



# Ireland requests input on Codes of Practice for DB and DC schemes

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Ireland's Pensions Authority (the Authority) recently published draft Codes of Practice for trustees of defined benefit (DB) and defined contribution (DC) schemes, and invites comments through 16 Sep 2021. Publication of the finalized codes is expected in mid-November. The draft codes set out minimum expected "conduct and practice" standards for trustees (and other regulated entities) for the purposes of meeting their legal obligations under the "IORP II" regime. The overdue transposition into Irish law of the European Union's IORP II directive in April 2021 was widely welcomed, but the law provided insufficient detail about how certain regulatory requirements should be fulfilled. The draft codes are an important next step in Ireland's evolving regulatory landscape for occupational pension schemes and provide important insights into the Authority's expected approach to supervision in the future. The Authority also indicated that additional measures could be introduced.

## Highlights of covered topics

### General scheme governance

- Conduct of trustee meetings
- Trustee decision-making processes
- Data required to support decision making
- Due-diligence and monitoring of outsourcing arrangements
- Remuneration of trustees and key function holders
- Member engagement and communication

### Fit and proper requirements

- Covers trustees and key function holders
- Defines knowledge, qualification and experience requirements

## Administration arrangements

- Oversight and monitoring of administrators
- Employer role in the administration of the scheme

## Internal controls system

- Expectations for risk management and internal audit functions
- Identifying, monitoring and reviewing internal controls
- Importance of clear communication and reporting structures

## Investment strategy

- Setting and monitoring investment objectives
- Overseeing investment performance and implementation

## Financial management of DB schemes

- Understanding the solvency position of the scheme
- Quantifying financial risks

## Next steps for trustees and employers

Trustees and employers should ensure they understand the full scope of the anticipated new minimum standards. Although the draft codes are long and include detailed additional requirements in some areas, the tasks should be manageable for schemes that have followed the Authority's previous recommendations about IORP II. In anticipation of the first annual compliance return deadline of 31 Jan 2022, many trustees have already agreed on IORP II implementation plans and started to work on the core IORP II requirements. These plans can continue, subject to minor adjustments to take account of the code's anticipated content.

Trustees that have not started to prepare their IORP II implementation plans should consider doing so as soon as possible. The Authority has recommenced contacting trustee boards to assess, among various issues, the implementation undertaken.

## Related resources

### Non-Mercer resource

- [Press release](#) (Pensions Authority, 22 Jul 2021)

### Mercer Law & Policy resource

- [Ireland issues implementation regulations for IORP II](#) (5 May 2021)

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