the Pensions Ombudsman

Section 143(1) of the Pensions Act 1990 as inserted by Section 5 of the Pensions (Amendment) Act 2002 requires the Pensions Ombudsman to keep, in such form as may be approved by the Minister for Social Protection after consultation with the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it. In preparing those financial statements, the Ombudsman is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Office will continue in operation.

The Ombudsman is responsible for keeping adequate accounting records, which disclose in a true and fair manner at any time the financial position of the Office and which enable it to ensure that the financial statements comply with Section 143(1) of the Act.

The Ombudsman is also responsible for safeguarding the assets of the Office and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Paul Kenny
Pensions Ombudsman

17 May 2016

Statement on Internal Financial Control

Responsibility for the System of Internal Financial Control

The Office of the Pensions Ombudsman is a small office where staffing and outsourcing costs in 2015 represented 55% of total expenditure.

As Pensions Ombudsman, the responsibility for ensuring that an effective system of internal controls is maintained and operated falls to me. Any such system can provide reasonable, but not absolute, assurance that transactions are certified, authorised and properly recorded, assets are safeguarded and that material errors or irregularities are either prevented or are detected in a timely manner.

All of the staff of this Office strive to ensure that there is a robust system of financial control in place. Information on expenditure is supplied regularly to management and transparent administrative procedures are in force, including segregation of duties through a clear system of delegation.

The financial control system includes the following procedures:

An annual estimate of financial requirements is provided to the Department of Social Protection, who fund the Office.

When the budget for the year is agreed, a monthly profile of expenditure is prepared.

All expenditure by this Office is recorded on the Department's general ledger accounting system. A monthly expenditure report is prepared by the Department's accounts branch and submitted to the Office, where it is checked against and reconciled with the records held in the Office.

A monthly statement of expenditure which compares the actual expenditure with estimates is prepared and circulated to members of staff and is reviewed by myself.

A twice yearly report is provided to the Department which compares estimated and actual expenditure.

A segregation of duties exists between the certification, authorisation and execution of payments.

All pay (and related calculations) and non-pay payments are made by the Department.

The draft annual accounts are prepared by an independent auditing company prior to submission to the Comptroller & Auditor General.

An internal audit function operates in the Office, together with documented financial procedures and a petty cash ledger.

In addition, an internal audit function is available within the Department of Social Protection. Any audit of Departmental pay function will cover the larger part of the expenditure by this Office. Payroll control monitoring is conducted on a monthly basis.

I confirm that I reviewed the Office's system of internal financial control during the year 2015.


Paul Kenny, Pensions Ombudsman

17 May 2016

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

Statement of Income and Expenditure and Retained Revenue Reserves

for the year ended 31 December 2015

	Notes	2015	2014
Income		€	€
Oireachtas Grant	1(d)	876,836	934,861
Less Superannuation Contributions Repaid	9(a)	<u>(5,334)</u>	<u>(6,476)</u>
Net Oireachtas Grant		871,502	928,385
Net Deferred Pension Funding	9(c)	50,000	47,000
Other Income	2	96,811	63,837
Less Other Income Remitted	2	<u>(96,811)</u>	<u>(63,837)</u>
Total Income		921,502	975,385
Expenditure			
Marketing and Promotional Expenditure		26,279	20,641
Consultancy Costs		91,824	96,426
Remuneration	3	412,909	574,505
Legal Fees		209,344	235,688
Operating Expenditure	4	<u>132,270</u>	<u>71,956</u>
Total Expenditure		872,626	999,216
Surplus/(deficit) for the year before Appropriations		48,876	(23,831)
Transfer (to)/from Capital Account	6	<u>(40,731)</u>	4,018
Surplus/(deficit) for the year after Appropriations		8,145	(19,813)
Balance brought forward at 1 January 2015		(26,999)	(7,186)
Balance carried forward at 31 December 2015		<u>(18,854)</u>	<u>(26,999)</u>

The Statement of Cash Flows and notes 1 to 11 form part of these financial statements.


Paul Kenny
Pensions Ombudsman

17 May 2016

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

Statement of Comprehensive Income

for the year ended 31 December 2015

	Notes	2015	2014
		€	€
Surplus/(deficit) after appropriations		<u>8,145</u>	<u>(19,813)</u>
Experience (loss)/gain on retirement benefit obligations	9d	(20,000)	26,000
Changes in assumptions underlying present value of retirement benefit obligations		-	-
Total actuarial (loss)/gain in the year	9b	<u>(20,000)</u>	<u>26,000</u>
Adjustment to retirement benefits funding		20,000	(26,000)
Other comprehensive income for the year		<u>8,145</u>	<u>(19,813)</u>

The Statement of Cash Flows and notes 1 to 11 form part of these financial statements.



Paul Kenny
Pensions Ombudsman

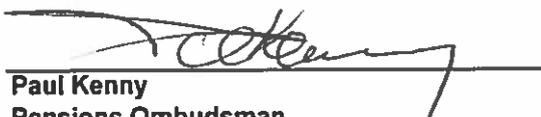
17 May 2016

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

Statement of Financial Position at 31 December 2015

	Note	2015 €	2014 €
Fixed Assets			
Property, Plant & Equipment	5	48,984	8,253
Current Assets			
Receivables	7	8,217	9,353
Cash and Cash Equivalents		163	261
		<u>8,380</u>	<u>9,614</u>
Current Liabilities (amounts falling due within one year)			
Payables	8	27,234	36,613
Net Current Liabilities		(18,854)	(26,999)
Retirement Benefits			
Deferred retirement benefit funding asset	9(d)	406,000	336,000
Retirement benefit obligations	9(b)	(406,000)	(336,000)
Total Net Assets		<u><u>30,130</u></u>	<u><u>(18,746)</u></u>
Representing			
Capital Account	6	48,984	8,253
Retained Revenue Reserves		(18,854)	(26,999)
		<u><u>30,130</u></u>	<u><u>(18,746)</u></u>

The Statement of Cash Flows and notes 1 to 11 form part of these financial statements.


 Paul Kenny
 Pensions Ombudsman

17 May 2016

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

Statement of Cash Flows

for the year ended 31 December 2015

	2015	2014
	€	€
Net cash flows from operating activities		
Excess income over expenditure	48,876	(23,831)
Depreciation	7,833	7,266
Loss on disposals	3,699	-
Decrease/(increase) in receivables	1,136	1,128
(Decrease)/increase in payables	(9,379)	18,908
Net cash inflow from operating activities	<u>52,165</u>	<u>3,471</u>
Cash flow from investing activities		
Payments to acquire property, plant and equipment	<u>(52,263)</u>	<u>(3,248)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(98)</u>	<u>223</u>
Cash and cash equivalents at 1 January	261	38
Cash and cash equivalents at 31 December	<u>163</u>	<u>261</u>

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

Notes to the Financial Statements

1 Accounting Policies

The basis of accounting and significant accounting policies adopted by the Office of the Pensions Ombudsman are set out below. They have all been applied consistently throughout the year and for the preceding year.

(a) General Information

The Office of the Pensions Ombudsman is an independent and impartial body, established in 2003, pursuant to Part XI of the Pensions Act 1990, as inserted by the Pensions (Amendment) Act 2002.

The primary objectives of the Office of the Pensions Ombudsman, as set out in the Act are to examine, investigate and decide, in an independent, impartial and equitable manner, on complaints and disputes concerning occupational pension schemes, Personal Retirement Savings Accounts (PRSAs) and Trust RACs, and to grant redress, where appropriate.

The Pensions Ombudsman is a Public Benefit Entity (PBE).

(b) Statement of Compliance

The financial statements of the Office of the Pensions Ombudsman for the year ended 31 December 2015 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are the Office of the Pensions Ombudsman's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The transition to FRS 102 has not affected its reported financial position or financial performance.

(c) Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister of Social Protection, with the concurrence of the Minister for Public Expenditure and Reform, as provided for under Section 143(1) of the Pensions Act 1990. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Office of the Pension Ombudsman's financial statements.

(d) Revenue

Oireachtas Grant

Oireachtas Grant represents the total payments made by the Department of Social Protection on behalf of the Office, in the year of account. Funding for the Office of the Pensions Ombudsman is provided by the Department of Social Protection which makes all payments on behalf of the Office. The total grant matches the sum charged to the Appropriation Account of that Department.

Other Revenue

Other income which relates mainly to court awards of legal costs in favour of the Office of the Pensions Ombudsman are brought to account on a cash receipts basis.

(e) Property, Plant, & Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

IT, Hardware, Software and Office Equipment	20% Straight Line
Furniture and Fittings	10% Straight Line

(f) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. There is no provision made for doubtful debts.

(g) Employee Benefits

Short Term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

(h) Retirement Benefits

Retirement provision for the staff of the Office, who are Civil Servants, is made under the appropriate defined benefit Civil Service Superannuation Schemes. The Single Public Service Pension Scheme applies to new public servants appointed to pensionable positions on or after 1st January 2013

Pension costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are remitted to the Department of Social Protection. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

These superannuation schemes are funded on a pay-as-you-go basis from monies provided by the Department of Social Protection and from contributions deducted from the salaries of staff.

The Department of Social Protection manages the payroll function for the staff of the Office of the Pensions Ombudsman. Employee's superannuation contributions are deducted from salaries and remitted by the Department of Social Protection.

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

1 Accounting Policies (continued)

Section 130 of the Pensions Act 1990, conferred the power on the Minister for Social Protection, with the consent of the Minister for Public Expenditure and Reform, to provide for the establishment of a separate superannuation scheme for the Pensions Ombudsman. The legislation to support this was enacted under Statutory Instrument No. 433 of 2015, with a commencement date of 28th April 2003.

This established a defined benefit scheme for the Pensions Ombudsman, where pension scheme liabilities are measured on an actuarial basis, using the projected unit method.

Pension costs reflect pension benefits earned by the Pensions Ombudsman in the period and are shown net of his pension contributions, which are retained by the Department of Social Protection. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grant received in the year to discharge pension payments.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of Social Protection.

Retirement Benefits represent the present value of future retirement benefit payments earned by the Ombudsman to date. Deferred retirement benefits represents the corresponding asset to be recovered in future periods from the Department of Social Protection.

(i) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Depreciation and Residual Values

The Ombudsman has reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

(j) Capital Account

The Capital Account represents the unamortised value of income applied for capital expenditure.

(k) Statement of Cash Flows

A statement of cash flows is prepared in accordance with FRS 102 and is included at page 7.

2 Other Income

Other income of €96,811 (2014: €63,837) received in 2015 relates to legal costs awarded by the Courts in respect of Appeal cases taken against the Office of the Pensions Ombudsman. This income was remitted in full to the Department of Social Protection as Appropriations-in-Aid in December 2015 but not lodged by the Department at 31st December 2015.

3 Remuneration

(a) Remuneration and Other Pay Costs

	2015	2014
	€	€
Wages and Salaries	343,395	511,333
Staff Secondment Costs	23,468	18,042
Travel	1,380	4,606
Retirement Benefit Costs	9(a) 44,666	40,524
Total	412,909	574,505

A total of €34,089 (2014: €32,893) was deducted from staff salaries by way of pension related deductions and retained by the Department of Social Protection.

During the latter part of 2014 two employees, and for the duration of 2015 one employee was seconded to the Office of the Pensions Ombudsman from the Financial Services Ombudsman's Bureau of Ireland.

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

**3 Remuneration (continued)
(b) Employee Numbers**

The average number of employees during the period was made up as follows

	2015	2014
Ombudsman	1	1
Administrative Staff	5	7
	<u>6</u>	<u>8</u>

(c) Ombudsman Salary

	2015	2014
	€	€
Salary	93,490	112,535

The Ombudsman did not receive a performance related bonus and his pension entitlements do not extend beyond the model civil service scheme. From July 2015 the Pensions Ombudsman reduced his working time to 3 days per week, which reduction is reflected in his salary for the 2015 year.

(d) Employee Salaries over €60,000 per annum

	2015	2014
	Number of Employees	Number of Employees
Band		
€70,000 - €80,000	2	2
€90,000 - €100,000	1	-
€110,000 - €120,000	-	1
	<u>3</u>	<u>3</u>

4 Operating Expenditure

	2015	2014
	€	€
General Expenses	9,942	1,402
Postage and Telecommunications	7,431	10,137
Printing and Stationery	4,168	12,210
IT/Office Machinery (Non-Asset)	9,216	14,176
Audit Fee	10,500	8,000
Maintenance	18,592	18,765
Rent and Service Charges	60,889	-
Depreciation	7,833	7,266
Loss on Transfers	3,699	-
	<u>132,270</u>	<u>71,956</u>

5 Property, Plant and Equipment

	IT Hardware, Software & Office Equipment €	Furniture and Fittings €	Total €
Cost			
Balance at 1 January 2015	120,248	152,714	272,962
Additions	-	52,263	52,263
Transfers ¹	(44,684)	(107,583)	(152,267)
Balance at 31 December 2015	<u>75,564</u>	<u>97,394</u>	<u>172,958</u>
Depreciation			
Balance at 1 January 2015	(115,692)	(149,017)	(264,709)
Acc Dep on Transfers ¹	44,684	103,884	148,568
Charge for the year	(2,607)	(5,226)	(7,833)
Balance at 31 December 2015	<u>(73,615)</u>	<u>(50,359)</u>	<u>(123,974)</u>
Net Book Value			
At 1 January 2015	4,556	3,697	8,253
Net movement for the year	(2,607)	43,338	40,731
Balance at 31 December 2015	<u>1,949</u>	<u>47,036</u>	<u>48,984</u>

¹ On moving Office from 36, Upper Mount Street, Dublin 2, to Lincoln House, Lincoln Place, Dublin 2 in May 2015, the Office of the Pensions Ombudsman did not relocate assets that were no longer required or suitable for use in the new Office location. The Department of Social Protection have since relocated one of their divisions to 36 Upper Mount Street and taken possession of these assets.

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

6 Capital Account	€	€	
Balance at 1 January 2015			8,253
Purchase of Fixed Assets	52,263		
Amortisation in line with Depreciation	(7,833)		
Loss on Transfers	(3,699)		
Transfer from Income and Expenditure and Retained Revenue Reserves Account			40,731
Balance at 31 December 2015			<u><u>48,984</u></u>

7 Receivables			
	2015	2014	
	€	€	
Prepayments	8,217	9,353	
			<u><u>8,217</u></u> <u><u>9,353</u></u>

8 Payables			
Amounts falling due within one year	2015	2014	
	€	€	
Trade Creditors	11,564	28,913	
Audit Fee	10,500	7,700	
Holiday Pay Accrual	5,170	-	
	<u><u>27,234</u></u>	<u><u>36,613</u></u>	

9 Retirement Benefit Costs

(a) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

	2015	2014	
	€	€	
Current Service Cost	30,000	30,000	
Interest on Retirement Benefit Scheme Liabilities	20,000	17,000	
Employee contributions	(5,334)	(6,476)	
Funds recoverable in respect of current year pension costs	<u><u>44,666</u></u>	<u><u>40,524</u></u>	

(b) Movement in net retirement benefit obligation during the financial year

	2015	2014	
	€	€	
Net Retirement Benefit Obligation at 1st January	336,000	315,000	
Current Service Cost	30,000	30,000	
Past Service Cost	-	-	
Interest Cost	20,000	17,000	
Actuarial (gain)/loss	20,000	(26,000)	
Pensions paid in the year	-	-	
Net Retirement Benefit Obligation at 31st December	<u><u>406,000</u></u>	<u><u>336,000</u></u>	

(c) Deferred Funding for Retirement Benefits

The Office of the Pensions Ombudsman recognises this amount as an asset corresponding to the unfunded deferred obligation for retirement benefits on the basis of the set of assumptions described at (e) and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Office of the Pensions Ombudsman has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	2015	2014	
	€	€	
Funding recoverable in respect of current year retirement benefit costs	50,000	47,000	
	<u><u>50,000</u></u>	<u><u>47,000</u></u>	

The deferred funding asset for pensions as at 31 December 2015 amounted to €406,000 (2014: €336,000).

**Office of the Pensions Ombudsman
Financial Statements for the
Year Ending 31 December 2015**

9 Retirement Benefit Costs (continued)

(d) History of defined benefit obligations

	2015	2014	2013	2012	2011
	€	€	€	€	€
Defined Benefit Obligations	406,000	336,000	315,000	294,000	259,000
Experience losses/(gains) on defined benefit scheme liabilities	20,000	(26,000)	(25,000)	(9,000)	(8,000)
Percentage of the present value of scheme liabilities	-5%	-8%	-8%	-3%	-3%

(e) General Description of the Scheme

The retirement benefit scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal retirement age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The valuation used for FRS 102 disclosures has been based on the actuarial valuation completed by a qualified independent actuary, taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2015.

The principal actuarial assumptions were as follows:

	2015	2014
Rate of increase in salaries	2.50%	4.00%
Rate of increase in pensions in payment	2.50%	4.00%
Discount Rate	2.35%	5.50%
Inflation Rate	1.75%	2.00%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining age 65 in 2014 and 2015.

	2015	2014
Years of attaining age 65		
Life expectancy - male	87	87
Life expectancy - female	90	90

10 Premises

In preparation for the planned amalgamation, the Office of the Pensions Ombudsman was scheduled to co-locate with the Financial Services Ombudsman's Bureau at Lincoln House, Lincoln Place, Dublin 2, when additional office space became available there. The lease for this additional space was taken out by the Financial Services Ombudsman's Bureau from 1st March 2015, with 40% chargeable to the Office of the Pensions Ombudsman. The rent and service charges payable in the 2015 year by the Office of the Pensions Ombudsman for the premises at Lincoln Place amounted to €60,889. Due to the need for refurbishment and the installation of phone and computer lines the move did not proceed until the end of May 2015. Until then, the Office of the Pension Ombudsman was provided with premises at 36, Upper Mount Street, Dublin 2, by the Office of Public Works (OPW). This accommodation was leased and paid for by the OPW, at no cost to the Office of the Pensions Ombudsman.

11 Amalgamation with the Financial Services Ombudsman's Bureau

As part of the Public Service Reform Programme, the Office of the Pension Ombudsman was included on a critical review list of bodies that might be amalgamated. A decision was taken by the Government in April 2013 to amalgamate the Office of the Pension Ombudsman with the Financial Services Ombudsman's Bureau. The proposed legislation to give effect to the amalgamation has not yet commenced. It is expected that the amalgamation will be completed by the end of 2016.