



Flash Report

April 2021

IORP II is finally here....!

On 22 April 2021 the Minister for Social Protection signed the ‘[European Union \(Occupational Pension Schemes\) Regulations 2021](#)’ to transpose the IORP II Directive into Irish law, being some two years after the original 2019 deadline and making Ireland the last EU country to do so.

While the regulations run to 73 pages and are in black and white, they are only part of the story. The Pensions Authority’s code of practice is eagerly awaited to provide some colour, particularly its interpretation of some of the regulations and how it will practically implement its forward-looking and risk-based approach to supervising Irish occupational pension schemes. The Pensions Authority acknowledges this and has stated that “...recognises that trustees and their advisers will need to fully understand their new obligations and the expectations of the Authority.” It has further stated that it is “...reviewing the detail of transposition and will provide further information and guidance over the coming weeks and months.” In its [press release of 28 April 2021](#) it summarised its future intentions in this regard:

Week Commencing	Deliverable
10 May 2021	Overview of key themes of transposition
19 July 2021	Draft code of practice for public consultation
15 November 2021	Final code of practice published
13 December 2021	Guidance on minimum standards for master trust vehicles

The regulations will apply in full to all Irish occupational pension schemes other than in relation to single member schemes. In the case of the latter, the IORP II investment and borrowing rules will only apply to new investments/borrowings and a 5-year transitional period will apply in respect of the other new IORP II requirements.

Aon welcomes the publication of the regulations and supports the broad objective to improve scheme governance for the benefit of members of Irish occupational pension schemes. That said, we are also mindful of the impact of the additional cost of compliance on scheme sponsors and hope that the Pensions Authority’s code of practice will provide some clarity with regard to the manner in which some of the regulations will be applied proportionately to the size, nature, scale and complexity of schemes, where this is not contrary to members’ interests.

In anticipation of the publication of the regulations, we have been re-engaging with sponsors and trustees since the early part of 2021 in order to consider what compliance with IORP II entails. We held two webinars in March 2021, the first focussing on the requirements of IORP II itself and the second on the alternative options available. Recordings of these webinars are available from your Aon Consultant.

Our multi-disciplined and experienced IORP II project team, which has been in existence since the IORP II Directive was first published, is presently scrutinising the detail of the regulations. We will be sharing our views on these with you over the coming days and weeks. If, however, you have any questions in their regard in the meantime, please reach out to your Aon Consultant or one of the following:

Garry Clark
01 470 5304
garry.clark@aon.com

Paul Glavin
021 497 2617
paul.glavin@aon.com