



BULLETIN FOR:

TREATMENT OF MEMBERS ELIGIBLE FOR EARLY
RETIREMENT ON WINDING-UP

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2. Any member of the plan who is within 10 years of the NRA and satisfies any relevant conditions set out in the constitutive documents obtains the consent of the employer to proceed on early retirement, on or before the effective date of the winding-up.
3. Subsequent to the member's post becoming redundant, the member being within 10 years of the NRA elects to retire early.

It should be noted that plan members who are within 10 years of the NRA, and subject to any other conditions set out in the constitutive documents, who do not fall under items (1), (2) or (3) above, should be treated as active members with entitlements to:

- a refund of their own contributions; and
- a deferred pension pursuant to section 29(4) of the Act.

In addition, when carrying out the terms of the constitutive documents there should be appropriate regard to section 12(1) of the Pensions (Superannuation Funds and Retirement Schemes) (Governance) Regulations, 2006 ("Governance Regulations").

Section 12(1) of the Governance Regulations states –

"Information disclosed to participants, beneficiaries and their representatives shall be clear, accurate, complete and timely and where the use of technical jargon is unavoidable it shall be accompanied by an explanation in simple language"

3. CONCLUSION

On the basis of best practices, all members of a pension plan that is to be wound up who are eligible for early retirement should be given the opportunity to consider all the relevant benefit options and be provided with other pertinent information that would allow them to make an informed decision. Disclosure of this information will clearly outline the options available to a member, that is, early retirement or to be treated as an active member.

Further, where such a pension plan has been approved and registered by the Financial Services Commission, a benefit statement must be provided to the members of the pension plan in compliance with regulation 12(2)(b) of the Governance Regulations.

Questions regarding this bulletin may be directed to:

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