

Trustee Training Guide

From 1 February 2010, compulsory training for all trustees of occupational pension schemes has been introduced. This has far reaching consequences for all occupational pension schemes – from the very large Group Pension schemes to one-man Executive Pension schemes.

Recognising that any new legislation can bring a period of confusion and indecision, we have compiled some questions and answers to offer clarity on this new legislation.

What type of pension arrangements are affected by the new trustee training requirement?

The new training requirement applies to employer sponsored occupational pension schemes, which provide retirement benefits.

DOES apply to	Does NOT apply to
<ul style="list-style-type: none"> • AVCs (one member and group) • Director/Executive Pension Plans • Small Self Administered Pension Schemes • Group occupational pension schemes (DC and DB, insured and self administered) • Group self employed RAC trust schemes (insured and self administered) 	<ul style="list-style-type: none"> • Retirement Annuities • PRSAs • Buy Out Bonds/Personal Retirement Bonds • ARFs • Death benefit only occupational pension schemes • Group PHI schemes • Group Voluntary Life schemes

Who is obliged to arrange the training?

It places an obligation on the employer to arrange for all trustees of the scheme, other than a Pensioner or Professional trustee, to receive appropriate training on:

- “the Pensions Act, the regulations made under it and any other law of general application governing the operation of the scheme, and
- the duties and responsibilities of trustees generally.”

So the obligation to arrange the training falls on the employer.

Who has to receive the training?

Individuals acting as trustees and all directors of a company which is acting as a corporate trustee must undertake the training, e.g. all directors of the employer company where the employer is acting as a trustee of their own scheme.

Most insured Director/Executive/AVC arrangements automatically make the employer a trustee of their own scheme.

So where the employer company is acting as a trustee of their own scheme, the employer is required to arrange for appropriate training for ALL of its own directors, without exception.

When must the training take place?

The time deadlines are as follows:

- for existing trustees at 1 February 2010 : by 1 February 2012, and every 2 years thereafter.
- for new schemes and new trustees (and new directors of companies already acting as a trustee) appointed after 1 February 2010: within 6 months of appointment, and every 2 years thereafter.

What if the employer fails to organise the training?

The Pensions Board can prosecute an employer who fails to arrange the appropriate trustee training for trustees by the appropriate deadline.

What if the trustees fail to undertake the training?

They can become subject to an on the spot fine of €2,000 by the Pensions Board.

How can the trustee training be provided?

There are three main ways:

- Complete an on line training course provided by the Pensions Board on <http://www.trusteetraining.pensionsboard.ie> The course involves 9 modules, each of which takes about an hour (i.e. 9 hours in total), followed by an assessment test, at the end of each module
- Undertake a training course provided by a body approved by the Pensions Board for this purpose. **Hopkins Financial Consultants** have been approved by the Pensions Board as Trustee Trainers.
- Undertake any other means of "appropriate" training, which covers the areas mentioned earlier.

Do you have to return details of training to the Pensions Board?

No, but trustees are required by the Pensions Board to retain records to show that they have undertaken the appropriate training.

Is there any way of avoiding this training requirement?

The employer is not required to arrange appropriate training for a Professional Trustee. Professional Trustees are external trustees whose services can be hired.

So, what should you do?

Hopkins Financial Consultants have been approved as Trustee Trainers by the Pensions Board. Our "classroom" type training is delivered on location with the Trustee(s). The course covers the required material including:

- **Trusteeship Information**
- **Investment & Fund management**
- **Member Communication**
- **Administration**
- **Regulation & Compliance**

Upon successful completion of the course, a certificate will be awarded to each participant as a record for the Pensions Board.

**To book your training course or to find out more contact
Mark Hopkins on 1890 88 20 61 or email mark@hopkins-financial.ie**