LCP powering possibility

LCP Ireland Master Trust Survey 2026

Scale, oversight and the next phase of Ireland's DC market

August 2026

Welcome to the third edition of our Irish Master Trust ("MT") survey

This year's report comes at a time of significant changes in the Irish pensions industry with the commencement of auto-enrolment in January 2026 significantly increasing pension coverage among Irish workers.

Since the implementation of IORP II in 2021, the market has experienced significant changes, driven largely by regulatory requirements and the need to meet enhanced governance standards. With implementation now complete, this adjustment phase has largely come to an end.

The MT market has now entered a more mature stage, with increased operational scale amplifying differences between providers; differences which may materially affect member outcomes in years to come. Competition between providers is becoming more pronounced, supported by broader propositions and changing expectations from both employers and members.

This report examines how the MT market has developed over 2025 and comments on some of the key factors driving innovation and competition.

Gareth McKenna
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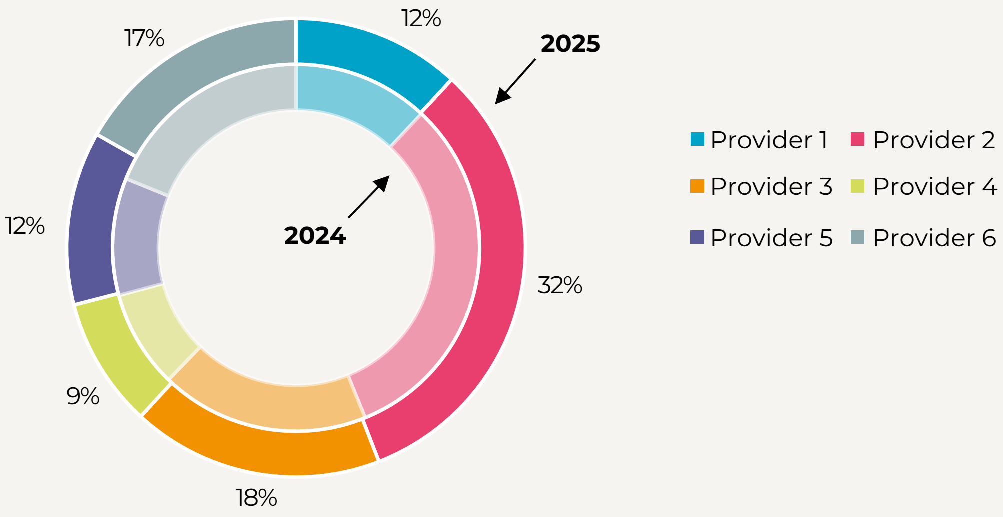
What's inside?

Market movements over 2025

Provider market share by assets at YE2024 and YE2025



	Assets under management	Scheme members
MT market analysed:	€ 31bn	613,000
Largest MT:	€10bn	194,000
Smallest MT:	€3bn	21,000

Key Statistics

17%
Asset growth in 2025

€940m
Size of largest employer in MT

25%
Membership growth in 2025

€5.0m
Average asset size of employers in MT

This year's participating Master Trust providers:

Employee Benefit Consultancies	Life Insurance Companies
LifeSight (Willis Towers Watson)	Irish Life
Mercer – A Marsh Business	New Ireland Assurance
Aon	Zurich

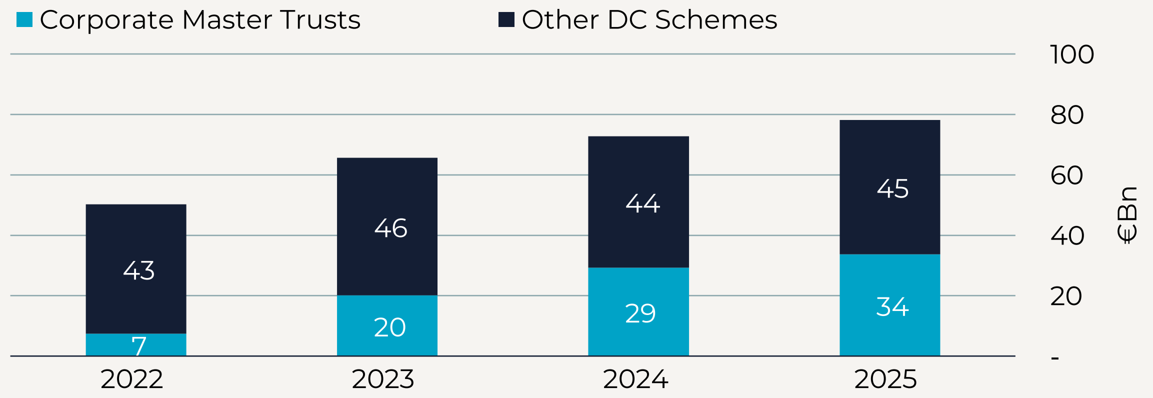
Market developments and highlights

The Irish DC pensions market has continued to expand, with the Central Bank of Ireland reporting total assets have reached €79bn by end-2025. Of this, corporate master trusts now account for over €34bn, reflecting strong growth in recent years. At the same time, the standalone DC market (which is around €41bn) is expected to become more concentrated as increasing regulatory expectations and governance requirements place pressure on smaller arrangements, supporting a continued shift into fewer master trusts.

Alongside this structural shift, master trust providers are continuing to evolve their propositions, with a focus on strengthening member engagement, digital capability and governance frameworks. Developments in 2025 include increased use of data analytics to support more targeted communications, enhancements to member platforms and retirement planning tools, and ongoing refinement of investment offerings, including sustainability-focused options and fund rationalisation. There has also been continued emphasis on governance, including enhancements to risk frameworks and trustee oversight, reflecting the broader supervisory direction.

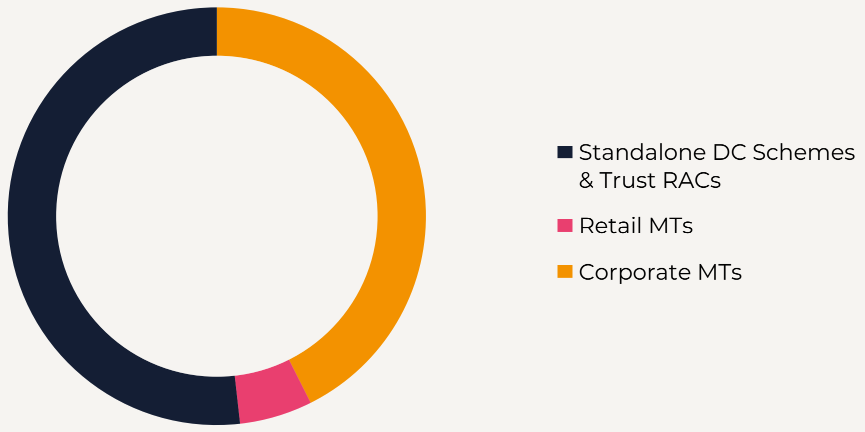
While there remains opportunity for growth, current trends suggest that larger, more established providers are likely to continue strengthening their position, supported by scale, operational depth and brand recognition. These factors are expected to play an increasingly important role in employer selection decisions as schemes seek solutions that can meet evolving regulatory expectations while delivering consistent member outcomes at scale.

Irish DC assets over recent years:



Source: LCP analysis

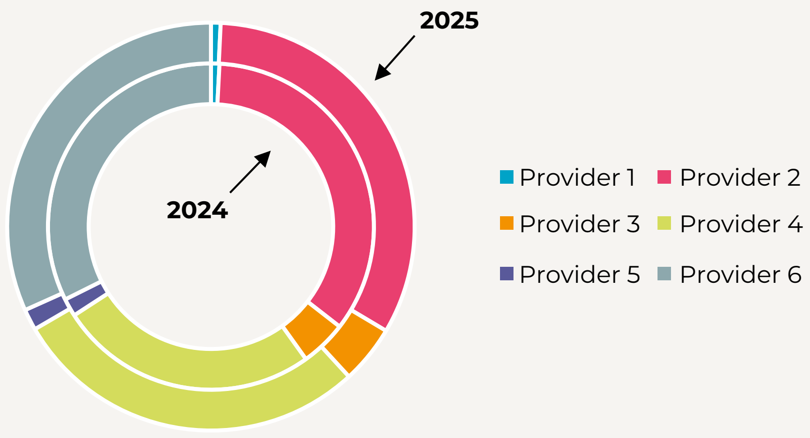
Irish DC market unpacked



Source: LCP analysis of Central Bank of Ireland Data

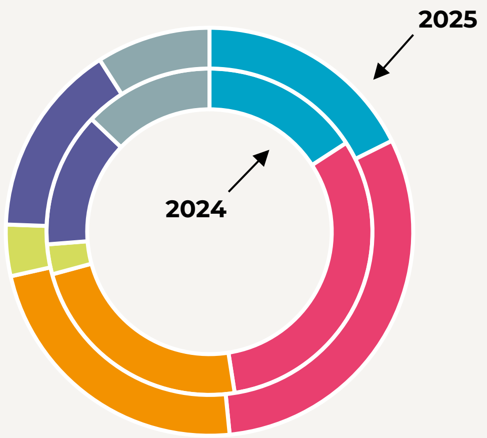
Provider market share varies materially by employer size

MT market share of "small" employers < €25m

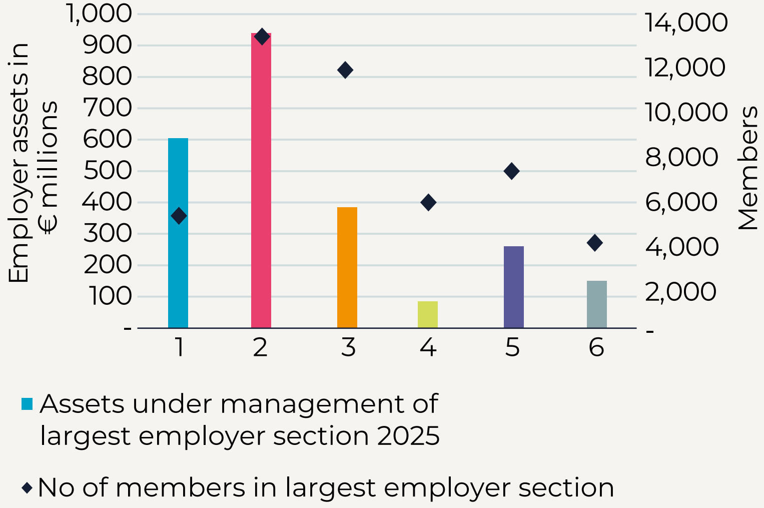


Source: LCP survey 2026

MT market share of "large" employers> €25m



Size of largest employer MT 2025



Source: LCP survey 2026

Provider market share varies significantly by employer size. For smaller employers, typically those with less than €25m in assets, the market is more concentrated and often dominated by life office backed providers. This reflects existing relationships, familiarity and the appeal of integrated solutions that require limited internal oversight. It is also likely to reflect an element of careful selection by some providers looking to avoid the small scheme market.

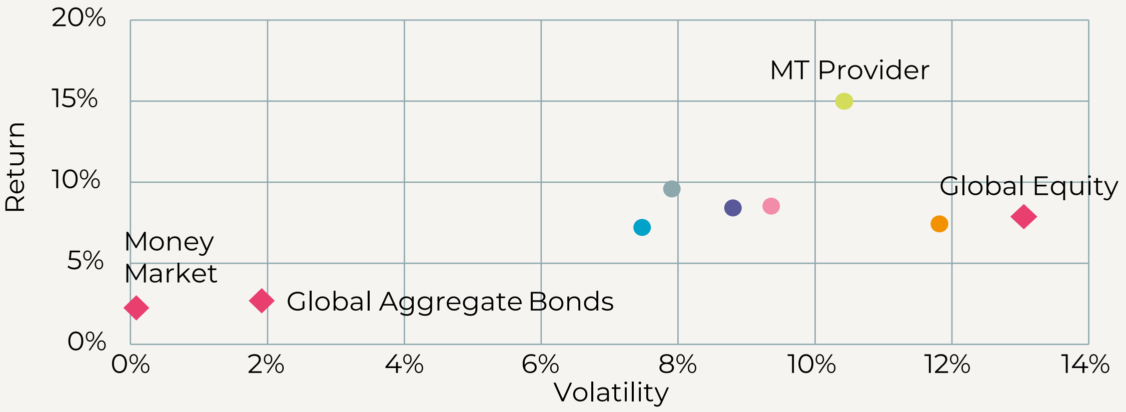
For larger employers, with assets above €25m, the distribution of market share is more balanced across providers. This suggests a more active approach to selection, with greater emphasis on assessing options and aligning provider capabilities with scheme requirements.

Smaller employers may tend to prioritise simplicity and this attracts them to a certain segment of the MT market.

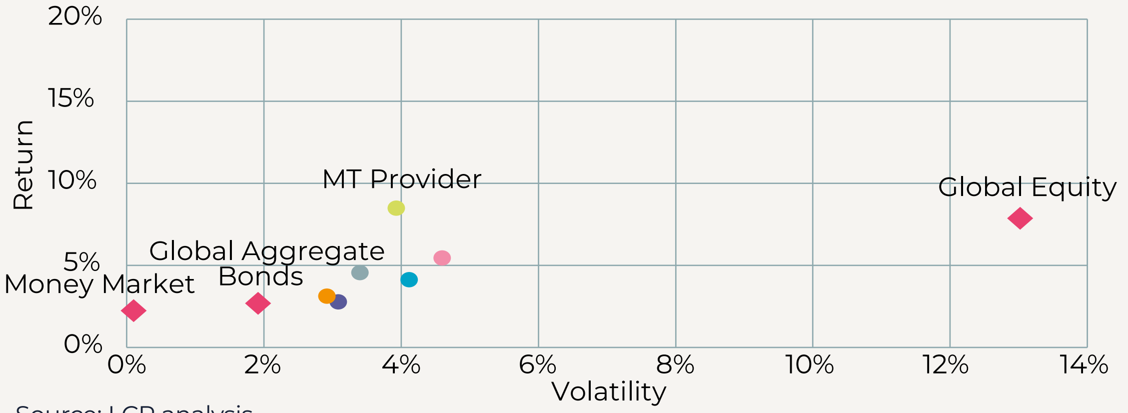
Investing for member outcomes

Performance of MT default investment strategies over 2025

Members far from retirement (20+ years)



Pre-retirement consolidation (1 year to ARF)



Source: LCP analysis

Annual default investment strategy performance leaderboard

The below table ranks the providers by their annualised performance of their growth stage lifestyle fund over the last three years. Note the providers analysed have been assigned a random letter to maintain anonymity.

Rank	2023	2024	2025
1	F	F	E
2	D	B	C
3	E	E	B
4	B	D	D
5	A	A	F
6	C	C	A

LCP Viewpoint

Investment performance remained relatively strong overall, however outcome dispersion between providers is increasing and is now material. Average returns were approximately 9% for members more than 20 years from retirement and around 5% for those approaching retirement. More notable is the increasing dispersion between providers. For members in the growth phase, outcome differences have widened, with a spread of around 8% between the strongest and weakest performers. Outcomes for those closer to retirement remain more aligned, reflecting similar approaches to de-risking. Providers are adopting different approaches to asset allocation, risk exposure and the timing of de-risking, leading to diverging member outcomes. Overall, continued refinement of investment propositions is paying off with some providers notable performing better against the peer group than in previous years. Note that Provider F posted strong investment performance in 2023 and 2024 due to their investment management style. However changes to the geopolitical environment added headwinds to the provider's strategy in 2025.

Comparing member outcomes

Investment returns remain a key driver of outcomes, but differences between providers are now large enough to meaningfully affect retirement adequacy. As a result, the risk–return profile of these strategies has a direct and sustained impact on long-term member outcomes.

The chart illustrates how this translates into outcomes in practice for a typical member, assuming a starting pot of €30,000, median salary, a total contribution rate of 10% and charges of 1%. Over the past five years, the average master trust has delivered returns of around 8% a year, compared with 10% for the strongest and 7% for the weakest, resulting in a gap of around €10,000 over five years, a difference that compounds significantly over a working lifetime.

These differences are largely explained by variations in default strategy design. Higher allocations to growth assets have supported stronger outcomes, although approaches remain inconsistent and not always transparent to employers where reporting focuses on short term performance rather than long term strategy design. However, as geopolitical uncertainty continues, more conservative approaches may pay off in future years.

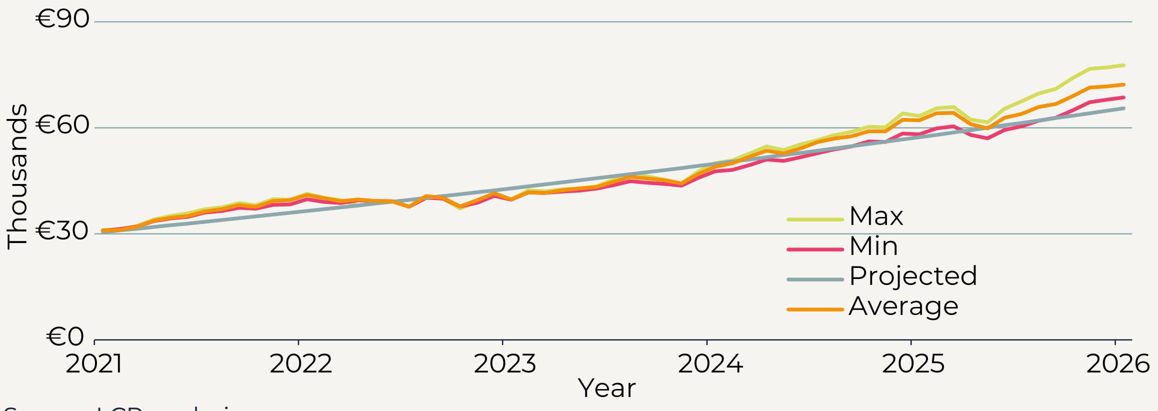
€72,000
Average pot

8%
Average return

10%
Best return

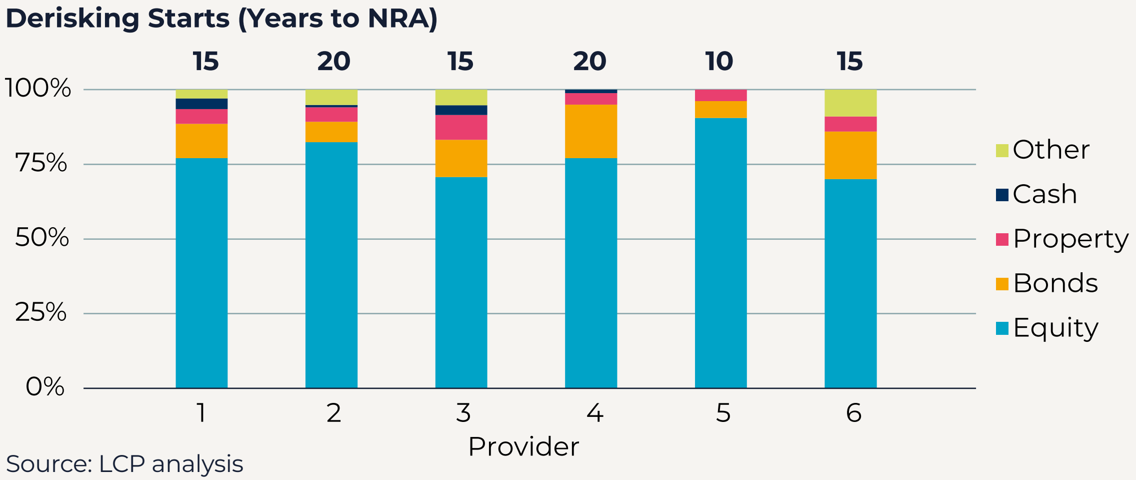
€10,000
Outcome gap

Estimated average contributor pot



Source: LCP analysis

Growth phase asset allocation



Source: LCP analysis

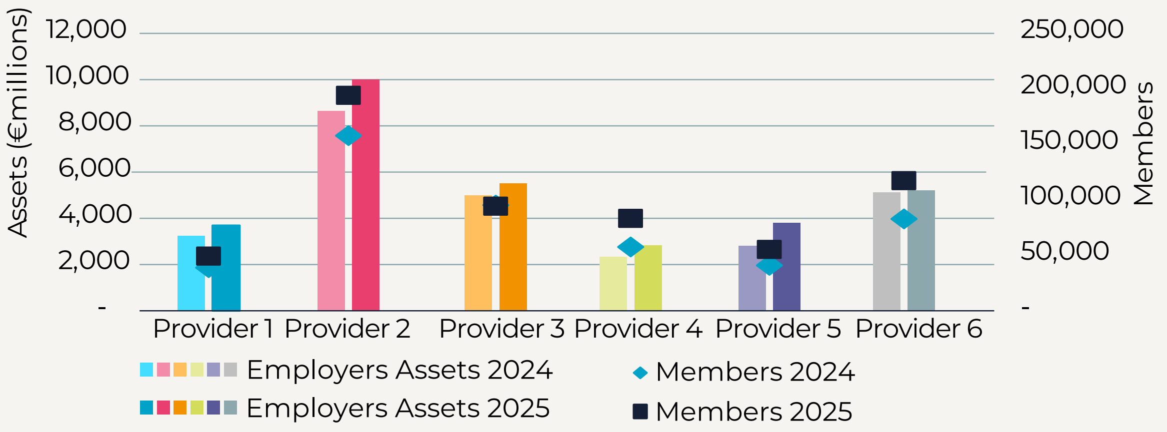
Auto-enrolment reshaping the market

Auto-enrolment represents a significant structural shift, placing immediate pressure on provider scalability, service quality and employer support. Within the first two months of launch, it had already reached approximately 800,000 employees and 100,000 employers, generating around €320 million in contributions.

Many companies opted to expand existing occupational arrangements rather than enrol members into MyFutureFund. This expansion continued master trust membership growth which is testing provider operational resilience, with delivery at scale becoming a key differentiator. Higher volumes of contributions, onboarding activity and member queries are reinforcing the importance of scalable administration, robust processes and effective employer support. At present, this growth is mainly seen in headline membership figures, with a surge in new entrants ahead of the January 2026 deadline contributing to a decline in average pot sizes towards the end of 2025. As this new cohort of members begin to build their retirement savings over the coming years, it will be interesting to observe how providers respond and adapt.

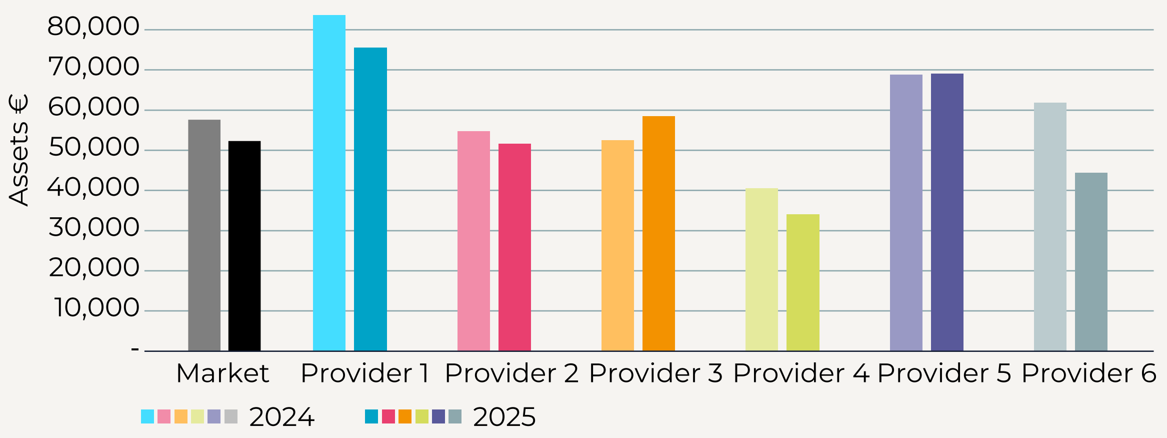
Furthermore, auto-enrolment is prompting a wider review of the Pensions Act, with amendments expected in late 2026 or early 2027. These amendments could potentially align aspects of the occupational pension's framework more closely with the auto-enrolment regime. Areas of focus are likely to increase both regulatory consistency and scrutiny, particularly for larger arrangements such as waiting and vesting periods, minimum contribution requirements and scheme authorisation standards. There is also likely to be continued emphasis on governance expectations for larger master trust arrangements. These developments point to a more consistent, but also more demanding, regulatory environment for both providers and employers.

Master trust sizes



Source: LCP survey 2026

Average pot size



Source: LCP survey 2026

Impact of artificial intelligence

AI has had a transformational impact across the financial services industry and especially in MTs. Overall, AI is becoming more visible in scheme operations. Current use cases are focused on improving member servicing and administration with four providers actively using AI to support query handling and operational processes. This boost in productivity has helped providers meet the challenges of the recent wave of auto-enrolment members.

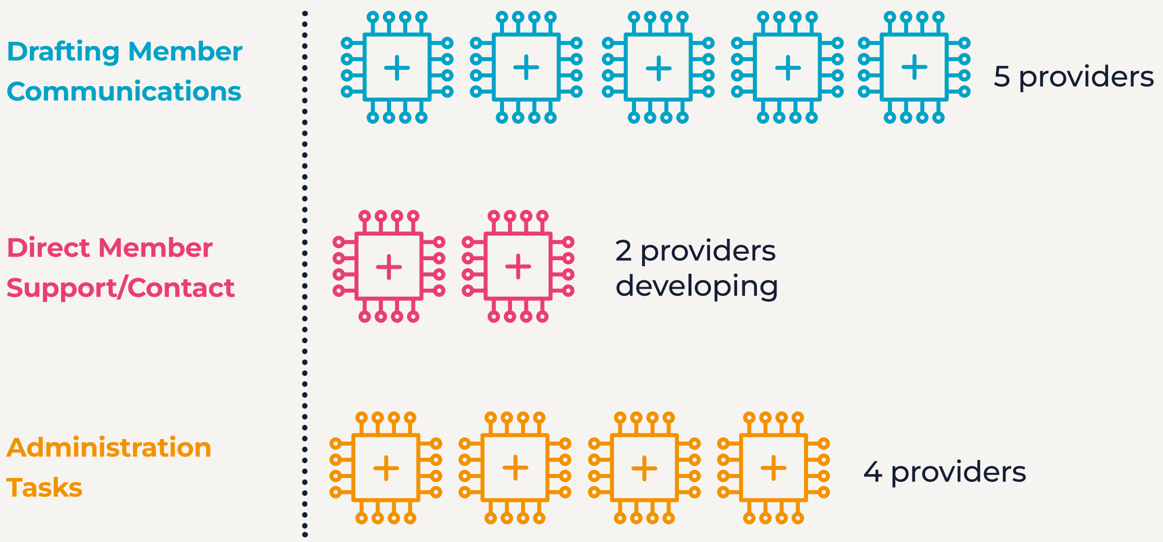
Five providers also responded that they are currently using AI to enhance member communications. With large amount of member data being digitally enabled through member portals and apps these smart integrations are enabling more timely and relevant member communications.

Some providers are also exploring how AI can enhance personalisation and improve digital support with two providers developing AI chat bot facilities to answer front line member queries.

However, with the adoption of any new technology, some providers may still be exploring the risks of greater digital integration especially with the Pensions Authority activity focusing on digital operational resilience and cyber risk in the wake of the Digital Operational Resilience Act ("DORA").

In the near term, the emphasis remains on improving efficiency and responsiveness rather than fundamentally reshaping delivery models.

Use of AI in MTs

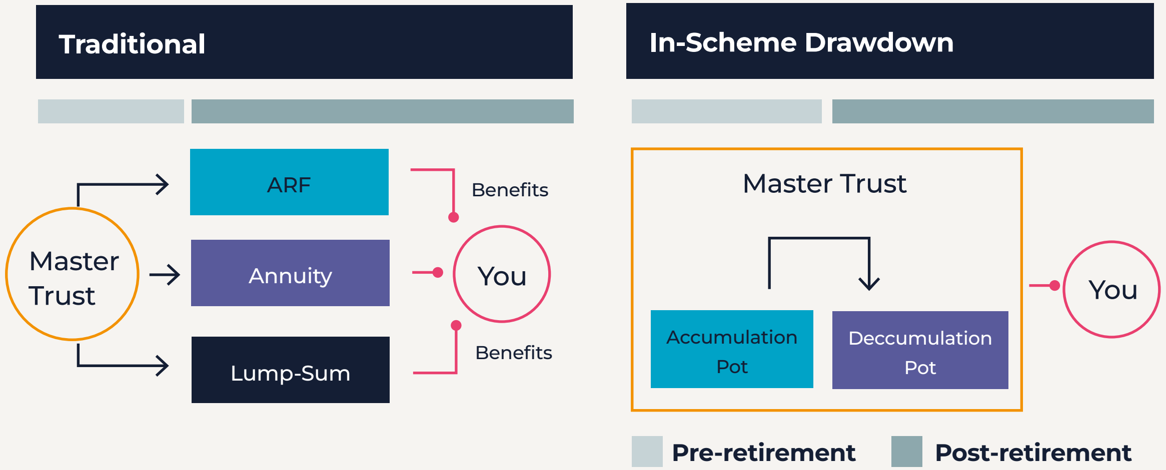


Looking ahead to 2027 and beyond

In-Scheme Drawdown

In 2025, the Pensions Authority launched a formal consultation on In-Scheme Drawdown, which has the potential to reshape how retirement income is delivered in Ireland. The proposal would allow members to access income directly from their occupational pension scheme, removing the need to transfer benefits to external post-retirement products such as annuities or Approved Retirement Funds.

If implemented, this would represent a fundamental shift in focus, requiring providers to develop new capabilities beyond the current member horizon. This extends beyond investment design to include governance, administration and member support throughout the decumulation phase. For employers, this raises new considerations around provider capability and the extent to which retirement solutions form part of the overall proposition.



Enhanced Pensions Authority Supervision

The Pensions Authority's 2025 supervisory findings reflect a continued evolution in expectations, with a clear focus on strengthening governance, risk management and oversight across pension schemes. There is increased emphasis on oversight of administrators and service providers, as well as operational resilience, particularly in IT, cyber risk and data governance, alongside ongoing development in investment governance and value for value assessments. This heightened regulatory focus, together with upcoming authorisation requirements, may drive further consolidation into master trusts while increasing operational demands on master trusts themselves.

Employment (Contractual Retirement Ages) Act 2025

This legislation strengthens employees' rights to work beyond a contractual retirement age below 66, requiring employers to justify any enforced retirement on objective and proportionate grounds. For pension schemes, this is likely to accelerate more flexible retirement patterns, requiring schemes to ensure rules, administration and benefit options can accommodate continued service and delayed retirement. Master trusts will need to deliver this flexibility consistently at scale across participating employers. Overall, the change reinforces the need for alignment between employment policies and pension design, supported by clear governance, robust processes and member communications.

Looking ahead to 2027 and beyond

Scheme Authorisation

The Government has indicated that all occupational pension schemes will be required to obtain formal authorisation, with no grandfathering of existing arrangements. Subject to the necessary legislation being approved by the Oireachtas, authorisation is expected to be introduced on a phased basis, with Master Trusts first, followed by DB schemes, and then DC schemes, with the process expected to be completed by the end of 2029.

Authorisation is intended to formalise governance, risk management and oversight standards that schemes should already be meeting in practice. A detailed authorisation framework is expected to be published in advance of implementation, providing greater clarity on the requirements schemes will need to satisfy.

A significant consequence of not obtaining authorisation is that schemes may ultimately face losing their Revenue approval status. This will introduce an additional layer of administration and regulatory engagement for trustees, employers and providers, and may require scheme documentation and governance arrangements to be reviewed and updated as part of the process.

An authorisation fee is also expected, although the structure and amount have yet to be agreed. Costs are expected to be significant given the level of resources the Pensions Authority will need to deploy to conduct detailed assessments, review governance frameworks and process large volumes of scheme data. The final fee structure is likely to depend on the scale of supervisory and operational capabilities required to support the new regime.

LCP Viewpoint

While many schemes have already invested heavily to comply with IORP II governance requirements, authorisation represents a further step-change in regulatory oversight. The combination of authorisation requirements, associated fees and the requirement to reapply for Revenue approval is likely to increase the administrative burden on schemes and may accelerate further consolidation within the Irish pensions market

Key takeaways

The key takeaways from our report are:

1. **Irish MT market continues to grow with 15% increase in assets and 25% in membership.**

2. **Default strategy design (exposure to risk assets) is a key driver of member outcomes to date**

3. **Differences in service delivery and member experience matter more than outright scale to employers**

4. **AI use is adding value in MT administration and operations**

The market has scaled, but selection has become more important

The Irish master trust market has entered a more mature phase, with strong growth now accompanied by increasing concentration and greater operational demands. Differences between providers are becoming more apparent, particularly in investment strategy design and member engagement, both of which are increasingly shaping real-world outcomes. As a result, employers are now operating in a more complex and higher stakes environment, where inaction or infrequent review may result in suboptimal outcomes persisting over time, with limited opportunity for correction.

For employers, the focus is shifting from accessing a master trust structure to selecting a provider that can deliver consistently over time. This includes the ability to operate at scale, manage complexity, support member decision-making and generate sustainable outcomes across the full savings journey in an evolving and more demanding market.

Thanks to the providers who participated in the 2026 survey

AON

NEW IRELAND ASSURANCE

Irish Life

LifeSight
Willis Towers Watson

MERCER
A MARSH BUSINESS

ZURICH

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