

**Presentation to the  
Irish Association of Pension Funds  
Trustee Forum**

**McCann FitzGerald**

**Issues and considerations for  
Pension Fund Trustees**

- Service Level Agreements  
with Administrators**

**Maureen Dolan  
McCann FitzGerald  
Solicitors**

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# Issues and considerations for Pension Fund Trustees Service Level Agreements with Administrators

- Pensions Board Report on Trusteeship
- Social Welfare & Pensions Bill 2008
- Parties involved
- Terms of Service Level Agreements with Administrators

# Report of The Pensions Board to The Minister for Social and Family Affairs on Trusteeship (November 2006)

## Extracts from Report:

- “While it is the trustees’ responsibility to monitor the performance of their delegates, they may find it difficult to monitor the administration standards on an ongoing basis, or may find a problem some time after an error or breach has been made.”
- “Research undertaken in 2006 found that, among a small sample survey, the absence of any regulatory oversight of pension scheme administrators was seen as a particular problem by both industry experts and a small number of trustees interviewed.”

# Report of The Pensions Board to The Minister for Social and Family Affairs on Trusteeship (November 2006)

## Extracts from Report:

- “While statutory regulation of administrators may ensure greater accountability, it may also reduce the burden of regulatory oversight by focusing the activities of the Board, in this area at least, on the small number of companies providing administration services rather than the thousands of schemes that exist.”
- “It would be appropriate, therefore, that scheme administrators (including larger companies that provide their own administration services to the trustee board of their occupational pension scheme) are required to register with the Pensions Board who would have responsibility to audit administration service standards...and to remove registration or apply sanctions if required standards were not met.”

to ensure that proper membership and financial records are kept

to ensure, in so far as is reasonable, that the contributions payable are received

to make arrangements for the payment of benefits payable under the Rules as they become due

to provide for the proper investment of the Fund in accordance with the Deed and the Rules and investment regulations

## **Trustee Duties under Pensions Act**

to register the Scheme with the Pensions Board and to provide the Board with any information required for registration

to furnish information in accordance with the Pensions Act on the Deed and the Rules, the administration and finances of the Scheme, the rights and obligations which arise under the Scheme, and on any other matters as may be prescribed by the Pensions Act

*to ensure that at all times there is a registered administrator appointed in compliance with the Act (SW&PB 2008)*

undertake trustee training in accordance with the Act (SW&P Bill 2008)

# SOCIAL WELFARE & PENSIONS BILL 2008

- Pensions Board to establish and maintain a Register of Administrators
- person must be on Register as Registered Administrator in order to perform “core administration functions”
- Trustees now have a duty to appoint a Registered Administrator
- duties of a Registered Administrator – encapsulated in “core administration functions”

# SOCIAL WELFARE & PENSIONS BILL 2008

“core administration functions” of Registered Administrator

keep accurate and sufficient records of members and their entitlements  
to enable Registered Administrator to prepare and deliver

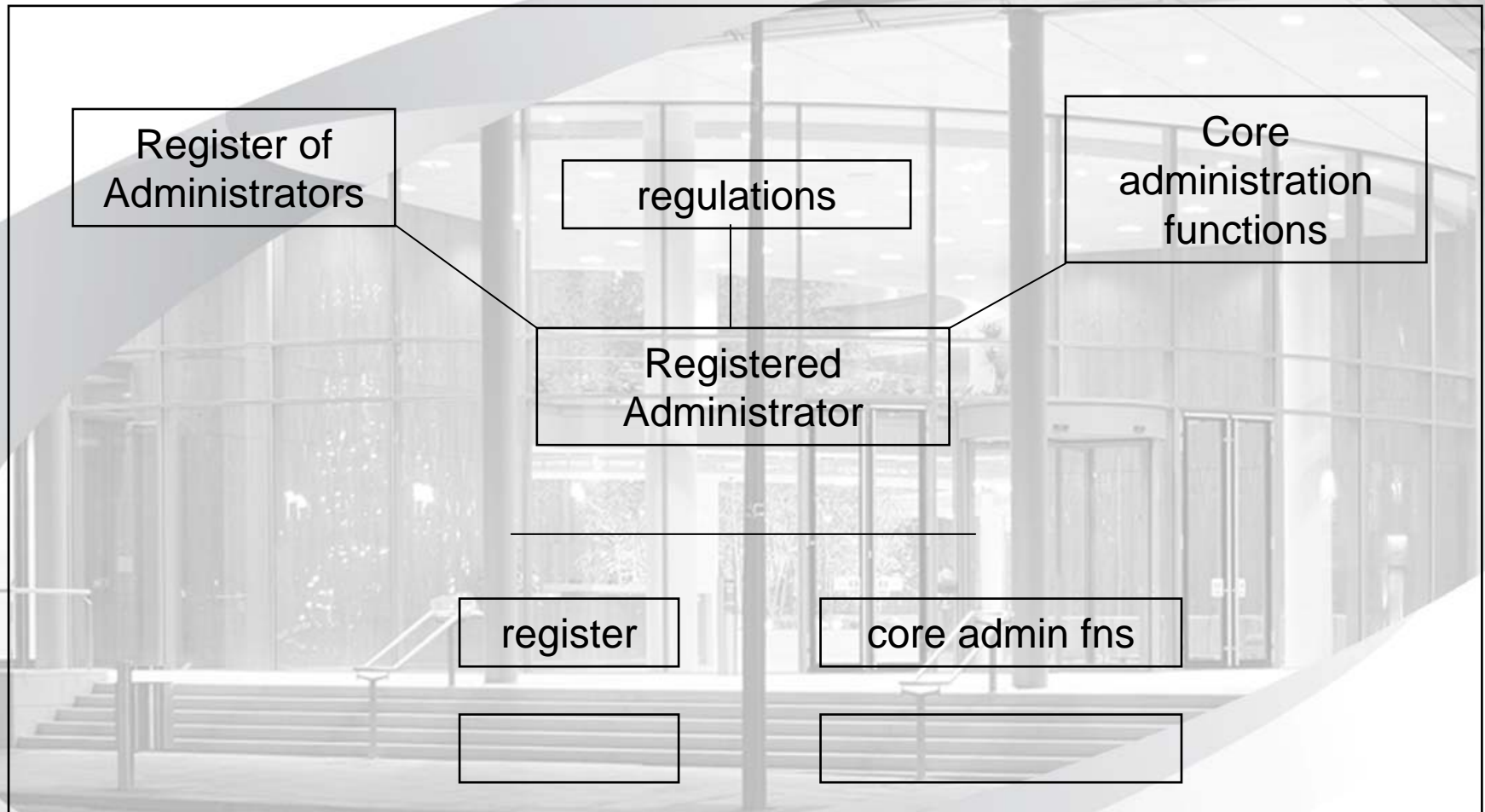
Trustee  
Annual  
Report

“one month  
pre Trustee  
due date”

Annual  
Benefit  
Statements

other  
prescribed  
duties

# SOCIAL WELFARE & PENSIONS BILL 2008 cont.



# SOCIAL WELFARE & PENSIONS BILL 2008 cont.

## Registration

- application for registration
- transitional arrangements
- annual renewal of registration
- renewal subject to conditions
- disqualification
- termination
- Appeal
- “two month” transfer

# SOCIAL WELFARE & PENSIONS BILL 2008 cont.

- on-the-spot fines – not applicable
- investigation by Pensions Board
- information requirements
- registration does not mean approval for provision of administration services
- whistle-blowing
- Pensions Ombudsman

# PARTIES INVOLVED

- Administrator - 3<sup>rd</sup> party
- - in house “administration team”
- Trustees
- Employer?

- effective date
- term of appointment

due skill, care, diligence

delegation by trustees to administrator (powers, duties, discretions, functions)

**service level agreement (“SLA”) terms**  
*(not exhaustive list)*

services to be delivered by administrator (timelines)

Authorised contacts

# SLA terms cont'd

- Ensure scheme is administered in compliance with
  - SLA
  - governing Trust Deed and Rules/Regulations
  - relevant law, statutory regulatory requirements
  - instructions
  - Revenue requirements
  - Pensions Board requirements
  - Pensions Ombudsman requirements
  - Trustee governance document
  - Trustee guidelines
  - time limits

periodic reporting

annual compliance certificate

**SLA terms**  
cont'd

service standards

computer  
systems

provision of  
information

## SLA terms cont'd

confidentiality

data protection

amendment

liability

**SLA terms**  
cont'd

disputes

termination

# **Irish Association of Pension Funds Trustee Forum**

