



An tÚdarás Pinsean
The Pensions Authority

THE PENSIONS AUTHORITY ANNUAL REPORT AND ACCOUNTS 2020

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CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report and Accounts of the Pensions Authority for the year ended 31 December 2020 in accordance with section 23(2) of the Pensions Act, 1990.

Challenges in 2020

The main challenges in 2020 were the delays in the transposition of the IORP II Directive and the effects of the Covid-19 pandemic. Preparations for the move to forward-looking risk-based supervision continued throughout 2020 and, while having to work remotely, good progress was achieved.

IORP II transposition

Throughout 2020, the Authority continued to provide technical support to the Department of Social Protection in preparing for the transposition of the IORP II Directive into Irish law.

The regulations transposing the provisions of the IORP II Directive into Irish law were published on 27 April 2021.

Throughout 2021 there will be ongoing communications activity with the pensions sector on the provisions of the transposition, the Authority's implementation plans, and the expectations of the Authority regarding compliance by regulated entities with their IORP II obligations.

The Pensions Regulator's statement that accompanies this report sets out in more detail the implementation plans and what is expected of trustees as the full requirements of the IORP II come into force.

Impact of Covid-19

The Covid-19 pandemic has reduced the income of many people and this may well affect their ability to sustain their pension contributions.

The Authority monitored the effect of the pandemic on the pensions sector throughout the year. With very few exceptions, the scheme administration and management systems worked very well: most importantly, benefits continued to be paid and contributions collected and invested without interruption. The need to work remotely resulted in some practical challenges, such as changing manual paper processes to an electronic format and holding virtual trustee meetings. However, scheme trustees and their advisers appear to have coped well.

Overall, the Authority's remote working arrangements in response to the Covid-19 pandemic worked well in 2020. This has continued through 2021 and will be adapted in line with Government guidelines as 2021 progresses.

Working from home involved challenges for all employees, especially in the early months when not everyone had the IT equipment needed, and when schools and childcare were closed. It also took time for everyone to adapt to communicating without normal face-to-face contact. Covid-19 created specific additional work for many employees, who supported home workers and implemented new policies and procedures required by the Government protocols for dealing with Covid-19 in the workplace.

The work of the Authority

This annual report sets out the work of the staff of the Authority during 2020. Despite the challenges, all priority work was maintained, including day-to-day supervision work, responses to telephone and online enquiries, IT systems, recruitment, support for the Department of Social Protection on the transposition of IORP II, and for other issues as they arose.

For example, 66 supervision and engagement meetings were held (virtually) with regulated entities in order to ensure that they were performing their obligations under the Pensions Act. Included in this number and as part of its move to forward-looking risk-based supervision, the Authority engaged with master trusts and large defined benefit schemes to assess how well they were meeting their governance and risk obligations.

The supervision work of the Authority is concerned with overseeing the proper management of retirement savings by the regulated entities that are entrusted with over €115 billion in savings of members of pension schemes and PRSA contributors.

The implementation of the IORP II Directive will set demanding standards for those who manage the savings of others in occupational pension schemes. The Authority will supervise compliance with these standards to ensure the best outcome for scheme members.

Funding the work of the Pensions Authority

As stated in last year's annual report, the more detailed supervision mandated by IORP II and for data collection will increase the costs of running the Authority.

The Minister for Social Protection provided for a €3 million Exchequer subvention for 2021 for the Authority. The funding is ring-fenced for the increased capital expenditure required to develop the Authority's IT and data management capacity. The funding is recoupable from future Authority fee income.

The subvention is only for 2021 and a fee increase will be

required in 2022 and subsequent years. The Authority will submit a fee recommendation to the Minister for Social Protection in early autumn 2021 for approval.

Governance of the organisation

The Authority is subject to and complies with the Code of Governance for State Bodies. We also have an oversight agreement in place with the Department of Social Protection.

The Pensions Authority Statement of Strategy 2016 – 2020 will be reviewed and updated now that IORP II has been transposed into Irish law.

I would like to thank the Minister and the officials in the Department of Social Protection. We value our close working relationship and look forward to working together over the coming years.

Finally, on behalf of myself and the other members of the Authority, I would like to thank the Pensions Regulator and staff of the Authority for their hard work and professionalism during 2020.



Dr David Begg
Chairman

THE PENSIONS AUTHORITY

The Authority is a statutory body comprising an independent chairperson appointed by the Minister for Social Protection and two ordinary members. The term of office for the Authority members is five years.

The members of the Authority are:



Dr David Begg
Chairman



Mr Ciarán Lawler,
Assistant Secretary,
Department of Social Protection
(Representative of the Minister
for Social Protection)



Mr Michael J. McGrath
Assistant Secretary
Department of Finance
(Representative of the
Minister for Finance)

Ms Jacqui McCrum, former Deputy Secretary, Department of Social Protection resigned as a member of the Authority on 24 August 2020. Ciarán Lawler, Assistant Secretary, Department of Social Protection attended as the Department of Social Protection observer from 27 October 2020 and was appointed as an Authority member on 29 March 2021. David Begg was reappointed Chairman of the Authority on 13 January 2021.

Day-to-day decision making is delegated to employees under the Authority's active supervision. The Authority's senior management team is as follows:



Brendan Kennedy
Pensions Regulator



Grace Guy
Head of Supervision
and Enforcement



Ger Clarke
Deputy Head of Supervision
and Enforcement



Pat O'Sullivan
Head of Technical



Andrew Nugent
Head of Policy



Brendan Roche
Head of Legal



Dervla O'Keefe
Head of IT and Data



Sylvia McNeece
Head of Programme
Management



David Malone
Head of Operations

SUMMARY OF ACTIVITY FOR 2020

6 PROSECUTION
cases were concluded



6 FUNDING PROPOSALS
FROM DB SCHEMES WERE
APPROVED



35 NEW
INVESTIGATIONS

were opened into various alleged breaches of the Pensions Act.

491 OF **566**

DB schemes subject to the funding standard were in compliance with the standard as at 31 December 2020.

investigations were
42 FINALISED
and closed during the year

200



SCHEMES
(100 DB AND 100 DC)

were surveyed to assess their levels of preparedness for the impending IORP II legislation



66 ENGAGEMENT
MEETINGS

were held with regulated entities (including trustees, PRSA providers, Registered Administrators and Life Companies).



11,595

general pension and data processing queries were received and dealt with.



2 ONSITE
INSPECTIONS

of PRSA Providers were undertaken.



5 DESK-BASED AUDITS

were finalised in 2020 which related to assessing compliance with disclosure regulations for occupational pension schemes and PRSAs

250,000

DATA SUBMISSIONS

from regulated entities were processed through the Authority's Pension Data Register.

MEETING THE AUTHORITY'S GOALS

The Authority's vision for the future is a pensions landscape where pensions savings are secure, well managed and understandable, and which encourages pensions savings. The Authority's Statement of Strategy sets out the organisation's four strategic objectives to deliver its vision, as follows:

1. To monitor and supervise occupational pension schemes and PRSAs to ensure they continue to be or will be well managed by competent trustees, providers and administrators.
2. Scheme trustees, the pensions industry and employers can rely on the Authority for guidance and support on what the Authority expects.
3. To be well known as an accessible, relevant and practical source of information for the public, members, contributors and beneficiaries.
4. To be a valuable source of technical pensions advice, knowledge, information and support to the Department of Social Protection.

The Authority has adopted a number of strategies to achieve these objectives, which include:

- a proactive and visible approach to dealing with non-compliance;
- a practical approach to information and guidance provision focusing on accessibility, best practice documents and codes of practice;
- a high-quality enquiry service that addresses issues of concern and queries raised by stakeholders that are within our statutory remit; and
- a comprehensive blueprint for a pensions structure that delivers on our vision and that informs the policy deliberations of the Minister and Department of Social Protection.

This annual report sets out the activities undertaken by the Authority in 2020 to meet these objectives.

Hierarchy of risk priorities

In order to ensure that its regulatory practices are efficient and that resources are directed to the most important matters, the Authority adopts a supervisory approach based on a hierarchy of risk priorities:

- 1st priority: misappropriation of pension assets or contributions
- 2nd priority: lack of governance or maladministration impacting on benefits/failure to pay benefits due
- 3rd priority: DB scheme solvency
- 4th priority: failure to provide prescribed information to members
- 5th priority: failure by regulated entities to submit accurate and timely data to the Authority.

This order represents the seriousness of the risks, not the likelihood of their occurrence. Whilst these priorities determine general Authority supervisory activity, the organisation will also ensure that no area is overlooked. Because regulation depends on the Authority having access to reliable information, the organisation especially targets failure to provide the Authority with information required under the Pensions Act, including whistleblowing obligations.

Compulsory and voluntary reporting/whistleblowing

There are statutory provisions, known as whistleblowing obligations, which place a legal obligation on specified persons involved in the operation of occupational pension schemes, trust RACs and PRSAs. Such persons must make a report to the Authority where fraud or material misappropriation is suspected to have occurred or it is feared it is about to occur. Any person can make a voluntary report on matters concerning the state and conduct of a scheme, Trust RAC or PRSA.

The Authority investigates whistleblowing reports and other serious complaints or allegations to find out what has happened. Where non-compliance is discovered, the Authority's priority is to ensure compliance. Nonetheless, the Authority will use its full powers under the Pensions Act where necessary.

Prosecutions

Non-compliance by regulated entities can result in prosecution. In 2020, the Authority concluded six prosecution cases and secured convictions in four cases as follows:

- two cases related to a failure to respond to a statutory request for information from the Authority (section 18 of the Pensions Act);
- one case related to the deduction and non-remittance of employee pension contributions to a scheme within the statutory timeframe (section 58A(1) of the Pensions Act);
- one case related to the non-remittance of obliged employer pension contributions to a scheme within the statutory timeframe (section 58A(2) of the Pensions Act).

Where a conviction is recorded, the person or company has been found guilty of a criminal offence.

Protected disclosures

There were no disclosures to the Authority in 2020 that were deemed to be protected disclosures as set out in the Protected Disclosures Act.

Investigations

In 2020, the Authority opened 35 new investigations of various alleged breaches of the Pensions Act. The alleged breaches varied from deduction and non-remittance of pension contributions to failure to reply to a statutory request for information. During the year, 42 investigations were finalised and closed.

The number of incidents that require investigation regarding deduction and non-remittance of contributions remains low.

Forward-looking risk-based supervision

During 2020, the Authority continued its move to forward-looking risk-based supervision.

Engagement programme

During 2020, the Authority started a new supervisory engagement programme with a number of established master trusts, master trusts in development and large defined benefit schemes. The engagement forms part of the Authority's move to a forward-looking risk-based approach to supervision.

The Authority published its findings in reports on both the engagement with master trusts and defined benefit schemes in Q4 2020. The matters raised in the findings reports should not be taken as exhaustive but rather as an overview of the main issues identified during the engagement programme. The Authority expects all trustee boards, and their advisers, to fully consider these findings and evaluate their own practices to establish if any improvements are required.

Defined benefit engagement programme

The aim of the engagement was to examine the trustee boards' governance practices, particularly in relation to the management of scheme risks. In addition, the Authority was keen to examine how well schemes were equipped to meet the enhanced governance and risk management requirements under the IORP II Directive. The findings report sets out the key findings of the engagement process.

As would be expected of the cohort of large schemes engaged with, many of the trustee boards were able to demonstrate robust governance, management and oversight arrangements, and resourcing and operational structures focused on delivering good member outcomes. However, in a number of cases, the Authority was concerned at the level of incompleteness of risks identified, poor identification of controls, failure to implement controls, and a general lack of risk awareness.

In the future, trustee boards will be asked to prepare and examine a much wider range of financial and actuarial data than they are asked to do at present. They should focus on what might happen in the future; not just on what has happened to date. To achieve this, many trustee boards will need to improve their understanding in the areas of risk quantification, risk management, risk interdependencies and scenario planning tools.

The Authority will continue to actively engage with the trustees of defined benefit schemes. In addition to the issues referenced in the report, the findings report also outlines a sample of the potential information that the Authority is likely to request when carrying out such engagements in the future.

Master trust engagement programme

During 2020, the Authority undertook an engagement programme with a number of defined contribution master trusts and a number of firms that are considering establishing master trust arrangements. The aim of the engagement was to assess how master trusts are meeting their governance and risk obligations, as well as their preparedness for the IORP II Directive and the proposed requirements for master trusts, as published by the Authority, in June 2019.

The Authority published a detailed findings report to set out the key findings identified during the engagement programme.

Overall, the Authority's findings were disappointing. The Authority found issues with every master trust, some of which were significant. This engagement programme is especially significant given the important part that master trusts are likely to play in future Irish pensions provision.

The Authority will continue its engagement with current and future master trusts and the issues identified to date will be the subject of future engagement in 2021. Post IORP II transposition, the Authority will publish guidance for the public, and especially for employers, about the minimum standards they should seek from master trusts before participating. Many of the master trusts that the Authority examined would not meet such standards without addressing the findings.

Scheme surveys

The Authority carried out a survey of the trustees of 200 schemes (100 DB and 100 DC) to assess their levels of preparedness for the impending IORP II legislation. Schemes of varying sizes, with a mix of trustee profiles were chosen randomly. The completion of the survey was voluntary and 35 DC responses and 67 DB responses were returned.

Overall survey findings indicated that there is a high level of awareness of IORP II among trustees, but there has been a reluctance to do any substantive work to meet the requirements until after transposition. There is widespread belief expressed by those who responded that the new legislation will result in increased costs and a need for more resources. The survey findings also highlighted that further guidance from the Authority is awaited by trustees. The survey results were published on the Authority's website.

Covid-19 engagement programme

In May 2020, the Authority met online with 11 entities, responsible for most occupational pension schemes and PRSAs in Ireland to discuss the impact of the Covid-19 pandemic on their ability to provide services, and to find out whether there were any problems in dealing with the impact of the pandemic on the following:

- interactions with scheme stakeholders (i.e., trustees, employers, investment managers, auditors etc.);

- receipt and investment of pension contributions;
- queries and complaints from members; and
- notable trends amongst scheme members (e.g., fund switches, requests for transfers etc.).

Overall, the entities demonstrated that those involved with pensions coped well with the challenges presented by the pandemic.

Defined benefit scheme funding

At the end of 2020, there were 566 DB schemes that were subject to the funding standard. Of these, 491 schemes satisfied the funding standard. All but 12 of the remaining 75 schemes have funding proposals in place, or are in the process of submitting funding proposals, designed to enable the scheme to satisfy the funding standard within a specified term, and the Authority is in dialogue with these schemes. The Authority will directly engage with any scheme that fails to submit a funding proposal.

The Authority approved six funding proposals from DB schemes in 2020.

Compliance audits

Five desk-based audits were finalised in 2020. These audits assessed compliance with disclosure regulations for occupational pension schemes and PRSAs.

The Authority also concluded the third phase of its audit of over 100 relevant public sector authorities in respect of their obligations under the Single Public Service Pension Scheme and specifically the requirement to issue member benefit statements to members of the scheme. The majority of relevant authorities have now issued member benefit statements or are at an advanced stage of doing so.

Where non-compliance with the Pensions Act is identified as part of an audit, the main objective is to ensure the regulated entity becomes compliant. The Authority may also consider enforcement action.

Onsite inspections of Registered Administrators (RAs) and PRSA providers

As part of the assessment of compliance with the Pensions Act, the Authority carries out onsite inspections of RAs, professional trustees and PRSA providers.

In the first quarter of 2020, the Authority conducted two onsite inspections of PRSA providers. The objective of these inspections was to assess standards of pension administration, data management and levels of compliance with the Pensions Act.

A number of findings and observations were identified during the inspections. PRSA providers were asked to address the matters raised and, where appropriate, set out the actions they propose to

take to address the Authority's concerns. No enforcement action was required.

PRSA submissions

In 2020, the Authority, in consultation with Revenue, approved one PRSA product for an existing PRSA provider. There were six amendments to existing products processed during the year. These amendments related to changes in charging structure or the addition or removal of funds of a PRSA product.

PRSA actuary certifications and PRSA annual reports

There were no significant instances of non-compliance identified by PRSA actuaries in 2020. All minor instances of non-compliance reported by the PRSA actuaries were examined by the Authority and addressed with the relevant PRSA provider, where necessary.

RA annual renewal process

The Authority received 113 RA renewal applications in 2020. During the year, 13 RAs applied for, and were granted, approval to terminate their RA registration.

Ireland/UK cross-border pension schemes

During 2020, the Authority continued to liaise with the Department of Social Protection, the UK Pensions Regulator and the UK Department of Work and Pensions to assess the implications of Brexit for UK and Irish cross-border schemes.

Determinations

Under the Pensions Act, the Authority has the power in certain circumstances to make legally binding determinations on request by certain parties. These determinations facilitate and are a requirement for scheme trustees in transferring the benefits of deferred members to other arrangements or allow the Authority to appoint a trustee in substitution of the existing trustee in certain circumstances. In 2020, the Authority issued one statutory determination under section 64.

Technical support

In 2020, the Authority provided technical support to the Minister for Social Protection and her Department and to other government departments and agencies on pension matters.

The Authority continued in 2020 to work on developing detailed implementation proposals for the transposition of the IORP II Directive and relevant elements of the Roadmap for Pensions Reform. These matters included:

- development of a system of forward-looking risk-based supervision;
- a fit and proper regime for trustees and key function holders;
- new governance standards specifying appropriate governance and management structures;

- rationalisation of the number of different pension savings vehicles that currently exist;
- development of a supervisory framework for master trusts; and
- an authorisation process for new and existing schemes.

The Authority contributes to the pensions-related work of international organisations by attending working group meetings or providing quantitative and qualitative data.

These organisations include:

- European Insurance and Occupational Pensions Authority (EIOPA),
- International Organisation of Pension Supervisors (IOPS),
- Organisation for Economic Co-operation and Development (OECD) - Working Party on Private Pensions.

The Authority responded to 92 international queries in 2020. Of these the Authority completed 26 international surveys/questionnaires which included twice-yearly quantitative and qualitative data reporting to the OECD and the twice-yearly data collection for EIOPA's Financial Stability Review. Other survey topics covered matters such as reporting updates on national investment regulations or pensions tax measures, fees and charges, consumer trends, register of pension plans and products and register of schemes.

The Authority also responded to 26 requests for comments on documents such as EIOPA's supervisory statement on cross-border IORPs and the IOPS working paper on the solvency of DB funds.

The remaining 40 international queries involved providing responses on a range of pensions-related topics such as EIOPA pensions data, IORP stress test and cross border schemes.

Policy development and research

As a member of the Interdepartmental Pensions Reform and Taxation Group, the Authority contributed to considerations and proposals for the simplification of pensions. A report from the group was published by the Minister for Finance on 13 November 2020.

The Authority engaged with the Department of Finance on the forthcoming Pan-European Personal Pension (PEPP) Regulation, including discussions on appointing the National Competent Authority.

The Authority provided analysis and interpretation of a report commissioned by the Department of Community and Rural Development that recommended bringing unclaimed pension fund assets within the scope of the Dormant Accounts Fund.

The Authority continued its engagement with actuaries, industry, academics, and other regulators on understanding

the implications of sustainable finance and ESG factors for the pensions sector. It assessed the requirements for pension scheme trustees in this area, arising from upcoming EU legislation.

The Authority shares a monthly update on European and international regulatory and policy developments related to pensions with relevant staff in Department of Social Protection, Department of Finance, Department of Public Expenditure and Reform, and Revenue.

The Authority also provided technical assistance to the Department of Social Protection on various issues including auto-enrolment and EU directives during the year.

Support, information and guidance

The Authority supports trustees, administrators, employers and their advisors with information and guidance to help them understand and meet their obligations under the Pensions Act. Throughout the year, the Authority issued information and communications relevant to its regulated entities on its website.

Approximately 11,500 general pension and data processing queries were received and dealt with during the year. The majority of the general queries were from scheme members and related to the Disclosure of Information Regulations. The Authority responded to all enquiries in line with the Authority's Customer Charter.

The Authority provides a comprehensive range of free information and guidance material on its website. Throughout the year, the Authority attended and presented (virtually) at public events and dealt with direct media enquiries on pension issues.

Oireachtas members' enquiries

The Authority provides a dedicated enquiries email address for members of the Oireachtas seeking information on pension matters or about the work of the Authority. The Authority dealt with four enquiries from Oireachtas members in 2020.

The Authority also provided information to the Department of Social Protection in response to nine Parliamentary Questions during 2020.

Freedom of information (FOI)

The Authority completed nine FOI requests in 2020, all within the statutory deadlines.

Data protection

Throughout 2020, the Authority conducted regular awareness building initiatives and provided information and training on data protection and records management across the organisation.

The Authority had one data breach report to make to the Data Protection Commission (DPC) on 5 March 2020. On 27 April 2020, the DPC responded to say that based on the information provided

and the actions taken, the examination of this case had been concluded.

The Authority received and dealt with one Subject Access Request in 2020.

Programme management office (PMO)

The project management approach used by the Authority is based on the public service project management methodology with adaptations to suit the organisation's size and needs. The PMO defined project roles and responsibilities, issued templates for use at each stage of the project lifecycle and introduced monthly reporting on project progress on a consistent basis across the organisation's project portfolio. The Authority established a Project Governance Committee to provide greater scrutiny of projects as they move through the project life cycle.

The PMO also started building change management capacity across the Authority to equip employees to transition to new ways of working post-IORP II transposition and the forward-looking risk-based approach to supervision.

Human resources

The Authority is committed to providing a safe place to work and operates in accordance with the Safety, Health and Welfare at Work Act.

During 2020, 27 separate recruitment campaigns were undertaken resulting in 22 new employees joining the Authority.

Public sector equality, diversity and human rights duty

The Authority is committed to ensuring it meets its obligations to promote equality, prevent discrimination and protect the human rights of employees, customers and service users as required by the Public Sector Equality and Human Rights Duty (under section

42 of the Irish Human Rights and Equality Act 2014).

The Authority is an equal opportunities employer. Employees come from varied professional backgrounds in both the private and public sector and include pension administrators, actuaries, lawyers, accountants, data analysts, qualified financial advisors, customer service providers, and ICT software and hardware engineers.

Through continuous learning and development, the Authority provides employees with the opportunity to develop the skills and knowledge required to efficiently and effectively carry out their roles to serve the public interest.

The Authority is committed to investing in the expertise of our employees so they can progress their careers in our organisation and beyond.

The Authority's Employee Handbook contains policies relating to dignity and respect in the workplace, bullying and harassment.

Prompt payments

The Authority operates a 15-day prompt payment policy in line with Government Decision S29296 of March 2011. The Authority posts its quarterly prompt payment reports on its website.

Energy usage and green initiatives

The total energy consumption by the Authority for 2020 was 178,452 kwh of electricity. The Authority has stopped using single-use plastic such as cups and cutlery and increased awareness activities to improve recycling rates. The Authority adheres to the Office of Government Procurement guidelines for green public procurement and continues to work on introducing energy efficiencies where possible across the organisation.

COMMITTEE OF THE AUTHORITY

Audit and Risk Committee

The Audit and Risk Committee (ARC) is part of the control environment within the Pensions Authority. The ARC is tasked with providing independent advice to the Authority on matters including the suitability and robustness of the organisation's internal control, risk management, governance procedures and the reliability of financial reporting.

The ARC is independent of the day-to-day financial management of the organisation which is the responsibility of the Executive. In particular, the ARC independently monitors the internal control systems including audit activities.

The ARC's terms of reference are set out in its Charter. The ARC conducted its annual review of the Charter during 2020 and it was approved by the Authority on 8 December 2020.

Membership of the ARC

The ARC consists of four members: an independent chairperson, an independent non-executive member, a representative of the Department of Social Protection, and a representative of the Department of Finance. A schedule of attendance at the ARC meetings for 2020 is set out below.

ARC meetings 2020 Number of meetings held: 5		
Name	Position	Attendance
Bill Cunningham	Chairman	5/5
Kevin Barron*	Representative of the Department of Social Protection	4/5
Brendan O'Leary	Representative of the Department of Finance	4/5
Michael Roche	Ordinary member	5/5

*Kevin Barron was re-appointed by the Authority for a second three-year term on 8 December 2020.

Work of the ARC in 2020

The ARC, in fulfilling the requirements of its advisory function, assessed the performance of the key elements of the systems of internal control in operation in the Authority in 2020. The ARC held its meetings remotely during 2020 in compliance with Government Covid-19 restrictions and guidelines.

Internal audit

Internal audit provides an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Authority's system of governance, risk management and internal controls.

The 2020 internal audit work programme was approved by the ARC and consisted of:

- a high-level review of internal controls in the Authority, and
- a review of organisational culture in the Authority.

The ARC met with the internal auditors to discuss the outcome of the audit findings and monitored the implementation of audit

recommendations by the Executive throughout 2020. The audits were conducted remotely in 2020.

External audit

The external auditor of the Authority is the Comptroller and Auditor General (C&AG). The ARC considered the findings of the C&AG annual audit and met with the C&AG team to discuss the audit findings. The ARC monitored the implementation of audit recommendations by the Executive throughout 2020. The audit was conducted remotely in 2020.

Finance oversight

The ARC has no responsibility for the day-to-day financial management or operations of the organisation which is the responsibility of the Executive. During 2020, the ARC reviewed expenditure against budget each quarter, and examined and discussed with the Executive the reasons for any material variances from planned expenditure. The ARC reviewed the investments of the Authority each quarter. The ARC also monitored the future cash flows of the Authority in the light of significant planned capital expenditures and received reports on the progress of the relevant projects.

Risk management

A risk register is compiled and managed by the Executive and identifies key risks facing the Authority and the actions being taken by the Executive, to the extent possible, to mitigate those risks. The ARC reviewed the risk management policies and practices of the Authority and provided feedback to the Authority on their quarterly review of the risk register. The ARC is satisfied that the process of identifying, assessing and addressing key risks is sufficiently robust to ensure that an effective system of risk management was in place in the Authority in 2020.

Corporate governance

The ARC presented a report to the Authority after each of its meetings in 2020. The ARC was compliant with its obligations under the Code of Practice for the Governance of State Bodies in 2020. In meeting the requirements of the Code, the ARC conducted a self-assessment of its own performance in 2020. The outcome of the self-assessment was positive. The Chairman of the Authority noted his satisfaction in the performance of the ARC and the ARC Chairman at the Authority meeting on 20 April 2021.

Conclusion

The ARC is satisfied that a robust system of internal control and financial management is in place in the Authority. It is also satisfied that there is an appropriate system in place for effective risk management in the Authority.

The ARC's full annual report is posted on the Authority's website.



Mr Bill Cunningham
Chairman

April 2021

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS

Opinion on the financial statements

I have audited the financial statements of the Pensions Authority for the year ended 31 December 2020 as required under the provisions of section 22 of the Pensions Act 1990. The financial statements comprise:

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Pensions Authority at 31 December 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Pensions Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Pensions Authority has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Authority members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Mary Henry
For and on behalf of the
Comptroller and Auditor General

28 June 2021

APPENDIX TO THE REPORT

Responsibilities of Authority members

As detailed in the governance statement and Authority members' report, the Authority members are responsible for:

- the preparation of financial statements in the form prescribed under section 22 of the Pensions Act 1990,
- ensuring that the financial statements give a true and fair view in accordance with FRS102,
- ensuring the regularity of transactions,
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 22 of the Pensions Act 1990 to audit the financial statements of the Pensions Authority and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit

evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Pensions Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Pensions Authority to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

Governance

The Pensions Authority is a statutory body set up under the Pensions Act, 1990. The functions of the Authority are set out in section 10 of this Act. The Authority is accountable to the Minister for Social Protection. The Authority is responsible for ensuring good governance within the organisation and performs this task by agreeing strategic objectives and targets with the Executive and taking strategic decisions on all key business issues. The Pensions Regulator and the senior management team must follow the broad strategic direction agreed with the Authority, and must ensure that all Authority members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise.

Authority responsibilities

The Authority is collectively responsible for leading and directing the Authority's activities. It delegates operational responsibility for the day-to-day running of the Authority to the Pensions Regulator and the Executive. Such delegation does not absolve the Authority from the duty to supervise the discharge of the delegated functions. The Authority is responsible for fulfilling key functions comprising: reviewing and guiding strategic direction and major plans of action, risk management policies and procedures, annual budgets and business plans, setting performance objectives, monitoring implementation and the Authority's performance, and overseeing major capital expenditure and investment decisions.

Standing items considered by the Authority at their meetings include:

- conflicts of interest,
- risk,
- report from the Audit and Risk Committee (including financial reporting)
- Pensions Regulator report, and
- enforcement and regulatory decisions.

Section 22 of the Pensions Act, 1990, requires the Authority to keep, in such form as may be approved by the Minister for Social Protection with consent of the Minister for Finance, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, under the Code of Conduct for the Governance of State Bodies (2016), the Authority is required to:

- select suitable accounting policies and apply them consistently;

- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority must keep adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enable it to ensure that the financial statements comply with section 22 of the Pensions Act, 1990, as amended. The maintenance and integrity of the corporate and financial information on the Authority's website is the responsibility of the Authority members.

The Authority is responsible for approving the annual plan and budget. An evaluation of the performance of the Authority by reference to the annual plan was carried out at the Authority meeting on 19 January 2021. The review of the annual budget was carried out on 19 January 2021.

The Authority is responsible for making a recommendation to the Minister for Social Protection regarding occupational pension scheme and PRSA fees annually.

The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority considers that the financial statements of the Authority give a true and fair view of the financial performance and the financial position of the Authority at 31 December 2020.

Authority structure

The Authority consists of a chairperson, and two ordinary members, all of whom are appointed by the Minister for Social Protection. Appointments to the Authority are for a period of up to five years. Members are eligible for re-appointment. The Authority members meet approximately every six weeks in accordance with a schedule of meetings agreed at the beginning of each year.

The table below details the date of appointment of 2020 Authority members:

Authority Member	Role	Date Appointed
David Begg	Chairman	12 January 2016
Gary Tobin*	Representative of the Department of Finance	7 March 2019
Jacqui McCrum*	Representative of the Department of Social Protection	7 March 2019
Michael McGrath	Representative of the Department of Finance	17 February 2020

*Gary Tobin resigned on 16 February 2020, and Jacqui McCrum, former Deputy Secretary, Department of Social Protection resigned as a member of the Authority on 24 August 2020. Ciarán Lawler, Assistant Secretary, Department of Social Protection attended as the Department of Social Protection observer from 27 October 2020 and was appointed as an Authority member on 29 March 2021.

Schedule of attendance, fees and expenses

A schedule of attendance at the Authority meetings for 2020 is set out below including the fees and expenses received by each member:

Authority Meetings 2020 Number of meetings held: 8				
Name	Position	Number of meetings attended	Fees 2020 €	Expenses 2020 €
David Begg	Chairman	8/8	20,520	0
Michael McGrath	Representative of the Minister for Finance	7/7	0	0
Jacqui McCrum	Representative of the Minister for Social Protection	5/5	0	0
Gary Tobin*	Representative of the Minister for Finance	0/1	0	0

*Gary Tobin resigned on 16 February 2020.

Gender balance in the Board membership

The three members of the Pensions Authority Board (“the Authority”) are appointed as follows:

- Chairperson – appointed by the Minister for Social Protection.
- Ordinary members – a representative of the Department of Social Protection and a representative of the Department of Finance nominated by the respective Ministers.

As at 31 December 2020, the Authority had 0% female and 100% male members, with one position vacant. The Authority therefore does not meet the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

Appointments to the Authority are a matter for the Minister for Social Protection. For any future appointments to the Authority, the Chairman will draw the Minister's attention to the current gender balance on the Authority.

Since the establishment of the Pensions Authority (known then as the Pensions Board) in 1990, there have been 28 female ordinary members of the board. In 2013, the composition of the board was changed from 17 members to three by the Social Welfare and Pensions (Miscellaneous Provisions) Act 2013. In addition, there have been three female Chairpersons of the Authority since 1990.

Audit and Risk Committee

The Authority has established an Audit and Risk Committee (ARC) which comprises three members and an independent chairperson.

The role of the ARC is to provide independent advice to the Authority on matters including the suitability and robustness of the organisation's internal control, internal audit, risk management, governance systems procedures and the reliability of financial reporting.

The ARC is independent of the day-to-day financial management of the organisation by the Executive. In particular, the ARC ensures that the internal control systems including audit activities are monitored actively and independently.

The ARC reports to the Authority after each meeting, and formally in writing annually.

The ARC consists of four members, and at the end of 2020 was as follows:

- Mr. Bill Cunningham, Chairman (Independent)
- Mr. Michael Roche, non-executive member
- Mr. Kevin Barron, representative of the Department of Social Protection
- Mr. Brendan O'Leary, representative of the Department of Finance

There were five meetings of the ARC in 2020.

Schedule of attendance, fees and expenses

A schedule of attendance at the ARC meetings for 2020 is set out below including the fees and expenses received by each member:

ARC meetings 2020				
Number of meetings held: 5				
Name	Position	Number of meetings attended	Fees 2020 €	Expenses 2020 €
Bill Cunningham	Chairman	5/5	2,012	0
Kevin Barron	Representative of the Department of Social Protection	4/5	0	0
Brendan O'Leary	Representative of the Department of Finance	4/5	0	0
Michael Roche	Ordinary member	5/5	1,131	0

The following members did not receive an Authority or ARC fee under the One Person One Salary principle:

- Jacqui McCrum
- Gary Tobin
- Michael McGrath
- Kevin Barron
- Brendan O'Leary

Disclosures required by Code of Practice for the Governance of State Bodies (2016)

The Authority is responsible for ensuring that the organisation has complied with the requirements of the Code of Practice for the Governance of State Bodies (“the Code”), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee short-term benefits breakdown

Details of employee short-term benefits in excess of €60,000 and the salary costs of key management personnel are set out in note number three in the financial statements.

Consultancy costs

Consultancy costs comprise the cost of external advice to management and exclude outsourced ‘business-as-usual’ functions.

	2020 €	2019 €
Legal advice	155,662	211,685
Financial/actuarial advice	0	0
Public relations	0	0
Research consultancy	30,808	55,475
Human resources	0	0
Business improvement	40,565	13,345
ICT consultancy	348,704	0
Investigation and compliance support	331,550	83,860
Total consultancy costs	907,289	364,365
	2020 €	2019 €
Consultancy costs capitalised ¹	348,704	0
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	558,585	364,365
Total	907,289	364,365

Legal costs and settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Authority which is disclosed in consultancy costs above.

	2020 €	2019 €
Legal fees – legal proceedings	1,458	14,122
Conciliation and arbitration payments	0	0
Settlements	0	0
Total	1,458	14,122

¹ €288,479 of consultancy costs capitalised relate to IT development projects in progress which have not yet been depreciated and are shown as Capital WIP in note 11. Capitalised costs are in relation to IT infrastructure projects and have been capitalised in accordance with the rules set out in FRS102.

Travel and subsistence expenditure

Travel and subsistence expenditure is categorised as follows:

	2020 €	2019 €
Domestic:		
– Authority members	0	0
– Employees	3,348	871
International:		
– Authority members	0	0
– Employees	6,735	24,040
Total	10,083	24,911

Hospitality expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2020 €	2019 €
Employee hospitality ²	10,466	10,516
Client hospitality	0	118
Total	10,466	10,634

Statement of compliance

The Authority has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Authority was in compliance with the Code of Practice for the Governance of State Bodies for 2020.



David Begg
Chairman

24 June 2021



Brendan Kennedy
Pensions Regulator

24 June 2021

² This includes contribution to staff social committee and other activities.

STATEMENT ON INTERNAL CONTROL

Responsibility for system of internal control

On behalf of the Authority, I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented, or detected in a timely manner.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Authority for the year ended 31 December 2020 and up to the date of approval of the financial statements.

Audit and risk management

The Authority has an Audit and Risk Committee (ARC) comprising a member from the Department of Social Protection, a member from the Department of Finance and two external members, with financial and audit expertise, one of whom is the Chairperson. The ARC met five times during 2020.

The Authority has also established an outsourced internal audit function, which is adequately resourced and conducts a programme of work as agreed with the ARC.

The Authority has developed a risk management policy, which sets out its risk appetite, the risk management processes in place, and details the roles and responsibilities of employees in relation to risk. The Authority approved the policy and the risk management processes. The policy has been issued to all employees who are expected to work within the Authority's risk management policies.

Risk and control framework

The Authority has a risk register which identifies key risks and the management actions being taken, to the extent possible, to mitigate those risks. The key risks facing the Authority have been evaluated and graded according to their significance. The risk register is reviewed quarterly by senior management, the ARC and the Authority. The outcome of these assessments is used to allocate resources to ensure risks are managed to an acceptable level.

I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at management level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- there are systems aimed at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets of the Authority.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes. Control deficiencies are communicated to those responsible for taking corrective action and to management, the ARC and the Authority, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of financial reports which indicate performance against budgets/forecasts.

Covid-19

The Authority has reviewed the impact of Covid-19 on its operations and finances. Although there are some uncertainties, especially in relation to the effect of the pandemic on 2022 fee income, the Authority is confident that it is able to continue to operate as a going concern to the end of June 2022 and for the foreseeable period thereafter.

The Authority considers that, as fee receipts as provided for under the Pensions Act are being collected in line with projections, it is appropriate to prepare these financial statements on a going concern basis.

The Authority recognises that the Covid-19 pandemic is a significant event which is ongoing since the reporting date. The Authority is taking the situation seriously and is monitoring the situation on an ongoing basis. The business continues to operate with measures in place to protect employees who are working remotely. To date, the operations and the Authority's activities are being maintained while adjusting to the different way in which the business is being delivered.

Overall, the Authority's remote working arrangements in response to the Covid-19 pandemic worked well in 2020. Despite the challenges, employees adapted quickly, professionally and successfully to the new virtual working environment and all priority work was maintained, including day-to-day supervision work and responding to telephone and online enquiries. All financial controls were maintained and IT systems, recruitment and procurement all operated effectively over the period. Covid-19 created specific additional work for many employees, who supported home workers and implemented new policies and procedures required by the Government protocols for dealing with Covid-19 in the workplace.

Procurement

I confirm that the Authority has procedures in place to ensure compliance with current procurement rules and guidelines. Any issues that arose during 2020 regarding procurement are highlighted in the internal control issues section below.

Review of effectiveness

I confirm that the Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Authority's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors. The senior management in the Authority are responsible for the development and maintenance of the internal financial control framework.

I confirm that the Authority conducted an annual review of the effectiveness of the internal controls for 2020.

Internal control issues

Non-compliant procurement

During 2020, due to unforeseen urgent requirements, expenditure of €55,350 in uncompetitive procurement was incurred by the Authority in relation to accountancy support services where the procedures employed did not comply with procurement guidelines. To prevent a reoccurrence, the Authority put a contract in place in April 2021 for the provision of Accounting services.



David Begg
Chairman

24 June 2021

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

For the year ended 31 December 2020			
		2020	2019
	Notes	€	€
Revenue			
Occupational pension scheme fees		3,954,198	3,842,619
Personal Retirement Savings Account fees		3,958,237	3,539,343
Other income	2	1,712	7,068
Total income		7,914,147	7,389,030
Expenditure			
Remuneration	3	5,850,242	4,800,328
Authority members' fees	5	20,520	20,520
Rent and office expenses	6	794,249	834,897
Training, education and employee-related expenses	7	108,201	195,325
Information, research and publicity	8	220,367	189,822
Professional fees	9	865,940	598,651
General administration	10	899,937	663,534
Depreciation	11	228,350	140,368
Total expenditure		8,987,806	7,443,445
Surplus/(deficit) for the year		(1,073,659)	(54,415)
Revenue reserve at 1 January		7,739,049	7,793,464
Surplus/(deficit) for the year		(1,073,659)	(54,415)
Revenue reserve at 31 December		6,665,390	7,739,049

The statement of cash flows and notes 1 to 22 form part of these financial statements.



David Begg
Chairman

24 June 2021



Brendan Kennedy
Pensions Regulator

24 June 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020			
		2020	2019
	Notes	€	€
Surplus/(deficit) for the year		(1,073,659)	(54,415)
Experience (gains)/losses on retirement benefit obligations ³	18	(2,995,000)	1,072,000
Change in assumptions underlying the present value of retirement benefit obligations		(4,544,000)	(3,719,000)
Adjustment to deferred retirement benefits funding	18	7,539,000	2,647,000
Total comprehensive income for the year		(1,073,659)	54,415

The statement of cash flows and notes 1 to 22 form part of these financial statements.



David Begg
Chairman

24 June 2021



Brendan Kennedy
Pensions Regulator

24 June 2021

³ The "Experience Gains on Retirement Benefit Obligations" reflects the impact on the liability valuation of differences between the assumptions made at the start of the year and the actual experience over the year. For example, gains or losses arise from differences between assumed and actual mortality experience, inflation, salary inflation and pension increases.

STATEMENT OF FINANCIAL POSITION

At 31 December 2020					
		2020		2019	
	Notes	€	€	€	€
Non-current assets					
Property, plant and equipment	11		767,156		577,729
Current assets					
Receivables	12	1,045,606		855,239	
Cash and cash equivalents	17	7,148,260		8,198,557	
		8,193,866		9,053,796	
Creditors amounts falling due within 1 year					
Payables	13	795,632		392,476	
Net current assets			7,398,234		8,661,320
Net assets before retirement benefits			8,165,390		9,239,049
Retirement benefits					
Retirement benefit liability	18		(36,120,000)		(27,146,000)
Deferred exchequer retirement benefit funding	18		36,120,000		27,146,000
Net assets after retirement benefits			8,165,390		9,239,049
Representing					
Compliance enforcement reserve	15	1,500,000		1,500,000	
Revenue reserve	15	6,665,390		7,739,049	
			8,165,390		9,239,049

The statement of cash flows and notes 1 to 22 form part of these financial statements.



David Begg
Chairman

24 June 2021



Brendan Kennedy
Pensions Regulator

24 June 2021

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020			
		2020	2019
	Notes	€	€
Net cash inflow from operating activities	16	(633,192)	325,603
Cash flows from financing activities			
Interest received		672	3,323
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(417,777)	(244,626)
Transfers from short-term deposit accounts		0	6,545,498
Increase/(Decrease) in cash and cash equivalents in year		(1,050,297)	6,629,798
Reconciliation of net cash flow to movement in net funds	17		
Increase/(Decrease) in net funds in the year		(1,050,297)	6,629,798
Net funds at 1 January		8,198,557	1,568,759
Net funds at 31 December		7,148,260	8,198,557

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Accounting policies

The basis of accounting and significant accounting policies adopted by the Authority are set out below. They have all been applied consistently throughout the year and for the preceding year.

a) General information

The Authority was set up under the Pensions Act, 1990, as amended, with a head office at Verschoyle House, 28-30 Lower Mount Street, Dublin 2.

The Authority's primary objectives as set out in Part 10 of the Pensions Act, 1990, as amended, are:

- to monitor and supervise the operation of this Act and pensions developments generally;
- to advise the Minister either on request or on its own initiative on all matters relating to the functions assigned to the Authority under this Act and on matters relating to pensions generally;
- to issue guidelines on the duties and responsibilities of trustees of schemes and codes of practice on specific aspects of their responsibilities;
- to encourage the provision of appropriate training facilities for trustees of schemes;
- to advise the Minister on standards for trustees of schemes and on their implementation;
- to publish an annual report and such other reports as it may from time to time consider necessary;
- to perform such tasks as the Minister may, from time to time, request.

The Authority is a Public Benefit Entity (PBE).

The financial statements are denominated in Euro.

b) Statement of compliance

The financial statements have been prepared in compliance with the applicable legislation and with FRS102, the financial reporting standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council in the UK.

c) Basis of preparation

The financial statements are prepared under the accruals method of accounting, on the going concern basis and under the historical cost convention, unless otherwise disclosed, in the form approved by the Minister for Social Protection, with the concurrence of the Minister for Public Expenditure and Reform, in accordance with Section 22(1) of the Pensions Act, 1990, as amended.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Authority's financial statements.

d) Oireachtas grants

Oireachtas grants represent the amount made available in respect of the year by the Department of Social Protection to recoup the cost of superannuation benefits paid by the Authority. Oireachtas grants are recognised in the year in which the related pensions are paid.

e) Fee income

i) Occupational pension scheme fees

Fees are payable to the Authority by scheme trustees in accordance with Section 25 of the Pensions Act. The current fee rates payable are set out in Statutory Instrument No.634 of 2010 - Occupational Pension Schemes (Fees) (Amendment) Regulations, 2010. Fees in respect of group schemes are payable on an actual year basis and one-member schemes are payable a year in arrears.

The Authority recognises all fees due as income on a calendar year basis and fees due in respect of one-member schemes are included as debtors at year end.

ii) Personal Retirement Savings Account fees

Amounts due in respect of application, product and annual fees are levied on Personal Retirement Savings Account (PRSA) providers. Annual PRSA fees are calculated by reference to the number of registered approved products and the value of funds under management by the provider as at the end of the prior year.

The current fee rates are set out in Statutory Instrument No.506 of 2002 - Personal Retirement Savings Accounts (Fees) Regulations, 2002.

f) Property, plant and equipment

Property plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged in the statement of income and expenditure and revenue reserves on a straight-line basis, from the point the asset comes into use. Depreciation is applied at the annual rates set out below, so as to write off the assets, adjusted for estimated residual value, over the expected useful life of each appropriate category.

- Leasehold improvements 6½% 15 years
- Computer equipment 25% 4 years
- Office furniture 12½% 8 years
- Office equipment 20% 5 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the statement of income and expenditure and retained revenue reserves in the year.

g) Operating lease

Rental payments are dealt with in the statement of income and expenditure and retained revenue reserves in the year to which they relate.

h) Retirement benefits (Refer to note 18)

Nature of schemes

The Authority operates the following defined benefit pension schemes in respect of its employees:

For employees appointed prior to 1 January 2013:

- Pensions Authority Superannuation Scheme, 1993, and the Spouses' and Children's Contributory Pension Scheme 1993, with the scheme structure based on the Public Service model (the "Model scheme").

For employees appointed after 1 January 2013:

- Single Public Service Pension Scheme, which provides consumer price index-linked defined benefit pensions based on career-average pay (the "Single scheme").

The schemes are unfunded by the Authority, with pension benefits payable by the Exchequer. In addition, the Authority's arrangements have a number of specific characteristics:

- the Authority makes agreed contributions to the Department of Social Protection (for the Model scheme) and to the Department of Public Expenditure and Reform (for the Single scheme);
- the contributions for both schemes comprise an employee element along with an employer element. The employer contributions, paid by the Authority, amount to 25% of gross pay for employees paying PRSI at the A rate in the Pensions Authority Superannuation Scheme and 30% of gross pay for employees paying PRSI at the D rate. The employer contribution paid by the Authority to the Single Scheme

amounts to three times the employee contribution;

- there is an explicit commitment from the Department of Social Protection, with the agreement of the Department of Public Expenditure and Reform, that the Exchequer will meet the cost of benefits as they fall due;
- an asset corresponding to the unfunded deferred liability for retirement benefit on the Single Public Service Pension Scheme is recognised on the basis of the provisions of Section 44 of the Public Service Pensions (Single Scheme and other provisions) Act 2012.

In substance, the Authority considers that the obligation to pay pension benefits remains with the Authority, but that the Exchequer has committed to providing the Authority with sufficient funds to settle any such obligations as they fall due, provided that the Authority pays over employees' and the employer's contributions at rates specified by the Minister for Social Protection and the Minister for Public Expenditure and Reform.

Accordingly, the financial statements recognise both a deferred pension benefit obligation and a deferred exchequer pension funding receivable. Full details of superannuation benefit payments are included in the financial statements as an expenditure item and there is a corresponding income representing recoupment of payments from the Department of Social Protection.

Scheme actuarial gains or losses

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the year in which they occur, and a corresponding adjustment is recognised to the balance for deferred exchequer retirement benefit funding. Pension costs in the statement of income and expenditure and retained revenue reserves comprise the employer's contribution in the year.

Scheme liabilities

Scheme liabilities represented by the present value of future payments earned by Authority employees to date are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned by employees. The amount to be included in the financial statements for the deferred exchequer benefit funding amount is estimated at an amount equal to the estimate of the obligation for the pension scheme liabilities.

i) Compliance enforcement reserve

As the Authority is a statutory regulatory body charged with monitoring and enforcing compliance with the provisions of the Pensions Act, 1990, as amended, it may be necessary for the Authority, from time to time, to have recourse to legal action.

In certain cases, such action could involve the Authority in

significant costs. It is not possible to anticipate when such cases may arise, or the resulting level of costs, but the Authority considers it prudent to ensure that adequate resources are available and to spread such costs over the years.

Accordingly, amounts are transferred from the statement of income and expenditure and retained revenue reserves to the compliance enforcement reserve when deemed prudent or necessary.

Amounts are transferred from the compliance enforcement reserve to the statement of income and expenditure and retained revenue reserves in the case of significant legal proceedings i.e., contested high court action.

j) Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Depreciation and residual values

The Authority has reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and has concluded that asset lives and residual values are appropriate.

Retirement benefit obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans. The going concern basis is also a critical judgement.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions.

2. Other income

Other income	2020 €	2019 €
Interest income	672	3,323
Recoupment of prosecution costs	1,040	2,000
Miscellaneous income	0	1,745
	1,712	7,068

3. Remuneration

The average number of full-time equivalent employees during the year was 71 (2019, 64) and the Employment Control Framework (ECF) was 93.5 as at the end of 2020 (2019, 95.5). The aggregate employee and related costs were as follows:

Remuneration	2020 €	2019 €
Salaries	4,265,820	3,637,103
Employer superannuation contributions	810,962	696,916
Employer PRSI contributions	433,739	369,520
Agency/temporary employees	339,721	96,789
	5,850,242	4,800,328

Key management personnel

Key management personnel in the Authority consist of the Pensions Regulator and the Head of Operations (Finance). The total value of short-term employee benefits for key management personnel is set out below:

	2020 €	2019 €
Salaries ⁴	271,085	264,076

⁴ Figures are in line with grades as set out in Circular 12/2020. This does not include the value of retirement benefits earned in the period. The key management personnel are members of the Pensions Authority pension scheme and the Single Scheme and their entitlements in that regard do not extend beyond the terms of the Model public service pension scheme.

Employee short-term benefits breakdown⁵

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of Total Employee Benefits		Number of Employees	
From €	To €	2020	2019
60,000	69,999	3	5
70,000	79,999	8	9
80,000	89,999	4	3
90,000	99,999	0	2
100,000	109,999	3	1
110,000	119,999	3	1
120,000	129,999	0	0
130,000	139,999	0	0
140,000	149,999	0	0
150,000	159,999	0	1
160,000	169,999	1	0

4. Pensions Regulator remuneration⁶

Pensions Regulator remuneration	2020 €	2019 €
Salary	160,524	157,031
Employer superannuation contribution	40,131	39,258
	200,655	196,289

The Pensions Regulator is a member of the Pension Authority's pension scheme and his pension entitlements do not exceed the standard entitlements provided in the model public sector defined benefit superannuation scheme. The value of retirement benefits earned in the period is not included above.

5. Authority members' fees

Authority members' fees		
Name	2020 €	2019 €
David Begg - Chairman	20,520	20,520

⁵ For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employers' PRSI.

⁶ Included as part of employee costs in note 3.

6. Rent and office expenses

Rent and office expenses	2020 €	2019 €
Rent	558,400	558,400
Service charge	124,958	90,076
Rates	20,925	66,954
Electricity	43,233	38,038
Cleaning	18,062	37,946
General maintenance	25,915	41,298
Offsite storage	2,756	2,185
	794,249	834,897

The Authority occupies office premises on the first, second and fourth floors and basement at Verschoyle House, Lower Mount Street, Dublin 2, under a 25-year lease, which commenced on 16 July 2001. The Authority entered into an additional lease for the third floor of Verschoyle House from 21 October 2016 to 15 July 2026.

7. Training, education and employee-related expenses

Training, education and employee-related expenses	2020 €	2019 €
Training and education	98,261	185,217
Employee-related expenses ⁷	9,940	10,108
	108,201	195,325

8. Information, research and publicity

Information, research and publicity	2020 €	2019 €
Advertising and engagement activities	158,083	138,089
Printing, publications and website	62,284	51,733
Consumer market research	0	0
	220,367	189,822

⁷ Includes contributions to employee social committee and other activities.

9. Professional fees

Professional fees	2020 €	2019 €
Legal advice	157,119	225,806
Investigation and compliance support	331,550	83,860
Project development	0	0
System enhancement consultancy	0	77,389
Research consultancy	71,373	55,475
Internal audit fees	9,608	9,543
Statutory audit fees	20,600	18,700
Recruitment consultancy and advertising	25,472	26,178
Other ⁸	250,218	101,700
	865,940	598,651

10. General administration

General administration	2020 €	2019 €
Stationery and administration expenses ⁹	28,808	98,187
Corporate subscriptions	181,227	175,651
Telephone and postage	49,013	35,262
Computer maintenance and consumables	555,477	259,282
Travel and subsistence ¹⁰	10,083	24,911
Insurances	54,865	53,781
Bank charges	20,464	16,460
	899,937	663,534

⁸ Includes ICT consultancy and HR technical advice.

⁹ Includes Audit and Risk Committee member fees of €3,143.

¹⁰ Included in travel and subsistence costs were: a) Foreign travel - €6,735 (includes €6,245 foreign travel for the Pension Regulator) b) Pensions Regulator expenses - €6,245 (includes €6,245 foreign travel) (2019 - €12,145) Foreign travel related mainly to the Authority's participation in EU regulatory and supervisory policy activity, in particular attendance at meetings of the European Insurance and Occupational Pensions Authority (EIOPA).

11. Property, plant and equipment¹¹

	Leasehold improvements €	Computer equipment €	Office furniture €	Office equipment €	Capital WIP €	Total €
Cost or Valuation						
At 1 January 2020	1,246,597	1,367,911	35,272	46,786	0	2,696,566
Additions in year	0	129,298	0	0	288,479	417,777
Disposal in year	0	0	0	0	0	0
At 31 December 2020	1,246,597	1,497,209	35,272	46,786	288,479	3,114,343
Accumulated Depreciation						
At 1 January 2020	1,158,110	897,873	30,298	32,556	0	2,118,837
Disposal in year	0	0	0	0	0	0
Charge for year	6,270	216,328	1,038	4,714	0	228,350
At 31 December 2020	1,164,380	1,114,201	31,336	37,270	0	2,347,187
Net Book Value						
At 31 December 2019	88,487	470,038	4,974	14,230	0	577,729
At 31 December 2020	82,217	383,008	3,936	9,516	288,479	767,156

12. Receivables

Amounts falling due within one year:	2020 €	2019 €
Fee income	599,500	559,800
Accrued interest receivable	0	0
Prepayments	343,434	160,749
Debtors other	102,672	134,690
	1,045,606	855,239

13. Payables

Amounts falling due within one year:	2020 €	2019 €
Creditor accruals	86,731	21,160
Holiday pay accruals	95,324	45,194
Tax creditor	189,629	116,109
Trade creditors	423,948	210,013
	795,632	392,476

¹¹ Capital WIP includes IT development projects in progress which have not yet been depreciated.

14. Financial commitments**(i) Capital commitments**

There were no capital commitments at 31 December 2020.

(ii) Operating leases

The Authority had commitments payable under non-cancellable operating leases as follows:

	2020 €	2019 €
Within 1 year	558,400	558,400
2-5 years	2,233,600	2,233,600
Over 5 years	300,677	859,077
	3,092,677	3,651,077

Lease payments are recognised as an expense.

15. Revenue reserves

	2020 €	2019 €
Compliance enforcement reserve		
At beginning and end of year	1,500,000	1,500,000
Revenue reserve		
At end of year	6,665,390	7,739,049
	8,165,390	9,239,049

16. Reconciliation of surplus for the year to net cash inflow from operating activities

	2020 €	2019 €
Surplus for year	(1,073,659)	(54,415)
Non-operating items		
Finance income	(672)	(3,322)
Non-cash items		
Depreciation	228,350	140,368
(Increase)/Decrease in receivables	(190,367)	320,051
Increase/(Decrease) in non-capital payables	403,156	(77,079)
Loss on disposal of fixed asset	0	0
Net cash inflow from operating activities	(633,192)	325,603

17. Analysis of changes in cash flows

	At 1 January 2020 €	Cash flow €	At 31 December 2020 €
Cash and cash equivalents	1,647,194	657,316	2,304,510
Short-term deposits	6,551,363	(1,707,613)	4,843,750
	8,198,557	(1,050,297)	7,148,260

18. Accounting treatment for retirement benefits

The Authority operates the following defined benefit pension schemes in respect of its employees:

For employees appointed prior to 1 January 2013:

- Pensions Authority Superannuation Scheme, 1993 and the Spouses' and Children's Contributory Pension Scheme, 1993 (the scheme structure is based on the traditional Public Service model).

For employees appointed after 1 January 2013:

- Single Public Service Pension Scheme (the structure provides consumer price index-linked defined benefit pensions based on career-average pay).

The schemes are unfunded statutory schemes with pension benefits payable under the schemes funded by the Exchequer.

In addition, the Authority's arrangements have a number of specific characteristics:

- the Authority makes an agreed contribution to the Department of Social Protection (for the Model scheme) and to the Department of Public Expenditure and Reform (for the Single scheme);
- the contribution for both schemes comprises an employee element along with an employer element. The employer contribution to the Pensions Authority Superannuation Scheme amounts to 25% of gross pay for employees paying PRSI at the A rate. The employer contribution paid by the Authority to the Single Scheme amounts to three times the employee contribution;
- and 30% of gross pay for employees paying PRSI at the D rate and is paid by the Authority;
- there is an explicit commitment from the Department of Social Protection, with the agreement of the Department of Public Expenditure and Reform, that the Exchequer will meet the cost of benefits as they fall due.

a) Actuarial valuation

The Authority commissioned an actuarial valuation of retirement benefit liabilities under FRS102 at the statement of financial position date and the cost of benefits (service costs) accrued during the year. This valuation, which was based on the Project Unit method, is premised on the following key financial assumptions (with comparatives for 2019):

	31 December 2020	31 December 2019
Discount rate ¹²	0.60% p.a.	1.30% p.a.
Inflation rate	1.30% p.a.	1.40% p.a.
Increases to pensions in payment	2.30% p.a.	2.40% p.a.
Pensionable salary increases ¹³	2.30% p.a.	2.40% p.a.

¹² The discount rate is prescribed under FRS102 and is based on the yield on high quality corporate bonds at the valuation date.

¹³ Includes an allowance for public sector pay scales.

The key demographic assumptions used to calculate the retirement benefit liabilities under FRS102 at the beginning and the end of the period were as follows:

	31 December 2020		31 December 2019	
Mortality: pre-retirement	None		None	
Mortality: post retirement	58% (male) of ILT15 62% (female) of ILT15 with allowance for future mortality improvements		58% (male) of ILT15 62% (female) of ILT15 with allowance for future mortality improvements	
Life expectancy at age 65:	Male	Female	Male	Female
FRS date:	21.8	24.2	21.6	24.1
FRS date + 20 years:	24.1	26.2	24.3	26.6
Retirement	70% of those with the option are assumed to retire at 60 with all other members assumed to retire at normal retirement age.		70% of those with the option are assumed to retire at 60 with all other members assumed to retire at normal retirement age.	
Age gap	Spouses are assumed to be three years younger than male members and three years older than female members		Spouses are assumed to be three years younger than male members and three years older than female members.	

b) Analysis of total pension costs charged to expenditure

	2020 €	2019 €
Total employer contribution	810,168	700,738
Adjustments for seconded employees and transfers out	(-)	(3,822)
Current service cost ¹⁴	1,424,000	1,015,000
Interest cost	369,000	487,000
Adjustment to deferred Exchequer funding	(1,793,000)	(1,502,000)
Total charge to the statement of income and expenditure and retained revenue reserve	810,168	696,916

¹⁴ Includes employee contributions totalling €328,000 in 2020 and €295,000 in 2019.

c) Movement in net pension liability

	2020 €	2019 €
Net pension liability at 1 January	27,146,000	23,369,000
Current service cost	1,424,000	1,015,000
Interest cost	369,000	487,000
Experience (gains)/losses on scheme liabilities	2,995,000	(1,072,000)
Change in assumptions	4,544,000	3,719,000
Benefits paid during the year	(358,000)	(372,000)
Net pension liability at 31 December	36,120,000	27,146,000

d) Actuarial adjustments

	2020 €	2019 €
Experience (gains) / losses on retirement benefit obligation ¹⁵	2,995,000	(1,072,000)
Change in assumptions underlying the present value of retirement benefit obligation	4,544,000	3,719,000
Adjustment to deferred retirement benefits funding	(7,539,000)	(2,647,000)

e) Superannuation deductions and contributions

The total superannuation deductions and contributions remitted to the Department of Social Protection and Department of Public Expenditure and Reform were as follows:

	2020 €	2019 €
Employer ordinary contributions	810,168	700,738
Employee ordinary contributions	199,211	165,287
Additional Superannuation Contribution	129,036	129,745
	1,138,415	995,770

Breakdown of remittance of pension deductions

Employees in the Pensions Authority are members of the following schemes:

- Pre 1995 scheme
- Post 1995 scheme
- Single scheme

¹⁵ The actuarial loss due to experience is largely a result of:
- Material transfers of service into the Scheme during 2020 for two active members.
- Salary increases in 2020 being higher than assumed for some active members.

Pension contributions for the pre-1995 and post-1995 scheme are remitted to the Department of Social Protection (DSP). Pension contributions for the single scheme are remitted to the Department of Public Expenditure and Reform (DPER). The table below provides a breakdown of the remittance.

	2020 €	2019 €
DSP:		
Employer ordinary contributions	525,697	494,926
Employee ordinary contributions	104,388	96,683
Additional Superannuation Contribution	129,036	129,746
DPER:		
Employer ordinary contributions	284,471	205,812
Employee ordinary contributions	94,823	68,603
	1,138,415	995,770

f) Superannuation receipts and payments

	2020 €	2019 €
State grant in respect of pension payments ¹⁶	357,737	372,624
Superannuation benefits paid	(357,737)	(372,624)

19. Disclosure of transactions

In accordance with the Code of Practice for the Governance of State Bodies, the Authority has in place a Code of Business Conduct for Authority members. The Code of Business Conduct includes guidance in relation to the disclosure of interests by Authority members, and these procedures have been adhered to by the Authority during the year covered by these financial statements. During 2020, there were no financial transactions with Authority members other than the payment of Authority fees detailed in Note 5.

20. Taxation

The Authority is exempt from Corporation Tax under Section 220 of the Taxes Consolidation Act 1997.

21. Subsequent events

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

The Authority recognises that the Covid-19 pandemic is a significant event which is ongoing since the reporting date. The Authority is taking the situation seriously and is monitoring the situation on an ongoing basis. The business continues to operate with measures in place to protect employees who are working remotely. To date, the operations and the Authority's activities are being maintained while adjusting to the different way in which the business is being delivered.

22. Approval of financial statements

The financial statements were approved by Authority members on 24 June 2021.

¹⁶ Department of Social Protection Vote 37 subhead A41.2.

APPENDIX I

Membership of occupational pension schemes and Personal Retirement Savings Accounts*

Table 1: Defined benefit schemes with active members as at 31 December 2020

Defined benefit schemes with active members as at 31 December 2020						
Scheme Size	Defined Benefit				All DB Schemes	
	Subject to the Funding Standard		Not Subject to the Funding Standard			
	No of Schemes	Active Members	No of Schemes	Active Members	No of Schemes	Active Members
Frozen	191	0	0	0	191	0
In wind-up	7	0	0	0	7	0
Scheme size by active members						
Non-Group	0	0	0	0	0	0
0 to 50	235	3,089	40	739	275	3,828
51 to 99	32	2,235	12	842	44	3,077
100 to 500	70	17,191	25	5,163	95	22,354
501 to 1000	15	9,954	10	8,048	25	18,002
1001+	16	79,867	18	390,991	34	470,858
2020 Total	566	112,336	105	405,783	671	518,119
2019 Total	597	105,712	104	395,098	701	500,810
Change since 2019	-31	6,624	1	10,685	-30	17,309

Table 2: Defined contribution schemes with active members as at 31 December 2020

Defined contribution schemes with active members as at 31 December 2020		
Scheme size by active members	No of Schemes	Active Members
Non-Group	73,804	73,804
1-10	5,429	16,960
11-20	1,043	15,498
21-30	517	13,013
31-40	308	10,833
41-50	203	9,197
51-99	437	30,594
100-500	352	74,934
501-1000	67	45,672
1001+	51	120,539
2020 Total	82,211	411,044
2019 Total	74,866	381,430
Change since 2019	7,345	29,614

* Scheme membership data is based on the scheme registration data provided to the Authority by regulated entities.

PRSA data

The number of PRSA contracts increased in 2020 by 13,767 to 312,299 with assets under management of €8 billion. The contracts consisted of:

- 228,915 Standard PRSA contracts, and
- 83,384 Non-Standard PRSA contracts.



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