

As you may be aware we are currently awaiting new pension legislation which will take effect for all Irish occupational pension schemes shortly in January 2019.

## IORP II:

The EU IORP II Directive introduces a number of specific measures designed to facilitate the development of occupational retirement savings and to provide sustainable and adequate occupational pensions to the European citizens. EU countries must transpose the new rules into their national law by 13 January 2019. Irish legislation is still pending but the main provisions of the directive are set out in this document.

**Figure 1:** IORP II – The new EU Pensions Directive

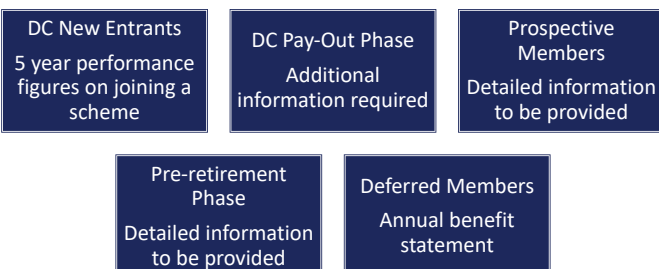


Brendan Kennedy, the Pensions Regulator, has flagged a significant shift in the regulator’s approach to pension supervision. A high level overview of what we understand the new requirements to be are set out in the Figure 2, 3 and 4 throughout this document. Legislation is still awaited so we do not currently have full details but we expect that some transition leeway will be given to allow schemes time to comply. We will work closely with your advisor and Registered Administrator to ensure your scheme complies with the new legislation. This will result in additional work and may potentially increased fees.

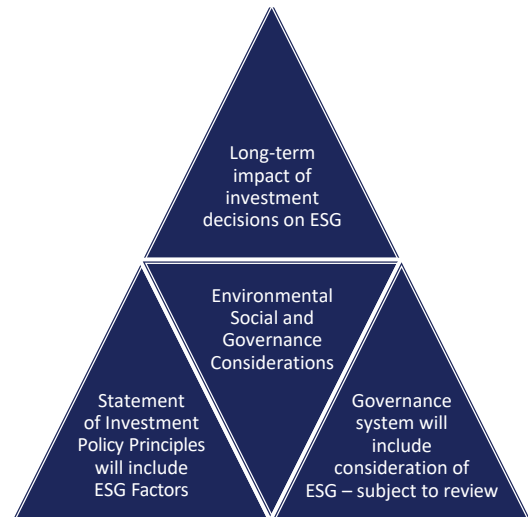
**Figure 2:** Governance and risk management requirements under IORP II

Trustees	Internal Control Systems	Written Policies
<ul style="list-style-type: none"> <li>Trustee qualifications</li> <li>Collective trustee board expertise</li> <li>CPD requirements</li> </ul>	<ul style="list-style-type: none"> <li>Key function appointments - risk, internal audit, internal control</li> <li>Documented own-risk assessment</li> <li>Triennial reviews</li> </ul>	<ul style="list-style-type: none"> <li>Risk management</li> <li>Internal audit</li> <li>Remuneration</li> <li>Outsourced functions</li> <li>BCP</li> </ul>

**Figure 3:** The Directive provides for standards including member communications



**Figure 4:** Environmental, social and governance factors are important for investment policy systems of IORPs



## Employer Obligations:

We would also like to take this opportunity to remind you as an employer on the importance of remittance of contributions relating to your pension scheme for relevant employees. The Pensions Authority places great importance on the timely remittance of contributions and failure to comply with the relevant legislation is an offence. It would be useful from time to time to discuss contribution remittance requirements with the scheme’s administrator, your payroll department or provider and ourselves as trustee to your pension scheme to ensure that appropriate processes are in place to facilitate the requirements.

- All contributions to defined contribution schemes must be remitted within 21 days of the end of the month in which they are deducted.
- All employee contributions to defined benefit schemes must be remitted within 21 days of the end of the month in which they are deducted.

Further information on employer contributions can be found at <https://www.pensionsauthority.ie/en/Employers/>

If you have any queries on the above or any other matters relating to your pension scheme please do not hesitate to contact us.

## For more information:

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