

IAPF DC Committee Update

Roma Burke

26 May 2016



Tom McLoughlin



Declan O'Brien



Ian Devlin



Colm Fortune



Paul Duignan



**David Fox
(IAPF support)**



John Redmond



Brian MacDonald



Roma Burke



Deirdre Cummins

What we do

- Inform & educate trustees
- Guidance and support
- Input into IAPF policy

What has the IAPF ever
done for us?



A scene from the television series Star Trek: Voyager. Three characters are visible: Neelix on the left, Tom Paris in the center, and Kesotcha on the right. They are all looking out of a window or a doorway, appearing to be in a dimly lit interior. The lighting is dramatic, with strong highlights and deep shadows.

25 IAPF events since May 2015

- 20 relevant to DC trustees
- 16 at no extra cost to trustees
- Dinner and golf



Some specific events November '15

Do

iapf

representing pension savers



Breakfast Briefing

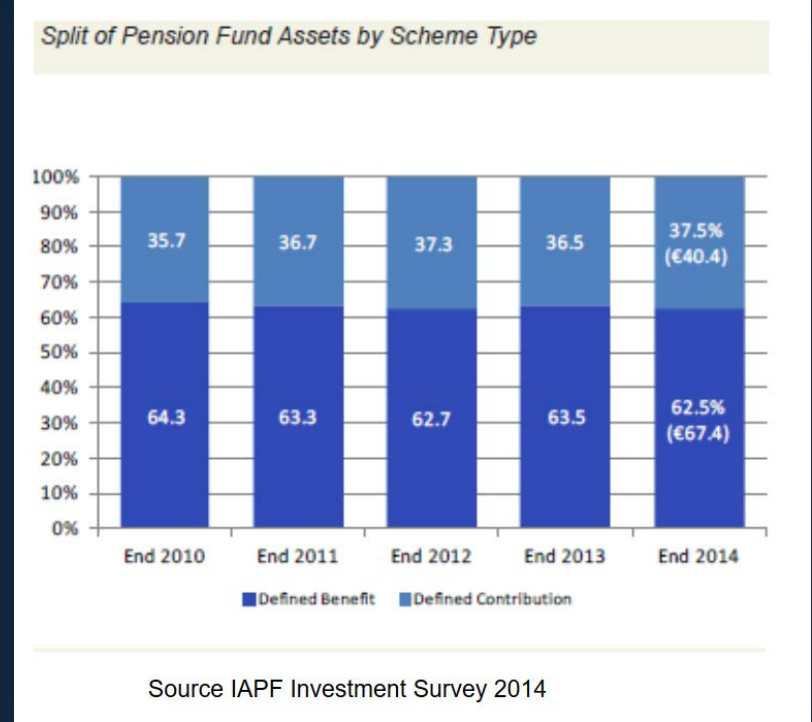
Event

Member Engagement and Administering Choice

15

- DC assets now €40bn
- 11,800 schemes
- 241,317 active members
- And growing!

Source Pensions Authority Annual Report 2013



“ A third of
30-somethings not
saving for retirement ”

“ 77% are not
saving enough
for a reasonable
standard of living
in retirement ”



“ 23% of 2014
retirees not ready
to stop working ”

“ One-in-three Irish
retirees regret not
saving enough ”

“ Less than 50% of
working population
have supplementary
pensions coverage ”



IAPF DC Breakfast Briefing - Default Fund V's Investment Choice

This breakfast briefing will explore the main investment questions Trustees of DC Schemes face; Why have investment choice? 70% of members in the default fund - good or bad? Should the strategy differ the closer you are to retirement? What is best practice for building member communications in relation to investment choice and engagement.



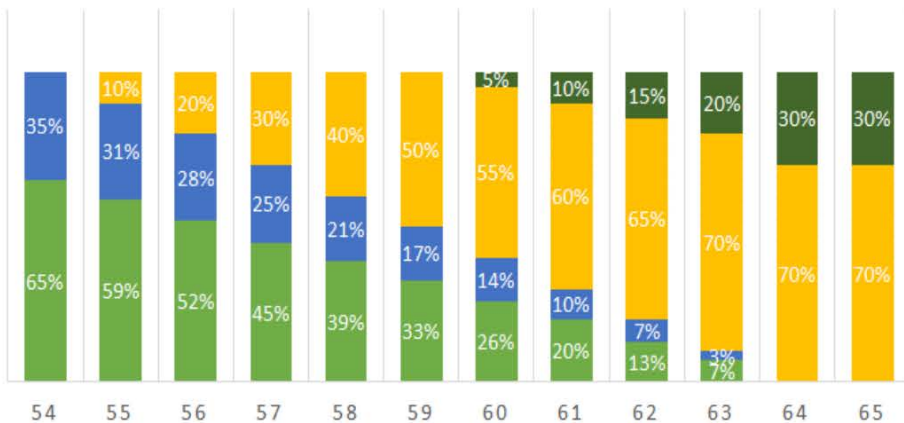
Source: New Ireland Assurance

ARF Option in Lifestyle Fund

- Pensions Authority Guidance 2013
 - Default Strategy needs “Clearly Articulated Objective” in terms of members outcomes
 - Lifestyle strategy design should be aligned with the likely benefits
- Based on analysis – range of up to 79% of members in Lifestyle could look to use ARF option in retirement

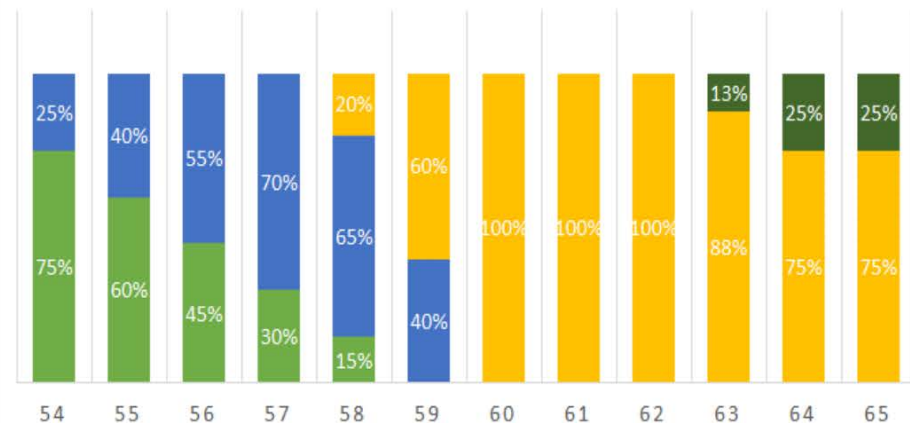
ORIGINAL GLIDE PATH

Equity Diversified Bonds Cash



NEW GLIDE PATH

Equity Diversified Cautious Growth Cash



Help you to focus on
relevant issues

But...that's not all!

Launching today

- Trustee Meeting Pack
 - Risk register
 - Trustee compliance checklist
 - Conflicts of interest log
- Managing member expectations

[DC PENSION SCHEME] RISK REGISTER

SAMPLE OF TEMPLATE AND POTENTIAL INPUTS FOR INDIVIDUAL SCHEMES

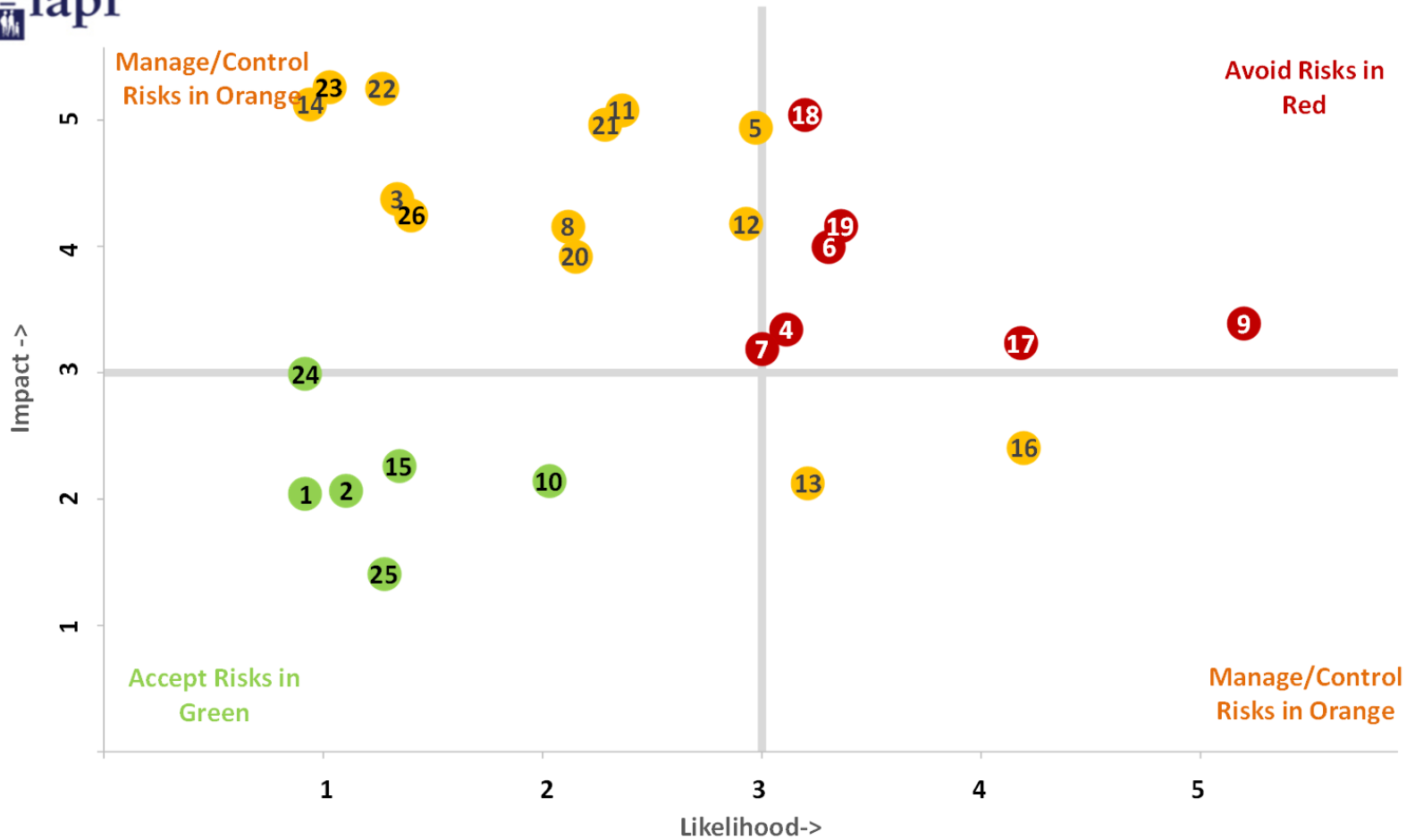
Disclaimer: This information is for guidance purposes only. It does not constitute actuarial, legal or professional advice. Professional, actuarial or legal advice should be obtained before taking or refraining from any action as a result of the contents of this publication. This information is intended as a guidance tool only and is not intended to be an exhaustive list of trustee/employer obligations. Every effort has been made to ensure that this information is correct, however no liability whatsoever is accepted by the IAPF, its servants or agents for any errors or omissions in the information contained in this publication or for any loss occasioned to any person acting or refraining from acting as a result of any statement in this publication. Any and all information contained in this publication is subject to change.



[Click here to view risk matrix](#)

No.	Potential Risk	Potential Impact	Risk Mitigation Steps	Likelihood (1-5)	Impact (1-5)	Score	Owner	Actions arising	Next review
1	Employer is late in remitting contributions to the scheme	Potential exposure to employer solvency issues, Loss of investment opportunity, Non-compliance with the legislation	<ul style="list-style-type: none"> Shorten payment periods, more active engagement with employer Review employer procedures for remitting contributions Warn employer of possible consequences for failing to remit on time 	1	2	2			
2	Employer fails to remit contributions to the Scheme within 21 days of the end of the month from the deduction/due date	Potential exposure to employer solvency issues, Loss of investment opportunity, Pensions Authority action	<ul style="list-style-type: none"> Have action plan in place to deal with an actual failure to pay, early warning triggers, review administration report Understand what powers are available to trustees under the scheme trust deed and process for exercising them Have action plan in place to decide when to make a whistleblowing report to the Pensions Authority where appropriate 	1	2	2			
3	Loss of experienced trustee, or loss of trustee effectiveness	Loss of direction/inadequate oversight, Lack of continuity on trustee board	<ul style="list-style-type: none"> Have plan for dealing with loss of key man trustee Implement and review succession plan 	1	4	4			
4	Insufficient monitoring of third party providers services.	Failure to identify acts of maladministration Failure to ensure third party service providers act within their powers/mandate Risk of litigation	<ul style="list-style-type: none"> Monitor third party service providers and establish service level agreements (SLAs) to clearly benchmark service providers performance against agreed objectives Suitable trustee indemnity insurance Authority levels clearly agreed and kept up to date Regular administration report 	3	3	9			
5	No clear record of how and why important financial management or other significant decisions were arrived at by the trustees	Risk of litigation May impact future trustee effectiveness Loss of credibility	<ul style="list-style-type: none"> Risk of litigation May impact future trustee effectiveness Loss of credibility 	3	5	15			

Risk Matrix



Trustee Compliance Checklist - Defined Contribution Pension Plan

Background

Trustees of occupational pension plans are subject to the Pensions Act, Trust Law and other relevant Irish and EU legislation.

The responsibilities and duties of trustees are summarised in the Pensions Authority Trustee Handbook. The Pensions Authority has also published standards of governance expected to be maintained by trustees of defined contribution pension plans. Trustees are encouraged to read and familiarise themselves with these publications.

The Trustee Handbook can be accessed at:

http://www.pensionsauthority.ie/en/Trustees/Trustee_Handbook_Information/Trustee_Handbook_5th_Edition.pdf

The Codes of Governance can be accessed at:

http://www.pensionsauthority.ie/en/Publications/Codes_of_governance_for_DC_schemes/

Trustee Compliance Checklist

To help trustees ensure that their statutory obligations continue to be met, the IAPF has developed the following compliance checklist. The checklist can also be used as a tool to generate discussion at trustee meetings amongst the trustees and their advisers/service providers and to identify matters requiring further attention.

This checklist should be completed/referred to at least annually.

Trustee Compliance Checklist: Defined Contribution Pension Plan

Plan Name: _____ (“the Plan”)

Year ending: _____

	Select Option		
Pensions Authority			
Are the Plan details up to date on the Pension Authority's Pension Data Register?	Yes	No	
If there were any changes, was the Register updated within one year of the date of the change? <i>(The trustees must register the Plan with the Pensions Authority and update the register as and when changes occur. Changes to registration information must be notified to the Pensions Authority within one year of the change)</i>	N/A	Yes	No
Have the Plan's annual fees been paid to the Pensions Authority?	Yes	No	
Date paid: _____			
Did the trustees respond to any information request(s) from the Pensions Authority within the timescale set out in the request(s)?	N/A	Yes	No
Trustee requirements			
Are all current trustees formally appointed via the trust deed?	Yes	No	
For any new trustee(s) during the Plan year, have the incumbent trustees satisfied themselves that the new trustee(s) is/are not prohibited from acting as a trustee?	N/A	Yes	No
Have the trustees met their trustee training requirements? <i>(It is a requirement for every trustee to complete trustee training within six months of their appointment as trustee and at least every two years thereafter)</i>	Yes	No	
<i>If the Plan has 50 or more qualified members (actives and pensioners):</i> Have members been made aware of their right to participate in the selection of trustees for their Plan (normally done via the trustee annual report)?	N/A	Yes	No

Register of Conflicts of Interest



Scheme Name: _____

The trustees are aware that conflicts of interest may arise from time to time as a result of individual trustees acting in other capacities within the sponsoring organisation (such as a member of the pension scheme, employee, trade union official, director, etc). For professional trustees, there is an awareness that conflicts may arise where they are remunerated by the employer or where they are associated with providers of other service(s) to the scheme. The trustees have agreed to maintain a Conflicts of Interest Log and the date that this was adopted is shown below. The log will be updated by the Scheme Secretary on behalf of the Chairman as instructed.

The trustees have agreed the following procedures:

1. Where a trustee is unsure if a particular matter may represent a potential conflict, he or she may raise it with the Chairman in advance of the trustee meeting and seek guidance. (This may be appropriate for confidential matters.)
2. Based on the disclosures made, the Chairman will decide what action (if any) is required. This may include; seeking professional advice on the matter, requesting the relevant trustee to abstain from certain decisions or requesting the trustee to excuse himself/herself from the meeting.
3. At the start of each trustee meeting, the Chairman will invite the trustees present to disclose potential conflicts of interest (arising from the meeting's agenda).
4. The trustees (including the Chairman) will either confirm there are no known potential conflicts or outline the details to the attendees.
5. The details of the potential conflict(s) and follow up actions (if any) will be noted in this log and referenced in the meeting minutes.

Adopted by the trustees on: _____

Name of trustee	Date conflict notified	Details	How Notified (verbal/written)	Action	Follow up required Y/N	Date resolved

DEFINED CONTRIBUTION PENSIONS

ESSENTIAL GUIDELINES FOR EMPLOYERS, TRUSTEES AND MEMBERS



DEFINED CONTRIBUTION PENSIONS

ESSENTIAL GUIDELINES FOR EMPLOYERS, TRUSTEES AND MEMBERS

Defined Contribution (DC) pension arrangements form a substantial part of the retirement savings in Ireland with approximately €40 billion in invested assets and nearly 275,000 active members.

The IAPF believe that the key issues which face DC members centre engaging all stakeholders to understand the need to save for their future and to support individuals to adequately provide for their retirement.

The purpose of this document to provide guidelines to the key stakeholders to help them fulfil their roles and responsibilities in relation to their DC plans. An overview of the importance of understanding the interaction of contribution levels, investment returns and benefit conversion rates at retirement on DC retirement outcomes is also provided for each party.

The document is split into THREE SECTIONS depending on your relationship with the DC plan:

1

The Employer

2

The Trustees

3

The Member

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So what's next?

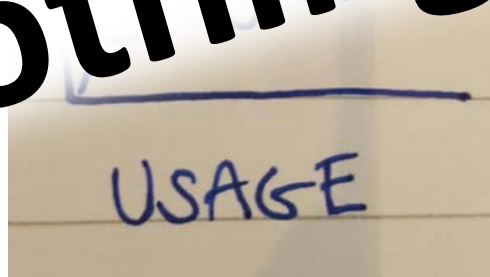
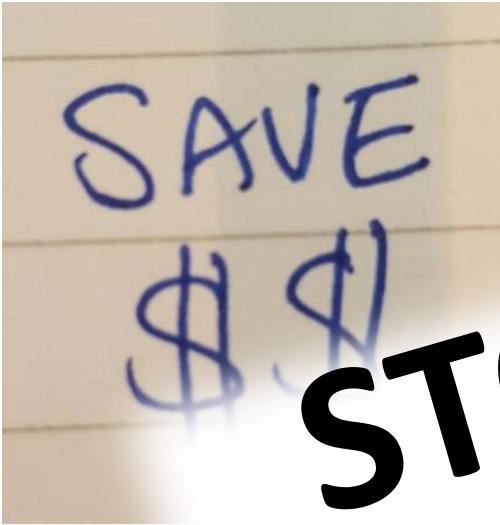
We're asking for your input

Email: info@iapf.ie

Some questions for you

Did you...

- Today: Check your email?
- Last week: Log in to online banking?
- Last month: Check your energy usage?



**STOP PRESS!
Nothing worked!**

“ A third of
30-somethings not
saving for retirement ”

“ 77% are not
saving enough
for a reasonable
standard of living
in retirement ”



“ 23% of 2014
retirees not ready
to stop working ”

“ One-in-three Irish
retirees regret not
saving enough ”

“ Less than 50% of
working population
have supplementary
pensions coverage ”



Pensions being put on the long finger by dec
A large number miss a day in unlikely to be



Having fewer pension great idea - but will it
On the face of it, reducing number of...



People will retire later in life but it should be a choice
conference to IT is inevitable have to work l



Retirement time bomb workers in their 20s u
start planning now HALF of those in their 30s do not believe the...



Overcoming to starting a pension YOU could have a field day
exploring the half of Irish



Another blow for those to fund retirement
The hits just keep coming those who work in the sector and are...

'I lived the high-life and I didn't save a penny but now I've no pension'

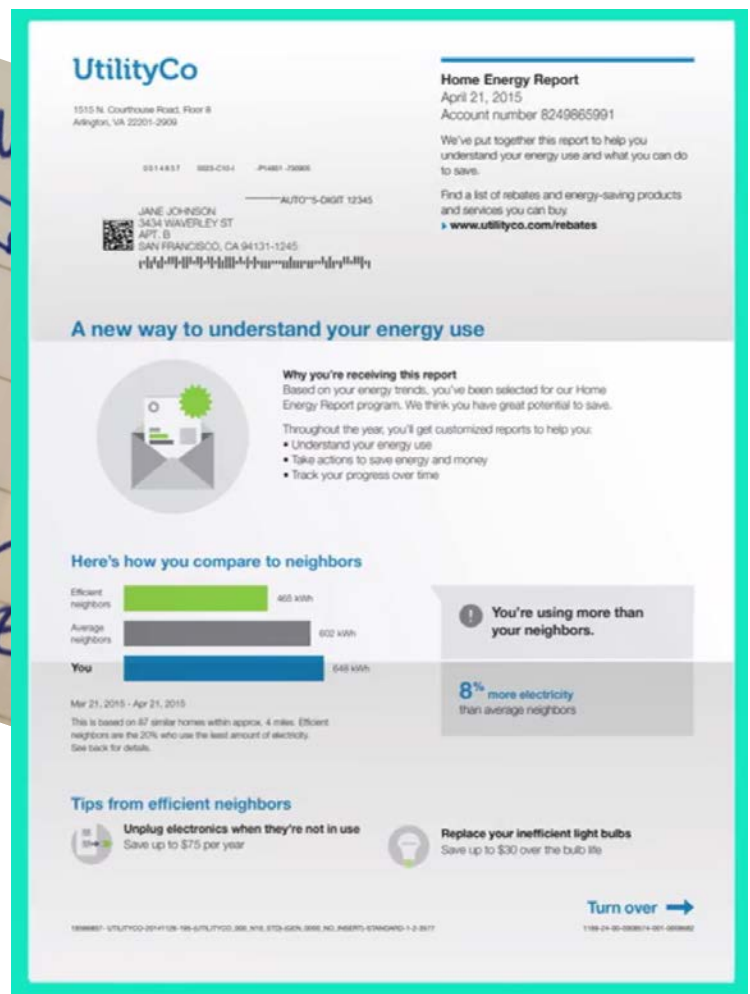
After living the high-life for a decade, Chrissie Russell, now in her 30s, realises she has no nest egg for the future

PUBLISHED
18/05/2016 | 02:30



Taxman's taking all my dough: Freelance writer Chrissie Russell says she can't afford to save for a retirement fund.

World's largest behavioural science experiment which ran from 2008 - 2013 & resulted in savings for ordinary homeowners of \$250 million.



www.opower.com accessed 22/05/16

Some thoughts for you

Could the power of social norms be the answer for us?

Should the IAPF run a similar experiment?

Are you willing to help us?

Maybe you have a better idea?

Get in touch! info@iapf.ie

Thank you