



Pensions Authority
Trustee and Employer Checklists
On-the-spot fines



An tÚdarás Pinsean
The Pensions Authority

www.pensionsauthority.ie

Pensions Authority **Trustee** Checklist

On-the-spot fines

Are you a pension scheme trustee?

If you are, you should be aware that you may be liable to an 'on-the-spot' fine from the Pensions Authority if you contravene the specified provisions of the Pensions Act, 1990, as amended ('the Act'). The fine for each offence is €2,000.

The following checklist will help you to ensure that you do not contravene any of the specified provisions subject to the fines regime. The words in bold print are explained in the Glossary of terms at the end of this document.

	Yes	No
1 Is your scheme registered with the Pensions Authority?	<input type="checkbox"/>	<input type="checkbox"/>
■ Are your scheme details up to date?	<input type="checkbox"/>	<input type="checkbox"/>
■ Have you paid your scheme's annual fees to the Pensions Authority?	<input type="checkbox"/>	<input type="checkbox"/>
2 Have you received appropriate trustee training		
■ Within 6 months of your appointment?	<input type="checkbox"/>	<input type="checkbox"/>
and		
■ Every 2 years thereafter?	<input type="checkbox"/>	<input type="checkbox"/>
3 In relation to your scheme can you comply with the disclosure of information requirements applicable to the:		
■ Governing documents	<input type="checkbox"/>	<input type="checkbox"/>
■ Trustee annual report	<input type="checkbox"/>	<input type="checkbox"/>
■ Audited accounts	<input type="checkbox"/>	<input type="checkbox"/>
■ Actuarial valuation report	<input type="checkbox"/>	<input type="checkbox"/>
■ Members' explanatory booklet	<input type="checkbox"/>	<input type="checkbox"/>
■ Relevant individuals	<input type="checkbox"/>	<input type="checkbox"/>
□ During relevant employment (benefit statements)	<input type="checkbox"/>	<input type="checkbox"/>
□ On leaving service	<input type="checkbox"/>	<input type="checkbox"/>
□ On retirement and death	<input type="checkbox"/>	<input type="checkbox"/>
□ Where a scheme winds up	<input type="checkbox"/>	<input type="checkbox"/>
□ Where a Pension Adjustment Order (PAO) has been made in respect of a member's benefits	<input type="checkbox"/>	<input type="checkbox"/>
4 Have you responded to any requests for information about your scheme that you may have received from any of the following:		
■ The Pensions Authority?	<input type="checkbox"/>	<input type="checkbox"/>
■ Your scheme auditor?	<input type="checkbox"/>	<input type="checkbox"/>
■ Your scheme actuary?	<input type="checkbox"/>	<input type="checkbox"/>
■ Any employer to whom your scheme relates?	<input type="checkbox"/>	<input type="checkbox"/>
■ The registered administrator to the scheme?	<input type="checkbox"/>	<input type="checkbox"/>
5 If your scheme is defined contribution , have you arranged for the annual valuation of its assets and liabilities?	<input type="checkbox"/>	<input type="checkbox"/>
6 If your scheme rules provide for you to invest the resources of the scheme in accordance with the members' directions, are you providing those members with information to enable them to make informed decisions with regard to the giving of their directions?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
7 If your scheme is defined benefit , have you submitted an Actuarial Funding Certificate (AFC) to the Pensions Authority:		
■ Within 9 months of the effective date of the actuarial valuation?	<input type="checkbox"/>	<input type="checkbox"/>
or		
■ Where the AFC is due because of a negative intervaluation statement in your annual report, within 12 months of the last day of the period to which the annual report relates?	<input type="checkbox"/>	<input type="checkbox"/>
8 If your scheme is a defined benefit scheme did you comply with the guidance issued by the Pensions Authority in relation to including certain resources or investments for any calculation made under the funding standard?	<input type="checkbox"/>	<input type="checkbox"/>
9 Have you procedures in place within your scheme for paying or accepting transfer payments where a member has requested same?	<input type="checkbox"/>	<input type="checkbox"/>
■ Are you providing Statements of Benefits to any members of your scheme who are transferring funds to a Personal Retirement Savings Account (PRSA) ?	<input type="checkbox"/>	<input type="checkbox"/>
10 Have you a current Statement of Investment Policy Principles (SIPP) in place for your scheme? (Not required for small schemes .)	<input type="checkbox"/>	<input type="checkbox"/>
11 Do you comply with the provisions of the Act when calculating a pension increase involving a State pension offset?	<input type="checkbox"/>	<input type="checkbox"/>

(Re. Qs 2, 3, 4, 5, 6, 7 and 11, please see Notes below.)

Notes: Trustee Checklist

Re. Q. 2. Every trustee must undertake trustee training within 6 months of their appointment if after 1 February 2010 and every 2 years thereafter. Where a person was already a trustee before 1 February 2010 the training must have been completed before 1 February 2012. Trustees must then undertake training at least every 2 years thereafter.

Re. Qs 3, 4, 5 and 6. Detailed information about the disclosure of information requirements can be found in the Pensions Authority Guidance Notes on **Disclosure of Information by Occupational Pension Schemes**. The Authority also produces an information booklet 'How does my pension scheme work?'. This contains an overview of the information which trustees and **employers** must provide in relation to **occupational pension schemes**. The Guidance Notes and information booklet are available on the Authority's website.

Re. Q. 7. Trustees of a **defined benefit scheme** must ensure intervaluation reviews are carried out to determine whether the scheme continues to satisfy the funding standard and that corrective measures are undertaken if a negative assessment arises. Trustees must notify the Pensions Authority if the actuary states in the annual report that the scheme would not satisfy the funding standard or where no statement is made. In such circumstances the trustees must have a full **Actuarial Funding Certificate (AFC)** prepared (and where relevant a funding proposal) which must be submitted to the Pensions Authority within 12 months of the last day of the period to which the annual report relates.

Re. Q. 11. The Act provides that, where trustees increase a pension payable under a scheme, the calculation of the amount of which involves an offset in respect of a State pension, they shall not calculate the increase by reference to an updated State pension offset, the amount of which depends on the amount of a State pension at, or during a period up to, the date the increase to the scheme pension is calculated or made but must instead calculate the increase by:

- calculating the amount of the scheme pension notionally payable immediately before the increase if the amount of State pension offset had at all times been nil;
- calculating the percentage by which the scheme pension would be increased if the amount of State pension offset continued to be nil; and
- increasing the scheme pension actually in payment by that percentage.

If you find that there are matters outstanding in relation to fulfilling your obligations as specified in this checklist, you should bring these to the attention of your scheme's administrator without delay in order to ensure full compliance. This checklist is intended as a guidance tool only and is not intended to be an exhaustive list of trustee obligations. If you have any difficulties, you can contact the Pensions Authority at info@pensionsauthority.ie.

Pensions Authority **Employer** Checklist

On-the-spot fines

Are you an employer?

If you are, you should be aware that you may be liable to an 'on-the-spot' fine from the Pensions Authority if you contravene the specified provisions of the Pensions Act, 1990, as amended ('the Act'). The fine for each offence is €2,000.

The following checklist will help you to ensure that you do not contravene any of the specified provisions subject to the fines regime. The words in bold print are explained in the Glossary of terms at the end of this document.

	Yes	No
1 Have you responded to any requests that you may have received from the Pensions Authority for information in relation to your PRSA obligations?	<input type="checkbox"/>	<input type="checkbox"/>
2 If you have entered into a contract with a PRSA Provider and you deduct PRSA contributions from your employees' wages or salaries, do you advise those employees in writing, at least once a month of the following:		
■ The total amount deducted from the employees' salary or wages and paid to the PRSA Provider ?	<input type="checkbox"/>	<input type="checkbox"/>
and		
■ Where appropriate, the total amount paid by you to the PRSA Provider on behalf of the employees ?	<input type="checkbox"/>	<input type="checkbox"/>
3 If you operate an occupational pension scheme , have you responded to any requests for information about your scheme that you may have received from any of the following:		
■ The Pensions Authority?	<input type="checkbox"/>	<input type="checkbox"/>
■ Your scheme trustees?	<input type="checkbox"/>	<input type="checkbox"/>
■ Your scheme actuary?	<input type="checkbox"/>	<input type="checkbox"/>
■ Your scheme auditor?	<input type="checkbox"/>	<input type="checkbox"/>
■ The registered administrator to the scheme?	<input type="checkbox"/>	<input type="checkbox"/>
4 If you operate an occupational pension scheme and you deduct any sum from the wages or salaries of your employees for payment to the trustees or to another person to whom you pay the contributions direct, do you advise the employees concerned and the trustees or such other person, in writing, at least once a month of the following:		
■ the total amount deducted from the employees' salaries or wages and paid to the trustees or other person?	<input type="checkbox"/>	<input type="checkbox"/>
and		
■ the total amount, if any, paid by you as an employer on behalf of the employees to the trustees or other person?	<input type="checkbox"/>	<input type="checkbox"/>

(Re. Qs 1 and 4, please see Notes below)

Notes: Employer Checklist

Re. Q. 1. All **employers** are required to enter a contract with a **PRSA Provider** so that access to at least one Standard PRSA is available for all 'excluded employees'.

In summary, an **employee** is an 'excluded employee' if:

- their **employer** does not offer an **occupational pension scheme**, or
- they are included in an **occupational pension scheme** for death in service benefits only, or
- they are not eligible to join the **occupational pension scheme** in their company or will not become eligible to join the scheme within 6 months from the date they begin work there, or
- they are included in an **occupational pension scheme** that does not permit the payment of **additional voluntary contributions (AVCs)** by the members.

Re. Q. 4. FAQs on the remittance of contributions provisions are available on the Authority's website.

If you find that there are matters outstanding in relation to fulfilling your obligations, as specified in this checklist, you should consult your financial adviser or pension scheme administrator, as the case may be, in order to ensure full compliance.

This checklist is intended as a guidance tool only and is not intended to be an exhaustive list of **employer** obligations. If you have any difficulties you can contact the Pensions Authority at info@pensionsauthority.ie.

Glossary of terms

Actuarial Funding Certificate (AFC): A certificate that trustees of a defined benefit scheme must submit to the Pensions Authority at least every three years. It is signed by an actuary. The certificate demonstrates that the scheme complies with the funding standard under the Pensions Act, stating whether the scheme is capable of meeting specified liabilities in a statutory order of priority in the event of it being wound up on the date of the certificate.

Additional Voluntary Contributions (AVCs): Additional contributions paid by a member of an occupational pension scheme in order to secure benefits over and above those set out in the rules of the scheme. Where an occupational pension scheme does not provide access to an AVC facility, a standard PRSA must be offered for this purpose.

Defined benefit scheme (also known as "final salary" scheme): Defined benefit schemes provide members with retirement and death benefits based on formulae set out in the rules of the scheme. Benefits are often based on a member's salary close to retirement and on his or her pensionable salary. For this reason, these schemes are sometimes known as "final salary" schemes.

Defined contribution (also known as "money purchase" plan): Provides a pension based on the accumulated value of contributions paid to a pension scheme and the investment returns earned on those contributions.

Disclosure of information: Under the terms of the Act, trustees of occupational pension schemes must give information to scheme members and others about their personal entitlements. Information about the running of the scheme and, in particular, about its financial situation must also be made available. Employers are also required to provide certain information.

Details, including the timescales in which the information is to be disclosed, are set out in the Act and in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (SI 301 of 2006).

Employee(s): A person of any age engaged under a contract of employment i.e. a contract of service or apprenticeship expressed orally, in writing or implied.

Employer: The person or body with whom the member of a pension scheme has a contract of employment relevant to that scheme.

Occupational Pension Scheme: A pension scheme set up by an employer to provide retirement and/or other benefits for employees. It is sometimes called a “company pension scheme”.

Pension Adjustment Order (PAO): An order made following a decree of judicial separation or divorce whereby the Court adjusts a member’s pension rights in favour of his or her spouse/civil partner or a dependent child.

Personal Retirement Savings Account (PRSA): A PRSA is a personal pension plan that you take out with an authorised PRSA provider. It is like an investment account that you use to save for your retirement. PRSAs are a type of defined contribution scheme. You make regular contributions to your pension, and a proportion of these are tax deductible.

PRSA provider: PRSA providers include investment business firms, insurance companies and credit institutions. A list of all PRSA Providers who have approved PRSA products is available on the Pensions Authority’s website.

Preserved benefit: These are the retirement benefits that a scheme member retains when they have completed two years’ qualifying service since 1 January 1991 and finished their employment after 1 June 2002 or completed at least five years’ qualifying service (two since 1991) and finished their employment before 1 June 2002.

Small scheme: A scheme with less than 100 active and deferred members (not including pensioners).

Statement of Investment Policy Principles (SIPP): A written statement prepared at least every three years by the trustees that includes:

- the investment objectives of the trustees
- the investment risk measurement methods
- the risk management processes to be used
- the strategic asset allocation

Statement of Benefits: Trustees of occupational pension schemes on the request of the member transferring to a PRSA, must provide to that member or to the PRSA provider concerned a statement of the benefits which may accrue from the scheme in respect of that member.

Transfer payment: A payment from one pension scheme to another, or to an insurance company to purchase a buy-out bond or PRSA, in lieu of the benefits which have accrued to the member under the scheme.

Further Information

Information Booklets

The Pensions Authority publishes a wide range of very practical information booklets on all aspects of pension-related issues. All of the booklets are available on the Authority's website.

Guidance Notes

The Authority also provides detailed Guidance Notes on the various parts of the Pensions Act. Of particular relevance is the Disclosure of Information Guidance Notes, referred to in Note 1 of the Trustee Checklist. The Guidance Notes are currently available on the Authority's website.

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The Pensions Authority has prepared these checklists to help trustees and employers to ensure that they do not contravene any of the specified provisions subject to the fines regime. We have made every effort to ensure that they are correct however no liability whatsoever is accepted by the Pensions Authority, its servants or agents for any errors or omissions in the information contained in this booklet or for any loss occasioned to any person acting or refraining from acting as a result of any statement in these checklists.