# 2026 Irish Master Trust Report

# Table of Contents

# 01 Market dynamics

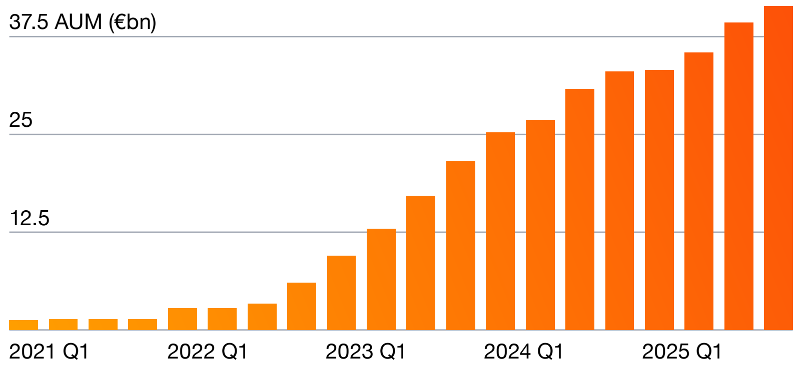
### Master Trusts are now the established direction of travel

**They are a permanent and increasingly dominant feature of the Irish pensions landscape**

**The Irish Master Trust market has grown rapidly over recent years, driven primarily by regulatory change, scheme consolidation and increasing demand for scalable, professionally governed defined contribution solutions.**

By October 2025, Irish Master Trusts held just over €40bn in assets and covered approximately 725,000 members. Against an estimated €78.2bn of total Irish DC assets at 31 December 2025, Master Trusts now represent around half of the DC market. This marks a significant structural shift in how workplace DC pensions are delivered in Ireland.

Irish Master Trust Market Growth




### Delay increases risk and limits options

**Employers need to take a forward-looking, strategic view rather than waiting for regulation or risk to crystallise**

**Growth to date has been largely regulation led. The implementation of IORP II materially increased governance, compliance and trustee requirements, prompting many small and midsized standalone schemes to transition into Master Trust arrangements. This resulted in a period of accelerated consolidation and rapid increases in both membership and assets.**

With many of the schemes most exposed to immediate regulatory pressure having transitioned, a period of stabilisation has materialised. However, a wave of further growth looms. Further regulatory developments are expected to re-accelerate growth and drive activity in this space, namely the introduction of scheme authorisation, increasing trustee resource requirements and rising expectations around member outcomes and post-retirement support and solutions, including the introduction of in-scheme drawdown.

As Ireland's Master Trust market grows and matures, international evidence highlights the increasing importance of scale. While direct comparisons with larger jurisdictions such as the UK should be treated with caution, the underlying principle remains relevant. Scale underpins cost efficiency, regulatory resilience, investment capability and the capacity to make sustained investment in technology and member experience. In the UK, market commentary increasingly points to minimum viable thresholds — for example, £25bn of assets by 2030 — as indicative of long-term competitiveness.

For employers, the focus should therefore extend beyond where a Master Trust sits today to whether it has a credible and sustainable long-term position. This includes understanding what is driving its growth, whether it has sufficient scale, and how well it is equipped to respond to further regulation, ongoing consolidation and evolving member expectations.

# 02 Market dynamics

### Regulatory expectations continue to rise

**Governance, authorisation, data, member outcomes and post-retirement support requirements are increasing, driving cumulative compliance and personal risk**

**Regulatory expectations for pension schemes in Ireland continue to rise, reflecting a broader shift towards more intrusive and increasingly outcomes-focused supervision. A combination of domestic reforms and EU-level initiatives will raise standards across governance, authorisation, data quality, value for money and post-retirement provision.**

While individual reforms will be phased, their cumulative impact is expected to be significant in shaping which pension schemes are able to operate sustainably over the longer-term. Authorisation is anticipated to be introduced in the near term, with the full impact of other planned regulatory developments — including in-scheme drawdown and value for money requirements — likely to emerge over the coming years.

For employers, this sharpens the focus on whether their pension arrangements are well positioned to meet both current and emerging regulatory expectations, to deliver strong and transparent member outcomes, and to enable continued investment in the proposition.

### Pension schemes face growing complexity and reputational risk

**Even large schemes must reassess long-term sustainability, particularly in light of authorisation and in-scheme drawdown**

## Scheme authorisation

**Ireland is expected to introduce a formal pension scheme authorisation regime, with legislation anticipated by the end of 2026 and implementation from 2027 onwards. The initial focus is expected to be on Master Trusts, followed over time by large defined contribution schemes and, ultimately, defined benefit schemes.**

Obtaining authorised status is anticipated to carry an upfront cost, currently estimated at around €25,000–€30,000, adding further resource demands to an increasingly onerous regime for organisations running a standalone pension arrangement. Master Trusts have already engaged with the Pensions Authority's Supervisory Review Process and are generally expected to pass authorisation; the process may be more challenging for standalone schemes.

**Scheme authorisation represents a significant shift from periodic compliance towards continuous regulatory oversight, incurring material additional cost and resource**

Under an authorisation regime, schemes will be required to obtain and maintain authorised status from the Pensions Authority in order to operate and continue to benefit from tax-relieved contributions. This will require ongoing compliance with the Pensions Act, IORP II and increasingly demanding expectations relating to governance effectiveness, financial sustainability and value for money. Supervision is expected to become more intrusive, with a stronger emphasis on continuous oversight rather than periodic compliance reviews.

The introduction of authorisation also signals a rebalancing of regulatory responsibilities, and while the role of the Pensions Authority will change, this has implications for the role of the Revenue Commissioners also, which pension schemes should factor in.

## In-scheme drawdown (ISD)

**Proposals are progressing to allow defined contribution members to remain within their occupational pension scheme after retirement and draw down benefits over time. A consultation on in-scheme drawdown closed in January 2026.**

In-scheme drawdown would materially extend the role of pension schemes beyond accumulation into the decumulation phase. While this has the potential to improve continuity, choice and outcomes for members, it also increases governance, operational and investment complexity. Trustee responsibilities would continue into retirement, requiring enhanced oversight of investment pathways, communications, data quality and member support at a point where outcomes become more visible and more sensitive to decision-making.

This will represent a step change in the activities of a pension scheme. Managing accumulation is significantly different to managing decumulation, given the significantly greater complexity that arises in the decumulation phase.

Objectives in decumulation are far less uniform and depend on individual circumstances and aspirations, including factors such as the rate of drawdown, wider wealth and the availability of other income sources, the health of the individual, tax, estate planning and related matters.

**In-scheme drawdown represents a major expansion of scheme responsibility, requiring stronger governance, better data and greater operational capability**

In accumulation mode, euro-cost averaging works in favour of investors saving for retirement; by contrast, drawing an income in retirement when markets may have fallen in value works against retirees, as it leads to a permanent loss of capital. The need for an appropriate balance between taking investment risk and protecting capital from market volatility is more acute. Technology and data will play an outsized role in the drawdown process.

Experience from other markets suggests that in-scheme drawdown is most effectively delivered by authorised Master Trusts and larger schemes with sufficient scale, systems and expertise. If introduced, it is therefore likely to act as a further catalyst for consolidation, as schemes reassess whether they have the capability and appetite to manage the additional complexity and risk associated with supporting members through retirement.

## Value for money

**Regulators at both EU and domestic level are placing increasing emphasis on value for money, reflecting the broader shift towards outcomes-focused supervision. Regulatory expectations are moving beyond cost transparency towards a more holistic assessment of whether charges are justified in the context of governance quality, investment performance, service delivery and member outcomes.**

For example, in the UK this has led to more structured value for members assessments for schemes, increased benchmarking across the market, and greater regulatory scrutiny of underperforming arrangements, with an expectation that schemes unable to demonstrate value will consolidate or take remedial action.

While formal value for money frameworks continue to evolve, the direction of travel is clear. Pension schemes will be expected to clearly articulate and evidence how their operating and charging structures deliver fair value to members. Increased use of data is expected to enable more granular, comparative and outcomes-focused supervisory assessments over time, placing greater scrutiny on both costs and the benefits delivered in return.

**While these initiatives won't in isolation result in wholesale structural change, they will contribute to the wider ratcheting up of regulatory expectations. This will place increasing emphasis on operational resilience, data governance and the ability to demonstrate sustained value for members in an increasingly transparent and comparable regulatory environment.**

## Wider EU developments

Alongside domestic reforms, wider EU initiatives will reinforce existing regulatory themes. This includes the review of the IORP II Directive (often referred to as IORP III) and the introduction of the Financial Data Access (FiDA) framework, which is intended to create common rules and technical standards for secure, permission-based sharing of customer financial data across providers. These will introduce stronger governance standards, improved risk management, enhanced data quality, greater transparency and increased supervisory insight into costs and member outcomes.

## Questions for employers <u>in</u> a Master Trust

1. Do we have sufficient comfort that our Master Trust is meeting current and emerging regulatory requirements, including DORA, scheme authorisation, data expectations and evolving value for money scrutiny?
2. How well positioned is our Master Trust provider to respond to further regulatory change and increased supervisory scrutiny?
3. Does the Master Trust's governance and operating model support transparency, efficiency and strong member outcomes?
4. Does our Master Trust provider have the governance, scale and systems required to support in-scheme drawdown effectively, should it be introduced?
5. How will costs, value for money and member outcomes be monitored through the decumulation phase if in-scheme drawdown is offered?
6. Are we comfortable with where responsibilities sit between the employer, the Master Trust Trustee and providers as the scope of services extends into retirement?

## Questions for employers <u>not</u> in a Master Trust

1. Do we have the governance, systems and data capabilities required to meet rising regulatory expectations, including authorisation and value for money assessments?
2. What additional cost, time and management focus will be required as regulation becomes more intrusive and outcomes-focused?
3. Are we confident that our scheme can evidence value for money under increased regulatory and supervisory scrutiny?
4. Is the regulatory burden detracting from our ability to focus on employee engagement and retirement outcomes?
5. Is it realistic or proportionate for us to manage the additional governance, operational and regulatory complexity associated with in-scheme drawdown within a standalone scheme?
6. Would a Master Trust arrangement provide a more sustainable and efficient approach to managing regulatory compliance while supporting evolving retirement and decumulation options?
7. Are today's pension decisions sufficiently future-proofed as retirement options and regulatory expectations continue to evolve?

# 03 Sustainability of Master Trusts

**As the market is shaped by these near-term developments, longer-term challenges arise. The UK market, for example, is currently undergoing a consolidation phase, driven by new requirements set out in the Pension Schemes Bill, enacted on 29 April 2026. Master Trusts are now expected to achieve £25bn in assets under management (AUM) by 2030, or at least hold £10bn with a credible plan to reach the £25bn threshold by 2035.**

This policy is designed to encourage fewer, larger providers, enabling greater pension capital to flow into productive finance, improving long-term outcomes and value for money for members. As a result, the market is seeing sub-scale providers squeezed out and an acceleration of mergers and acquisitions, particularly among those Master Trusts able to meet or exceed the scale requirements. This environment is also prompting group personal pension plan (GPP – the equivalent of the Irish retail pension market) transfers to gravitate towards Master Trusts that can demonstrate the necessary scale.

It is reasonable to speculate that a similar experience could emerge in Ireland.

Consolidation is not without its challenges. The largest Master Trusts will need to invest substantially in technology, administration, and operational processes to manage the influx of assets and members, with legacy issues and reputational risk presenting significant concerns.

### Differentiation is about proposition quality

**Technology, data and AI capability, operational resilience, scale and future readiness now matter as much as cost and investment**

**Due diligence during acquisitions will focus heavily on data quality, administration capabilities, and scalability, as acquiring underperforming or ill-prepared targets could threaten operational efficiency.**

This gives a clear direction of focus for employers either seeking to appoint a Master Trust provider or assess their existing one; signalling the importance of connected, efficient systems, and the employer and employee experience it drives. Servicing, cost and investment performance are important factors in selecting a Master Trust provider – however overriding these factors is an assessment that the Master Trust provider has a sustainable long-term business plan, reflecting the changing pension regulatory environment.

### Master Trust decisions are strategic business decisions

**Employers are seeking long-term partners with scale, financial strength and commitment — not just lower cost**

# Questions for employers in a Master Trust

**1**

Is our Master Trust growing, and what is driving that growth — new employers, ongoing contributions or investment performance?

**2**

Does our Master Trust have sufficient scale today, and a credible strategy to remain competitive and sustainable over the long-term?

**3**

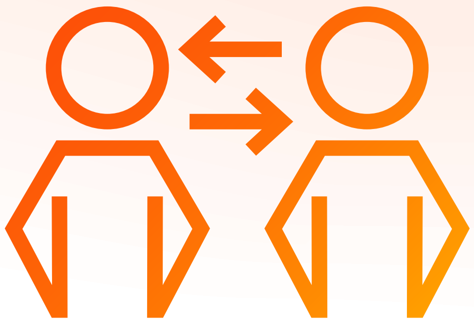
What does the latest Trustee Annual Report tell us about financial strength, investment in the proposition and long-term commitment to the Irish market?

**4**

What does our Master Trust's technology roadmap look like, and how does it compare with alternatives available in the market?

**5**

Is our Master Trust more likely to act as a consolidator or become a consolidation target, and what would either outcome mean for our employees?



# 04 Oversight

**With this focus on long-term sustainability and the need for continued investment by Master Trusts, it is clear that the decision to move to a Master Trust is not "set and forget" — employers should continue to oversee value delivery, innovation and alignment with future regulatory and member needs.**

By maintaining a strategic oversight role, employers can influence key decisions, drive improvements in service standards, and safeguard the alignment of the pension arrangement with their broader organisational objectives. In this way, employers play a vital part in fostering a culture of accountability and innovation within the Master Trust market, supporting both compliance and positive member outcomes.

**Standalone Trusts**
Employers retain maximum control, including trustee appointments, scheme design, investment choices, and administration arrangements. This high-touch model is resource-intensive and places significant compliance and governance demands on employers.

**Active Master Trust Oversight**
Employers participate in a multi-employer trust governed by an independent trustee board. Control is exercised primarily through provider selection and ongoing monitoring, with limited availability to influence day-to-day operations or bespoke scheme features.

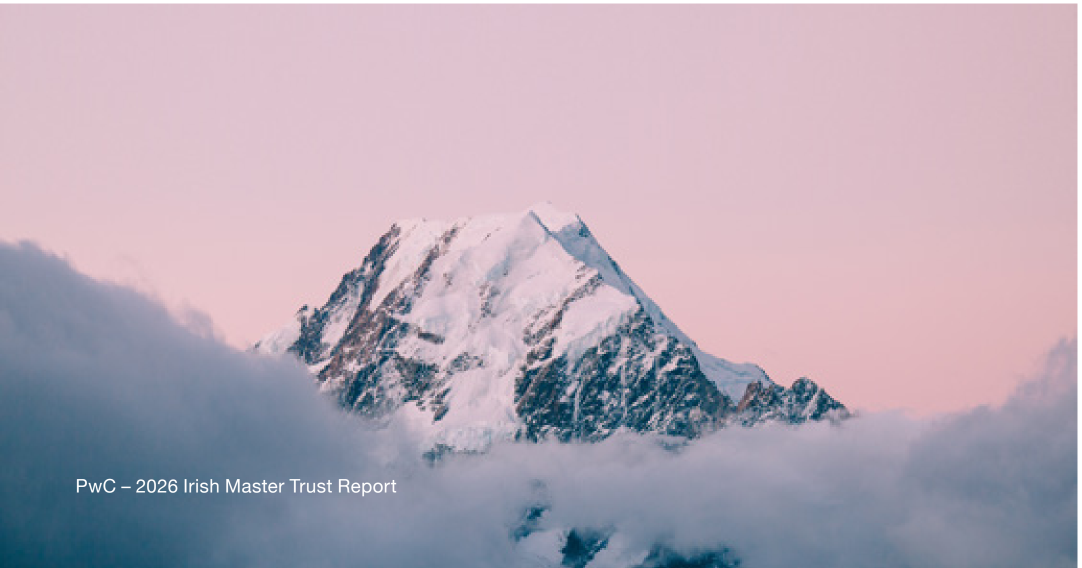
**Passive approach**
Employers opt to take a hands-off approach, relinquishing all oversight of Master Trust operations and relying entirely on the trustee board to manage scheme governance and member outcomes. While this minimises employer involvement and resource commitment, it may expose employers to reputational risks if issues arise and can lead to a lack of alignment between pension provision and broader organisational objectives.

## What does oversight look like?

**The market is coalescing around the view that the optimal employer role in a Master Trust structure is one of strategic engagement rather than operational oversight. We see employers increasingly focus on setting the overall objectives for their workplace pension provision, ensuring alignment with their broader employee value proposition, and monitoring the performance of the Master Trust provider against agreed service standards.**

This approach allows employers to maintain influence over key decisions—such as scheme selection, contribution structures, and member communications—while delegating regulatory compliance, investment governance, and day-to-day operations to the professional trustee board.

Employers are seeing that this model fosters greater consistency, reduces conflicts of interest, and enables them to leverage the expertise and scale of specialist trustees and administrators. However, it is essential for employers to remain engaged, particularly in holding providers to account for service delivery and member outcomes.

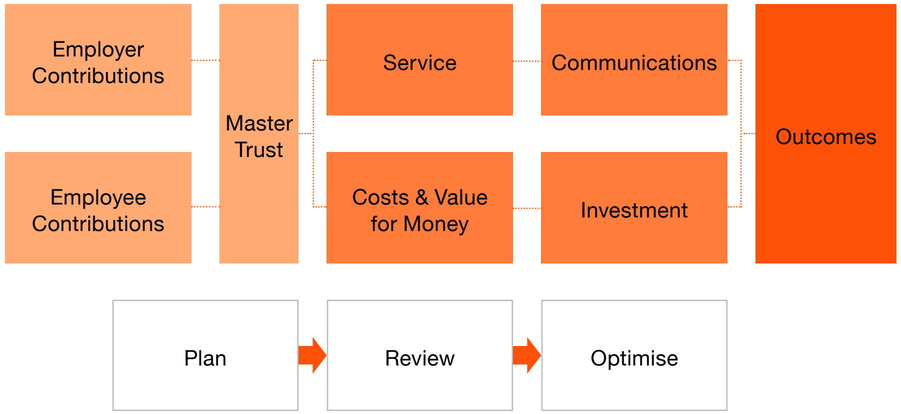


## Pension committee approach

**The committee is responsible for setting strategic objectives for the pension arrangement, reviewing and monitoring the performance of the Master Trust provider, and ensuring the scheme remains aligned with the employer's broader organisational goals and employee value proposition.**

In practice, this means the committee should assess whether the pension offering continues to support the employer’s talent, reward and retention objectives, including the extent to which contribution structures, member communications, digital experience and retirement support remain relevant to the workforce. Framing oversight in this way helps ensure the pension arrangement forms a strategic component of the overall employment proposition and a visible part of how the organisation supports the financial wellbeing of employees.

Scrutiny of service standards, member outcomes, and regulatory compliance, empowers the committee to escalate concerns or recommend changes where necessary. This ensures that employers retain meaningful influence over key decisions and maintain accountability for the quality of pension provision, even within the framework of a Master Trust.



## Questions for employers <u>in</u> a Master Trust

1. What mechanisms are in place to monitor the performance of our Master Trust provider, and how can we hold them to account for service delivery and member outcomes?
2. Are our organisational objectives and employee value proposition aligned with the features and governance of the Master Trust arrangement?
3. What risks—regulatory, operational, reputational—are associated with our chosen oversight approach, and do we have clear contractual and escalation processes to address potential issues?
4. Does our appetite for control reflect our available resources and the complexity of regulatory requirements, or would a strategic engagement model better support improved retirement outcomes for our employees?

## Questions for employers <u>not</u> in a Master Trust

1. Would transitioning to a Master Trust reduce our administrative and compliance burdens compared to the current standalone trust arrangement?
2. How would moving to a Master Trust impact our ability to tailor pension benefits and maintain direct relationships with trustees and service providers?
3. What are the potential risks and reputational implications if we relinquish control and rely on an independent trustee board for scheme governance?
4. How could a Master Trust solution support our broader organisational objectives and employee value proposition more effectively than our current model?
5. What steps should we take to ensure oversight and accountability if we decide to move away from direct operational involvement in pension scheme management?

# Thanks

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