

GOVERNANCE POLICY



Approved by: Pension Trustees at their meeting held on 27th January, 2022

Date due for Review: Not later than 27th January, 2025

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INTRODUCTION:

It is recognised that the Trustees' role is an onerous and pro-active one and the objective is to ensure that the financial interest of the members are looked after at all stages of their pension journey and that the Pension Scheme runs in an efficient and compliant manner.

This Governance Policy was originally prepared to adopt the Codes of Governance published by the Pensions Authority and, while the Codes were not legally binding, the Trustees decided to adopt the Codes as best practice for operating the National Federation of Voluntary Service Providers (NFVSP) Pension & Life Assurance Scheme (Scheme) and in discharging their duties as Trustees.

The policy has been updated during 2021 and in January 2022 to take account of the regulations introduced by IORPIL, the Code of Practice published by the Pensions Authority in November 2021 and the change in Registered Administrator from January 2022.

For some issues a separate more detailed document has been prepared.

Going forward the policy will be updated as required but no later than January 2025.

WHO'S WHO:

Trustees:

John McHugo (Chairman)
Pauline Brennan
Francis Coughlan
Deirdre Herlihy
Paul Switzer
James Skehan (Professional Trustee)



Pension Scheme Manager / Secretariat:

Maria McMahon

Key Function Holders: (to be appointed by end of Q1 2022)

Risk Management
Internal Audit

Registered Administrator:

Irish Life



Investment Managers:

Irish Life Investment Managers



Custodian:

Citibank



Life Assurance Scheme:

Brokers and Administrators: Cornmarket
Underwriters: Zurich Life



Auditor

Michael O'Hanlon & Co

GOVERNANCE PLAN OF ACTION:

The Trustees have implemented a set of procedures to ensure that the Pension Scheme operates in an efficient and compliant manner and to achieve this they have implemented the following procedures:

Governance Calendar:

At the final Trustees meeting each year, the Trustees agree on the principal objectives for the following year and the actions that need to be taken in a timely fashion to ensure that the Scheme remains compliant. This is then documented in a Governance Calendar, to be approved by the Trustees at the first meeting of the year and which is then monitored by the Trustees throughout the year.

1. Annual Benefit Statements to be issued to active and deferred members at their home address, (where known) no later than May of each year. If the member's home address is not known, benefit statement will be issued via their employer
2. The Trustee Annual Report is audited and signed off by the Trustees no later than 31st August each year.
 - a. The Pension Scheme Manager will arrange for a copy of the Trustee Annual Report to be issued to each recognised Trade Unions by no later than the 30th September each year.
 - b. The Pension Scheme Manager will follow up with each participating employer to ensure that members have been notified of the availability of the Trustee Annual Report by no later than 30th September.
 - c. The cover letter that is issued with the Annual Benefit Statements will also advise members that the Trustee Annual Report will be available in September each year.
3. The performance of the Registered Administrator will be monitored on a quarterly basis and reviewed on an annual basis. The Registered Administrator is required to report to the Trustees re their adherence to SLA timelines.
4. Compliance with regulatory deadlines (including tasks delegated to Irish Life by the Trustees - new entrant packs, leaving service options, payment and receipt of transfer values and investment of contributions) will also be monitored.
5. Annual Confirmation will be obtained from Irish Life (some of these items will be confirmed by New Ireland for 2021) that:
 - a. Member's Annual Benefit Statements have been issued to home addresses (May).
 - b. Pension Authority fees have been paid on behalf of the Trustees (April).
 - c. Statistical returns as required have been submitted to the Pension Authority (October).
 - d. Documentation changes – if any have been recorded and notified to the relevant regulatory bodies (March).
 - e. The appropriate tax has been deducted for all claim payments (March).
 - f. AML checks have been carried out on behalf of the Trustees (Feb).

6. Remittance of contributions are monitored on a monthly basis by Irish Life and the Pension Scheme Manager (see Financial Controls Section).
7. The Trustees will appoint an Auditor to carry out the audit of the Trustee Annual Report and Financial Statements.
8. The Trustees will monitor the performance of the selected investment funds on a quarterly basis and review the performance against agreed benchmarks on an annual basis.
9. Each Trustee will declare any conflict of interest at each Trustee meeting and any conflict will be noted in the Conflict of Interests Register.
10. The Trustees will review and update the Risk Register as required and a full review of the risk register will be undertaken on an annual basis.
11. The Trustees will prepare and submit an Annual Compliance Statement to the Pensions Authority by the 31st of January for the previous calendar year, starting with the first Statement by the 31st of January 2022 in respect of 2021.
12. The Trustees will obtain regular reports, at least quarterly, from both the Internal Auditor and Risk Manager when appointed.
13. The Trustees will arrange liability insurance on an annual basis (February).
14. Annual confirmation will be obtained from the Professional Trustee that he continues to hold either the PTP or QPT designation and of the number of CPD hours completed in the previous calendar year (January).
15. Each Trustee and Key Function Holder (KFH) will complete the “proper requirement” questionnaire on an annual basis (January).

Governance Policies:

The Trustees have prepared a number of written policies to document the procedures to be followed in certain areas including:

- a) Business Continuity Plan
- b) Conflicts of Interest
- c) Remuneration & Other Charges
- d) Member Engagement
- e) Employer Engagement
- f) Internal Financial Controls
- g) Internal Dispute Resolution Procedures Policy

- h) Risk Management
- i) Selection, appointment and monitoring of Key Function Holders (KFHs)
- j) Statement of Investment Governance (to be approved by the Trustees in January 2022)
- k) Statement of Investment Policy Principles

Periodic Reviews / Tasks:

A number of formal reviews need to be undertaken over different time periods as follows.

- A critical review of the Registered Administrator and the Investment Manager will be undertaken every three years, with the first review taking place in 2024, for a decision to be taken with an effective date of 1/1/25. If the outcome of either review is a cause for concern, then the Trustees will consider the need to commence a formal tender process or in any event a full market review / RFP will be undertaken every five years. This review will follow the formal EU tender process as required based on the size of the Scheme's assets.
- The group life unit rate will be reviewed every 3-4 years, the next review is due in December 2023.
- All Trustees are required to complete Trustee training within 6 months of their appointment and every 2 years thereafter to comply with Pensions Authority Regulations. The Trustees have agreed that refresher training will take place every year from 2022.
- The Trustees will ensure that a valid Statement of Investment Policy Principles (SIPP) is in force and that this is reviewed every 3 years, or more frequently if there is a fundamental change to the investment strategy or the funds that are made available to members. The Statement was updated in June 2021 to reflect the need for ESG factors to be considered as part of the investment decision process and will be updated from 1/1/2022 to reflect the transfer of the Scheme to Irish Life.
- An Own Risk Assessment (ORA) will be completed no later than 22/4/2024, however the Trustees will commence work on the overall risk management programme once the relevant KFH has been appointed. The ORA will be reviewed every three years thereafter, or more frequently if there is a material change in the risk profile of the Scheme.
- A list of all Trustees' policies, together with their development date and review dates is outlined in Appendix 1.

TRUSTEES:

The NFVSP Pension & Life Assurance Scheme is overseen by 5 individual Trustees. Between 2018 and 2020, a number of the original Trustees who were appointed at the commencement of the Scheme retired and new Trustees were appointed.

The objective is to increase the membership of the Trustee Board and to appoint individuals who are fit and proper, ideally from a number of different participating employers and with a range of different skills mix and experience including finance, management, HR and compliance.

The Trustees recognised the need for a Professional Trustee to be added to the “Board” and after initially appointing General Investment Trust, subsequently replaced them with James Skehan in January 2020 to achieve a more independent position.

The Trustees collectively have the necessary expertise, knowledge and experience to meet their responsibilities and to ensure that the members interests are looked after.

Current Trustees (2022):

John McHugo (Chairperson)

- Director of Finance, Ability West
- Appointed as Trustee on 26/7/2016
- Qualifications - Professional Accountant with 40 years' experience in both a practice setting and in the Not-for-Profit sector
- Over 30 years as a Trustees of a Defined Benefit pension Scheme



Francis Coughlan

- CEO, SOS Kilkenny
- Appointed as Trustee on 7/7/2017
- Qualifications - Bachelor of Business Studies; Diploma in Management and Industrial Relations and is a Registered Nurse (Intellectual Disability).
- Prior to commencing his post as CEO with SOS Kilkenny Clg in 2003, Francis was employed as a staff nurse in a variety of different settings and was also CEO at St. Aidan's Services in Gorey, Co. Wexford



Deirdre Herlihy

- HR Manager, Kerry Parents & Friends Association
- Appointed as Trustee on 10/9/2018
- Qualifications - BA Human Resource Management (Honours 2.1); IBEC – HETAC Level 7; Diploma in Employment Law – Merit Grade 1; Mediation – FETAC Level 6
- An experienced Human Resource Professional with over 18 years' experience (Industry -4 Years; Private Healthcare - 10 Years and Intellectual Disability Services - 4 Years)



Pauline Brennan

- Director of HR, Western Care
- Appointed as Trustee on 1/8/2019
- Qualifications - MBs Human Resource Management
- Employment history is almost exclusively in the learning disability sector, other than a short period in media
- An experienced HR Practitioner in all areas relating to HR Management, including recruitment and retention, industrial relations and employee engagement
- Member of the Board of Management of a Special School and is an external examiner for GMIT, Castlebar Campus



Paul Switzer

- Finance & ICT Manager, KARE
- Appointed as Trustee on 27/01/2022
- Qualifications - Chartered Management Accountant and Fellow (FCMA) of the Chartered Institute of Management Accountants (CIMA). Chartered Global Management Accountant (CGMA) through the American Institute of CPAs (AICPA) and CIMA
- 20 years' experience in the Not-for-Profit sector with previous 15 years spent in the Private and Multinational sectors

**James Skehan**

- Independent Professional Trustee
 - Appointed 27/1/2020
 - Experience
 - Over 40 years' experience in the group pensions industry
 - Head of Pensions in New Ireland for 20 years
 - CEO of General Investment Trust, one of Ireland's largest corporate trustees for over 10 years
 - Anti-Money Laundering
 - Authorised by the Dept of Justice & Equality - Ref APP/1273/2020
 - Professional Qualifications
 - FIIPM, QPT, PTP
 - CPD hours completed
 - 37 hours in 2020
 - 51 hours in 2021
- Completed UNPRI responsible investment course in 2020

**Fit and Proper Requirements:**

The "Fit" requirement is met by the appointed Professional Trustee who has both of the professional qualifications prescribed by the Pensions Authority i.e., QPT and PTP.

The current Trustees (January 2022) have the following Trustee experience

Trustee	No of Years Appointed as a Trustee of the NFBVSP Scheme	Overall Trustee Experience
John McHugo	5	30
Pauline Brennan	2	2
Francis Coughlan	4	4
Deirdre Herlihy	3	3
James Skehan	2	12

Trustee Training:

The Trustees completed Trustee training in February 2021 and in view of the increasing governance and regulatory requirements it was agreed that training would be undertaken on an annual basis. This training is delivered by the Scheme's Professional Trustee and is based on the specifics of the NFBVSP Pension & Life

Assurance Scheme. The Professional Trustee will complete the Pensions Authority online Trustee Training Course every two years.

To ensure that the Trustee Board maintains an appropriate mix of skills and knowledge, the Professional Trustee, participates in pension seminars on a regular basis (this totalled 51 hours of CPD in 2021).

The Trustees seek regular industry updates from the appointed Registered Administrator as part of the quarterly reporting and obtain various industry updates from different sources.

Secretary to the Trustees:

Maria McMahon has been appointed as Secretary to the Trustees. In this role, she will draft agenda for Chairman's approval and circulate to all Trustees prior to each meeting. The Secretary will also take notes and prepare minutes of meetings and circulate them and supporting documentation to the Trustees.

Maria McMahon

- Pension Scheme Manager and Secretary to the Trustees.
- Qualifications – Diploma in Business Studies (Accountancy); IPASS – Certified Payroll Technician; European Computer Driving Licence (ECDL); Participates in all Trustees Training in respect of the National Federation's Pension & Life Assurance Scheme.
- Experience:
 - Over 27 years' experience in office administration
 - PA to CEO, HSE West - 4 years
 - PA to CEO, National Federation of Voluntary Service Providers - 20 years
 - Part-time Pension Administrator to National Federation's Pension Scheme – 15 years
 - Appointed full time Pension Scheme Manager to National Federation's Pension & Life Assurance Scheme in 2019



Trustee Meetings:

- The Trustees meet formally on a regular basis – subject to a minimum of one meeting per quarter.
- Each Trustee strives to ensure attendance at all meetings. It is noted that Trustees can participate by either physical attendance or remotely by Teams or conference call where all participants dial in.
- A formal notice of the forthcoming Trustee meeting, together with a copy of the minutes of the previous meeting, will be issued prior to each meeting.
- A Chairperson, once elected, can remain in position for a period of three years. The term can be renewed for two further terms (overall maximum of three terms / 9 years).
- The minimum number of Trustees will be three and three Trustees will form a quorum.
- Whilst ideally, all decisions made by the Trustees will be unanimous, a majority decision will prevail.
- In the case of a split decision, the Chairperson will have a casting vote.

- Decisions taken at Trustee meetings will be recorded in the minutes
- The Secretary to the Trustees will take notes, prepare agendas and minutes and circulate to the Trustees.
- Trustees will clarify if any conflict of interest has arisen since the previous meeting and also if they are conflicted by any item to be discussed at the meeting.
- The Trustees will also participate in Team calls as required during the year to discuss issues requiring immediate attention between formal Trustee meetings.

MANAGING CONFLICTS OF INTEREST:

The Trustees are aware that one of the most important fundamental duties is to act in the best interest of the Scheme beneficiaries. In meeting this requirement, it is understood that the Trustees should avoid circumstances where they have other interests or duties that conflict with the interest of the beneficiaries.

To identify, monitor and manage possible conflicts, the Trustees have implemented the following measures:

- A Policy and Procedures manual has been written.
- A register of Trustees interests which could give rise to a conflict has been established.
- At each meeting, Trustees will advise if any conflict has arisen since the last meeting.
- The register is then updated by the Pension Scheme Manager and circulated to all Trustees.
- On an annual basis each Trustee will confirm in writing that the Register of Interest is correct and up to date.
- Where a conflict is identified the Trustees will consider the issue in full and decide how it should be dealt with.
- In arriving at a decision, a number of issues may be considered including:
 - Is legal advice required;
 - Should the conflicted individual leave the meeting or is it sufficient for the conflict to be declared and recorded in the Conflicts of Interest Register;
 - Should the affected Trustee withdraw from voting on the issue;
 - Is the issue of such seriousness that the effective Trustee may need to resign.
- In arriving at a conclusion, practical issues will be taken into account including the need for there to be a quorum, for a balance of expertise amongst the Trustees to be present.
- The discussion and decision in relation to any conflict that arises will be fully minuted.
- The Trustees will review the Conflicts of Interest Policy on a regular basis but at a minimum every three years.
- The Conflicts of Interest Policy and Register will be updated when the KFHs have been appointed.

FINANCIAL CONTROLS:

The NFVSP Pension & Life Assurance Scheme is significant in terms of:

- (a) Funds under management.
- (b) The ongoing contributions paid into both the Pension Scheme with Irish Life, and the Life Assurance Scheme with Cornmarket / Zurich Life.
- (c) The claim payments from the Scheme on withdrawal, retirement and death.
- (d) The monies held in the Trustees' Bank Account.

The Trustees have put controls in place to safeguard the movement and holding of all monies in connection with the Scheme and these are detailed in a separate Internal Financial Controls policy.

Internal Audit Function:

The Trustees will establish an Internal Audit Function following the appointment of the Internal Audit Key Function Holder.

The Trustees will ensure that the person appointed will:

- (a) Be different to the person appointed to the Risk Management Function.
- (b) Be of good repute and integrity.
- (c) Have the necessary experience and knowledge to carry out their functions.
- (d) Hold an appropriate professional qualification.

See separate KFH Policy for more detail in relation to the selection, appointment and monitoring of Key Function Holders (KFHs).

Pension & Life Assurance Contributions:

Under the Rules of the Scheme employees are automatically included in the Scheme from the date they join their participating employer. The participating employer will start deducting personal contributions of 5% of salary (and any Additional Voluntary Contributions) and pay these together with the corresponding employer contributions directly to Irish Life and Cornmarket on a monthly basis.

Pension Contributions:

The pension contribution payment to Irish Life amounts to 11.35% of salaries (+ any AVCs). It is recognised that employee contributions 5% (and any AVCs), and the corresponding employer pension contributions (6.35%) must be remitted to Irish Life within 21 days of the end of the month that the employee contributions (and AVCs) were deducted.

To ensure these payments are made on time the Trustees have established robust procedures with Irish Life to monitor the timely remittance of contributions.

The scheduled date for contributions to be remitted to Irish Life is the 10th of the month following the month that contributions were deducted from salaries / wages.

It has been agreed with Irish Life that monthly status reports will be sent to the Pension Scheme Manager from the 10th of each month to ensure that all payments and breakdown schedules have been received.

This will ensure that the Trustees are kept fully informed regarding any contributions that may be in danger of missing the 21-day deadline and enable the Pension Scheme Manager to engage directly with employers where contributions are outstanding.

Cornmarket:

A total of 0.65% of salary is paid over directly to Cornmarket every month by each participating employer. On receipt of these payments, Cornmarket will:

- Pay the life assurance premium of 0.43% to Zurich Life.
- Pay the administration fee of 0.22% to the Trustee bank account via EFT.

A breakdown of monies received by Cornmarket each month from each employer is forwarded to the Pension Scheme Manager as part of the notification that the 0.22% has been paid to the Trustees' Bank Account.

Trustee Bank Account:

The Trustees operate a bank account to:

- (a) Facilitate the payment of fees to third parties including the Professional Trustee and Auditor.
- (b) Process death claim payments.
- (c) Establish and maintain a reserve / contingency fund.

The Trustees have produced a separate Internal Financial Controls Policy which outlines the controls in place in respect of withdrawal of funds from the account and set limits in terms of the number of signatories required for cheque signing.

Bank Account Reconciliation:

At each Trustees meeting the Pension Scheme Manager presents and outlines a summary of activity on the Trustee Bank Account, including banks statements and reconciliations, since the previous Trustee meeting.

Trustee Reserve:

The balance of the Trustees bank account is reviewed on an annual basis. When the balance in the Trustee bank account exceeds the agreed reserve figure (0.5% of the fund value), arrangements are made to pay a one-off lump sum into the pension fund on behalf of the members. The Trustee Reserve will be reviewed when clarification is received from the Pensions Authority re the need to establish the Pension Scheme as a DAC and the level of capitalisation / reserve required.

Claim Payments:

The Trustees have delegated the processing and payment of pension claim payments (refunds of contribution, transfers out and retirement benefits) to Irish Life. The Trustees carry out a check on a sample of retirement claims each month to ensure that claims are being processed accurately, i.e., check from the time the claim process starts, until the retirement benefits have been set up.

Death claims are processed through the Trustee Bank Account and the Trustees calculate the lump sum payable and ensure that the benefit is within revenue limits. Assistance in the calculation of the final salary figure, both in the identification of the best salary figures to use and how dynamization can be applied, is obtained from Irish Life.

If there is an excess (following the passing of the Finance Act 2021) this can be used to purchase an annuity for a financial dependant of the deceased, with the life office that offers the most competitive annuity at the time (sourced via a Financial Broker) or invested in an ARF or taken as a taxable cash amount.

ANTI-MONEY LAUNDERING (AML):

Although Trust based pension schemes are deemed to be low risk regarding the risk of money laundering, the Trustees recognise that it is necessary to implement and operate AML procedures in relation to:

- (a) The inclusion of new members.
- (b) The inclusion of new employers.
- (c) The payment of claims.

Irish Life:

Irish Life administer the NFVSP Pension Scheme and carry out AML screening on behalf of the Trustees. This includes robust AML / CFT checks on all members before benefit payments are made and the collection of appropriate Customer Due Diligence (CDD) documentation and screening where applicable.

Additional attention is paid to any single premium payments.

Employers and members are subject to ongoing:

- ✓ Politically Exposed Person (PEP) Screening
- ✓ Sanctions Screening
- ✓ Blacklist Screening

The Trustees obtain an AML status report from Irish Life on an annual basis and will be advised prior to same if there is an issue.

Professional Trustee:

James Skehan was appointed as a Trustee in January 2021. He acts as the Professional Trustee for the Scheme and has been authorised by the Department of Justice & Equality in relation to Anti Money Laundering. This authorisation runs for a three-year period to October 2023. The authorisation reference is TCSP APP/1273/2020.

James also has the QPT and PTP designation which are the two qualifications approved by the Pensions Authority to meet the Fit requirements under the Codes of Practice for Trustees. Confirmation that the required CPD hours have been completed are obtained on an annual basis.

Death in Service Claims:

Death in Service benefit payments are processed by the Trustees who carry out AML checks before any benefit is paid. The lump sum benefit is paid out at the Trustees' discretion and the Trustees will carry out a full review of the possible recipients before deciding on the person(s) to whom the benefit is to be paid. The Trustees will ensure that proof of ID (passport / driver's licence) and address (bank statement / utility bill) is obtained prior to the payment of any benefit.

INVESTMENT:

The Trustees recognise that investment performance is a key element of the Pension Scheme and as the Scheme operates on a Defined Contribution basis, a choice of investment funds is offered to Scheme members, as well as a default fund for members who do not want to make a choice.

Choice of Funds:

The current choice of funds (2022) is as follows:

Fund/Strategy Name	Annual Management Charge (AMC) percentage per annum	Total Expense Ratio (TER) percentage per annum
EMPOWER Personal Lifestyle Strategy	0.29%	0.31%
Sustainable Equity (ESG) Fund	0.23%	0.25%
EMPOWER High Growth Fund	0.29%	0.31%
EMPOWER Moderate Growth Fund	0.29%	0.31%
EMPOWER Cautious Growth Fund	0.29%	0.31%
EMPOWER Stability Fund	0.29%	0.31%
EMPOWER Cash Fund	0.15%	0.15%

The funds are managed by Irish Life Investment Managers.

Default Investment Strategy:

The Trustees recognise that whilst investment choice is made available to members, the majority of members will not make an investment decision themselves and as a result, with effect from the 1st January 2022, the Trustees have selected the Empower Personal Lifestyle Strategy as the default investment strategy for the Scheme.

Empower PLS is a lifestyle investment strategy, which is administered by Irish Life and invested by Irish Life Investment Managers.

Where a member has in excess of 20 years to their Normal Retirement Age (NRA), the investment emphasis is on equities and other growth assets, and in the last 20 years up to an individual's NRA, there is a gradual switch out of equities and into less risky assets.

When a member is within 6 years of their NRA, the PLS strategy will automatically move the member into investment funds which will match how the member will draw down their pension benefits on retirement.

The Trustees will monitor the performance of the all the selected funds on a regular basis.

Environmental, Social and Governance (ESG):

The Trustees are conscious of the need to take account of ESG factors when making investment decisions and included a specific question re ESG in the 2021 RFP.

“ESG and sustainability issues and the incorporation of these considerations into the Schemes investment options are particularly important to the Trustees. Tenderers should set out their ESG credentials/expertise, how they have incorporated ESG into their investment solutions, what further ESG related changes they intend to implement in the future. In particular, how ESG considerations are incorporated into the default strategy should be clearly set out”.

Apart from the Cash Fund each of the fund options available to members have an Article 8 ESG designation.

Statement of Investment Policy Principles:

A Statement of Investment Policy Principles has been put in place and this will be reviewed every 3 years or more frequently if there is a fundamental change to the investment strategy or the funds that are made available to members. The current SIPP has an effective date of 15/6/2021, having been updated to incorporate ESG considerations and will be updated in Q1 2022 to reflect the change in investment manager to Irish Life.

Statement of Investment Governance:

The Trustees will draft a Statement of Investment Governance for approval and implementation before the end of Q1 2022.

BENEFIT PAYMENTS:

The Trustees recognise their duty to ensure benefits that are paid from the Scheme are accurate and paid in a timely fashion. Payment of benefits can arise in the following situations:

1. Normal Retirement Date
2. Early Retirement
3. Ill Health Early Retirement
4. Late Retirement
5. Leaving Service
6. Death in Service

- The Trustees have delegated the payment of retirement and leaving service benefits to the Registered Administrator, Irish Life.
- The Trustees have agreed timescales with Irish Life to ensure that claims are settled in a timely fashion and that there are no regulatory breaches. These timescales are incorporated into the SLA and the Trustees obtain a quarterly report from Irish Life detailing adherence with these timescales.
- The Trustees have implemented a procedure in May 2021 whereby a sample of retirement claims will be reviewed from the start of the claim until the final benefits are paid out.
- The Trustees will obtain written confirmation on an annual basis from Irish Life that the appropriate taxes on all benefits have been accounted for.
- The Trustees will obtain written confirmation from Irish Life that they have applied AML checks on all claim payments.

Ill Health Early Retirement:

Where a member submits a request to retire early on ill health grounds, a declaration is sought from the members specialist consultant (not GP) to confirm that the member satisfies the revenue definition of serious ill health. If the request is for the “death’s door concession” approval will also be obtained from the Registered Administrator. Where the member and one of the Trustees work for the same employer, that Trustee will not partake in the decision-making process for that particular ill health application request.

Death in Service Claims:

It is recognised that in the unfortunate event of a Scheme member dying, the Trustees must exercise their discretion in deciding to whom the lump sum benefits will be paid. Every effort will be made to establish the full facts and circumstances of the claim and the personal situation of the deceased member. As much information as possible will be obtained, including the following data, prior to any decision being made:

- Expression of Wishes form / beneficiaries.
- Copy of Will.

- Any information provided by Solicitors dealing with the death claim.
- Any information received from family members / relatives.
- Background information from their employer.
- Other sources of information such as RIP.ie.

All Trustees will be consulted before a final decision is made. Where the deceased member was employed by the same employer as one of the Trustees, that Trustee will not participate in the decision making process but may be asked for relevant background information.

Payment to Minor Children:

Where a decision is taken to pay a benefit to a minor child, the benefit will (depending on the size of the benefit) will either be:

- (a)** Paid to a guardian.
- (b)** Paid into a Trust that is set up for the minor child by the guardian.

In both cases the Trustees seek agreement that the money is held until the minor child reaches the age of 18, but there is also provision which allows money to be used for the minor child's upkeep prior to them attaining age 18.

Excess Funds:

The Trustees will calculate the maximum lump sum that can be paid out for a death claim in line with revenue limits and if there is an excess arising the Trustees will:

- Identify the most appropriate dependant.
- Engage a broker to identify the most competitive annuity rate and purchase the annuity from that company; or
- Arrange for an ARF to be set up for the selected dependent or arrange for Irish Life to pay the excess benefit as taxable cash.

The decisions of the Trustees will be minuted.

RECORDS:

The Trustees have established procedures and agreements for effective record keeping both in relation to membership and financial records.

- The Pension Scheme Manager will maintain the following records:
 - ✓ All scheme documentation.
 - ✓ Minutes of Trustee meetings.
 - ✓ Correspondence with participating employers, members, Irish Life, Cornmarket and Zurich and from other parties or individuals.
- The Pension Scheme Manager has robust procedures in place whereby Trustee files are backed up on a regular basis.
- It has been agreed that James Skehan will also keep copies of scheme documentation and minutes of Trustee meetings.
- The Registered Administrator appointed by the Trustees will hold the administration and membership records for the Scheme on behalf of the Trustees. The RA has robust contingency / disaster recovery plans in place to protect administration records.
- It is noted that the Registered Administrator (RA) is required as one of their key functions to maintain sufficient and accurate records of members and their entitlements. The Trustees will seek confirmation on an annual basis that the RA's licence has been renewed by the Pensions Authority.
- The Trustees will ensure that all aspects of GDPR are adhered to by both the Trustees, the Pension Scheme Manager and all third parties.

RISK MANAGEMENT:

The Trustees have a risk management system in place to ensure that all actual and potential risks are identified and managed.

The Trustees have established a risk management register which has identified:

- (a) The likely / possible risk.
- (b) The likely impact on the scheme and its members in the event that the risk materialises.
- (c) Applied a scoring system 1 – 5.

The Trustees have established a series of controls to manage and mitigate the risks using a range of sources/reports. The Trustees will review and update the Risk Register on an ongoing basis and carry out a full review on an annual basis.

To comply with IORP II, the Trustees will establish a Risk Management Function and ensure that the person/firm appointed to the role will be of good repute and integrity and will have the necessary experience and knowledge to carry out their functions.

The “Risk Manager” will assist the Trustees in developing a forward looking, risk-based strategy, in the preparation of an Own Risk Assessment (ORA) and will report to the Trustees on a quarterly basis.

MEMBER ENGAGEMENT:

The Trustees recognise the importance of members understanding the benefits that are being provided for them and the characteristics of each of the investment funds that are made available. A key element of this understanding is to ensure that the information is:

- Provided in a clear and understandable fashion and which addresses the members' needs.
- Avoids the use of the jargon and technical terms.
- Presented in a way that is easy to read and highlights key information.

and that members are:

- Regularly informed regarding the progress of their pension fund and whether they are on track to meet their retirement goals.
- Informed of the option to increase their level of contributions and how this can be achieved.
- Informed regarding the cost and charges, particularly the difference in the management charges and total expense ratios that apply to the different fund choices.
- Fully aware of the benefit and investment options available to them.

The Trustees employ a range of communication tools to engage with members on a proactive basis including:

Member Booklets:

Member booklets are reviewed on a regular basis to ensure that they continue to provide members with information in a clear and user-friendly fashion.

There are a range of member booklets available online at www.fedvol.ie including the following:

- (a) Member Booklet
- (b) Investment Choice Booklet
- (c) Approaching Retirement Booklet

Ongoing Engagement:

To keep members informed of the Scheme and the ongoing activity associated with it, the Trustees:

- (a) Issue a cover letter with the Annual Benefit Statement.
- (b) Issue two Newsletters each year.
- (c) Arrange for members to be engaged with by the scheme advisors at regular intervals but particularly when they are within 15 years of retirement.

Member Presentations:

The Trustees have arranged for regular presentations and / or one-to-one consultations for members as agreed with each employer. This is currently not possible in view of Covid restrictions, so the Trustees are looking at alternative ways to maintain engagement with members in 2022.

The Trustees will agree a member engagement programme for each year with the scheme advisor team

Pre-Retirement & Life Planning Seminars:

The Trustees host a series of Pre-Retirement & Life Planning Seminars, which are held during the year to which members (and their partners) who will be retiring within 5 years are invited to attend. In view of Covid restrictions, the seminars in 2022 will be organised via Teams call if needed.

REMUNERATION POLICY:

The Trustees have published a Remuneration and other Charges Policy, which documents how fees and other charges incurred by the Trustees and the members have been agreed and how they are reviewed on an ongoing basis. The Trustees recognise that they have a legal responsibility to act in the best interest of their members. An important part of this responsibility is to ensure that the Scheme members are obtaining value for money. The Trustees acknowledge that in determining value for money, the costs and charges need to be assessed against the benefits & services provided.

Written Policies:

The Trustees have written remuneration agreements with a range of third parties who provide services to the Trustees and the members:

- Irish Life as the administrator of the pension scheme.
- Cornmarket as who administer both the life assurance scheme and also the administration fee which they collect from each employer and remit to the Trustees on a monthly basis.
- James Skehan who is the Scheme's Professional Trustee.
- The National Federation of Voluntary Service Providers Secretariat who provide support staff and office facilities to the Trustees.
- Michael O'Hanlon and Company who audit the Trustee Annual Report and Accounts.

Review of Charges:

The Trustees undertake a regular review of all charges incurred by the members and the Trustees including:

- Regular engagement with Irish Life to review the management charge paid by members as the fund size increases.
- A market review/ RFP to be undertaken every 3-5 years to identify the most suitable pension provider taking into account the quality of the service offering and the cost of same.
- The cost of the group life unit rate is reviewed every 3-4 years and this market review is managed by Cornmarket on behalf of the Trustees.
- The Trustees will typically seek three quotations for any professional services that are required and follow the "open procedure" as per the EU Directive 2014/24/EU where required and the successful tenderer will be selected on the basis of the Most Economically Advantageous Tender (MEAT) received.
- The Trustees will seek to negotiate reduction in associated charges such as the level of commission on life assurance and indemnity insurance premiums at renewal / review dates.

OUTSOURCED ACTIVITIES:

The Trustees have a number of agreements with third parties who provide professional services to the Trustees and these arrangements are governed by written agreements with each of the parties.

Irish Life:

Irish Life are the appointed Registered Administrator for the NRVSP Pension Scheme and there are two agreements in place from January 2022:

- (a)** An Administration Services Agreement
- (b)** A Service Level Agreement.

Cornmarket:

Cornmarket manage the administration of the group life scheme and undertake market reviews every 2/4 years. The current review was completed in December 2019 with Zurich offering the most competitive unit rate for the next 4 years at which stage a new market review will be completed.

National Federation of Voluntary Service Providers Secretariat:

The Trustees obtain the services of the Pension Scheme Manager and administration back up for the Pension Scheme Manager, together with the provision of office and related support facilities.

Auditor:

Michael O'Hanlon & Co is the current appointed auditor for the scheme. It is intended that following completion of the pension administration RFP that quotations will be sought from a number of audit firms to tender for the audit business for the following three years.

Professional Trustee:

James Skehan is the appointed Professional Trustee (from January 2020, on a 3-year rolling contract).