

PENSIONS AUTHORITY UPDATE

Grace Guy

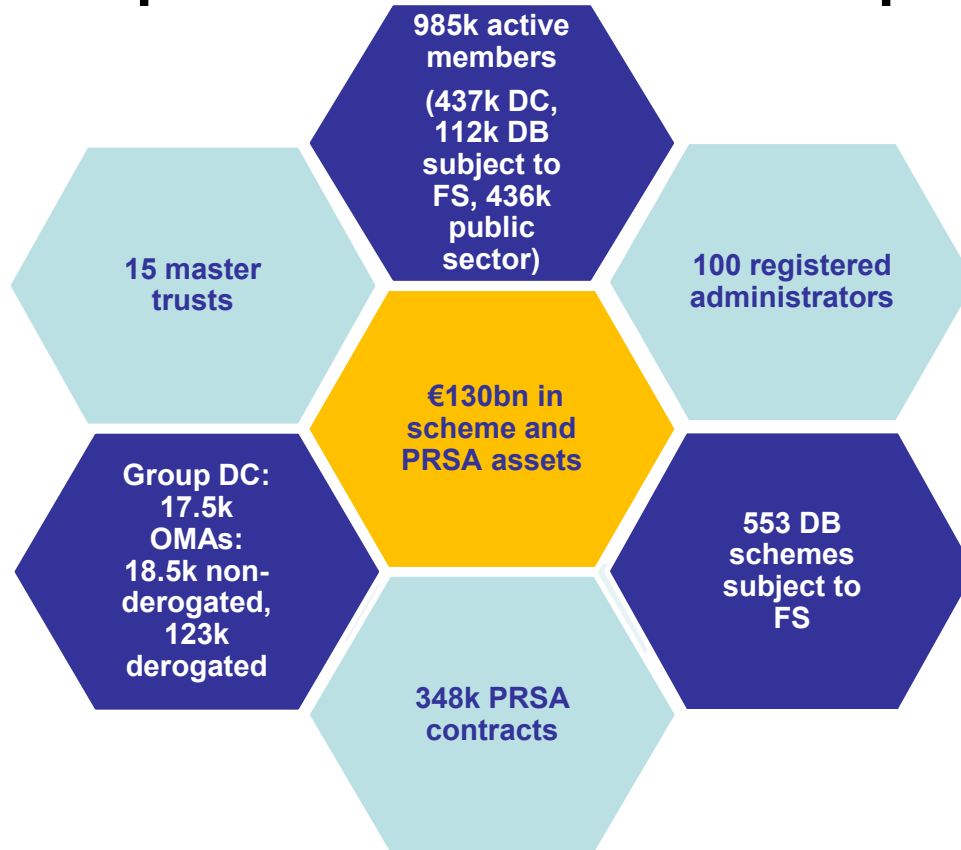
Head of Supervision and Enforcement
The Pensions Authority



Agenda

- Landscape snapshot
- Consolidation and master trusts
- Risk
- Supervisory focus and updates
- Key messages from the Pensions Authority

The pensions landscape



Approximate figures based on most recent data



Consolidation

- Over 150,000 plus OPS in Ireland – majority are small one member arrangements (OMAs)
- Achieving value for money challenging and effective supervision
- Consolidation – Government Roadmap 2018-2023
- Consolidation – Pensions Authority strategic objective 2022-2024



DC Consolidation metrics

2023 Q1 baseline

17,500

Group schemes

Current: 45% Frozen: 55%

18,500

Non-derogated OMAs

123,000

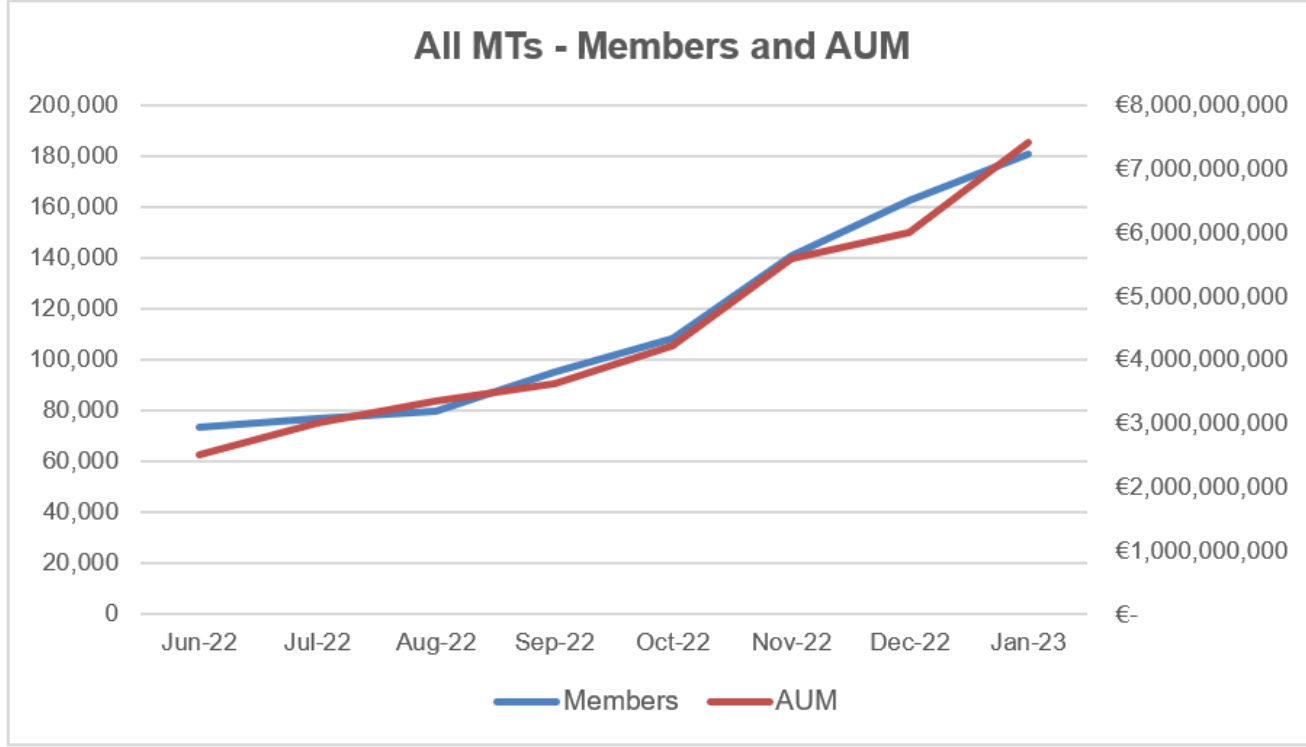
Derogated OMAs

Current: 55% Frozen: 45%



Master trusts – AuM and members

Members
(active and
deferred):
180k at
January
2023

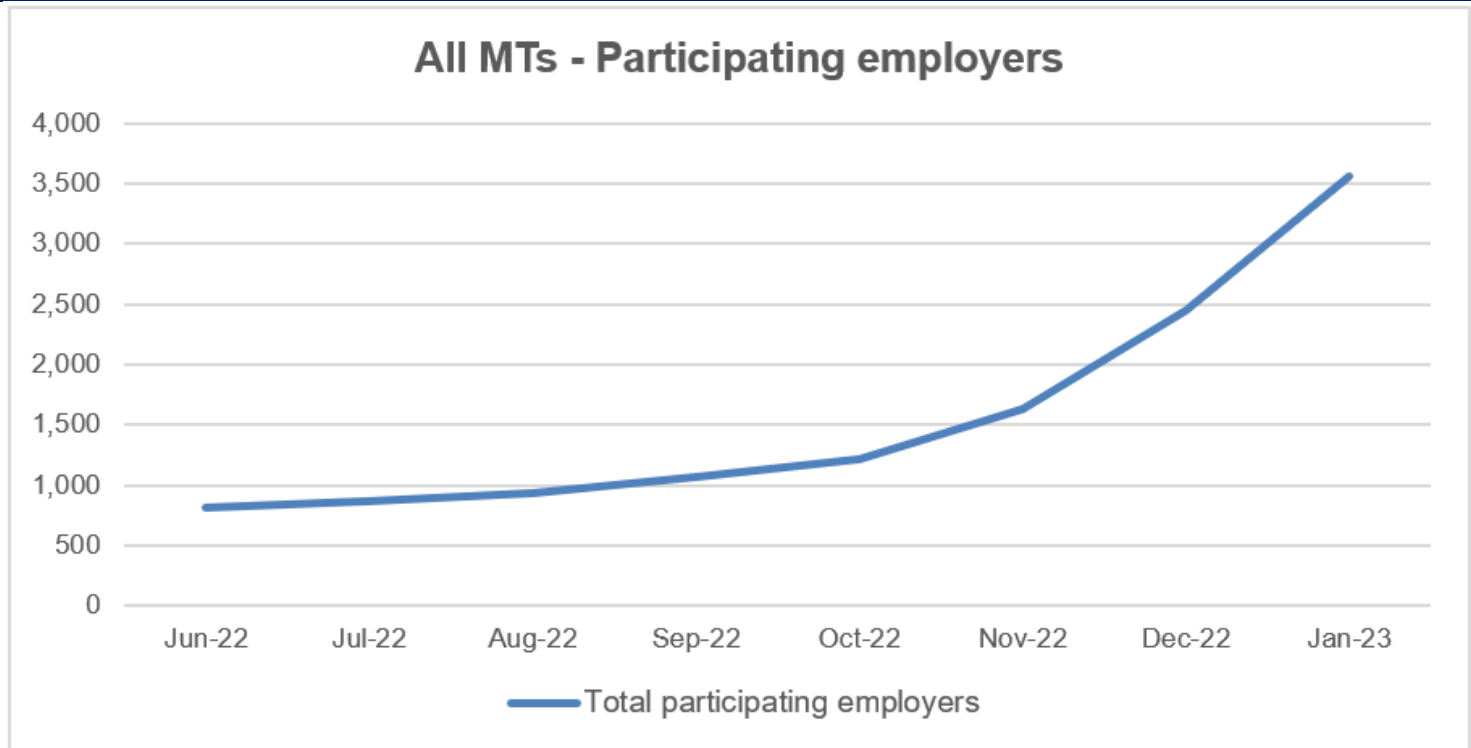


Assets
under
mgmt.
(AuM):
€7.4 bn



Master trusts – participating employers

3,560 at
January
2023



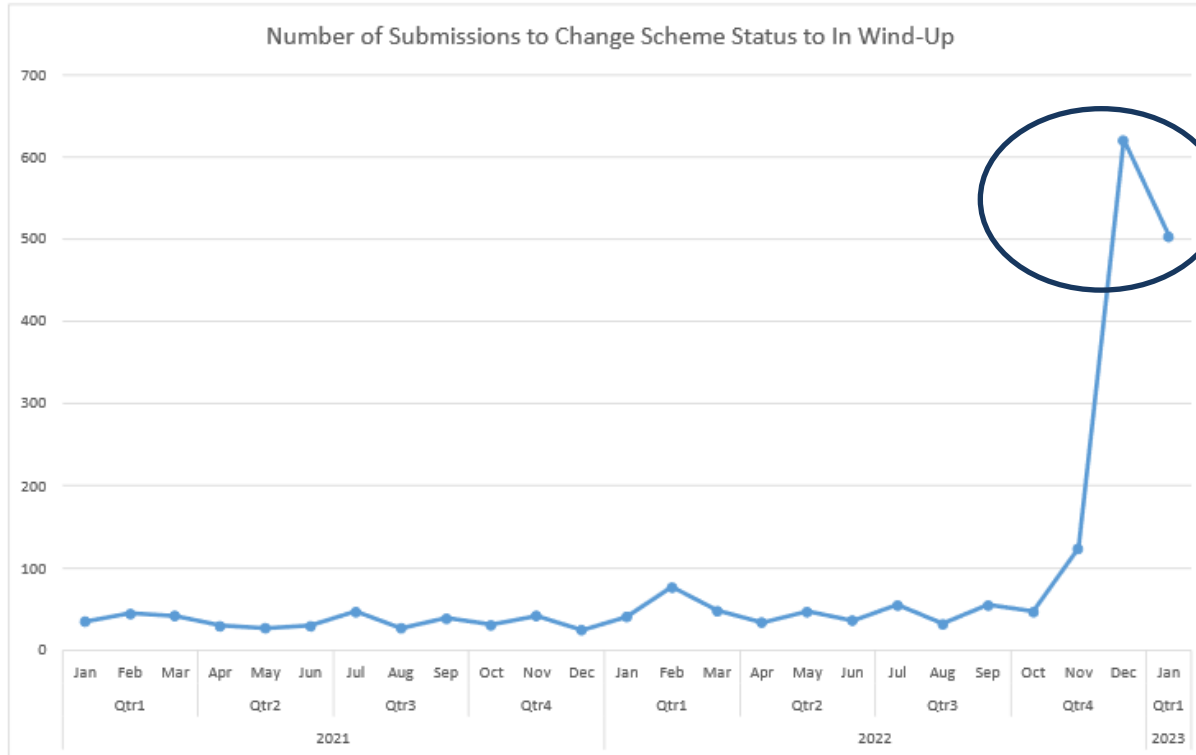


Growth in PRSA contracts





Increase in wind-up activity



Significant increase in schemes status changing to in wind-up in late 2022



Risk

- Risk and effective system of governance
- Risk management function – active and ongoing
- Own-risk assessment (ORA)
- Role of risk management key function holder (KFH)
- Authority 2023 survey on scheme risk capabilities
- EIOPA / EU Commission market survey on risk culture in Irish schemes



Supervisory focus

- Comply or consolidate
- Non-derogated OMAs under close supervision
- Ongoing engagement with MTs
- Formal supervisory review process (SRP) programme to commence in 2024

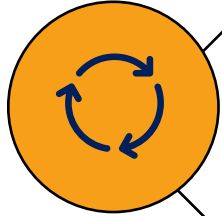


Supervisory updates

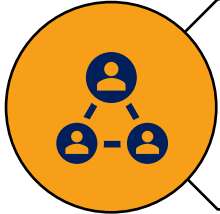
- Pensions benefits statements
 - 2022 Annual compliance statement
-
- Risk survey - Q2
 - Risk Conference - October
 - ORA guidance - Q4
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- Business plans guidance for master trusts - Q4



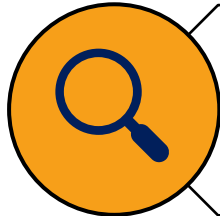
Conclusion



Pensions OPS landscape in transition - growth of MTs, cessation of OMAs. Authority's focus is compliance and consolidation. Most schemes working hard to become compliant but pace needs to quicken.



Ongoing engagement with MTs. Low tolerance for smaller non-compliant schemes. Particular focus on risk and risk culture within OPS.



Good member outcomes must be the focus. All schemes can expect more intrusive, extensive and qualitative supervision.

QUESTIONS

