

LCP Radar – Changes to Multiple Pension Regulations

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The Minister for Social Protection made a number of changes to the existing regulations under the Pensions Act. These changes follow the transposition of IORP II (the EU Pensions Directive) and most changes are necessary to allow for the implementation of IORP II. There are a few noteworthy changes which Trustees should be aware to avoid going offside.

Disclosure of information

The Disclosure of Information Regulations 301/2006 was amended to reflect changes introduced as a result of IORP II. Most of these were expected, but there are some noteworthy changes.

- The regulations are amended to allow member disclosures to be issued electronically. However the Pensions Authority previously confirmed just a few months ago that Trustees who wish to send electronic disclosures rather than paper copies require the consent of members before they move to this form of communication.
- These provisions require schemes which commenced on or before 22 April 2021 to make the first Pension Benefit Statements (“PBS”) available by 31 December 2022. While this target date has not changed, it will pose serious challenges for Trustees and Registered Administrators given the lack of any further guidance regarding the PBS.

Investment Regulations

All members of defined contribution schemes and defined benefit schemes as a whole must invest predominantly in “regulated markets”. The definition of a “regulated market” has now been added. The definition may be quite restrictive as it appears only to define “regulated markets” as those markets regulated by an EU member state. This definition could cause serious issues to defined contribution schemes which offer investment choices beyond EU markets, and to defined benefit schemes which may also invest outside of EU markets. We await clarity on this issue as the potential consequences seem very wide ranging.

Bulk Transfer Regulations

The timeframe for notifying transferring members of a proposed bulk transfer has been reduced, from at least two months before the proposed transfer date, to at least one month. The pensions industry is expecting a raft of bulk transfers over the next few years as trustees grapple with the additional burdens introduced through IORP II. The reduction in the required timeframe will help to simplify the transfer process.

More details can be accessed at

https://www.pensionsauthority.ie/en/news_press/latest_news/amendment_to_various_regulations_under_the_pensions_act_1990.html

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How can LCP help?

If you would like to find out more about how LCP can help trustees and sponsors of pension arrangements, or if you have any questions on this update, please contact [Roma Burke](mailto:roma.burke@lcpireland.com) at roma.burke@lcpireland.com or the LCP partner who normally advises you.

Note of Work

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