



# **Procedure for approval to remove or close a fund or funds of an approved Personal Retirement Savings Account (PRSA) product**

## **Disclaimer**

The Pensions Authority have made every effort to ensure that this guidance note is 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 guidance note or for any loss occasioned to any person acting or refraining from acting as a result of the information in this guidance note.

## Background

Under section 93 of the Pensions Act, 1990, as amended (the Act), the procedures for the granting of approval of PRSA products are determined by the Pensions Authority (the Authority). Under Part IV (j) and (k) in the PRSA Application for Approval, the applicant certifies that it will promptly notify the Authority of any change in the information provided in the initial application and changes to the features outlined in the Product Specification. Therefore, if a fund of an approved PRSA product is removed or closed, this should be notified in advance to the Authority.

## Procedure

### Step 1

The PRSA provider must contact the Authority, preferably by email ([prsa@pensionsauthority.ie](mailto:prsa@pensionsauthority.ie)).

The correspondence should include:

- a statement that the provider intends to close or remove a fund(s) of a standard or non-standard PRSA product;
- the name of the fund(s) that are to be removed/closed;
- a list of the approved product(s) and product code(s) from which it is proposed to remove/close the fund(s);
- a statement of the number of contributors to whom the fund removal/closure will apply;
- a statement of the reason for the decision to remove/close the fund(s);
- a statement on whether the fund(s) form part of the Default Investment Strategy (DIS) of the product(s);
- details as to how existing contributors will be notified and a copy of the planned notification;
- the effective date of closure/removal of the fund(s);
- where the fund is to be closed, a statement of the alternative options that are offered to contributors and what fund the assets will be moved to if the contributor does not make a choice (i.e., the default). The statement should also confirm the features and charges that apply to the default and how they differ from the fund which is being removed;
- a statement that other contributors not in this fund(s) will be informed of the removal/closure, given that the range of fund choices listed in their documentation has now altered. (This notification can be included with any

other material the provider may be issuing to these contributors in the near future);

- confirmation that contributors will be provided with a description of charges if they are moved into other fund(s). The new fund(s) should carry the same charges, including any applicable bonus;
- a statement whether contributors will be allowed to remain in the fund(s) and pay in contributions; and
- confirmation that the terms and conditions allow for the provider to make such a change.

## **Step 2**

If the Authority is satisfied that all requested information has been received and is complete, as detailed above, the provider will be notified by email or in writing that the change to the existing product has been approved.

The Authority will aim to notify the provider within 10 working days of receipt of the complete requested information.

## **Step 3**

After the change to the product has been implemented, the provider must send to the Authority:

- confirmation that the fund(s) has been removed/closed from the list of approved products, and
- confirmation that contributors have been notified and a copy of this notification.