



		Code of Practice 15: Authorisation and Supervision of Master Trusts <sup>8</sup> .
23	<p><b>Remuneration policy.</b> This sets out the requirements for IORPs to establish and apply a sound remuneration policy in a manner that is proportionate to their size and internal organisation, as well as to the size, nature, scale and complexity of their activities. It also sets out the specific principles required of the remuneration policy.</p>	<p>Regulation 3, paragraph (7) – requires that the Code to be issued by the Pensions Regulator must address remuneration policies.</p> <p>There is corresponding provision in the following regulations and Codes of Practice; Public Service Pensions Act 2013, Pension Schemes Act 2017, The Occupational Pension Schemes (Master Trusts) Regulations 2018, Code of Practice 09: Effective Scheme Governance, Code of Practice 14: Governance and administration of public service pension schemes.</p>
24	<p><b>Key functions.</b> This sets out the general provisions for the key functions IORPs must have in place; a risk-management function, a function which internally evaluates adequacy and effectiveness of the system of governance internal audit function and where applicable an actuarial function and how and by whom these functions shall be carried out.</p>	<p>Regulation 3, paragraphs (3), (5) and (6) – requires that the Code to be issued by the Pensions Regulator must address the key functions, written policies in relation to them and the prior approval of those written policies and their review.</p>
25	<p><b>Risk-management.</b> This sets the requirement for the assessment and management of risks to the functioning of the scheme and to the members and beneficiaries where applicable. It should include the ways in which to mitigate those risks, and all other mitigations the trustees have in place.</p>	<p>Regulation 3, paragraph (3)(a) – requires that the Code to be issued by the Pensions Regulator must address the key function of risk-management.</p>
26	<p><b>Internal audit.</b> Sets out the requirement for IORPs to have a function in place which internally evaluates adequacy and effectiveness of the system of governance including where applicable outsourced activities</p>	<p>Regulation 3, paragraph (3)(b) – requires that the Code to be issued by the Pensions Regulator must address the function which internally evaluates adequacy and effectiveness of the system of governance.</p> <p>There is corresponding provision in Code of Practice 09: Effective Scheme Governance.</p>

<sup>8</sup> [Authorisation and supervision of master trusts | The Pensions Regulator](#)

27	<p><b>Actuarial function.</b> Sets out what the requirements of an effective actuarial function for those IORPs that provide cover against biometric risks or guarantees either an investment performance or a given level of benefits.</p>	<p>Regulation 3, paragraph (3)(c) – requires that the Code to be issued by the Pensions Regulator must address the actuarial function.</p>
28	<p><b>Own-risk assessment.</b> Sets out the requirements for IORPs to undertake and document their own risk assessments and that they should have in place methods to identify and assess the current and future risks that may impact on the its ability to meet its obligations. It prescribes the requirements of the risk assessment including that it must be carried out at least every 3 years or following any significant change in the risk profile of the IORP or pension schemes operated by the IORP.</p>	<p>Regulation 3, paragraph (8) – requires that the Code to be issued by the Pensions Regulator must address the own-risk assessment.</p> <p>There is corresponding provision in Code of Practice 09: Effective Scheme Governance.</p>
31	<p><b>Outsourcing.</b> Sets out how IORPs will be permitted to entrust any activities including key functions and the management of those IORPs to service providers whilst remaining fully responsible for compliance with their obligations under this Directive. There must be a written agreement, which is legally enforceable, between the IORP and the service provider clearly defining the rights and obligations of both parties.</p>	<p>Regulation 3, paragraph (4) – requires that the Code to be issued by the Pensions Regulator must address outsourcing and under paragraph (6) that there must be a written policy in relation to this, which is subject to prior approval and also reviewed.</p>