An tÚdarás Pinsean
The Pensions Authority

So you’re a pension scheme trustee

A brief guide to your duties and responsibilities

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Date last updated: May 2020

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1. Introduction

The Pensions Authority (the Authority) is the statutory body that supervises compliance with the requirements of the Pensions Act, 1990, as amended, by trustees of occupational pension schemes and trust RACs, PRSA providers, registered administrators and employers. The Authority also provides guidance and information to these stakeholders on their duties and responsibilities and advises the Minister for Social Protection on pension matters.

As a **trustee** of an **occupational pension scheme**, also called a **company pension scheme**, you have duties and responsibilities under **trust law**, under other relevant legislation and under the Pensions Act, 1990, as amended (the Act).

This guide gives concise guidance on your duties and responsibilities and includes some definitions that may be helpful to you. It is not intended to be a complete guide or an interpretation of the law. You will get comprehensive guidance for **trustees** in the Authority's 'Trustee handbook', which is available on the Authority's website. The Authority has developed an e-learning facility for **trustees** which is free of charge and is available here.

In this guide you will see certain terms in bold print. These are words or expressions commonly used in relation to pensions or which have a specific definition under the Act. You will find an explanation of any of these terms in the glossary of terms at the end of this guide.

2. Company pension schemes

A pension scheme is a type of **trust** and a **company pension scheme** (often called an **occupational pension scheme**) is a good example of one. In its simplest form, a **trust** is an arrangement under which assets are held and looked after on behalf of others (called **beneficiaries**).

A person who holds and looks after pension assets for the benefit of **members** and their **dependants** is called a **trustee**. Although assets are held in the name of the **trustees**, they do not belong to them. The conditions of the **trust** under which the pension scheme is set up are detailed in a legal document called the **trust deed and rules**. It sets out who can join the scheme, what the benefits are and what contributions are paid.

There are two basic types of **company pension scheme**:

- **Defined benefit scheme** (also known as **'final salary scheme'**) which provides members with retirement and death benefits based on formulae set out in the rules of the scheme. Benefits are often based on a members' salary close to retirement (or earlier leaving service) and on their completed pensionable service. For this reason, these schemes are sometimes known as 'final salary' schemes. However, defined benefit schemes may also be 'career average' schemes in which the pension calculation is typically based on the member's average earnings in which the pension calculation is typically based on the member's average earnings while a member of the scheme.

- **Defined contribution scheme** (also known as **'money purchase plan'**) which provides retirement benefits based on the accumulated value of contributions paid to a pension scheme by or on behalf of a member, including the investment returns earned on those contributions less any charges. As such, it is the contributions that are 'defined' or known, as opposed to the benefits that the member will receive at retirement.

Trustees should know which type of scheme they have responsibility for as there are different requirements under the Act for each type of scheme.

3. Trust law

The duties of pension scheme **trustees** under **trust law** include:

- administering the **trust** in accordance with **trust law**, all other law and the terms of the **trust deed and rules**,
- acting in the best interests of **beneficiaries**,
- acting fairly between **beneficiaries**,
- acting prudently and diligently,
- exercising care and utmost good faith in all **trustee** duties,
- seeking professional advice as necessary,
- supervising those to whom functions have been properly delegated,
- not making personal profit from the **trust**, and
- being aware of possible conflicts of interest.

A **trustee** who is negligent, does not act in good faith or breaks the rules of the **trust** can be sued by the **beneficiaries**. They can be held personally liable for the entire amount of any loss that has occurred.

Trustees must take great care to make sure that all information received in their capacity as **trustees** is treated in the strictest confidence and only used for the purposes for which it has been given.

A **trustee** does not have the power to negotiate or vary the terms and conditions of the scheme. **Trustees** can only do what is set out in the **trust deed and rules**. They cannot act as a representative of the employer or the **members**.

4. Who cannot be a trustee?

The Act states that a **trustee** cannot be someone who:

- is an undischarged bankrupt (currently certified bankrupt),
- has made an arrangement with creditors and has not fulfilled the obligations under that arrangement,
- has been convicted of an offence involving fraud or dishonesty, or
- is restricted, under section 150 of the Companies Act, from being involved in the formation or promotion of a company for a defined period of time.

5. Day-to-day administration

The **trustees** of most pension schemes do not actually carry out the day-to-day business of the scheme. In some cases, they appoint a person within the company to do this. More often, they appoint a pensions consultant, a professional administrator or a life assurance company. Trustees are obliged to appoint a registered administrator to carry out specified core administration functions unless they appoint themselves to carry out the tasks.

Pensions administration has a wide variety of activities, including:

- contact with external authorities (e.g. the Authority and Revenue),
- contact with **members**,
- paying benefits,
- keeping records,
- financial management,
- overseeing the scheme accounts, and
- providing documents to others.

Even when the day-to-day administration is delegated, the **trustees** are still responsible for the scheme. They must ensure that all the above duties and those set out in the Act are carried out.

6. Trustees' duties under the Pensions Act

The Act clearly sets out the duties and responsibilities of **trustees**. There is a high degree of overlap between **trustees'** duties under the general principles of **trust law** and their duties as prescribed in the Act.

The **trustees'** duties under the Act are explained below.

Trustee training

Every **trustee** must undertake **trustee** training in accordance with the Act. **Trustees** are required to receive training on:

(a) the Act, the regulations made under it and any other law that affects the operation of their scheme or trust RAC,

(b) the duties and responsibilities of **trustees** generally.

Trustees are required to receive training within six months of their appointment and at least every two years thereafter.

An employer who operates a pension scheme is obliged to arrange for the scheme **trustees** (and, in the case of a **trustee** that is a body corporate, for all the directors of that body corporate) to receive appropriate training.

However, an employer is not required to arrange appropriate training for:

(a) a pensioneer **trustee**, or

(b) a professional **trustee**.

Registering the scheme

Trustees must register their scheme with the Authority and pay the annual fee. Schemes must register within one year of their start date.

A pensions consultant, administrator or life assurance company doing the day-to-day running of the scheme will usually arrange the registration and payment of fees. However, it is the responsibility of the **trustees** to ensure that their scheme is registered, with the registration details updated at least once a year and the annual fee paid.

Ensuring that contributions are received

The **trustees** shall make sure, as far as is reasonable, that contributions payable by the employer and the **members** are received. One way to do this is to agree with the employer procedures and dates for the payment of these pension contributions. The dates may be specified in the scheme rules or, for **defined benefit schemes**, in the **actuary**'s valuation report, and should be adhered to. If dates are not specified, contributions should generally be made monthly or quarterly.

The Act also requires the employer to pay contributions within a specified time, except in respect of employers' contributions to a **defined benefit scheme**. The Authority has produced a set of frequently asked questions (FAQs) about the remittance of contributions, which are available here.

Investing the funds

The **trustees** must ensure that the resources of the pension scheme are properly invested in line with **investment regulations** and the scheme's **trust deed and rules**.

Trustees usually delegate the actual investment to a professional **investment manager**. Nevertheless, the **trustees** are responsible for monitoring the conduct of the **investment manager** and the performance of the assets.

If a scheme has not appointed an **investment manager**, the **trustees** must show the Authority that they have appropriate qualifications and experience to assess and advise on investment options, and to make investment decisions. If a **trustee** who has been approved by the Authority leaves the **trust**, any new **trustee** appointed to fill the investment role must get similar approval from the Authority.

Subject to the Authority's approval, **trustees** can also employ an adviser with the appropriate qualifications and experience. An application for approval should be made by the **trustees** or the proposed adviser. The application form is available on the Authority's website. The Authority's approval must be obtained before any investment is made.

Trustees are also required to invest the contributions within 10 days of the latest date by which the employer should have paid them.

The Authority has produced a detailed set of frequently asked questions (FAQs) about **investment regulations**, which are available here.

Making arrangements for the payment of benefits

The Act also specifies that **trustees** should make arrangements for the timely payment of benefits.

A **company pension scheme** may provide benefits in the following circumstances:

- retirement at or before **normal pensionable age** or due to ill-health,
- death before or after retirement,
- on leaving the company.

Many **company pension schemes** appoint an agent (e.g. the scheme administrator, the employer or the insurance company) to pay the benefits or arrange for annuities to be bought through a life assurance company. The **trustees'** duty is to ensure that **beneficiaries** are paid regularly and do not have to take unreasonable steps to get their benefits.

In most schemes, **trustees** may have to decide the distribution and/or method of payment of benefits. For example, the scheme may allow death benefits to be paid to one **dependant** or split between several **dependants**. **Trustees** must find out the full circumstances of each case before making a decision; if in doubt, they should seek professional advice.

Ensuring that records are kept

Under the Act, **trustees** are obliged to make sure that appropriate membership records and financial data are kept.

Typically, **member** records will include the **member's** name, gender, date of birth, date of joining the company and date of joining the pension scheme, civil status, details of **dependants** and other **beneficiaries**, present and past annual salary details, **transfer values** received and benefits granted, **member** contributions and **additional voluntary contributions (AVCs)**. **Members** may be **active**, **deferred** or **pensioner members** and accurate records should be held in every case. **Trustees** may also find it useful to have the **PPS numbers** of all **members**. The type and amount of information kept will depend on the scheme and the types of benefit provided.

Trustees frequently delegate the administration of the scheme (including collection of contributions) to third parties or the employer and the professional **investment managers**. However, overall responsibility of stewardship of the scheme's assets, transactions and record keeping rests with the **trustees**.

Financial records include the **trustee** bank account, all financial transactions and financial reports received from third parties (e.g. an **investment manager**). The financial records are frequently kept on behalf of the **trustees** by an administrator, who may also prepare the accounts for audit.

Preserving or transferring benefits

The **trustees** must make sure that the necessary arrangements are made for early leavers of the scheme to have their benefits preserved, revalued or transferred to another pension plan. They will also have to accept transfers in when new employees join the **company pension scheme**.

There is further information on the preservation and transfer of benefit requirements in the Authority's guide 'How does my pension scheme work?' which is available here. Detailed technical guidance notes on 'Preservation of benefits and minimum value of contributory retirement benefits' are available here.

Checking that the funding standard is met

The **trustees** of a **defined benefit scheme** must ensure that the scheme complies with the minimum funding standard (MFS) as required by the Act.

At least every three years, **trustees** of **defined benefit schemes** must provide an **actuarial funding certificate (AFC)** to the Authority. This certificate is prepared by the scheme's **actuary** and states if the scheme has enough assets to comply with its legal funding requirements. In the **annual report**, the **actuary** must also give an opinion on whether or not the scheme continues to satisfy the funding standard.

The scheme also needs to hold a risk reserve to allow for adverse future experience relating to the scheme's assets and/or liabilities. The **actuary** must submit a **funding standard reserve certificate (FSRC)** to the Authority which indicates whether or not the scheme can meet this additional reserve.

If the scheme does not satisfy the funding standard, a funding proposal to rectify the situation must be prepared within an agreed period of time. This plan must be agreed with the employer and the **actuary**.

The Act's provisions on the preparation of the **AFC**, the **FSRC** and a funding proposal are detailed and complex. It is important for **trustees** to have a good understanding of these matters and discuss them in detail with the **actuary** and/or the scheme advisers.

Further information on the minimum funding requirements is contained in the Authority's guide 'How does my pension scheme work?' which is available here.

Registered administrators

Trustees of every scheme (including large trust RAC schemes) must appoint a registered administrator to provide various services to the scheme (known as 'core administration functions'). The core administration functions are the preparation of **annual reports** and annual benefit statements for the **trustees**, the maintenance of sufficient and accurate records of **members** and their entitlements to discharge the above functions and the submission of Annual Scheme Information (ASI) to the Authority. **Trustees** can appoint themselves as registered administrators provided that they are satisfied as to their competence to undertake the core administration functions, and that they have the necessary systems and procedures in place to do so.

Failure by the **trustees** to appoint a registered administrator will constitute an offence under the Act.

The Authority has produced a detailed set of frequently asked questions (FAQs) about registered administrators, which is available here.

Giving out information

Trustees must make available certain documents and information about the scheme and its operation to **members** and other specified persons (such as prospective **members**, spouses/civil partners of **members**, other **beneficiaries** and authorised trade unions that represent **members**). The general information they must allow to be given out includes:

- details about the set up and rules of the scheme,
- certain basic information about the scheme,
- details of an individual's benefit entitlements under the scheme.

Trustees must also arrange for:

- **actuarial valuations** (in the case of a **defined benefit scheme**),
- annual audited accounts (if required),
- **annual reports** to be prepared and made available, subject to certain exceptions and alternatives.

They must also make sure the information is given within the timescales specified in the legislation.

The guide 'How does my pension scheme work?', which is available here, sets out what information **trustees** of an **occupational pension scheme** must provide, when this information must be given and how it should be given.

Applying equal pension treatment

According to the Act, which gives effect to EU law in this regard, **trustees** of **company pension schemes**, with certain exceptions, must ensure that their scheme complies with the principle of equal pension treatment.

Originally the Act simply prohibited discrimination on the grounds of gender. However, it now bans pension discrimination on the grounds of:

- gender,
- civil status,
- family status,
- sexual orientation,
- religion,
- age,
- disability,
- race, and

- membership of the traveller community.

The principle of equal pension treatment applies to the **trust deed and rules** of the scheme on such matters as:

- access to the scheme,
- contribution arrangements,
- entitlement to, and calculation of, benefits,
- retirement ages, and
- survivors' benefits.

However, it is not a breach of equal pension treatment if schemes fix an age for admission to the scheme or for entitlement to benefits, including setting different ages for employees, or groups or categories of employees, provided that this does not result in discrimination on grounds of gender.

Trustees should have the scheme's **trust deed and rules** examined on a regular basis to make sure that they follow the principle of equal pension treatment.

A person claiming a failure of the equal pension principle may refer their case to the Workplace Relations Commission (see section 15 for contact details).

Guidance notes on equal pension treatment are available here as well as 'A brief guide to equal pension treatment' which is available here.

Distributing the resources of the scheme on wind-up

Trustees of a pension scheme that is being wound up must use the assets of the scheme to settle its liabilities without undue delay.

When a decision is taken to wind up the pension scheme, **trustees** must notify **members**, their trade unions and the Authority within 12 weeks of the decision. **Trustees** have a duty to make sure that **members'** pension rights are secure and the wind-up is completed as soon as is practical. **Members** must also be informed in reasonable time of their benefit rights and options under the wind-up rules, including who will pay the benefits after wind-up, the address for enquiries and how any surplus or deficit in the pension fund has been dealt with.

There is more information on scheme wind-ups in the Authority's guide 'How does my pension scheme work?', which is available here.

7. Compulsory and voluntary reporting to the Pensions Authority

Where a **trustee** has reason to believe that material misappropriation or fraudulent conversion of the resources of a scheme, trust RAC or **PRSA** has occurred, is occurring or is to be attempted, they must report details of this, in writing, to the Authority.

The duty to report is absolute and the penalty for anyone convicted of failing to do so is a fine and/or imprisonment. Anyone who makes such a report in good faith cannot be sued for breach of confidentiality or breach of any other duty that may necessarily occur. Although not duty-bound to do so, any person may report to the Authority concerning the state and conduct of a scheme, trust RAC or **PRSA**. Guidance notes on reporting requirements are available here.

8. Trustees' responsibilities – PRSAs

A **Personal Retirement Savings Account (PRSA)** is a pension designed for employees, the self-employed, homemakers, carers, unemployed people or any other category of person. It is a contract between an individual and an authorised **PRSA provider** for an investment account.

There are two types of **PRSA** – a Standard **PRSA** and a non-Standard **PRSA**. The main differences between them are the charges and the investment options.

If you have a Standard **PRSA**, you:

- cannot be charged more than 5% on the contributions you pay and 1% per year on the managed funds,
- can only invest in **pooled funds**, except for temporary cash holdings, and
- do not have to buy another product, such as life assurance, when you are applying for your Standard **PRSA**.

If you have a non-Standard **PRSA**, there is no limit on charges and you can invest in a range of funds, including (but not restricted to) **pooled funds**.

The Act states that employers must enter a contract with a **PRSA provider** to let employees participate in a Standard **PRSA** if:

- the employer is not operating an **occupational pension scheme**,
- the employer is operating an **occupational pension scheme** that only provides death in service benefits,
- the employer is operating an **occupational pension scheme** that limits eligibility for membership, or
- the employer is operating an **occupational pension scheme** that imposes a wait for membership of more than six months from the start of employment.

If the **occupational pension scheme** does not allow for **additional voluntary contributions (AVCs),** a Standard **PRSA** must be offered for **AVC** purposes.

The legal obligation to comply with these **PRSA** access requirements rests with the employer. The **trustees'** obligation is to monitor contribution and benefit levels for Revenue purposes where **AVCs** are made via a **PRSA**.

Where **AVCs** are paid via a **PRSA** separate from the main pension scheme, the **trustees** of the main scheme do not have a legal responsibility to monitor these contribution and benefit limits. However, they are legally obliged to comply with the **disclosure of information regulations** regarding **members'** entitlement to information.

The Authority has produced a guide 'Personal Retirement Savings Accounts (PRSAs) – A consumer and employers' guide to PRSAs', which is available here.

9. Compliance with the pension provisions of the Family Law Acts

The Family Law Act, 1995, addresses pension benefits where judicial separation and foreign divorces recognised in this country have taken place. Similar legislation on Irish divorce is set out in the Family Law (Divorce) Act, 1996. Both these Acts state that pension rights must be taken into account where, after a judicial separation or divorce, the parties apply to the court for a relevant financial settlement. These requirements also apply to civil partners and cohabiting couples. The Acts also give the courts the power to instruct **trustees** of a pension scheme to pay out benefits (usually arising from a court order). Such a direction by the court overrides the scheme **trust deed and rules**.

Under the **disclosure of information regulations** of the Act, the spouse/civil partner of a **member** of an **occupational pension scheme** is entitled, on request, to get specified basic information about that scheme (including legal documentation and **annual reports** and, if produced, copies of audited accounts and **actuarial valuations**). The **disclosure of information regulations** apply if divorce proceedings have been instituted under either of the Family Law Acts. They continue to apply after a divorce decree is granted.

The court may also direct the **trustees** to provide to the former spouse/civil partner more specific information about the **member's** benefits. Such information must be provided within the period specified by the court.

The pension provisions of the Family Law Acts are among the more detailed statutory requirements with which **trustees** have to comply. **Trustees** should have a general understanding of all aspects of these provisions so as to promote full compliance. There is more detailed guidance in the guide 'A brief guide to the pension provisions of the Family Law Acts', which is available here.

Guidance notes on the pension provisions of the Family Law Act, 1995, Family Law (Divorce) Act, 1996 and the Civil Partnership and Certain Rights and Obligations of Cohabitants Act, 2010 are available here.

10. Cross-border pension schemes

The Act requires compliance with the cross-border requirements of Directive 2003/41/EC on the activities and supervision of Institutions for Occupational Retirement Provisions (known as the IORP directive). The directive establishes that an IORP, which in the Irish context is an **occupational pension scheme**, can provide cross-border services anywhere in the EU or European Economic Area (EEA).

Cross-border activity occurs where an IORP registered in Ireland accepts contributions from an employer based in another Member State or vice versa. If an Irish pension scheme is seeking to operate in another Member State, the **trustees** of the scheme must comply with certain authorisation and notification procedures set down in the Act.

11. The Financial Services and Pensions Ombudsman

The Financial Services and Pensions Ombudsman can, among other financial services matters, investigate and adjudicate on complaints made, in writing, by or on behalf of an actual or potential beneficiary of an **occupational pension scheme**, **PRSA**, or trust RAC who alleges financial loss as a result of maladministration by those responsible for managing the scheme.

The Financial Services and Pensions Ombudsman can also investigate and decide on disputes of fact or law arising from an act (or failure to act) by those responsible for a scheme. Such claims must be communicated, in writing, by an actual or potential beneficiary. It is up to the Financial Services and Pensions Ombudsman to decide which cases to investigate.

The persons responsible for the management of the scheme include any **trustee** or former **trustee**, any employer or former employer and any administrator of the scheme.

The Financial Services and Pensions Ombudsman Act, 2017 states that the **trustees** of every **occupational pension scheme** must establish Internal Disputes Resolution (IDR) procedures.

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12. Legal penalties for breach of duties

Court proceedings may be taken against **trustees** for non-compliance with the Act. The Authority may bring a case to the District Court or, for more serious allegations, refer the matter to the Director of Public Prosecutions (DPP), who may want to prosecute in a higher court by way of a charge sheet (called an indictment).

The consequences are as follows:

- on summary conviction (in the District Court), persons found guilty of an offence under the Act will get a fine not exceeding €5,000, imprisonment for up to one year or both,

- on indictment in a higher court, persons convicted of a breach of the Act will get a fine not exceeding €25,000, imprisonment for up to two years or both.

However, on-the-spot fines provide an alternative to prosecutions of certain offences under the Act. The Act allows the Authority to notify a person in writing about a specified summary offence, giving 21 days to remedy it and pay the appropriate fine. If the offence is remedied and the fine paid, the prosecution will not proceed.

The Authority has published a **trustee** and employer checklist, available here, in relation to on-the-spot fines, which is intended to help **trustees** and employers ensure they do not breach the Act.

13. Trustee handbook and trustee training

Being a pension scheme **trustee** carries a wide range of duties and responsibilities – perhaps more than you thought.

The Authority has drawn up a register of approved **trustee** training courses. You should contact the Authority for more details or see the register here.

The **annual report** of the pension scheme must state whether **trustees** have access to appropriate training about their duties and responsibilities.

An employer who operates a scheme is required to arrange for the **trustees** to receive appropriate training in relation to the Act and any other law that governs the operation of their scheme. They are also required to receive training on their duties, responsibilities and other matters relevant to the management of their scheme.

For further information on this requirement contact the Authority directly. The Authority also produces a 'Trustee handbook' which is available to download free from here.

14. Glossary of terms

Active member: A member of a pension scheme who is in 'reckonable service', i.e. currently in the employment to which the scheme relates and who is included in the scheme for a pension benefit.

Actuarial funding certificate: A certificate that trustees of a defined benefit scheme must submit to the Pensions Authority at least every three years. It is prepared and signed by an actuary. The certificate shows whether or not a scheme holds sufficient assets at a particular date to provide for the liabilities of the scheme in respect of accrued pensions, had the scheme wound up (terminated) on the date of the certificate. The liabilities must be calculated in accordance with the funding standard provisions of the Pensions Act, 1990. See also Funding Standard Reserve Certificate.

Actuarial valuation: An assessment by an actuary of the ability of a defined benefit pension scheme to meet its benefit obligations or benefit promises. An actuarial valuation may be carried out for the purposes of:

- determining the future contributions required in order to pay the benefits promised and to prepare the actuarial valuation report required under section 56 of the Pensions Act, 1990 (the 'ongoing' valuation);

- assessing compliance with the statutory funding standard and preparing an actuarial funding certificate (the 'funding standard valuation'); or

- reporting the pension scheme asset (surplus) or liability (deficit) in the company accounts of the scheme sponsor (the 'accounting valuation').

Actuary: The individual appointed by the trustees of an occupational pension scheme to carry out actuarial valuations and advise on funding matters.

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.

Annual report: The Pensions Act, 1990, requires the trustees of a pension scheme to communicate information about the scheme on an annual basis, such as the parties involved in running the scheme, the number of scheme members, the financial development of the scheme and a statement of the funding position/solvency of the scheme (if applicable). The content of the annual report is specified in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006. A shorter annual report called an alternative annual report may be compiled by small defined benefit schemes and defined contribution schemes with less than 100 active and deferred members.

Beneficiary: A person who is entitled to benefits under a pension scheme, or who will become entitled on the happening of a specified event (e.g. on the death of a member).

Company pension scheme: See 'occupational pension scheme'.

Deferred member: A person entitled to a pension payment at a future date. Normally this would be an early leaver, but the term is sometimes used to describe someone whose retirement is being postponed.

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 members' salary close to retirement (or earlier leaving service) and on their completed pensionable service. For this reason, these schemes are sometimes known as 'final salary' schemes. However defined benefit schemes may also be 'career average' schemes in which the pension calculation is typically based on the member's average earnings while a member of the scheme.

Defined contribution scheme (also known as 'money purchase plan'): Defined contribution schemes provide retirement benefits based on the accumulated value of contributions paid to a pension scheme by or on behalf of a member, including the investment returns earned on those contributions less any charges. As such, it is the contributions that are 'defined' or known, as opposed to the benefits that the member will receive at retirement.

Dependant: A person who depends financially on a scheme member or pensioner. Children are generally regarded as dependants until they reach the age of 18 or leave full-time education or vocational training, if later. A spouse/civil partner is always regarded as a dependant and a cohabiting partner is generally considered a dependant also. The definition of a dependant for any particular scheme is typically set out in the rules of the scheme, available from the trustees.

Disclosure of information regulations: Regulations issued under the Pensions Act, 1990, requiring specific information about pension schemes and their benefits to be disclosed to interested parties.

Funding Standard Reserve Certificate (FSRC): A certificate prepared by the actuary and submitted to the Pensions Authority which indicates whether or not the scheme can meet an additional risk reserve known as the 'funding standard reserve'. A scheme needs to hold a risk reserve to allow for adverse future experience relating to the scheme's assets and/or liabilities. This is submitted to the Authority at least every three years along with the AFC.

Investment manager: A person or body to which the investment of the whole or part of the assets is delegated by the trustees in accordance with the provisions of the trust document.

Investment regulations: A set of regulations made under the Pensions Act, 1990, setting out certain investment and borrowing rules that trustees of schemes must comply with when investing the assets of a pension scheme. These include investing predominantly in regulated markets (while keeping other investments to a prudent level) and diversifying investments so as to minimise the risk of large losses owing to excessive concentration of risk. The investment rules and borrowing restrictions do not apply to 'one-member arrangements'. The investment regulations are formally called the Occupational Pension Schemes (Investment) Regulations, 2006, as amended. The relevant statutory instrument references are SI No 294 of 2006, SI No 188 of 2007 and SI No 455 of 2010.

Member: A person who has been admitted to membership of a pension scheme and who is entitled to benefits under the scheme. This includes active members, pensioners and deferred pensioners.

Normal pensionable age/normal retirement age: Normal pensionable age means the earliest age at which a pension scheme member is entitled to receive immediate retirement benefits from a scheme in normal circumstances, or age 60, whichever is later. Normal pensionable age usually coincides with normal retirement age, i.e., the age at which retirement benefits normally become payable under a scheme. Normal retirement age can range from age 60 to 70 and will typically be defined in the member's booklet and the governing documents of a pension 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'.

Pensioner member: A person being paid from a pension scheme (also called a pensioner).

PPS number: Personal Public Service number – a unique reference number for each person in the State that identifies the person for all matters related to tax, social insurance and social welfare benefits.

Personal Retirement Savings Account (PRSA): A PRSA is a personal pension contract that you take out with an authorised PRSA provider. It is an investment account that you use to save for your retirement. Your savings can be accessed at retirement. PRSAs are a type of defined contribution arrangement. You get tax relief on your contributions to your account within Revenue limits. A register of authorised PRSA providers and their approved PRSA products is available here.

Pooled funds (also known as 'managed funds'): These are collective investment schemes in which investors' money is pooled to buy a portfolio of assets including government bonds, deposits, property and stocks.

PRSA provider: An authorised investment firm, life assurance company or credit institution which produces, markets or sells PRSA products.

Transfer payment (also known as 'transfer value'): A member of a pension scheme who is entitled to a preserved benefit is entitled to take a transfer payment from that pension scheme to:

(a) another pension scheme of which they are a member or prospective member,

(b) a buy-out bond (BoB), also known as a 'personal retirement bond (PRB)', with an insurance company, or

(c) a Personal Retirement Savings Account (PRSA) with a PRSA provider (subject to certain restrictions),

in lieu of the benefits payable to the member from the scheme from which the transfer payment relates.

In the case of a defined benefit scheme, the transfer payment will be the actuarial value of the deferred pension (preserved benefit). This may be reduced to reflect the funding position of the scheme. In the case of a defined contribution scheme, the transfer payment will be the accumulated value of contributions paid by or in respect of the member.

Trust deed and rules: Occupational pension schemes are set up under trust. The trust deed and rules govern how the scheme is managed and sets out how the benefits are determined and to whom they are payable.

Trust law: Trust law comprises a number of statutory provisions dating back to the Trustee Act, 1893 and principles of equity which have evolved over many years in cases decided in the courts.

Trustee: An individual or a company which alone or jointly becomes the legal owner of assets to be administered for the benefit of someone else (beneficiaries), in accordance with the provisions of the document creating the trust, and the provisions of trust law generally and the Pensions Act, 1990.

15. Useful addresses

Consumers' Association of Ireland
Denshaw House
120/121 Baggot Street Lower
Dublin 2.
D02 FD45
Tel: (01) 659 9430
Email: cai@thecai.ie
Web: www.thecai.ie

Department of Social Protection (PRSI records)
McCarter's Road
Ardaravan
Buncrana
Donegal
F93 CH79
Tel: (01) 471 5898
LoCall: 1890 69 06 90
Web: www.welfare.ie

Department of Social Protection (PRSI refunds)
Gandon House
Amiens Street
Dublin 1
D01 A361
Tel: (01) 6732586
Web: www.welfare.ie

Department of Social Protection (State pensions)
Social Welfare Services
College Road
Sligo
F91 T384
Tel: (071) 915 7100
LoCall: 1890 50 00 00
Email: info@welfare.ie
Web: www.welfare.ie

Financial Services and Pensions Ombudsman
Lincoln House
Lincoln Place
Dublin 2
D02 VH29
Tel: (01) 567 7000
Email: info@fspo.ie
Web: www.fspo.ie

Workplace Relations Commission
Lansdowne House
Lansdowne Road
Ballsbridge
Dublin 4
D04 A3A8
Tel: (059) 917 8990
LoCall: 1890 80 80 90
Web: www.workplacerelations.ie