An Roinn Caiteachais Phoiblí
Sheachadadh PFN agus Athchóirithe
Department of Public Expenditure
NDP Delivery and Reform

Checklist for Commercial Semi-State Body Pension Scheme Transfers to Master Trust Arrangements

May 2025

Where a commercial semi-state body ("**CSSB**") wishes to transfer a defined contribution pension scheme, an AVC scheme, or any other pension scheme to a Master Trust ("**MT**") arrangement, Ministerial approval is required. Ministerial approval or Ministerial consent refers to the approval or consent of the parent Minister of the CSSB and the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation ("**MPEIPSRD**") and is generally required under the CSSB's establishing legislation to create a pension scheme or to subsequently amend a pension scheme.

Additionally, section 2.13 of the Code of Practice for the Governance of State Bodies Annex on Remuneration & Superannuation, as amended in 2021 following a Government Decision to reaffirm the governance framework for CSSBs via DPENDR Circular 16/2021, also sets out the requirement for Ministerial approval/consent:

> *"Any proposed changes to statutory pension schemes or requests for Ministerial consent to discretionary benefits required under scheme rules and/or relevant legislation should be submitted for approval to the relevant parent Department and subsequently to the Department of Public Expenditure and Reform well in advance of any decisions to implement changes."*

In order to transfer an existing pension scheme to a Master Trust arrangement the original pension scheme will typically[1] need to be wound-up/terminated concurrent with the transfer to the MT arrangement. Wind-up of a scheme also requires Ministerial approval in advance of the wind-up.

Set out in Appendix 1 of this document is a checklist of requirements for CSSBs and their parent Departments to follow in transferring to a Master Trust arrangement. The below list includes the requirements contained in this Department's guidance note from May 2024 entitled *"Requirements for Commercial Semi-State Body Pension Scheme Transfers to a Master Trust Arrangement"*, which was circulated to parent Departments on 14 May 2024, and should be read in conjunction with that note.

[1] Situations may arise that prevent a scheme being wound-up on transfer to a MT arrangement e.g. there may be a legacy deferred population and a consequential partial bulk transfer to a MT arrangement is required.

In some situations, not all of the below requirements may be feasible. For example, a Master Trust Provider (a "**Provider**") may be unable or unwilling to accommodate a requirement in either the Participant Agreement or a side letter between the Provider and the CSSB. To address this, alternative approaches may be implemented which will address the governance aims of the existing framework in a practical manner, where allowable. A list of these appropriate alternatives is included below in Appendix 1. If an alternative approach is used it should be explained in the business case seeking Ministerial consent why the preferred remedy was not implemented.

The alternatives to a requirement being specifically included in the Participant Agreement can include either:

- the requirement being addressed in a side letter appended to the Participation Agreement signed by the Provider, Trustees of the Master Trust and the CSSB, or
- in some instances, the requirement can be addressed in a Memorandum of Understanding, or similar agreement, signed by the CSSB and parent Department.

If there are any queries on this checklist, please direct them to pensions@per.gov.ie.

Appendix 1 – Requirements for Master Trust Arrangements – Checklist of Requirements and Potentially Acceptable Alternatives

Requirement	Preferred/Required Remedy	
1. Approval for Transfer to a MT Arrangement		
1.1 Ministerial approval (approval of the parent Minister and MPEIPSRD) is required for the winding-up/termination of the old DC Scheme, AVC scheme, etc and the transfer to a MT arrangement, in advance of any changes being implemented. The standard requirements apply to these pensions related consent request from a CSSB, which include that NewERA will produce a report on the request for the Ministers and the business case from the CSSB must address all the below matters.	Ministerial approval must be sought and received in writing prior to any final agreement/execution to enter into a contract for the provision of a Master Trust service.	☐
2. Specific items that should be included in the Participation Agreement between CSSB & Parent Dept		
2.1 Reference to the section of the applicable Act, where relevant, which places limitations on the CSSB agreeing to changes without first obtaining Ministerial approval.	Inclusion in the Participation Agreement between the MT Provider & CSSB. **	☐
2.2 The name of the Master Trust arrangement, the Master Trust Provider and the Trustees of the Master Trust.	Inclusion in the Participation Agreement between the MT Provider & CSSB. *	☐
2.3 A reference to certain powers that the CSSB has, within the Trust Deed and Rules (of the Master Trust) and the Participation agreement, to vary aspects of its section of the Master Trust such as benefits, participation of employees, amendments, termination etc. subject to Ministerial approval.	Inclusion in the Participation Agreement between the MT Provider & CSSB. *	☐

Requirement	Preferred/Required Remedy	
3. Governing Legislation		
3.1 Many CSSBs will have specific provisions relating to superannuation and the statutory basis for the CSSB's pension schemes in their governing legislation. Any transfer to a MT arrangement must not impact on the CSSB's responsibilities under their governing legislation. These provisions often include a statutory role for the parent Minister and MPEIPSRD for certain matters. The CSSB and parent Department must be satisfied that any transfer to a MT arrangement will not adversely impact their statutory responsibilities. Examples of typical legislative provisions that require consideration are given below: • That disputes in relation to pension benefits under the CSSB's pension schemes shall be submitted to the Minister for Public Expenditure for final determination. • That trustees shall be appointed by the CSSB from which superannuation benefits payable under a scheme under this section shall be paid. • That certain matters require the approval of the Minister/Ministers. • Requirements for new schemes and amendments to existing schemes to be laid before the Oireachtas. • Any other relevant provisions.	Inclusion in the Participation Agreement between the MT Provider & CSSB. **	☐
4. Ministers' Approval/Consenting Roles		
4.1 Any new MT arrangement must provide for the retention of all existing Ministerial approval/consenting powers. The arrangement must specifically state that Ministerial approval is required to: • Allow the CSSB to exit, or take steps to revoke their participation in, the MT. • Amend the MT terms, participation agreement or side letter. • Provide for new, additional, amended or augmented benefits or contributions.	Inclusion in the Participation Agreement between the MT Provider & CSSB. **	☐

Requirement	Preferred/Required Remedy	
• Extend the benefits of the MT to another associated participant i.e. employees of a subsidiary or body that is not the CSSB and not encompassed in the Participation Agreement. • Give notice to the trustees of the Master Trust to reduce or suspend contributions (by either the CSSB or its employees) for any period. • Enter into another Master Trust arrangement.		
5. Amendments by the Provider and Trustees		
5.1 The Provider and Trustees will generally hold the power to amend the Trust Deed or the General Rules of the MT and would not be required to seek the approval of participating employers i.e. they can make amendments without the approval of the Ministers or the CSSB. This is a departure from the current governance framework. Where amendments are made by the Provider the CSSB must notify the parent Department who will in turn consult with NewERA and the Department of Public Expenditure.	Inclusion in the Participation Agreement between the MT Provider & CSSB. **	☐
6. Amendments Sought by the CSSB		
6.1 Where the CSSB is seeking amendments to the Participation Agreement or the side letter with the Provider, the CSSB shall consult with, and obtain agreement from, the Provider to any proposed changes in advance of seeking the approval of the parent Minister and the MPEIPSRD. The CSSB shall ensure that any requests for Ministerial approval for changes to the Participation Agreement or side letter confirms that this agreement with the Provider has been obtained.	Inclusion in the Participation Agreement between the MT Provider & CSSB. **	☐

Requirement	Preferred/Required Remedy	
7. Benefit Structure		
7.1 The benefit structure of the CSSB pension scheme, including the contribution structure (employers and employee contribution rates).	Inclusion in the Participation Agreement between the MT Provider & CSSB. *	☐
8. Compliance with Procurement Rules		
8.1 The CSSB must be compliant with all relevant procurement rules in selecting a MT Provider and must ensure that value for money is being achieved for the CSSB and the Scheme itself.	Confirmation of compliance with procurement rules should be provided as part of the business case.	☐

* This requirement may also be addressed through a side letter appended to the Participation Agreement signed by the MT Provider, Trustees and the CSSB.

** This requirement may also be addressed through a side letter appended to the Participation Agreement signed by the MT Provider, Trustees and the CSSB **or** in a Memorandum of Understanding, or similar agreement, signed by the CSSB and parent Department.