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| **Consultation on defined benefit consolidation** **Submission form** |
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| Please use this document to submit your responses to the consultation questions.Please email your submission by 5pm 4 July 2025 to: consultation@pensionsauthority.ie  |
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| **Name:** |  |
| **Organisation (if relevant):** |  |
| **Contact email:** |  |
| **Contact phone number (optional):** |  |
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| **Section 1 – Model of defined benefit (DB) consolidation** |
| Q.1 Please provide views on the above model of DB consolidation. |
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| Q.2 Should other consolidation models in operation in other jurisdictions be considered? If so, please provide views on other consolidation models that could be appropriate for DB pensions in Ireland. |
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| **Section 2 – Potential impact of DB consolidation** |
| Q.3 What impact would the introduction of DB consolidation likely have on the wider DB market? |
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| Q.4 What are the potential benefits of DB consolidation? Please explain the potential benefits in relation to different types of members (pensioners, deferred and active) and employers. |
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| Q.5 What are the potential risks of DB consolidation? Please explain the potential risks in relation to different types of members (pensioners, deferred and active) and employers.  |
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| Q.6 What type of DB schemes would most likely benefit from DB consolidation, and why?  |
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| Q.7 What type of DB schemes are unlikely to benefit from DB consolidation, and why? |
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| Q.8 What barriers would limit access to consolidation for some DB schemes? For example, would small schemes be able to access a DB master trust? |
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| Q.9 What measures could be put in place to help reduce barriers to DB consolidation? |
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| Q.10 What measures could help avoid or mitigate the risks associated with the following:1. Lack of competition in the DB consolidation market.
2. Failure of one or more DB master trusts.
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| **Section 3 – Operation of DB consolidation** |
| Q.11 What level of demand do you anticipate for DB consolidation? On what basis is your assessment made, e.g., carried out market research? |
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| Q.12 What type of eligibility criteria would apply to schemes wishing to join your DB master trust? For example, scheme size, funding position, etc. |
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| Q.13 Would benefit structures of the joining scheme be replicated or is some form of restructuring of benefits intended after joining the DB master trust? |
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| Q.14 How would the DB master trust avail of economies of scale in relation to investments? |
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| Q.15 How would the ongoing employer costs (such as administration, actuarial, investment management, etc.) of standalone DB schemes complying with IORP II obligations compare to employer costs participating in a DB master trust? Would the potential cost savings vary depending on the joining employer scheme size, membership profile, benefit structure?  |
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| Q.16 What assumptions are these cost savings based on? (e.g., a certain number of participating employers joining and remaining in the scheme, certain sized schemes joining, etc.)  |
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| Q.17 To what extent are employer cost reductions in a DB master trust dependent on certain provisions of the Pensions Act, 1990, as amended (the Act) applying at the master trust level, rather than participating employer scheme level? If these assumptions do not hold, how much impact would this have on employer costs? |
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| Q.18 What upfront costs would be associated with joining a DB master trust? Would the participating employer pay all of these costs, or would the master trust pay a portion?  |
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| Q.19 Please describe the charging structure that you would likely apply in the DB master trust. Would this differ across employers? |
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| Q.20 How would employer costs be impacted by other participating employers leaving the master trust?  |
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| **Section 4 – Regulation of DB consolidation** |
| Q.21 What provisions of the Act and related regulations should apply:1. to the DB master trust only,
2. to the participating employer section only, and
3. to both participating employer sections and DB master trust?
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| Q.22 What, if any, additional statutory obligations should apply to trustees of a DB master trust? |
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| Q.23 What, if any, regulatory measures could be put in place to help mitigate the risk to the master trust or other participating employers if one or more participating employers’ funding position becomes tenuous? |
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| Q.24 A serious risk to members would arise if a decision was made to wind up a DB master trust (for commercial reasons for example) and no other master trust was in operation or could take the members. How should these benefits be dealt with?  |
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| Q.25 If a master trust winds up, how should the section 48 priority order be applied?  |
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| Q.26 What, if any, additional reporting requirements to the Authority should apply to DB master trusts?  |
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| Q.27 What notifiable events should be reported to the Authority by a DB master trust?  |
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| **Section 5 – General comments** |
| Please provide any additional comments here. |