

## **WHO ARE INDEPENDENT TRUSTEE LIMITED?**

Independent Trustee Limited (ITL) is an established provider of independent professional trusteeship services to occupational pension schemes. ITL is supported by a wealth of experienced professionals in the fields of trusteeship, pensions and law. ITL can act as either sole trustee or through participation on a board of a trustee company to suit you or your clients needs to ensure proper management of the occupational pension plan. The services and expertise we offer are of increasing importance in today's environment of compliance and governance.

## **WHY THE EMPLOYER MAY NOT WISH TO DISCHARGE THE TRUSTEE DUTIES?**

- An employer/individual does not in general have any pensions or trustee experience and given the increasing legislative and regulatory requirements in this field this is an ever increasing concern.
- Trustee training was made obligatory in the Finance Act 2008. The typical cost of a one day trustee training course per individual trustee would be €450. All trustees, and in the case where the company is appointed, all directors of the company, must be trained within six months of appointment and every two years thereafter.
- Trustee liability insurance costs can vary, due to the size, type and value of the scheme, for example for a defined contribution scheme with less than 50 members, trustee liability insurance cover for €500,000 will cost approximately €750.
- Disclosure and reporting deadlines may be missed for documents such as the Annual Trustee Reports and Member Information requests.
- The introduction of On the Spot Fines by the Pensions Board increases the Boards powers and fines would be in the trustees personally.
- Potential conflicts of interest may occur. This may arise where a director is appointed as a trustee of a group retirement plan. In this dual role, different interests are being protected – the employer's interest (director) and the members interest (trustee).
- Trusteeship is not always covered by standard Directors and Officers Insurance.
- Members may wish to protect their interest and where possible may deem it necessary to appoint a member trustee. The process of appointing a member trustee could prove logistically and administratively challenging.

## **WHY SHOULD YOU INVOLVE ITL?**

- ITL have extensive experience in pension scheme trusteeship and management.
- Having a professional independent trustee is good for employee and public relations.
- In independent professional trustee can add value to the pension scheme in terms of employee perception and governance.
- ITL will provide regular updates on legislation and regulation affecting the scheme and it's members.
- ITL can act as an independent party to manage any conflicts of interest, disputes or formal complaints in a constructive way.
- ITL can manage efficiently the professional relationships of the scheme with different service providers such as actuaries, administrators, investment managers and benefit consultants.
- ITL are happy to liaise with the Pensions Board, Pensions Ombudsman, or Revenue Commissioners where necessary.

## **IN CONCLUSION**

There is a misconception that appointing the employer or an individual as trustee of your or your client's occupational pension scheme is the cost efficient option, however it could result in more than expected costs in the operation of the pension plan.

ITL has extensive experience in acting as a trustee for group retirement plans and we would be happy to talk to you about the professional trustee services we provide and how we operate.