

PENSIONS AND EMPLOYEE BENEFITS

IORP II Implementation

May 2021

The European Union (Occupational Pension Schemes) Regulations, 2021 (SI No 128 of 2021) (the "Regulations") were signed into law on 22 April 2021, fully transposing the requirements of the IORP II Directive into Irish law.

The Regulations introduce increased governance, investment and disclosure requirements for trustees of occupational pension schemes (and trust RACs) and significantly increase the oversight and intervention powers of the Pensions

Authority. The Regulations also remove some obstacles to cross-border provision of pension services and facilitating the cross-border transfer of schemes.

The Regulations apply to most funded pension schemes immediately with

an obligation to provide an annual compliance statement (in a form to be prescribed by the Pensions Authority), the first of which is to be provided by 31 January 2022 in respect of compliance in 2021.

KEY HIGHLIGHTS

- Trustee requirements: knowledge, experience, fitness and probity. Minimum of two compliant trustees by 31 December 2021.
- Effective governance system including written policies on risk management, internal audit, actuarial functions and outsourcing.
- Requirement to have internal control system.
- Key function holders to be appointed: risk management, internal audit and actuarial by 31 January 2022.
- Current one member arrangements not required to comply for five years (i.e. April 2026). New ones comply immediately.
- Requirement to issue pension benefit statement to members (including deferreds) annually from 2022.
- Increased Pensions Authority powers: compliance statement and notification requirements for outsourcing arrangements.
- Trustees must conduct own risk assessment every 3 years: first such statement due by April 2024.
- Whistleblowing obligations: key function holders (and depositary where appointed) have whistleblowing obligations.

KEY DATES

Regulatory deadlines



Pensions Authority full compliance expectations¹



NEXT STEPS FOR TRUSTEES



Pensions Authority draft code of practice due in July 2021 and will be open to public consultation

KEY CONTACTS

If we can assist with clarifying the requirements, planning the legal workstream or drafting or reviewing policies and IORP related documents please do not hesitate to contact your usual Arthur Cox contact or any other member of the Pensions Team.



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¹ From the Pensions Authority's guidance "Information for Trustees" of May 2021