

The Pensions Landscape

Change isn't coming – it's already here



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Whilst there have been numerous delays, redrafts and U-turns, the changes we will see in the pension industry in the next 18 months will shape the landscape for the next generation.

THE list of acronyms across our industry continues to grow: IORP II, SRD II, SFDR amongst others have entered the vocabulary in recent years. On the other hand, there are growing plans to remove some (EPPs, AMRFs, ARFs?) as the Irish pension industry is set to undergo seismic shifts in the years to come. The details of all these changes have been given ample airtime at the IIPM's own Webinars over the last year, along with plenty of articles from various industry players. Therefore, although they are beyond the scope of this article, please do get in touch if you would like to discuss further.

The plans for many of these changes are not yet finalised. Disappointingly we see the roadmap for auto-enrolment once again gathering dust, whilst the increase in the state pension age didn't manage to survive the negotiations for the current Programme for Government. The next implementation date for the Sustainable Financial Disclosure Regulation (SFDR) looks set to be delayed six months until mid-2022. However, a series of IORP II consultations over the course of the rest of the year should provide some further details to the principle based releases so far. The Interdepartmental Pensions Reform & Taxation Group (suitable acronym pending!) will also hopefully begin to gather further pace.

Developments in governance

Proficient oversight and governance of pension schemes is of course to be welcomed, and the IIPM as an Institute with the primary remit of education, certainly believes that further education of trustees and intermediaries is never a bad thing. Whatever people's personal opinions are on some of the proposals it is undeniable that the requirements to operate at the higher end of our industry will be raised in the years to come. However, this also represents an explicit threat to those who don't evolve with these changes, and many could be simply left behind. This is not only an important issue for 'larger' operators within the industry, as the incoming changes (from the alphabet soup of acronyms) will have wide ranging and far reaching

impacts on areas such as Group DC arrangements, Executive Pensions, Small Self-Administered Schemes, intermediaries and brokers as 'Financial Market Participants', and any current or future providers of Master Trusts in the Irish market.

There is simply a huge amount of information to keep up to date with across the industry, and following recent announcements at an EU level, companies and pensions schemes in Ireland are likely to face even further disclosures requirements under incoming climate change legislation. As mentioned above, there is plenty of information available on intricacies of the bundle of changes that are coming. However, no matter how information notes are written, webinars held (including our own!), or consultations published, there is a depth to the current issues that requires a much deeper understanding and focus.

Training requirements

Overall, there is much clarity needed across a myriad of ultimately interconnected issues. However, we do know that formal qualifications may become a requirement, trustee training already is, there are now wider supervisory powers, and a greater definition of the roles and requirements in a pension scheme. There is an undeniable change occurring not only in what our industry looks like, but also what will be required in the future to operate in it. Formal qualifications and training will be an explicit requirement from the regulator going forward and are referred to on numerous occasions in text from the Pensions Authority.

Advisors, consultants, trustees, and pension administrators who act now to gain formal education qualifications, which are focused on the latest thinking across the industry, will leave themselves well placed to benefit from the opportunities that change always brings. Ultimately, it is now more important than ever that pension practitioners are not only professional but have the formal qualifications to support their role.

The Certificate in Pensions, Insurance, and Investment (MIIPM), and the Higher Diploma in Pensions Management (AIIPM) through Griffith College are now enrolling for a September 2021 start date. For more information please contact me at ian.slattery@zurich.com, go to www.iipm.ie, or reach out to one of our many Members, Associates, or Fellows from across the industry.



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