

Stephen Ryan,
Principal Officer,
PSM Governance and Policy,
Department of Culture, Communications and Sport,
Leeson Lane,
Dublin 2.

14th October 2025

RTÉ Superannuation Scheme Regulation Change

Dear Stephen

We refer to our previous correspondence requesting an amendment to Regulation 20 of the Regulations of the RTÉ Superannuation Scheme (**RTÉSA** or **Scheme**) (the **Regulations**). The most recent letter in that correspondence was a letter dated 15 February 2024 from Donal Crowley, then Head of Human Resources and State Boards Liaison Office at the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (**TCAGSM**) to Mike Fives, Group Financial Controller at RTÉ. We note that with effect from June 2025, TCAGSM has been renamed as the Department of Culture, Communications and Sport (**DCCS**)

The purpose of this letter is to seek Ministerial approval of the proposed Regulation 136 set out in Appendix 1 to this letter.

By way of background, the original request to amend the Regulations was made in February 2020. The change would have resulted in the RTÉSA covering its own operational expenses, instead of the prevailing position which is that such expenses are paid by RTÉ.

The response from TCAGSM at that time was that the current regulatory regime should be maintained, primarily because of a concern that requiring the RTÉSA itself to meet the costs of such expenses would not necessarily lead to a reduction in RTÉ's overall costs should a deficit emerge in the Scheme given that a deficit might ultimately result in a requirement for RTÉ to increase its contribution rate.

The most recent letter from TCAGSM dated 15 February 2024 stated that, taking account of NewEra's updated advice that, to the best of its knowledge, employers of Commercial State Bodies (**CSB**) pension schemes typically meet the costs of operating CSB pension schemes, the current regulatory regime should be maintained for the RTÉSA for the time being. However, it also stated that the matter would be kept under review, given the de-risking of assets taking place and the decline in active members.

In the period since TCAGSM's response to the original request, the investment risk (and related risk of a funding deficit emerging) associated with the RTÉSA has decreased very materially, progress has been made on potential options for settling some or all of the pensioner liabilities in the RTÉSA, the active membership numbers have reduced even further, and RTÉ has implemented its own policy

for determining when it will support a request from the RTÉSA trustees to the Minister to provide a pension increase.

RTÉ remains of the view that the most appropriate course is for the RTÉSA Regulations to be amended to require the RTÉSA to cover its own operational expenses, and that the case for doing so is strong and sensible. We have set out in full below the reasons that we take this view and why we believe that concerns previously raised now no longer arise or are not material.

Existing Regulation

Currently, Regulation 20 (as amended by Regulations 88 and 109) covers the provisions around expenses of the Scheme. These Regulations are recited in Appendix 2 to this letter. All expenses associated with the purchase and sale of the Scheme's investments are paid for by the RTÉSA. All expenses associated with the administration and operation of RTÉSA are paid by RTÉ.

Proposed Regulation

The proposed new Regulation 136 which is attached to this letter has been drafted as an amendment to Regulation 20. It replaces the amending Regulations 88 and 109. It is broad in the definition of expenses to be covered by RTÉSA and would have the effect that all expenses incurred by RTÉSA and its Trustees would be met out of RTÉSA assets.

Considerations in Relation to Proposal.

The following are key issues which we believe are relevant to the decision making process for this issue:

1. Level of Surplus in the Scheme

The actuarial valuation report as at 1 January 2025 disclosed a surplus of €421 million on an ongoing valuation basis excluding an allowance for pension increases. The report also disclosed that allowing for 4% pension increases for all members of the RTÉSA in perpetuity would still leave a surplus of €61 million. This suggests that, on the current valuation, RTÉ's contributions paid over the life of the Scheme, together with a successful investment policy, have been in excess of what, it now transpires, is required to provide the Scheme benefits and to administer the Scheme until it is wound up.

In the actuarial valuation report as at 1 January 2020 the Scheme actuary estimated, on an ongoing valuation basis, that a reserve of €20 million would be sufficient to cover the future operational expenses of the Scheme. Given that expenses in the intervening five years have continued to be paid by RTÉ, that figure is now likely to be an over-estimate of the value required to meet future operational expenses and, in any event, the €20 million figure is clearly more than comfortably covered by the surplus of €61million in the Scheme even assuming all members receive 4% pension increases in perpetuity.

2. Progress in De-Risking

RTÉ's Pension Increase Review policy in 2023 promoted and emphasised the importance of de-risking of RTÉSA's investment portfolio. The successful policy of de-risking has put RTÉSA well ahead of its original targets.

The table below sets out a comparison of the asset values by asset class as provided in the Trustee Annual Reports for 2022 through to 2025.

Actuarial Valuation as at	1 January 2022	1 January 2023	1 January 2024	1 January 2025
Sovereign Bonds & Cash (Matching)	€549m	€443m	€717m	€803m
Other (Growth)	€645m	€587m	€353m	€254m
Total	€1,194m	€1,031m	€1,070m	€1,056m
% Matching	46%	43%	67%	76%

As referenced above, at 1 January 2025, the ongoing surplus in the Scheme was €61 million or 5.6% of the asset values. This was after an allowance of 4% pension increases had been made. The matching of assets has added stability to the surplus level and decreased risk in the event of future market volatility. This, together with the three pension increases granted since the Pension Increase Review Policy has been implemented, has helped provide real financial gains and security for the members.

RTÉ's Pension Increase Review policy will be reviewed in 2025 but the focus will continue to remain on risk management.

3. Progress with Feasibility Study

As part of the response dated 10 January 2023 from TCAGSM, RTÉ was asked about settlement plans for the Scheme. As a result, RTÉ requested that the Trustees of the RTÉSA undertake a feasibility study as to whether buy in or buy out could be an option for the Scheme as the active membership declined. The Trustees agreed and Mercer was engaged to carry out an initial study. The Trustees have shared the initial results of this study with RTÉ. The indicative annuity rates on offer suggest that pensions, with increases, could be purchased and still leave residual assets, more than sufficient to cover the Scheme's operational expenses in the event of a buy-in and/or partial buy-out. Key to further progression of this project is the agreement between the various stakeholders on the route to follow. It is intended that the trustees and RTÉ will work with DCCS in the near future to progress this project further.

4. Membership Profile

The table below sets out the membership of the RTÉSA by category as included in the Trustee Annual Reports for 2020 and 2024 demonstrating the significant decrease in active and deferred members (falling from approximately 8% on 31 December 2020 to less than 3% on 31 December 2024, of total membership). It is anticipated that the active membership will fall to below 10 during 2026.

	31 December 2020	31 December 2024
Actives	98	26
Deferreds	39	15
Member Pensioners	1,325	1,245
Spouse Pensioners	265	315
	1,727	1,601

5. Growth in Expenses Covered by RTÉ

The cost of providing support for the RTÉSA has grown significantly in recent years. These costs include:

- consulting and all advisory costs incurred by the trustees (**Trustee Costs**),
- costs incurred by RTÉ as administrator and secretary of RTÉSA (**RTÉSA Administration Costs**),
- costs incurred by RTÉ in its role as sponsor of RTÉSA (**Sponsor Costs**).

The proposed change in the wording of the Regulations would mean that, in addition to the investment advisory fees currently covered, RTÉSA would also cover:

Trustee Costs: These have grown considerably in recent years and are expected to be in excess of ██████ in 2025. The growth is primarily a result of increased governance, compliance and related advisory requirements.

RTÉSA Administration Costs: RTÉ has to date provided administration and secretarial services inhouse for the RTÉSA. In addition to the salary costs of staff involved, RTÉ covers the cost of the payroll provider, data storage and postage costs. It is estimated that the annual cost of a specialist outsourced third-party pension administrator providing full administration and secretarial service for a scheme such as the RTÉSA would be in excess of ██████ per annum. RTÉ and the Trustees are currently planning the transition of the administration for the scheme to a third party external provider.

6. Use of limited resources.

RTÉ expends considerable resources on the RTÉSA and as the costs and time involved increase, this has the result of limiting the resources available for other RTÉ employee benefit provision. As issues relating to the active employee workforce, such as auto-enrolment, demand more attention, RTÉ find itself using the bulk its benefit-related resources on a Scheme with few remaining active employees.

The RTÉSA owes much of its strong financial position to the contributions and resources made available to it by RTÉ over the last 62 years and is now in a position where it can continue to provide Scheme benefits in accordance with the Scheme design as well as cover its costs for the remaining lifetime of the Scheme.

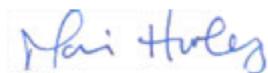
7. Relevance of Approach of Other CSB Pension Schemes.

We note that, in considering our previous requests for an amendment to the Regulations to provide for operational expenses to be paid out of the RTÉSA, the Minister has noted that to the best of NewERA's knowledge, pension scheme operational expenses are covered by the employer in other CSBs. We understand however, that the An Post operated superannuation scheme has been amended to the effect that that scheme's fund meets its own operational costs and expenses. In any event we take the view that the RTÉSA Regulations amendment request stands on its own merits.

In particular, the combination of the RTÉSA's very robust funding position, its ability to pay increases, its de-risked and resilient investment profile and very mature membership profile are in our view important factors supporting the requested RTÉSA Regulation amendment.

Based on the above we request that renewed consideration is given to approving the changes to Regulation 20 as set out in Appendix 1.

Yours sincerely



Mari Hurley
Chief Financial Officer, RTÉ

Appendix 1

Radio Telefís Éireann Superannuation Scheme No. 136

I, Patrick O'Donovan, Minister for Culture, Communications and Sport in exercise of the powers conferred on me by Section 91 of the Broadcasting Act, 2009 (no. 18 of 2009) and with the concurrence of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, hereby approve of the Radio Telefís Éireann Superannuation Scheme as amended by the addition of the Regulation hereunder submitted to me by Raidió Teilifís Éireann (being a corporation within the meaning of the said Act) on the ...th day of October 2025 in pursuance of sub-section 3 of section 91 of the said Act.

Regulation 136

With effect from the 1st day of October 2025, the following Regulation shall be substituted for Regulation 109.

Regulation 20 (as amended by regulations 88 and 109) shall be amended by the deletion of the last sentence thereof and the insertion of the following words in its place:

“The Fund shall meet all costs and expenses of managing and administering the Scheme and all costs and expenses arising from or in connection with the investment of the Fund.

Regulation 136

With effect from the 1st day of October 2025, the following Regulation shall be substituted for Regulation 109.

Regulation 20 (as amended by regulations 88 and 109) shall be amended by the deletion of the last sentence thereof and the insertion of the following words in its place:

“The Fund shall meet all costs and expenses of managing and administering the Scheme and all costs and expenses arising from or in connection with the investment of the Fund.

Such costs and expenses include but are not limited to:

- (a) Those arising from Scheme administration, pensioner payroll, actuarial consulting, audit, statutory reporting, communications, risk management, investment consultancy, trusteeship, treasury, tax and legal and other professional advices
- (b) Investment management charges, insurance, custody charges, brokerage, commissions and stamp duty on the purchase or sale of investments , and
- (c) any other liability of the Trustees for tax or duty relating to investment.”.

Given under my Official Seal this ____ day of _____ 2025

Patrick O'Donovan

Minister for Culture, Communications and Sport

I concur in the approval of the foregoing amending Scheme

Given under my hand this ____ day of _____ 2025

Jack Chambers

Minister for public Expenditure, Infrastructure, Public Service Reform and Digitalisation

Appendix 2

Existing Regulations to be amended

20. The Trustees shall not be bound in any case to act personally but shall be at liberty to employ a Solicitor or any other Agent to transact any or all business of whatsoever nature required to be done under the Trust Deed or the Regulations including the receipt and payment of money and shall be entitled to be allowed and paid all charges and expenses so incurred, and shall not be responsible for the default of any such Solicitor or Agent or for any loss occasioned by his employment. All expenses incurred in or about the execution of the Trusts or powers of these Presents by the Trustees shall be paid by the Authority.

88. Regulation 20 shall be amended by the insertion of the following words after the word “Trustees” in the final sentence thereof :-

“excluding expenses arising from or in connection with the purchase and sale of securities” .

109. The following Regulation shall be substituted for Regulation 88:-

Regulation 20 shall be amended by the insertion of the following words after the word “Trustees” in the final sentence thereof :-

“(excluding expenses arising from or in connection with or with a view to the purchase or sale of land or the making or realisation of other investments)”.