

Wind Up Policy



Introduction:

Chapter 7, sections 152 and 153 of the Pensions Authority Code of Practice sets out the requirement of Trustees to have a written procedure to deal with the wind up of the Pension Scheme, if this becomes necessary and to be able to demonstrate that the Trustees have an appropriate wind up procedure in place that protects the interests of the members.

This policy has been drafted to meet the requirements of the Code of Practice and to ensure that benefits are transferred:

- a) efficiently
- b) in a timely manner
- c) without cost to members and beneficiaries

The Trustees will also ensure that the policy is kept up to date.

Scheme Overview:

The National Federation of Voluntary Service Providers Pension & Life Assurance Scheme operates as a Master Trust with 24 participating employers. As of September 2022, there were 5,188 Active members and 1,983 deferred members (Total 7,171 members). Irish Life are the appointed Registered Administrator with effect from the 1st January 2022 and their appointment will be subject to a critical review by the 1st January, 2025.

The Trustees view the appointed RA as a key partner both in the efficient administration of the Scheme but, also as the primary organisation to assist the Trustees in any Scheme wind up.

Membership Data:

In the event of a Scheme wind up, having up to date and accurate contact details for members, both for active and deferred members is critical. The Trustees and Irish Life have been working during 2022 to obtain contact details for deferred members that have no postal address recorded on file.

Members are encouraged to provide personal email addresses so that they can be contacted should they leave employment and become deferred members.

Agreement with Irish Life:

The Trustees have entered into an Administration Services Agreement with Irish Life which includes the following section (11.5):

In the event that the Scheme has to be wound up, Irish Life will assist the Trustees to ensure an orderly wind up of the Scheme and will oversee the member engagement process and ensure that the members' assets are transferred out of the Scheme to another approved arrangement or to the default Personal Retirement Bond selected by the Trustees. Irish Life will cover all reasonable costs in the completion of this work

RFP:

The Trustees will ensure that a similar agreement to the one outlined above will be a key ask of any future RFP.

Trust Deed and Rules:

The Trust Deed and Rules – Deed of Amendment Adopting a New Definitive Deed and Rules dated 22nd of August 2012 includes provision for the wind up of the Scheme. The relevant Clauses are 21, 22 and 23. If a decision is taken to wind up the Scheme the Trustees will consult with the Trust Deed and Rules and proceed to wind up the Scheme in accordance with the provisions of the Trust Deed and Rules.

Wind Up Procedures:

The Trustees will follow the following procedures to ensure the efficient wind up of the Scheme.

- (a) Meet to discuss the wind up and agree a timescale for the wind up and draw up a checklist and project plan.
- (b) Notify all relevant parties – Participating Employers, Registered Administrator, Life Assurance Company, Key Function Holders, Pensions Authority and Revenue Commissioners. This will be done as soon as is practicable, but no later than 12 weeks after the decision to wind up the Scheme is made.
- (c) Engage with the Trustees Indemnity insurers to advise them of the wind up and to arrange and pay for “future claim” cover.
- (d) Agree a member communication strategy to include notification to any authorised Trade Unions.
- (e) Put process in place for dealing with member queries.
- (f) Carry out, in conjunction with the Registered Administrator and Participating Employers, an exercise to ensure that membership data and contact details are up to date.
- (g) Complete a reconciliation of any Pension Adjustment Orders and ensure that these individual’s entitlements are dealt with.
- (h) Ensure that any claims being processed are finalised.
- (i) Engage with Participating Employers to ensure that all contributions due to the Scheme are received and invested.
- (j) Arrange for all outstanding fees to be paid from the Trustee Bank Account and complete a reconciliation of the bank account. On completion of this, arrange for any surplus monies to be allocated to Scheme members accounts on a proportionate basis.
- (k) Identify those members who can, if they wish, opt to take immediate benefits from the Scheme in the form of a Lump Sum, an Annuity, an Approved Retirement Fund (ARF) and / or Taxable Cash. Arrange for options to be issued to those members and for members to be able to access advice to discuss the options available to them. Where a member decides to take immediate benefits, arrange for these to be paid out as soon as is practicable.

- (l)** Decide on the replacement pension arrangement and investment fund (the default fund) that members funds will be transferred into if members do not make a decision themselves regarding their accumulated fund.
- (m)** Agree with the provider of the replacement pension arrangement the charges that will apply on an ongoing basis and the process for members to receive ongoing support and assistance.
- (n)** Arrange for the transfer of assets to the provider of the new pension arrangement with minimum cost to the members.
- (o)** Close Trustee Bank Account.
- (p)** Cancel the Scheme's life assurance cover.
- (q)** Arrange for final Trustee Annual Report and Audited Accounts to be prepared. Make arrangements for members to be notified of the availability of the Report and issue a copy to any authorised Trade Union.
- (r)** Execute a Deed to finalise the wind up of the Scheme and notify the Pensions Authority and Revenue Commissioners of the finalisation of the wind up.
- (s)** Make arrangements for the dissolution of the DAC, including any paperwork needed to meet with regulatory requirements.

Approval and Next Review Date of this Policy:

This document was approved and came into effect as follows:

| Document Control | |
|-------------------|--|
| Approved By: | Mr John McHugo Pension Scheme Chairman, National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme |
| Date approved: | 20 th October, 2022 |
| Approved by: | Mr James Skehan, Professional Trustee, National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme |
| Date approved | 20 th October, 2022 |
| Next review date | 20 th October, 2025 |
| Previous versions | n/a |



Signed: _____

**John McHugo,
Chairman.**

Date: 20th October, 2022



Signed: _____

**James Skehan
Professional Trustee.**

Date: 20th October, 2022