

Critical Reviews: Key Steps

The implementation of the IORP II directive in Ireland has brought with it a range of new requirements.

Amongst these requirements, pension scheme trustees must monitor and review their administrators regularly and must undertake a critical review at least every three years.

The first of these critical reviews is due by April 2024.

Trust Pegasus to deliver you peace of mind

Pegasus are pensions governance experts. We provide a wide range of services to clients and our focus here is how we can help trustees meet the new requirements in a proportionate and cost-efficient way.

We have in-depth experience at helping trustees meet their governance needs and are delighted to bring our expertise to the Irish market. This complements our ever-growing LawDeb Ireland Trustee business. Our parent company, the Law Debenture Corporation plc, is a FTSE 250 public limited company.



Critical reviews must be conducted at least once every three years.

A critical review is an in-depth review of the administrator's performance conducted against the obligations specified in their contract and in the SLA. The critical review forms the basis for a decision by the trustees as to whether to retain the current administrator or consider his/her replacement.

Source: The Pensions Authority Code of Practice (November 2021).



Administrator reviews: key considerations for Trustees

As trustees, be clear about your objectives

Be clear as to what you are seeking to achieve this will help maximise the value of any review. Your administrator is an important partner and building a strong, collaborative working relationship is key.

Ongoing quarterly monitoring and annual reviews

Determine the level of quarterly reporting you require, ranging from ongoing monitoring of Service Level Agreements and member feedback to regular in-person meetings. Annual reviews will likely entail a more formal process where performance metrics and objectives are considered.

Three-yearly critical review

Ideally, the ongoing monitoring and annual reviews above will have resulted in a good degree of satisfaction with the administrator. Nonetheless, the critical reviews can add value and will consider matters in a more detailed, but proportionate, way. We will work with you to identify the most important matters for consideration and report our findings in a user friendly report.

Review arising from concerns regarding the administrator's performance

We would ensure that the most significant issues are discussed and clear rectification goals are set as a priority. A scorecard evaluation can be helpful, however direct, consistent interaction with the administrator is key. A decision to change administrator is a significant decision for any scheme, and we expect in most cases that working with the current provider to improve performance will be a preferable first step.

We would be delighted to speak to you regarding how we can help with your administrator monitoring and/or reviews.

If you would be interested in hearing more, please contact Elma Fox or Jamie Goodfellow.



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