


National Federation of Voluntary Service Providers
Pension & Life Assurance Scheme
Annual Report 2023



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Pension Authority No: PB67866

Revenue Approval No: SF7346

PENSION TRUSTEES: Mr. John McHugo, (Chairman);
Ms. Pauline Brennan; Mr. Francis Coughlan; Ms. Deirdre Herlihy
and Mr. James Skehan (Professional Trustee).

OVERVIEW OF SIZE OF PENSION SCHEME:

The National Federation of Voluntary Service Providers Pension & Life Assurance Scheme has grown significantly since its establishment in 1996, where, as at 31st December, 2023, there were:

- ✚ 25 employers participating in the Scheme.
- ✚ 8,317 members (5,499 active members and 2,818 deferred members).
- ✚ Scheme's fund value under management was nearly €335m, most of which is invested in the Default Strategy for the Scheme i.e., Personal Lifestyle Strategy (PLS).
- ✚ Monthly contributions amounted to approx. €2m.

The number of participating employers in the Scheme increased from 24 to 25 during 2023, with the inclusion of Prosper Fingal joining the Scheme in March 2023.

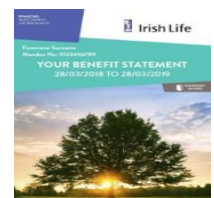
IRISH LIFE AS REGISTERED ADMINISTRATOR AND INVESTMENT MANAGER:

A workplan was developed between the Trustees and Irish Life in 2023 which aimed at increasing pension awareness and information for members of the Scheme. This was achieved in a number of ways including:

- ✚ Providing members with access to a full suite of Pension Scheme information available on the National Federation's Website, including [Pension Booklets and forms](#); [Videos](#); [Webinar Recordings](#); [Newsletters](#); [Investment updates](#); [Trustees Annual Report and Financial Statements](#). The Trustees continued to update the content on the Federation's website to ensure it was accurate and easy to access for members.



- ✚ Annual Pension Benefit Statements were issued to member's home address, which provided members with details in respect of their pension contributions paid; outlined the fund(s), and its value, the member is invested in; provided the member with an estimate of the likely benefits that will emerge in respect of the member at their Normal Retirement Date i.e., their 65th birthday.



- ✚ Online Member Portal – members no longer have to wait for their annual Pension Benefit Statement to know the value of their pension fund, they can now view same at any time via their Member Portal. Further details on the Member Portal and a video on how to register is available [here](#)



- ✚ The Trustees, in conjunction with Irish Life, hosted 3 online group presentations for members of the National Federation's Pension Scheme during March 2023. The presentations covered: Why save for Retirement; Pension Contributions and Additional Voluntary Contributions (AVCs); Investment Options, including Environmental, Social and Governance (ESG) considerations and Responsible Investing; Outline of how members can review their pension fund online via the Irish Life Member Portal.



A recording of the online presentation content is available to view on www.fedvol.ie (click on pensions tab).

✚ Irish Life Engagement Team contacted all employers of the Scheme to offer their services and come and present to members in a group at their place of work. Engagement with employers is monitored by the Trustees at their quarterly meetings to ensure employers facilitate these presentations for members.



✚ Members can contact their Irish Life Advice Team point of contact for one-to-one meetings regarding their pension fund. The [Advice Team member](#) assigned to each employer and their relevant contact details is available on www.fedvol.ie (click on pensions tab).



In addition to all the above information / tools / advice available to all Scheme members, members with 15 years to retirement in 2023 were also:

✚ Invited to attend a “Countdown to Retirement” online webinar held on 6th December, 2023. Invitations were issued via employers and information on how to register was also available on the [Retirement Planning Seminars](#) section of the Federation website www.fedvol.ie. A recording of the “Countdown to Retirement” online webinar is available to view [here](#).



✚ Members received a “nudge” communication via email or when they were logged into their Member Portal to not forget to engage with their [Advice Team point of contact](#); reminders of webinars being organised for them on different themes appropriate to them etc.



Again, in addition to all the above information / tools, members with 5 years to retirement in 2023 were:

✚ Invited to attend a Retirement Seminar. The Pension Trustees, in association with Irish Life, organised Retirement Planning Seminars to support and provide valuable information to members of the Pension Scheme as they approach retirement. Employers were requested to invite Pension Scheme Members in their organisation who were due to retire over the next 5 years to attend. 3 seminars took place during May and July 2023, one each in Dublin, Tullamore and Charleville, where a total of 82 attendees participated.



✚ Issued with a personalised letter from their [Irish Life Advice Team](#) point of contact inviting them to engage with them so members have:

- a clear understanding and expectation of what their pension fund will be at retirement.
- Understand what way they will draw down their pension fund at retirement.



✚ On the Federation’s website a dedicated “[Approaching Retirement](#)” Section was included and updated. This section provides members with a wealth of information for members approaching retirement including:

- [Approaching Retirement Video](#).
- [Approaching Retirement Booklet](#).
- [Pension Trustees summary document outlining how a member can draw down their pension fund at retirement](#).



- [Contact details for the Irish life Advice Team point of contacts.](#)
- Outline of what documentation / information a member will be required to submit to Irish Life to process their retirement claim.
- Summary of what is an Annuity (pension for life) and an Annual Retirement Fund (ARF), and the advantages and disadvantages of each retirement option.
- Document on why you need to ensure your salary figure held by Irish life is up to date, especially in your final 5 years to retirement.
- Timeframe involved for drawing down pension benefits at retirement.

TRUSTEES MONITORING OF IRISH LIFE AS BOTH REGISTERED ADMINISTRATOR AND INVESTMENT MANAGER:

In accordance with the Pensions Authority Code of Practice (Chapter 2.40), the Trustees in 2023, were required to monitor Irish Life as Registered Administrator and Investment Manager on a quarterly basis. An annual review was also carried out and the contents of same were shared with Irish Life, who also provided feedback to the Trustees on the matters raised.



APPOINTMENT OF AN EXTERNAL AUDITOR:

Following a tender process, Mazars were appointed as the Scheme External Auditor in 2023 for a 3-year period, commencing with auditing the Scheme's year end accounts for 31st December, 2022.



As required by Pension Legislation, the Trustees prepared a Trustees Annual Report (TAR) and Financial Statements for year ended 31/12/22 and circulated same to each participating employer and recognised Trade Union in line with the 30th September, 2023, deadline for completion.



A copy of the TAR and Financial Statements for year ended 31/12/22 are available on the National Federation's website www.fedvol.ie (click on pensions tab).

KEY FUNCTION HOLDERS:

The Trustees continued to work with the Scheme's appointed 2 external Key Function Holders (KFHs) as follows:

- Risk Management:** Mr. Frankie Cronin, Grant Thornton, 13-18 City Quay, Dublin 2.
- Internal Audit:** Mr. Tom Gilligan, Align Advisory Limited, The Charlemont Exchange, Dublin 2.

K F H

The following work was carried out by the Key Function Holders during 2023:

Risk Management:

IORP II introduced the concept of a Risk Management Key Function Holder to assist the Trustees in:

- Preparing the Risk Management Policy.
- Preparing the Scheme's Own Risk Assessment (ORA).
- Gathering information necessary to identify risks to the Scheme.
- Organising, assessing and (where appropriate) the measuring and quantifying of risks.
- Identifying potential controls that may facilitate mitigation of identified risks.
- Advising on matters relating to risk management, and
- Monitoring ongoing management of identified risks and providing the Trustees with appropriate updates regarding same.



Having regard to the above, the Risk Management Key Function Holder carried out the following work during 2023:

- Shared the following draft documents for review/updating and sign off by the Trustees:
 - o Risk Management Policy
 - o Risk Appetite Statement (RAS)
 - o Key Risk Indicator (KRIs)
- Grant Thornton provided feedback to the Trustees on their Risk Register.
- Grant Thornton provided a gap analysis on the Scheme's policies and procedures. The Trustees considered this feedback and incorporated any gaps into the different policies.
- Work commenced on drafting an Own Risk Assessment (ORA) for the Scheme. A workshop was held with the Trustees on 30th August, 2023, to assist in the initial drafting of the ORA. A first draft was considered by the Trustees in Q4 2023 and work will continue in 2024. The ORA is required to be signed off by 22nd April, 2024.

Internal Audit:

IORP II introduced the concept of an Internal Auditor Key Function Holder to complete the following key tasks:

- Assess whether governance and risk management are working effectively.
- Provide assurance that controls have been adequately defined.
- Identify control weaknesses and make recommendations for correcting problems.
- Monitor regulatory compliance.
- Challenge current practices when appropriate.
- Identify areas where training is required.
- Document and report on findings.



Having regard to the above, the Internal Auditor Key Function Holder carried out the following work during 2023:

- Test 1: Member Contributions & Contributions. The objective of this exercise was to ensure that there are no eligible employees who have been omitted from membership of the Scheme for Pension & Life Assurance purposes and that their correct contributions to Irish Life and Cornmarket were submitted. The test concluded that in the main members are included in the Scheme and correct payments are being submitted. Where this is not the case, or where eligible employees are not included in the Scheme in line with the Scheme's eligibility rule, the Trustees are continuing to follow up with relevant employers to ensure the matter is addressed.
- Test 2: Review Trustees' Agenda and Minutes to ensure they are run in accordance with paragraphs 5 to 12 of the Code of Practice ("CoP"). IORP II requirements are driving a change in the format of agendas and minutes. It was noted that overall, the current agenda and minutes were comprehensive and contained the required items, however, some additional recommendations were provided from the IA KFH, which the Trustees incorporated into the drafting of agenda and minutes prepared following the test.
- Test 3: Review Scheme's Governance and Compliance Calendar. A number of recommendations were provided to the Trustees, including the addition of various tabs to keep records of all the work that has been done by the Trustees and their advisors. Some examples of this include the Fit & Proper Tab; Trustees Training Tab; Communications Log Tab; Member / Employer Queries Log and decisions agreed at Trustees meetings etc. The Trustees incorporated the recommendations into a new Governance & Compliance Calendar for 2023.
- Review of all Scheme Policies to ensure the Scheme is fully compliant by having all the required Scheme policies drafted.
- Provided feedback on the Scheme's Risk Register.

LEGAL WORK:

It was noted that delays were sometimes being experienced when dealing with death claims where a beneficiary was a minor and therefore a Trust had to be drafted. Accordingly, The Trustees engaged William Fry Solicitors in 2023 to draft a Trust Deed Template for minor beneficiaries which can be used in all future death claims where a Trust for a minor is required. The draft Trust template will be circulated to the solicitor who will be acting on behalf of the minor, and given their legal knowledge as a solicitor, they can either use the draft Trust Deed Template or modify same to reflect their situation.



The Trustees continued to engage with A&L Goodbody to carry out:

- (a) A review of the Scheme's Trust Deed & Rules.
- (b) Work on establishment of the Scheme as a Designated Activity Company (DAC) in line with EU IORP 11 Directive and the Pension Authority Code of Practice requirement. The Board of the National Federation were asked to be the sole Shareholder of the DAC and in turn they sought their own independent legal advice to clarify matters they needed to address.



It is expected that the above 2 pieces of legal work will be concluded in 2024.

POLICIES REVIEW:

The Trustees continued to review existing Scheme policies and develop new policies, where required, to ensure IORP 11 and the Code of Practice requirements were adhered to. Copies of the Scheme's policies are available on www.fedvol.ie (click on pensions tab)



PENSION SCHEME NEWSLETTERS:

The Trustees produced two newsletters in 2023 covering the following topics:

March 2023: Scheme Webinars & Retirement Planning Seminars; Pension Benefit Statements; Trustees Workplan for 2023; Review of Trustees' activity undertaken in 2022 and other relevant pension information.



October 2023: Budget 2024 – Implications for Pensions; Importance of Members Engaging with the Pension Scheme; Market Update to 30th September, 2023; Countdown to Retirement Online Webinar – 6th December, 2023; Employer Pension Workshop – 21st November, 2023; Trustees' Annual Report & Financial Statements for year ended 31st December, 2022; Outline of how members can make lump sum AVC payments into their pension fund and claim back tax for 2022 before the Revenue deadline of 31st October, 2023.



Copies of the above newsletters are available to view on www.fedvol.ie (click on pensions tab).

TRUSTEES MEETINGS:

The Trustees convened 7 meetings in 2023. The Trustees also participated in other Team / Zoom meetings with Irish Life, Cornmarket, Key Function Holders for Risk and Internal Audit; the Scheme's External Auditor; legal advisors etc.

PENSION SCHEME WORKSHOP FOR PARTICIPATING EMPLOYERS:

A Pension Scheme Workshop for all participating employers in the Scheme was held on 21st November, 2023, in the Tullamore Court Hotel. The event was attended by CEOs and personnel from both management and operational level to ensure employers are fully aware of all their legal and compliant requirements under relevant pension / employment legislation & regulations, and implications of same on the Pension & Life Assurance Scheme.



James Skehan, the Scheme's Professional Trustee, provided an overview of the Pension Scheme; Who's Who in the Pension Scheme; Implications of late joiner process in respect of Group Life; Working Beyond Age 65 and Implications on Pension Scheme; Outline of information available on Federation website www.fedvol.ie (click on pensions tab); Pension Scheme Administration Manual to be circulated to employers in 2024; Auto-Enrolment; Budget 2024 and Implications for Pensions.

Irish Life provided a review of the Scheme's Administration Procedures and outlined the new procedures for new entrants and leavers; Data Renewal Exercise 2024; Secure-Share; Overview of both the Engagement Team and Member Advice Team and what work both teams do; Outline of the Member Portal and online supports available to members.



Cornmarket presenters outlined details of the Group Life Scheme and in particular, the fact that only members who join the Pension Scheme on the same day they join their organisation for employment are covered for group life. Any member joining on a later date is deemed a late joiner and employers must follow and apply the late joiner procedures. Their life cover is not automatic until confirmed by the Group Life underwriter.



Cornmarket also advised that the Group Life Scheme is up for renewal and the outcome of same will be advised to employers in early 2024.

ADMINISTRATION & COMPLIANCE:

The National Federation Secretariat via the Pension Scheme Manager continued to provide administrative support to the Pension Scheme Trustees in 2023 and acted as point of contact for all key stakeholders to ensure the smooth and efficient running of the Pension Scheme i.e., Pension Trustees; Participating Employers; Irish Life; Cornmarket; Risk and Internal Audit Key Function Holders; External Auditor and legal advisors etc.



Most employers co-operated with the monthly return of pension contributions to both Irish Life and Cornmarket by their required timelines in 2023. All death claims, applications for retirement on grounds of ill health; pension adjustment orders, transfers applications and purchase of annuity forms etc., were all duly processed in a timely fashion.

In this regard, the Trustees would like to thank all employers for their co-operation in assisting the Trustees in discharging their duties and ensuring the Scheme is run efficiently and in compliance with the Scheme Rules.

