

New Trustee Training Requirements Issues and Opportunities



Hello.

By now you may be aware that there are new Trustee Training requirements which, in brief, means:

- that the trustees of any new scheme now have to undergo training within six months of the start of the scheme and have to repeat the training every two years, and
- the trustees of any scheme that existed before the 1st February 2010 have to undergo training every two years i.e. existing schemes have until 1st February 2012 to comply.

The implications of these requirements means that ALL trustees (including professional trustees) must undergo training, which not only captures one person arrangements but also extends to all of the Directors of a company where the employer is acting as trustee. The course provided by the Pensions Board is very comprehensive and is likely to take an individual over 9 hours to complete.

Despite this new layer of regulation we believe that the new requirements herald a considerable opportunity for ourselves and for you.

We are currently formulating the solutions that we will be bringing to the market in response to these new requirements, however in the interim we have highlighted below some of the opportunities that your business can look to exploit.

Become a Trustee Trainer

The requirement for trustees to undergo training does not mean that they must use the training course provided by the Pension Board. It is possible for you to devise your own course which the Board can approve. This would allow you to train your own clients and charge accordingly.

Establish your own Trustee Company

It is possible for you to act as a corporate trustee on behalf of your clients and typically this would be done through the establishment of a separate Trustee Company. Such structures do not necessitate prior Revenue or Pensions Board approval nor is there a need for you to be recognised as a Pensioner trustee. The directors would however have to satisfy the trustee training requirements themselves. This solution does allow you to offer a practical solution for your clients in addition to ensuring the longevity of your client relationship. Simultaneously you would also be generating a new income stream.

Migrate schemes to structures that remunerate you properly

We believe that the new Trustee training requirements will have a significant additional draw on your time going forward and this needs to be reflected in the level of remuneration you realise from a scheme. One of the most effective solutions is to link your remuneration to the assets of the scheme e.g. through Fund Based Renewal Commission. Standard Life offers comprehensive FBRC options that allow any level of FBRC between 0% and 1%.

Migrate paid up schemes to Buy Out Bonds (BOBs) immediately

The new trustee training requirements will also apply to paid up schemes however these obligations can be eliminated by winding up the scheme and moving the assets to BOBs. Again this represents an opportunity for you as you can be remunerated for the transfer. Standard Life offer one of the only self directed BOB contracts on the market and your Account Manager can brief you fully on our pricing terms.

We will continue to keep you up to date with the solutions that we are currently considering. In the meantime we hope you find these ideas useful. If you would like to discuss them in more detail please don't hesitate to contact our Pension Solutions Team:

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