

Corporate Department

# Pensions Update

Date: January 2015

## Pensions Update

### Recent Convictions for failure to remit pension contributions

In recent days a number of companies and their directors have been convicted in the Dublin and Arklow District Courts for failure to remit pension contributions within the statutory time limit.

The fines imposed ranged from €250 - €3,000 in relation to the fines imposed on the companies and from €250 - €3,000 in relation to the fines imposed on individual directors.

Commenting on the convictions, the Pensions Regulator, Brendan Kennedy, said, "This conviction should act as a warning to all employers and company directors that the Pensions Authority treats the failure of the employer to remit pension contributions as a very serious offence".

Under the Pensions Act 1990 (as amended), the Pension Authority has power to carry out investigations into alleged breaches of the Pensions Act and to ensure that trustees, employers, pension administrators and their advisers comply with their obligations to current and former employees in relation to their pension contributions and benefits

The Pension Authority has a responsibility to enforce the provisions of the Pensions Act 1990 (as amended) and regards non-compliance as a serious matter.

### Trustee Training

Trustees are required to receive training within six months of their appointment and at least every two years thereafter. The obligation to undergo training applies to all directors of a company which is acting as a corporate trustee, individual trustees, member trustees, pensioner trustees and professional trustees.

Where employers operate a scheme they have an obligation to arrange for the trustees of that scheme (and, in the case of a trustee which is a body corporate, for all the directors of that body corporate) to receive appropriate training.

However, the above obligation does not extend to an employer having to provide appropriate training for:

- (a) a pensioner trustee, or
- (b) a professional trustee.

Where an employer breaches their obligation to provide appropriate training they may be prosecuted.

Where a trustee fails to undertake appropriate training, they may be subjected to an on-the-spot fine.

For further information on this topic please contact: Joy Compton, Associate, Corporate, E [jcompton@efc.ie](mailto:jcompton@efc.ie)