

The Employer
Pension Scheme Name
Correspondence Address

Any Questions?

 **01 639 7090**

(9am-5pm, Mon-Fri)

Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.



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Scheme Number:

Your Financial Adviser:

December 2022

Dear Employer

Important information about your pension

The pensions landscape in Ireland is becoming increasingly complex, and, in particular, the implementation of the EU Directive on the activities and supervision of institutions for occupation retirement provision (IORP II) has brought additional regulations which is having a significant impact on executive pensions.

Trustee Annual Report and Audited Accounts

In June 2022, the Pensions Authority extended the requirement to produce an annual report and audited accounts to one member executive pensions.

The production of audited accounts will require the appointment of an external auditor to carry out the audit, which means significant additional costs will be incurred to ensure compliance with the requirements. The production of these accounts is not something currently covered by the cost structure of the scheme and will have to be paid by the employer or member.

The first trustee annual report and audited accounts are due in early 2023.

Potential to avoid additional costs

At the end of September, the Pensions Authority issued a statement noting that if a formal commitment is made before 1 January 2023 to wind-up an executive pension the trustees will not be expected to prepare an annual report and audited accounts provided that the transfer of scheme assets, and the scheme wind up will be completed by the end of June 2023.

A formal commitment to wind up a scheme would include a written instruction from the employer to the trustees to wind up the scheme.

What about my scheme?

Lane Clark and Peacock Trustee Services Ltd (LCP) as trustee, and Standard Life as registered administrator, have determined the best course of action is the wind up of this scheme. This means that you will not incur significant additional costs to produce the annual report and audited accounts. The executive pension will need to be wound up before 30 June 2023 and transferred to an alternative arrangement to avoid these costs on an ongoing basis. On scheme wind up the member can

- transfer to a Personal Retirement Savings Account (PRSA)
- transfer to a Master Trust arrangement, or
- transfer to a Buy Out Bond (BOB).

You should note Finance Bill 2022 is proposing to make changes to the PRSA which will be effective from 1 January 2023. Once enacted the PRSA will be a comparable alternative to an executive pension.

What do I need to do?

You don't need to do anything right now.

We've informed the Pensions Authority of this decision and, given the short timeframe to year end, they have agreed to accept this communication to you, the employer, in lieu of the formal wind-up instruction they had specified.

What happens next?

Standard Life and LCP are working together to prepare information about the options available to you, including details about the Synergy PRSA which provides comparable benefits, features and investment choices as the Synergy Executive Pension.

We will contact you again in early 2023 with more detailed information and outline what action you'll need to take at that stage to complete winding up the scheme before 30 June 2023.

Please talk to your financial adviser if you would like more information or to enquire about your options.

You can also visit www.pensionsauthority.ie for more information on IORP II requirements.

Yours sincerely

Sanjeev Kopan
Head of Proposition
Standard Life

Martin Haugh
Director
Lane Clark and Peacock
Trustee Services Limited