

The Pensions Regulator

Supervision and Enforcement Policy for master trusts

Response from The Pensions Management Institute *(version for PMI website)*

Response from the Pensions Management Institute to the Pensions Regulator's Consultation on the Supervision and Enforcement Policy for Master Trusts

Introduction

PMI is the professional body which supports and develops those who work in the pensions industry. PMI offers a range of qualifications designed to meet the requirements of those who manage workplace pension schemes or who provide professional services to them. Our members (currently some 6,000) include pensions managers, lawyers, actuaries, consultants, administrators and others. Their experience is therefore wide ranging and has contributed to the thinking expressed in this response. Due to the wide range of professional disciplines represented, our members represent a cross-section of the pensions industry as a whole.

PMI is focused on supporting its members to enable them to perform their jobs to the highest professional standards, and thereby benefit members of retirement benefit arrangements for which they are responsible.

Your details

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What category best describes you or your organisation?

Professional Body

(We do not wish any part of our response to be confidential)

Supervision (section 2 of the policy)

Question 1: The draft policy sets out our risk based approach to supervision. Is this clear and proportionate and if not, why not?

(Yes)

We are satisfied that the proposed approach is an appropriate and necessary approach to protecting members' benefits. The approach is described in a clear manner.

Question 2: Does the draft policy clearly set out that how a master trust conducts its activities may influence the way we deal with them?

(Yes)

The draft policy sets out clearly how the conduct of a master trust's management team will influence the Regulator's relationship with it in a clear and through manner.

Question 3: Are there any additional matters we should consider including in this policy or future guidance?

(No)

We are satisfied that the draft policy is thorough and describes in detail all factors relevant to the supervision of a master trust.

Question 4: Do you have any comments regarding the proposed routine and additional supervisory approaches and activities set out in the policy?

(Yes)

Our only comment would be to note that the approach as described can be expected to promote effective interaction between the master trust sector and the Regulator. We believe that this will play an important part in promoting public confidence in master trusts.

Enforcement (section 3 of the policy)

Question 5: Overall, is our approach to enforcing against master trusts clear and proportionate, and if not, why not?

(Yes)

We are satisfied that the proposed approach to enforcement is clear and that it is appropriately robust to safeguard members' interests.

Question 6: Is the draft policy clear about what we will take into account when deciding on enforcement action?

(Yes)

The draft policy is very clear about the factors that would be taken into consideration.

Question 7: Are there any additional matters we should consider when deciding on enforcement action in relation to master trusts?

(No)

We do not believe that any additional matters need be taken into account.

Withdrawal of authorisation (section 4 of the policy)

Question 8: Does the draft policy provide sufficient clarity on the circumstances in which we may move to withdraw authorisation of a master trust?

(Yes)

Clearly, the withdrawal of authorisation would occur only in exceptional circumstances. We are satisfied that these have been clearly identified in the draft policy.

Question 9: Is the policy clear on the steps we will take to initiate withdrawal of authorisation?

(Yes)

The steps are identified very clearly.