

2011 IS SET TO BE A TURBULENT YEAR IN THE PENSIONS LANDSCAPE, PARTICULARLY FOR PENSION TRUSTEES WITHIN ORGANISATIONS WHERE A NUMBER OF DIFFICULT DECISIONS WILL HAVE TO BE MADE, WRITES LOUISE KEVENEY, AN ASSOCIATE WITH TRUSTEE PRINCIPLES.

WHY PROFESSIONAL TRUSTEESHIP?



AT A TIME WHEN IRELAND already faces multiple changes to pension's legislation, on December 7th 2010, otherwise known as Budget Day, more changes were introduced to the Irish pensions system than in the entire decade that preceded it. Many of these changes are not only very substantial, but are also wide ranging in nature. This will be a particularly testing time for pension trustees, as crucial and challenging decisions will have to be made over the next few years.

Over the last few years, the role of the pension trustee has become more complex and demanding and there is now a greater need for trustees to have a heightened level of pensions knowledge, experience, expertise as well as independence. Trustees must also be prepared to invest time and commitment into the role; keep fully up to date with pension issues and changes as well as being prepared to be held personally liable should anything go wrong. In February 2010, The Pensions Board introduced mandatory trustee training which compels a trustee to undertake training at least every two years.

CHALLENGING TIMES FOR TRUSTEES

Not only do trustees face the challenge of managing a pension scheme during very turbulent times, the trustee also has a responsibility to look after the best interests of the pension scheme beneficiaries. However, it can become difficult to avoid conflicts of interest when the trustee is the finance manager or company director. Where on one hand they have a responsibility to the beneficiaries of the

pension scheme, on the other hand they also have obligations to the company. This can leave the trustee in an impossible situation. Conflicts of interest can be managed by appointing a professional trustee who can also help ensure an independent strong voice on the trustee board when firm decisions need to be implemented.

An independent professional trustee can be appointed as the sole trustee of the scheme or joint trustee alongside existing trustees. This enables the trustee board to manage conflicts and risks more effectively. At a time when so many decisions are difficult and unenviable, one decision should be easy and provide assurance – professional trusteeship.

EXTERNAL PROFESSIONALS

At Trustee Principles we believe that trustee boards need independent professionals with the experience and expertise to carry out their duties effectively. We are experts in pensions, actuarial, investments and the day-to-day management of pension schemes. With many years' of experience managing pension schemes at a senior level, we bring an in-depth understanding and knowledge of the complex range of legislative, financial, investment, employee engagement and operational issues that trustees have to consider. As professional trustees we can provide a guiding hand and offer insightful support to the board. We also recognise the importance of impartiality in decision making. Our independence enhances our ability to manage any potential conflicts of interest or risks while maintaining the highest possible standards of personal and professional integrity.

Similarly, against a background of rising



Louise Keveney, Associate with Trustee Principles.

operational costs associated with a pension scheme and tighter financial circumstances for many companies, cost efficiency is even more important than ever. At Trustee Principles we can oversee service providers and can achieve greater control over the cost of managing the pension scheme.

Our services can be adapted to the particular needs of pension schemes and trustee boards. These include:

- Acting as independent professional trustee (either as sole or joint trustee);
- Acting as chairman of the trustees;
- Participating as member or chairman of trustee sub-committees (for example, investment committees);
- Carrying out the role of secretary to the trustees; and
- Providing comprehensive training for trustees which is practical and up to date.

We will also provide insights on practical pension scheme management issues, including the communications aspects.

For more information on Trustee Principles call (01) 649 9020 or log on to www.trusteeprinciples.ie.

“AS PROFESSIONAL TRUSTEES WE CAN PROVIDE A GUIDING HAND AND OFFER INSIGHTFUL SUPPORT TO THE BOARD.”