

LCP Radar Update - July 2021

IORP II Codes of Practice for Trustees are published

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The EU pensions directive, IORP II, was transposed to Irish law in April 2021. The Pensions Authority said in May that it expects trustees of occupational pension schemes to implement a project plan, demonstrate progress and be fully compliant by 1 January 2023. A detailed draft code of practice for trustees (44 pages) was issued by the Authority on 22 July 2021. While this code is subject to consultation, it represents a starting point for the trustees to refine their project plan and begin addressing any gaps.

The draft code sets out the Authority's expectations of trustees under six headings: governance, administration, internal control system, investment, defined benefit financial management and fit & proper requirements.

Many of the requirements are as expected, however there are some new requirements included, for example:

- the requirement to formally appoint a Secretary and Chairperson. The Chairperson has responsibility for ensuring all items on the agenda are completed.
- Where Trustees have an appointment to more than one scheme each meeting must be "scheme specific".
- Policies on Member Engagement, Trustee Skills Knowledge & Experience and on Selecting & Appointing Key Function Holders.
- Detailed specification of the minimum contractual requirements for outsourced activities; and
- For trustees of Defined Benefit schemes, confirmation that trustees will need to verify the contributions to the scheme will be adequate to meet the cost of ongoing benefit accrual and to consider whether there are any threats to the current contributions.

The Pensions Authority has invited views on the draft code of practice. The closing date for the receipt of submissions is 5pm Thursday 16 September 2021.

If you would like to find out more about how LCP can help you meet the new requirements, or if you have any questions on this update, please contact [Roma Burke](#) at roma.burke@lcpireland.com or the LCP partner who normally advises you.

Note of Work

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