

Renewal of Registration for Registered Administrators

Information Note

This note contains information in relation to the renewal of registration for Registered Administrators (RAs) with the Pensions Board (the Board). In addition, this note outlines the approach the Board will be adopting in certain circumstances that may arise on foot of the renewal process.

Background

The Pensions Act 1990 (the Act) was amended in late 2008 to provide for the introduction of an annual registration system for pension scheme administrators. Such administrators are now statutorily obliged to register with the Board on an annual basis where they perform certain 'core administration functions' on behalf of pension scheme trustees. The 'core administration functions' in question are the preparation of annual reports and annual benefit statements, together with the maintenance of sufficient and accurate records of members and their entitlements to discharge these functions. While the primary legal obligation for the delivery of the annual report and the annual benefit statement rests at all times with the trustees of the scheme, the core administration functions should be carried out by a person or body who is competent to do so.

Expiry of Current Registration

Existing pension scheme administrators that provided these core functions were required to register with the Board as an RA by 1 November 2008. Therefore, their existing RA registration will be due to expire on 31 October 2009. The Act requires that registration must be renewed no later than 30 days before the end of the previous registration year. This means that the Board must receive the necessary applications for renewal by 1 October 2009.

New service providers that came on stream after 1 November 2008 were also required to register with the Board before commencing business and such RAs may be subject to a later expiration date. However, any post November 2008 registrations must also be submitted no later than 30 days before the end of the previous registration year to the Board.

Renewal process

It is important to emphasise that the renewal process is a statutory process. Accordingly, the Board expects that all RAs will strictly adhere to the requirements of the Act in terms of both the form and manner of their renewal submissions. In this respect, the Board would highlight the following matters:

- The statutory 30 day time period must be adhered to and in the event of late submissions, RAs should be aware that the Board is under no obligation to renew late applications.
- The Board will expect that all applications contain an up to date and complete list of all schemes to which the RA is providing core administrative functions. In this respect, RAs should note that it is not acceptable to furnish additional scheme listings after the original application has been lodged with the Board. This may have the effect of nullifying the original application for renewal, which would in turn give the Board grounds to refuse to renew the RAs registration or renew it subject to conditions.

- Where the Board refuses to renew an application for registration, the RA cannot continue to provide the core administration functions. In such an event, the RA must immediately notify the trustees of all schemes to which it provides RA services and make arrangements for the transfer of scheme information to the replacement RA. The continuation by an RA of the core administration functions, where registration has been refused, amounts to a criminal offence under the Act which may lead to prosecution by the Board.

Outsourcing Arrangements

RAs are permitted to enter into outsourcing arrangements under the Act. However, if the RA has, or intends to enter into, an outsourcing arrangement with another person or body that will provide any of the core administration functions, it should be noted that the RA remains liable for the performance of the core administration functions even where these have been outsourced.

It has come to the Board's attention that certain third party service providers are de facto carrying out the core administration functions for various schemes. However, the Board understands that such third party service providers are being reported to the Board as an outsourcee while the scheme trustees are formally being registered with the Board as the scheme's RA. It is not clear in all cases if the scheme trustees have the necessary competences and experience in the first place to be registered as the scheme's RA.

The Board would seek to remind all RAs and any current or potential outsourcees that in order to be registered as an RA in the first place, the applicant RA must certify that it is competent and capable to provide the core administration functions and that it has adequate administrative systems and procedures in place to do so. It is only when the applicant RA itself can satisfy these requirements at the outset, that it will be in a position to enter into an outsourcing arrangement. Therefore, if the trustees cannot make the above certification, it must appoint an RA who can. It is not sufficient for the trustees to register with the Board as an RA and outsource the performance of the core administration functions to a third party. Rather, the trustees must ensure that the third party service provider (assuming they have the necessary competences) is formally registered as the scheme's RA.

Following on from the above, the Board would emphasise to any third party service providers who are or may become an outsourcee of the RA to ensure that their clients are fully informed of the relevant statutory requirements concerning RA registration. The Board will be actively monitoring such schemes where they become aware that the above practice has occurred and this may involve an investigation into the activities of the designated outsourcee.

Renewal Forms

Renewal forms are now available to download from the Board's website along with a template of the format which registered administrators must use to advise the Board of the scheme(s) for which they are providing core administration functions. The excel format set out in the template must be used where there are more than 10 schemes/trust RACs being entered and should be provided electronically to the Board. It is most important that the relevant data is entered in the correct format (see Notes on Completion of Renewal of Registration Form), as failure to do so

will result in the Board being unable to upload it to the Registered Administrator database. No fee is payable on renewal of registration.

Register of RAs

Section 64C(1) of the Pensions Act requires the Pensions Board to establish and maintain a Register of Administrators. This Register contains the name and address of the registered administrator and, if different, the address in the State for service of notices on such administrator as well as the registered number assigned by the Board in respect of the registration concerned.

The Register of Administrators is available to download.

If you have any further questions please consult the FAQs on registered administrators, available to download below, or contact Information Services at info@pensionsboard.ie