Pensions Aspects

www.pensions-pmi.org.uk

Edition 47 | February 2023

Pensions crunch & funding through inflation

CPD or not CPD, that is the question

LDI and the Gilt Market

Protecting pensions during turbulent times

Pensions Management Institute
Moving pensions forward

Pensions Certificate in ED&I with Nelu Solutions

BOOK NOW

NELU
CERTIFIED
INCLUSIVE BENEFITS PROGRAM OR PRODUCT DESIGN

Knowledge & Integrity

Pensions
Management
Institute
Moving pensions forward

Foreword

Inflation: Déjà vu all over again

Tim Middleton
Director of Policy and External Affairs, PMI

Forty years ago, the world was a very different place. Margaret Thatcher was approaching the end of her first term in office, and, basking in the approval ratings that followed the UK's triumphant Falklands campaign, was clearly destined to win the next General Election. The singles charts were dominated by bands who had emerged from the New Romantic movement, such as Duran Duran, Spandau Ballet and Adam and the Ants. The current Prince of Wales had just been born. Whilst much was so different, there was, however, one aspect of early eighties UK society that has become painfully familiar over recent months.

Last Autumn, the UK's rate of inflation reached over 10% - its highest for forty years. Whilst PMI's older members will remember inflation as the bugbear of successive governments during the seventies and early eighties, there has been an entire generation which has grown up in an environment of low inflation and for whom first-hand experience of high inflation is an unfamiliar and unsettling experience. A generation which has striven hard to save for a deposit on a first home now sees home ownership made impossible by ballooning mortgage rates. Buy-to-let landlords are finding that rental income is insufficient to service the cost of borrowing. Anxieties about the affordability of being able to heat a home and paying the weekly supermarket bill affect millions of people throughout society.

The impact of high inflation on the real value of pension assets has been particularly significant. Until this summer, many schemes' investment strategies were based on an assumption that inflation rates would remain at the same low rates that had applied for decades. Limited Price Indexation (LPI) remains geared to an assumption that inflation-linked pension increases will not, on a year-on-year basis, exceed 2.5%.

Two decades of Pension Increase Exercises (PIEs) have seen many discretionary pension increases extinguished by single lump sum payments, and many pensioners now face a potentially bleak future as they face significant increases to their cost of living with pensions that will not increase in future at all.

The challenges for the Government, as provider of State Pensions, look very serious. More than ever, the triple lock looks like a Faustian pact. In his Autumn Statement, Jeremy Hunt pledged that State pensions would continue to indexed in line with price inflation. However, the nature of the Dependency Ratio has seen a declining number of people in work required to support an expanding and ageing community of retirees. As State benefits take up ever more of the nation's Gross Domestic Product (GDP), an increasing number of commentators are asking if the triple lock can remain affordable beyond the immediate short term.

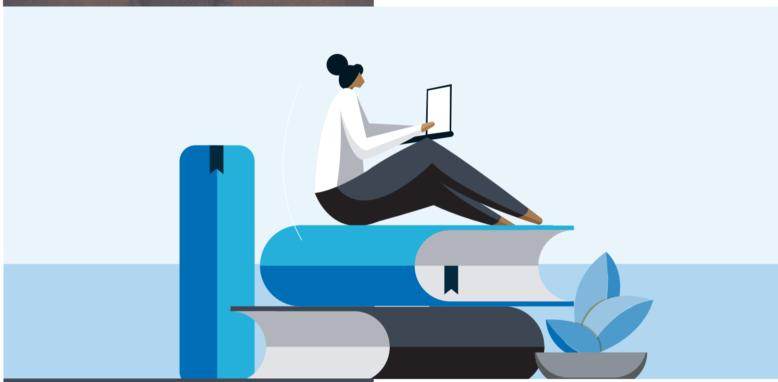
Perhaps the most striking impact of high inflation on the pensions system has been the turmoil experienced in the gilt markets and the subsequent effect on Liability Driven Investment (LDI) strategies. There is a lengthy piece in this month's edition that addresses the topic in detail. Clearly, trustees and their advisers were inadequately prepared for the sudden shock that struck the economy, and there are vital lessons for all of us to learn from this experience.

This month's edition of Pensions Aspects which addresses the challenges of managing a UK pension scheme during a period of high inflation. It acknowledges that the topic is a new and unfamiliar issue for many PMI members whilst identifying why trustees must change their investment strategies to manage threats posed by an economic challenge from an earlier age.
Plus ça change, plus c'est la même chose.

Contents

Issue 47 | February 2023

Features



Contacts

Head office
Devonshire House, 6th Floor,
9 Appold Street, London, EC2A 2AP

Membership:
+44 (0) 20 7247 1452
membership@pensions-pmi.org.uk

Learning and qualifications:
+44 (0) 20 7247 1452
PMIQualifications@pensions-pmi.org.uk

Commercial development:
+44 (0) 20 7247 1452
sales@pensions-pmi.org.uk

Finance:
+44 (0) 20 7247 1452
accounts@pensions-pmi.org.uk

Editorial:
+44 (0) 20 7247 1452
marketing@pensions-pmi.org.uk

PMI Academy Update

Spring 2023 exams

The Pensions Management Institute have opened bookings for the Spring 2023 exams and the deadline to apply is 3 February 2023. All learners and organisations are able to use the APPLY buttons on each qualification webpage to enrol themselves or learners on to the exams.

The Spring 2023 exams are being held on the following dates:

- Certificate in Pensions Calculations
  20 – 24 March 2023
- Retirement Provision Certificate
  29 March 2023
- Award in Pension Trusteeship
  29 March 2023
- Advanced Diploma in Retirement Provision
  11 – 14 April 2023

If you would like to enrol yourself or an employee onto one of the above qualifications, you are able to do so until 3 February 2023 via the APPLY buttons on each of the respective webpages.

We encourage all learners to also book on to a revision course as this will increase the chance of a learner passing their exam, as they have direct contact with a tutor who will take them through the preparatory material and answer any burning questions. The presentations and any additional documents will be shared with the attendees after the session.

Please note, revision sessions are not meant for any last-minute study or to cram in last-minute revision, they are a tool to enable learners to ensure they are on the right track with their study and go over knowledge they should already have up to a certain level. Similarly to Autumn 2022, we are offering a reduced rate for anyone who books onto a revision course and an exam at the same time via the package deal, which is at a reduced rate of £20 cheaper than booking the revision course at a separate time.

Advanced Diploma in Retirement Provision assignments are also offered to all learners and are a great tool to practise questions on topics from the respective study manual. Learners have the option to mark their assignments themselves or submit their assignments for marking by a PMI tutor. We encourage all learners to make use of this tool, as learners will receive specific individualised comments from a tutor regarding submitted assignments.

All learning materials have been updated for Spring 2023 and are available on the learning pages on each of the webpages included above. We encourage learners to make use of study time as early as possible, to give them a good fighting chance of passing the exams.

We wish you all the luck with your study preparation.

Membership update

Your membership, what's happening?

Membership Renewals

Thank you to all members who renewed their September 2022/23 membership subscription. We would like to remind you that the PMI Membership Team is working hard to ensure we continue offering valuable member benefits and we will be launching new benefits throughout 2023. Please also remember if your circumstances have changed and you are no longer working (working less than 10 hours a week) or have now retired we offer a reduced membership rate of £75, and please ensure you contact the membership team so we can update your record.

Trustee Group Membership Subscription for 2023

Ensure your voice is heard in developing best standards and practices in Trusteeship. Don't miss out on opportunities for valuable networking and expansion of your knowledge and skills as well as enhancing your employment marketability with PMI's Trustee Group membership subscription.

Trustee memberships were due for renewal on the **1 January 2023**, subscription renewal notices have been sent out to all Trustee Group individual members. If you have not received your renewal notice, a copy of this can be found in the 'My Transaction area' of your membership portal. Alternatively, please contact the Membership Department at membership@pensions-pmi.org.uk.

If you are an existing Trustee Group Board Scheme member, please contact the Secretary to the Trustees or the Responsible Person to ensure that your subscription is paid to renew your membership.

Trustee Board schemes can join the PMI Trustee Group (at a reduced rate of £105 per trustee). All trustees from the board must join to receive this discount. PMI Trustee Boards can receive additional benefits including the ability to sign up for collective training to be independently recognised by the PMI. For details of the full range of benefits as an individual or entire Trustee Board, see our website here for further details.

Continuing Professional Development (CPD) for all PMI members!

All PMI members can log CPD with the PMI

CPD demonstrates PMI members retain a consistent set of high quality, relevant skills and knowledge throughout their professional life. By completing CPD you ensure that you can demonstrate new knowledge, work to impressive standards, and show progress in your career in a changing and developing industry. Continuous professional development can also be an excellent self-motivation tool, as it reminds you of your achievements and progression. PMI's flexible and diverse forms of CPD learning give you the opportunity to find a learning approach that fits you best.

If CPD is not required to maintain your PMI membership or accredited status but you would like to log your CPD and maintain a record of activities undertaken outside of your work. You can download these reports and use them in your appraisal meetings with your employer to demonstrate your achievements.

It is a great way to have all your CPD activities logged and to demonstrate your passion and drive to thrive in your career goals. Please contact the Membership Department at membership@pensions-pmi.org.uk to have your online CPD recording tool activated.

CPD is compulsory for Fellow and Associate members (except where retired/non-working)

Under our CPD Scheme, PMI members are required to record at least **25 hours** during the year for 2022.

Please log on to the website and update your CPD record if you have not yet done so. A digital copy of your CPD certificate is available upon request. For a copy, please contact the Membership Department at **membership@pensions-pmi.org.uk**

Fellows and Associates who do not complete their 2022 CPD by the end of January 2023 for the year 2022 will be required to make up any shortfall in 2023.

PMI Student Essay Competition (Sponsored by ITM)

Thank you to all the participants who took part in our 8th student essay competition. We had 10 entries in total overall and the quality of the essays was of a high standard.

Details of our next student essay competition will be made available on our website **here**.

This is a fantastic opportunity to showcase your work and to raise your profile within the Pension industry.

If you are studying for a PMI qualification don't miss out on this great member initiative.

Our judging panel provides lots of handy tips that they are looking out which you can find on our website and feedback is provided to all entrants.

TOP 3 THINGS TO REMEMBER

1. Ensure you are answering the question (if there is more than one part to the question, make sure you are answering all parts).
2. Engage and excite the reader.
3. Set out the arguments clearly with concise and accurate knowledge.

PMI Mentoring and Development Programme (Sponsored by People's Partnership)

We are delighted to announce that we will be running a fourth programme with our current sponsor, People's Partnership and in conjunction with the Institute of Leadership and Management (ILM).

Thank you to all those who have applied to take part. Applications will be closing on Friday 3 March 2023 and we will be confirming pairs by 22 March 2023.

The success of this programme has gone from strength to strength and this member initiative is available to all PMI members.

Our third programme currently has 24 pairs on track to complete at the end of March 2023 and our fourth programme will commence at the beginning of April 2023.

Our third programme introduced guest speakers, experts within their fields presenting to mentees and mentors during the PMI quarterly progress catch-up calls. Topics included Mental Toughness, CV writing and interview techniques as well as leadership and building a successful team.

We will continue seeking expert speakers to present during these virtual sessions and will be running more events to provide touch points for mentees and mentors to network.

Taking feedback from current participants we will be providing a digital mentoring workbook with handy tips and techniques, and meeting note templates for pairs looking for just a bit more structure to their meetings to all fourth programme participants.

We will be running an end of programme and start of fourth programme event in Spring 2023 with old and new participants. This will give them a chance to network and share stories and reasons for taking part as well as for new pairs to meet F2F.

The event will include an awards ceremony and we will be giving prizes to participants who have been the most engaged and have demonstrated great achievements.

Details of our 4th programme are on our website **here**.

PMI Regional Group News

John Wilson
Head of Technical, Research and Policy, Spence & Partners

The Scottish Region held its first in-person event since 2019, jointly with the Society of Pension Professionals, in November.

Ernst & Young excelled as hosts for the event and the near -40 attendees were treated to presentations that aimed to have something for everyone -

- **DB schemes - Funding, Investment and Covenant update** – Jamie MacKenzie and Russell Laver, Ernst & Young
- **DC Schemes – DC update and Value for Money** – Jim Doran, DC & Individual Wealth at Mercer
- **All Schemes - The Single Code (including ESoG and ORA)** – Gillian Graham, Punter Southall Governance Services and John Wilson, Spence & Partners

There was then an opportunity for some long-overdue networking and catching up over an excellent buffet lunch.

The PMI Scottish Group are planning two similar events in 2023 – one in Glasgow and another in Edinburgh.

Martin Lacey
Pensions and Benefits Manager, Direct Line Group

The PMI London Group Committee hopes all our members found time over the festive period to relax and enjoy themselves ahead of the pensions challenges that 2023 will bring!

We'd like to thank Sackers for generously sponsoring our annual pub quiz and congratulate the winning team from Isio. It was a great get-together at Willy's Wine Bar with over 50 colleagues from Cardano, Direct Line, Isio, Arc Pensions, Pi Partnership, ITS, Ross Trustees, Sackers, LCP and XTP Group. We're already looking forward to the quiz next year! Thanks too to Ben, our quiz master from **caspar@quiz-live.com**

PMI London Group Education Committee was pleased to arrange a number of additional support sessions for students who took PMI exams in October 2022. These were held in September and the Education Committee would like to thank the following tutors for supporting the sessions: Tim Middleton, Adam Gregory, Rosalind Connor, Tamara Calvert, Ian Andrews and Alistair Strachan. We will be running support sessions again prior to the Spring 2023 exams and more information about the sessions will be shared in due course.

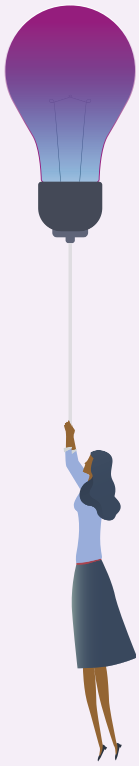
Remember to keep an eye out for details of our upcoming social events and business meetings via the PMI London Group LinkedIn Group.

PMI News

Sponsored By
itm
Solution delivered...

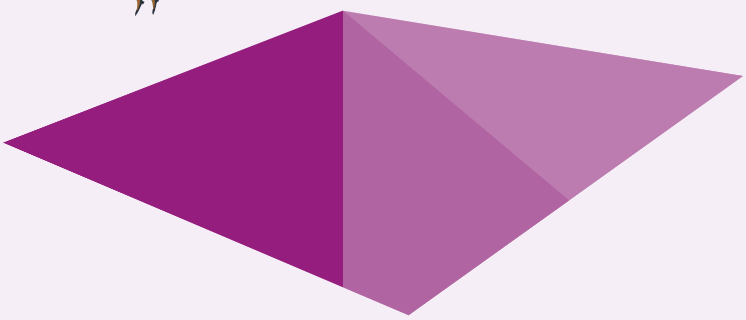
PMI student essay competition winner

Caitlin Watson
**Support Professional Trustee,
Dalriada Trustees Limited & Spence & Partners Limited**



Pensions dashboards are not a new concept but rather a concept that is becoming a reality for pension savers in the UK. On the 4 April 2019, the government gave the go-ahead for work to begin on testing and eventually regulating pension schemes to get 'dashboard ready'. It's difficult to comprehend what life in 20 years' time will look like but if we were to put a pensions dashboard into a time capsule and open it in 20 years what would we expect to be the potential benefits and pitfalls?

In a survey conducted by Britainthinks, 51% of individuals questioned agreed that it was challenging to access pension information with 70% agreeing that pensions were overly complex and complicated to understand. Within the 18 – 34 age bracket, 44% were of the opinion that it was only important to think about pensions when approaching retirement age. This was hugely contrasted by those aged over 65, with 96% disagreeing with this statement[1]. From the results, it is clear that there are some lessons that can be taken from those who have already gone through the retirement process. It provides pensions dashboards with the opportunity to promote a user experience to positively engage members with their pension and in 20 years' time it is possible the platforms could be widely used.



[1] Britianthinks: Pensions Dashboards Consumer Research: "A summary report of research conducted for the Association of British Insurers" (2021)

Potential Benefits

For a pensions dashboard to have longevity and maintain demand, they will need to provide a customer experience for members by being interactive and looking at taking individuals through a journey rather than just being a pension-finding tool.

Data Improvements

Currently in the UK, pension schemes are working on improving their data and platforms in an attempt to be dashboard ready ahead of their staging date. To provide a good user experience, providers need to ensure that individuals are seeing their benefits and that the information being illustrated is correct. Pension schemes are endeavouring to correct data issues and continuously developing their information with pensions dashboards in mind. Although in the future it would be prudent to assume that there will be huge improvements to the quality of data, the growth of the use of pensions dashboards is certainly contributing to more accurate data. For dashboards to be utilised the data needs to be precise to match members to their pension pots but also to provide them with estimations of their future pension benefits. Regardless, the success of dashboards, now and in 20 years' time, will be largely reliant on the reliability of data.

Member Engagement

To date, when a member is trying to locate their pension, it can involve time-consuming internet searching and contacting pension providers to locate 'lost' pensions. The concept of the dashboard, should it prove successful, will in theory eliminate searching and simply provide results on demand. 81% of individuals in the UK are either paying into or have a private pension. Well established pension dashboards should put the data in the hands of these members, providing the information to be fully aware of investments and entitlements.

Financial Planning Improvements

As with member engagement, another potential benefit of pensions dashboards is the possibility to provide members with an overview of not only their pension arrangements but other financial holdings.

Currently individuals can be overwhelmed with their finances, not just their pension information. Pensions dashboards have the opportunity to engage individuals to provide information to better support their financial needs. In 20 years' time, the dashboard could potentially feed into financial planning applications such as 'OpenMoney' which provides members with information such as their savings, mortgages, insurance policies and pension valuations. If the dashboards can integrate into these platforms, it should successfully promote a healthier and more educated population with a better understanding and oversight of their finances to aid planning for the future.

In Sweden, 'MyPension' has been available to members since 2004 and is continually updated to suit the needs of the user. Originally the platform would only illustrate members' deferred pension entitlements but improvements have been made to even illustrate pensions that are in payment. 'MyPension' has further evolved to providing functionality and support to members approaching retirement, providing models and information to help in planning their pension withdrawals[2]. Should a UK version of the pension dashboard follow similar developments and proactively make advances, it would not be unachievable to integrate with other financial planning applications changing the way members understand, plan and manage their financial portfolios.

Potential Pitfalls

Data & Accuracy

As much as data improvements could be a potential benefit in the future, this could also be the pitfall of pensions dashboards should there not be significant improvements or accuracy given to members. Currently, due to inefficiencies and inaccuracies, the data for pension schemes often requires the support of pension providers and administrators. If in 20 years' time the data for pension schemes has not made improvements, members will need to intervene, and likely favour traditional methods over the use of the pensions dashboard.

The investment into the development of pensions dashboards and the underlying data could reduce the funding available to support pension providers and administrators. This could result in a number of negative consequences, including the reduction of overall pension member engagement.

Currently, there are concerns regarding the safety of data and ensuring that individuals are not wrongly illustrated benefits or another individuals' details. If correct measures are not taken, it is not unreasonable that these issues could linger 20 years later. The accuracy of the illustrations will be immeasurable to the user experience and have direct influence on member engagement.

Take-up Rates

With all the work that is going to be required to improve administration platforms and data accuracy, there could be the potential that all the work results in a lack of engagement from members. Denmark have had their 'PensionsInfo' platform active for over 20 years and have found that although there is interest in their system, the members engaged are some of the highest earners in the country with large pensions and making substantial contributions. 'PensionsInfo' has a low uptake of only 40% of individuals who have low pension contributions of approximately £2,500 compared with 70% of higher earners who have signed up to the dashboard. Similarly in the Netherlands, having had their dashboard active for over 10 years, the highest usage of individuals are those that fall into age brackets 56-60 and 61-65[3]. These statistics show that higher earners who are approaching retirement age are the users of the dashboard which is a potential pitfall should the UK statistics follow similar trends. The aim of the dashboard should be to engage younger generations to understand their pension holdings and how to manage and plan for the future.

In 20 years' time, it isn't unimaginable that pension dashboards could be a key fintech tool that users will use regularly. If the UK platform providers learn from other countries' experience and continue to update their systems to meet the needs of the user, it would be difficult to imagine many pitfalls. However, the maintenance and upkeep of efficient, trustworthy systems is undoubtedly costly and in the future there is a possibility that the experience may be subject to a usage fee. Although usage fees unquestionably fall under the pitfall category, said fees could provide the funding required to deliver an exceptional experience that could be seen as an investment in a member's future. Not only providing the knowledge needed to correctly understand and engage with their benefits but also ensuring that pension providers engage with the platform continuously and keep data up to date. Therefore, a usage fee, although a pitfall could also allow individuals to gain the full potential from having access to the pensions dashboard.

Ultimately, pension dashboards have the potential to empower members by putting their pension information on an easily accessible, user-friendly platform. By providing members with a trustworthy, reliable system, the Pensions Dashboard puts essential future financial planning information in the hands of the member. Information that may otherwise be overlooked, particularly by younger generations. Providing members with data and educating members on their potential pension contributions and latterly entitlements could lead to increased pension contributions as a whole. In doing so the Pensions Dashboard could contribute to much wider, socio-economic change, increasing member independence by lessening reliance on the state.

If the Pensions Dashboard can encourage contributors to consider their long term investments and savings, particularly during a cost of living crisis, the benefits currently and in 20 years' time could well outweigh any pitfalls.

[2] Oliver Topping (Professional Pensions) – "Pensions Dashboards – lessons from overseas" (2022)
[3] Michael Klimes (Professional Pensions) – "What can the UK learn from Denmark to develop its own dashboard?" (2017)

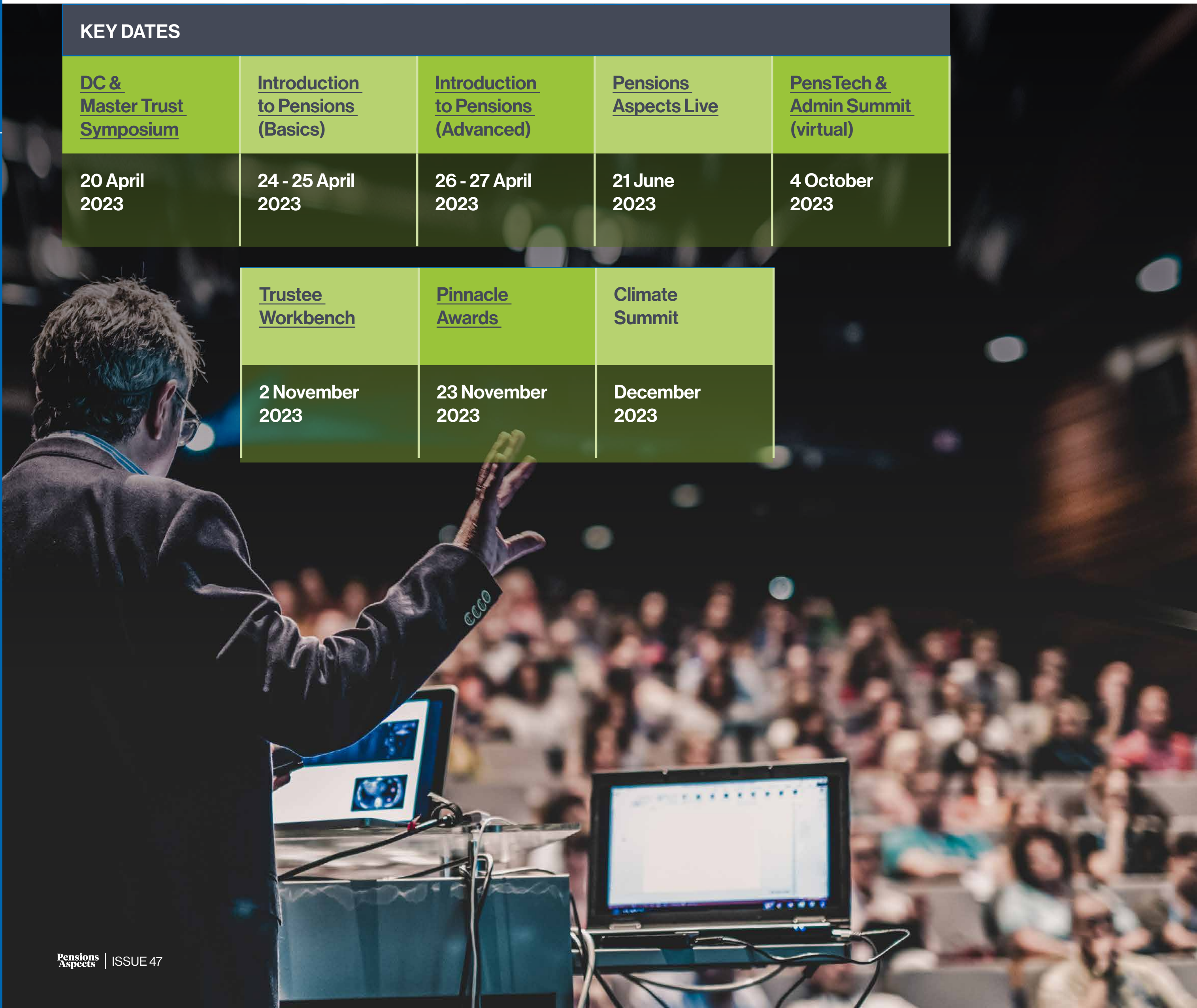
Events

Enjoy an eventful 2023

PMI is hosting a range of pensions-industry-leading events this year, with expert speakers, excellent networking opportunities and extensive partner exhibition and sponsorship packages. Take your pick from the list below, or see pensions-pmi.org.uk/events for the full programme.

KEY DATES

Event	Date
DC & Master Trust Symposium	20 April 2023
Introduction to Pensions (Basics)	24 - 25 April 2023
Introduction to Pensions (Advanced)	26 - 27 April 2023
Pensions Aspects Live	21 June 2023
PensTech & Admin Summit (virtual)	4 October 2023
Trustee Workbench	2 November 2023
Pinnacle Awards	23 November 2023
Climate Summit	December 2023




Join our Trustee Group.
Find out more: www.pensions-pmi.org.uk/trusteegroup
Pensions Management Institute
Trustee Group
Pensions Management Institute

Feature

CPD or not CPD, that is the question

Keith Hoodless
Director of Qualifications & Lifelong Learning, PMI

The pandemic seems like an age ago for most of us as we longed for it to end and the 'new normal' to begin, then what seemed all of a sudden it was over, Boris had gone and the 'new norm' had begun.

It was great to see that as we settled into this 'new norm', we started to let our creative 'juices' flow and share our discoveries and experiments. Conversations during our now virtual catch-ups became less about 'I have a problem with...' or '... didn't work very well today' and more about 'I've tried ... for the first time today, and it's great!', or 'I attended this webinar with... yesterday, and I loved these ideas.'

The stream of hyperlinks to resources and CPD events increased exponentially as we found ourselves with more time on our hands – the upside of not having to commute to work and back. Through it all the one constant has been the need and the desire to keep learning.

Let's face it though, we will never return to the same normal even if we do go back to somewhere near the same levels of resource as we previously had; times, spaces and technologies have changed surprisingly quickly (and sufficiently enough) and the financial crisis appeared, to allow that not to happen. As a result our priorities are changing, we and how we educate, learn and develop are changing. Nobody has ever been in a situation like this or knows what the future will bring.

It is obvious, as can be seen now, there is a lot less funding for training and development and for CPD precisely when it is needed most, as a notion of technological efficiencies grips the mindset of spending on items such as workforce development. Over the last twelve months we have been, and still are, under extreme pressure to maintain the normal, to retain the optimism of the 'new norm' whist we suffer cuts to almost everything.

While this is obviously a problem, it can also be an opportunity for us to meet the changes of a new market and for individuals to take charge of their own professional learning and focus on what really matters with a less top-down prescription, and carve out their own career.

Effective Human Resource is vital for any business or organisation wanting to build a good team of working professionals. HR departments may deal with regular employee issues, conflicts and disputes which are inevitable within any organisation. It is important that any issues are dealt with quickly, effectively and confidentially in order to come up with suitable solutions and to prevent things from getting out of hand. Up to date training on key policies and procedures is vital for any good HR department.

The PMI therefore has stepped forward with its new strategy for Qualifications, Membership and CPD (Continuing Professional Development). We consulted the membership and listened. We are now about to deliver on what was suggested – a more simplified and accessible membership structure and more understanding of how PMI qualifications fit into a career in pensions.

You may ask why does it matter, and why now?

There are many reasons, essentially though communication and maintaining a good working atmosphere is an essential aspect of HR in all of the current confusion and in the current climate. When maintained and completed correctly a healthy and educated workforce/environment can be important for getting the most from employees, helping to broaden skill sets and add more value to the business. As employees gain more knowledge, network with the right people and gain confidence and contribute to the sector it can also deliver a deeper understanding of what it means to be a professional, along with a greater appreciation of the implications of work as it helps to advance the body of knowledge and technology within the profession.

How is the PMI engaged in this process?

Our pathways into Fellowship allows anyone from any part of the sector to gain Fellowship of the PMI and take away the notion of this being available to a select number doing one particular qualification. This opens up Fellowship to five distinct career paths, all of equal rigour, and just as importantly the same level of thoroughness as previously.

Directly this provides learners with a route through their career to engage with PMI Fellowship. There is no more taking the necessary qualifications to satisfy your current role and then taking another set of different qualifications to progress in your career, in the current climate that makes it a better cost proposition for HR budgets and allows HR teams to have a designated 'advertisable' career on engagement. Each career pathway has the necessary qualifications and related membership level as you/employees to reach the top of your/their game. No longer is there a question of 'what do I/they do next?'

It is even possible to change career paths and where it is appropriate, use what you have already learned as prior learning with no loss of learning.

As we introduce the new strategy for the PMI you will see that it is all-inclusive; it takes on the views of the membership, it is better positioned to work with and for training budgets because of its simplicity and with more people wanting to become Fellows, then strengthen and improve the quality of knowledge within the sector through widened contribution.

Feature

LDI and the Gilt Market

Con Keating
Head of Research, BrightRock Group

Iain Clacher
Professor of Pensions & Finance, Pro Dean for International at Leeds University

The linkage between Liability Driven Investment (LDI) and the recent gilt market turmoil has been widely investigated. No fewer than four parliamentary committees have summoned sundry regulators, trustees, actuaries, fund managers and academics to give evidence. The range of interpretations, beliefs and opinions could hardly have been wider.

It is clear though that the proximate cause of the meltdown was leveraged LDI portfolios trying to raise cash to meet collateral calls on their borrowing. However, even this has some nuances. The first price declines occurred on Wednesday 21st September in response to the Bank of England's bank rate increase and announcement of their proposed sales schedule for the bond portfolio accumulated by the Bank under the quantitative easing programme.

These price declines were modest in size; only 2.5% for the 15-year gilt, and no measurable change for Index Linked Gilts (ILG) of this term. We show, as Table 1, the price movements, close to close, of a 15-year conventional gilt and the 2036 and 2039 ILGs, which span the 15-year term.

We are using 15-year gilts as our benchmark rather than the more commonly cited 30-year gilt as that most closely matches the duration of most closed DB scheme liabilities. The move on the 15-year gilt was clearly smaller than the liquidity buffers held by most schemes but should have been large enough to trigger action by the more highly leveraged pooled LDI funds.

Pooled funds have limited liability, which means that their managers may only request unitholders to subscribe to new units if those unitholders wish to retain the previous 'hedge' values.

If we have a four-fold levered pooled fund, the limit usually needed to satisfy the Luxembourg regulator's authorisation criteria, the loss to a unitholder from a 2.5% gilt price decline is 12.5%, and that reduced capital will support 87.5% (by value) of the previous exposure.

If unitholders do not subscribe, the LDI manager needs to sell gilts in the market to rebalance the portfolio. Prior experience in June and July of this year indicated that approximately 90% of unitholders could be expected to meet the subscription call, and managers pre-emptively sold some gilts in anticipation of this subscription rate.

Table 1: Price Changes in the Early Crisis Period

	22/11/2036	22/03/2039	15 Year
	Dirty	Dirty	Zero
21/09/22	-0.18%	-0.20%	-2.57%
22/09/22	-3.08%	-3.35%	-2.50%
23/09/22	-3.21%	-3.56%	-3.06%
26/09/22	-7.18%	-8.49%	-4.84%
27/09/22	-8.05%	-9.99%	-4.58%
28/09/22	9.50%	13.39%	8.56%

The Mini-budget

The gilt market on the morning of the mini-budget was soft but functioning normally. The reaction to the budget announcements was profoundly negative, but the market reaction was relatively modest, only another 2.5% decline, though now we also see declines in ILG prices, and these price falls were slightly larger than those in conventional gilts.

It is important to recognise that index-linked gilt ownership is dominated by pension funds; they own well over 80% of all outstanding issued stock. Indeed, the earliest ILGs were explicitly targeted at pension funds. Concentration of ownership is a well understood issue in financial markets. It lies behind the 'free float' rules for listed equity. It is also well-known in the trading behaviour of individual bonds; it is not uncommon for issues to be re-opened in order to maintain or enhance the liquidity, that is tradability, of benchmark bonds. Securities whose ownership is concentrated are more volatile than would otherwise be the case and in extreme circumstances, idiosyncratic risks can become systemically critical.

On Friday morning, the combination of these two days of price declines led to further collateral calls hitting the desks of pension funds, whose collateral buffers had already been called upon. The pooled funds were joined by the managers of some segregated and self-managed leveraged LDI portfolios, with the inevitable result of further price declines, and these were larger than on either of the two previous days.

The endogenous feedback spiral of LDI was now controlling market price behaviour. Collateral calls were inducing gilt sales driving down prices and those price declines were generating further collateral calls. At day's end, it was obvious to all that further calls could be expected to arrive on Monday morning. The situation was not relieved by comments from Liz Truss and Kwasi Kwarteng over the weekend, which indicated their unwillingness to alter any of the 'budget' announcements.

Stress testing and liquidity buffers

It was, until the crisis took hold, widely held that schemes were being prudently managed and had liquidity buffers sufficient to withstand a 100-basis point rise in gilt yields, but here the movement which initiated the endogenous sales spiral was just 37 basis points. This failure was due to an elementary failing of risk management. Scheme's buffer estimations were exercises in comparative statics; these models fail to consider the dynamics of the process.

Models capturing the dynamics of market price formation are far from simple to design or calibrate. This will be one of the most daunting tasks facing whichever body is to be charged with oversight of non-bank systemic financial risk.

Perhaps the most commonly cited aspect of the crisis offered in defence of fund failings is, "We were caught by the speed of the change (as much as the magnitude)". This is actually an admission that the models in use failed to capture the dynamics of leveraged LDI. Collateral calls are to be expected daily (indeed the clearing house has the ability to raise calls as often as four times within a day). No-one should have been unaware that once initiated the endogenous spiral would be both rapid and vicious.

Concentration risk and leverage

We have already drawn attention to the concentration of pension funds in the ILG market, but the conventional gilt market has similar issues. The Bank of England owns slightly above 30% of the market (all conventional), overseas holders account for another 30%, and their concerns over the exchange rate left them side-lined. At the beginning of 2022, UK DB schemes held approximately 25% of the cash gilts outstanding. The seller to buyer imbalance is immediately obvious, but this is small beer in the greater scheme of things.

Pooled LDI funds are estimated to have taken the £200 billion of pension scheme investment in them and levered this using repo and interest rate swaps some four times. In other words, the pooled funds effectively controlled £1 trillion of notional gilts. Schemes have been using progressively more repo to leverage their gilt positions; it is estimated that at the end of 2021, this was around £200 billion. And finally, schemes collectively held around £1.5 trillion of interest rate swaps linked to gilts. The totality of this is that UK pension schemes controlled more gilts than exist in the overall cash market, about 1.5 times as many.

We have seen this position, where outstanding derivative exposures have been larger in amount than the underlying real assets before. They have rarely ended well – the 1987 US stock market crash induced by portfolio insurance was an early example, and the US mortgage securities crisis which developed into the Great Financial Crisis of 2007-2009 is the most recent and largest.

The LDI industry is prone to describe the intervention by the Bank of England as being motivated by their distress. However, the reality is that the Bank intervened to preserve market integrity and with that avoid further damage to the wider financial system. It is clear from their actions that a modern version of Bagehot's dictum was being followed. There were days when no gilts were purchased at the prices asked and index linked gilts were added, apparently reluctantly, towards the end of the period of intervention.

We have heard criticisms of the dealers, the Gilt-Edged Market-Makers, which we believe are misplaced. Combined turnover in the gilt market in the week ending 23rd September, a period which contained the two trigger events, was £132 billion and in the week ended 30th September, £264 billon, and the Bank intervention operations were responsible for less that £10 billion of that.

Final thoughts

One of the major issues surrounding this episode has been the paucity of reliable data – a significant failing of the supervisors, but that is only one of many grounds for their criticism. This has allowed many unwarranted claims to be made by the advocates of LDI.

We will cover just two of those claims; the first is that schemes are now better funded, as measured by the funding ratio. That claim should be judged in terms of the confidence we may have in that metric; in normal times, a fully funded scheme would have a one standard deviation confidence interval of plus or minus 3% - 4% around 100%. At the end of September, that confidence interval was plus or minus 10% to 12%. Few if any schemes employing LDI have achieved that. During the crisis, the present value of all DB scheme liabilities varied by as much as £181 billion in a single day. Moreover, had a scheme been fully and perfectly hedged, it would have seen no improvement in the funding ratio from that source, and a decline arising from the falls in price of non-LDI assets held.

The second claim is that leveraged LDI has served schemes well. There is a grain of truth to this. As long as short rates were low and gilt yields higher and falling, leverage would have added returns to the scheme. However, as history and the recent crisis has shown, borrowing for a sustained period at short-term rates to buy long-term instruments as a strategy is sure to lose money now that both short and long rates have risen.

The costs of the borrow short-term to buy longer-dated gilts is coming home to roost in another, more important context, Quantitative Easing. The £800 billion of assets bought were financed at the rate paid on bank reserves, and over the period of the fund's existence, this has contributed around £120 billion to the Exchequer. However, with short rates now at 3.5%, the strategy is cash flow negative, and its disposal is likely to realise substantial losses for HMT.

How hard is *your* brand working these days?

Your brand could be your greatest asset,
inspiring your audiences both external and internal.
Even when they are working from home.

To find out how, email **info@kingandtuke.com**

KING & TUKE

DISTINGUISHED BY DESIGN

Feature

The lessons emerging from the Liability Driven Investing (LDI) crisis

Karen Heaven
Managing Director, Redington Ltd

Much has been written about the LDI crisis that swept through the UK gilt market, triggered by the announcement of the so-called mini budget, in late September 2022. Primarily, this was a liquidity crisis, caused by gilt yields rising further and faster than they ever had previously.

Liability driven investing (or LDI) is a common practice in UK defined benefit pension schemes, designed to hedge against the impact of falling interest rates and rising inflation on the value of a scheme's liabilities. When the converse happens – interest rates rise, or inflation falls – schemes that use leveraged LDI must post collateral.

Broadly, there are two ways that collateral issues can arise: either a scheme itself fails to produce sufficient collateral quickly enough, or (for pooled funds), individual schemes may have sufficient collateral but the pooled fund mechanism is unable to collateralise sufficiently quickly.

The sheer speed and size of movements across the interest rate curve in late September created difficulties in some cases in collateralising LDI positions, leading to hedges being reduced to ease the collateral strain. This selling of LDI exposure further fed gilt price falls and hence interest rate rises. This persisted until the Bank of England stepped in during the 28th of September with temporary measures to restore stability to the gilt market.

At the time of writing, there are still many unknowns, but as the dust settles, some lessons have already emerged.

Lesson 1: The world has changed.

Operationally, LDI strategies were set up to withstand short-term market movements greater than the worst ever seen. However, the size – and critically the speed – of market movements in September and October 2022 far exceeded previous experience, and so it is important to recalibrate to this new data. For schemes that had previously been running tight collateral levels, adjusting to the need to hold more collateral may necessitate a change in investment strategy.

Lesson 2: Liquidity has become more valuable.

Pre-crisis, there was limited value in differentiating between daily, weekly, or even monthly dealt funds. However, in a fast-moving gilt market, the ability to rebalance quickly becomes very important. We can expect pension schemes to focus more closely on liquidity terms, and, all else being equal, favour more liquid investments.

The crisis has significant implications for the attractiveness of illiquid investments. Even in the absence of leveraged LDI, a meaningful illiquid investment can quickly become outsized in a rising rates environment and hinder investment strategy. Where a scheme does use LDI, illiquid investments – including insurer buy-ins – reduce a scheme's ability to rebalance and top up collateral.

Lesson 3: Investment vehicle can affect your outcome.

There are pros and cons to both pooled versus segregated LDI funds, including the mechanisms by which these operate in a stressed environment. It is important to understand which arrangement is better for your scheme, based on its individual circumstances.

Lesson 4: Collaboration and the power of innovation.

The gilts crisis sparked intense activity for many trustees, their advisers, asset managers and custodians, as even the best collateralised schemes needed to rebalance to maintain their positions. There were countless examples of these parties working together, quickly and under pressure to help their schemes emerge in good shape. The ability of trustees to act at short notice was invaluable.

Further, the power of robust performance-monitoring technology came to the fore; this helped add to the picture of a scheme's position and aid decision-making in what was a rapidly moving environment. The crisis also threw up solutions that had hitherto been uncommon, for example, taking a sponsor loan for short-term liquidity purposes, or using non-LDI assets as collateral to borrow against.

Lesson 5: Planning.

Having a prudent plan for a rising interest rate environment stood many schemes in good stead; for example, holding a large LDI buffer in the first place, and identifying a "collateral waterfall"; a list of liquid assets to be liquidated at short notice to top-up the collateral position. Nimble governance is also part of good planning, for example, is there a protocol for trustees to make decisions at short notice, and can the LDI manager access collateral waterfall assets automatically if required?

What does the future hold for LDI?

The case for LDI has not gone away; there are many pensioners today receiving their full benefits due to the use of LDI. LDI helps to stabilise funding levels, which in turn reduces the risk a scheme poses its sponsor from contribution requirements, and the risk of a scheme with an insolvent sponsor falling into the PPF. Whilst the gilts crisis was undoubtedly a tumultuous period, a great many schemes emerged either largely unscathed, or in a better position than going into the crisis.

Higher collateral requirements are, rightly, here to stay and this may mean that some schemes need to adjust their investment strategies to accommodate this, as what is feasible in terms of risk/return trade-off may have changed.

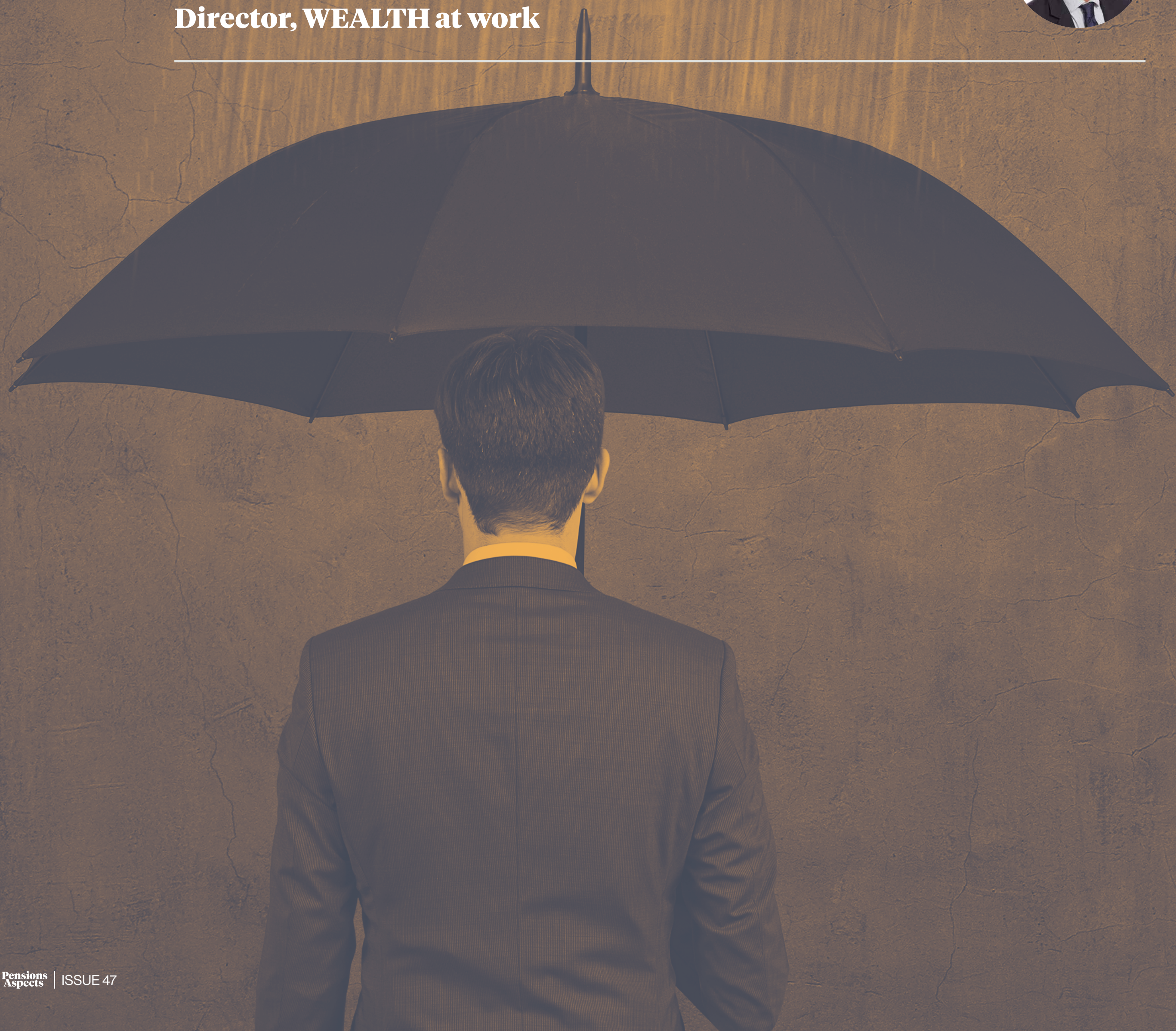
At the time of writing, there is no clear steer on what form any new regulations may take. Needless to say, further regulation around LDI is a near-certainty.

Lastly, necessity is the mother of invention. The crisis has created challenges, but undoubtedly there will come solutions to help schemes manage their risks, respond to new market environments, and work with incoming regulations to put schemes in a better funded, more secure position.

Feature

Protecting pensions during turbulent times

Jonathan Watts-Lay
Director, WEALTH at work



As the cost of living crisis continues to put pressure on household income, it is more important than ever that employees are engaged with their finances, and this includes their pensions.

So, are employees looking at their pension contributions as a way of cutting back on their monthly costs? PLSA's survey found that one in five (19%) pension schemes surveyed have seen members asking about reducing or stopping their pension contributions and 17% wanting early access to their pension after age 55.

However, figures from the Department for Work and Pensions show that there has been no indication that pension savers are actually taking action, as there has been no significant rise in people who are currently saving into workplace pension schemes choosing to stop contributions. But there does appear to be an upward trend for those newly enrolled choosing to opt-out. The PLSA survey also noted that only around one in ten (12%) schemes surveyed said that they have seen members wanting to opt-out, which is only a little above the long-term trend of 9%.

However, as the cost of living crisis continues, employers should closely monitor pension opt-out, requests and do all they can to ensure pension scheme members recognise that it really should be a last resort.

It's important for pension scheme members to understand that opting out of their pension will have a huge impact in the long term and the damage that they could do to their standard of living in retirement. Whilst reducing contributions now would make relatively small savings each month, the impact on a pension scheme member's retirement savings in later life will be dramatic, due to lost employer contributions and tax relief.

Making the smallest reductions in pension contributions possible, and avoiding opting out altogether, will limit the reduction to future retirement savings. However, saving money is a habit, and once it has stopped, it is very difficult to start up again.

There are some practical steps that members can take to save money that they may not yet have considered. Some of them seem small but they all add up! So before reducing or stopping contributions, they should be encouraged to look at alternative options first. This includes checking all their outgoings to find other ways to save money such as cancelling any unused subscriptions or memberships, shopping around for better deals on insurances at renewal, such as car and household insurance, as well as broadband and mobile suppliers, and switching brands on their regular shop. Rising energy costs are a big concern so things like avoiding tumble dryers, utilising smart heating, using more efficient light bulbs, and finding cheaper ways of cooking such as using a slow cooker or microwave can all help. It's always a good idea to look out for online discount vouchers for any purchases, and it's also an ideal time to remind members of cost savings available through the workplace as part of their benefits package e.g. discount on parking, shopping, car leasing, medical care and insurance.

Most members would benefit from having a better understanding of money, but are confused where to start. As part of an overall wellbeing objective, many employers now offer their workforce support to help them understand the value of their pensions and workplace savings, as well as how to best manage their money during turbulent times. This includes providing financial education workshops, one-to-one guidance or coaching and digital tools and helplines.

Feature

Pension Forfeiture and Missing Beneficiaries – A Beginner's Guide

Aaron Zack
Associate, Sacker & Partners LLP

Many trust-based pension schemes have a rule that allows – or requires – the scheme to extinguish a person's entitlement to benefits after a certain time limit (often six years). The law around using these rules has been hotly contested by litigants and carefully interpreted by judges over the years.

As a result, pensions forfeiture can be tricky to apply in practice – so what are the key principles behind the use of forfeiture rules?

The general restriction on forfeiture

In general, a pension under an occupational pension scheme cannot be forfeited. However, the law does provide exceptions to this rule. One of these exceptions crops up in practice more than others: schemes can (and often do) include a rule under which a benefit may be forfeited where a person hasn't claimed it within six years of the date it becomes due.

Construction, construction, construction

One of the most important cases in relation to forfeiture rules is the 2018 *Lloyds* case – the same case that established the duty to equalise pension benefits for the effect of unequal GMPs between men and women.

The judge in that case held that the six-year statutory limitation period under the Limitation Act 1980 did not apply, so members are entitled to receive back payments. However, these payments may be limited by the scheme rules. A case heard in 2021, *Axminster Carpets*, confirmed this point.

Axminster Carpets also confirmed that whether a forfeiture rule might apply to a persons' benefits depends on the meaning of the specific wording used – which lawyers call the *construction* of the rule. What this means is that even if your scheme has a rule that might allow trustees to forfeit a member's benefits, you should ask your legal advisers to check the rule's wording and what it means in practice.

In practice

Looking at this in practice, what should a scheme do if a missing beneficiary comes forward?

1. The first step is to establish whether the person is who they claim to be. Do they have any documents the trustees can examine as proof, such as a driving licence or passport, or (in the case of a deceased member's spouse) a marriage certificate, a joint tax return, or evidence of a joint bank account?
2. Next, the trustees should check what the beneficiary is entitled to. What do the rules of the scheme say? What benefits might the beneficiary be entitled to given their particular circumstances?
3. Once these steps have been completed, the trustees can turn their attention to the scheme's forfeiture rule. They should check with their legal advisers whether it could apply in this instance, and if so, whether it is mandatory (ie the benefits have to be forfeited) or discretionary (ie the trustees, and/or the employer, have the power to decide whether to forfeit the benefits).

If the forfeiture rule gives trustees discretion whether to forfeit the benefits or not, the trustees will need to go through the usual exercise of considering relevant factors and ignoring irrelevant factors. Some of the relevant factors might include:

- their duty to pay out the right benefits to the right beneficiaries at the right time
- the impact of any forfeiture, or decision not to forfeit, on the security of other members' benefits
- any particular individual circumstances that are relevant, eg would the beneficiary be benefiting from a crime if the benefit wasn't forfeited (for example, if the surviving spouse had been convicted of murdering the member)
- any administrative difficulties
- whether there's an absence of fault on the part of beneficiary and/or the presence of fault on the part of the trustees
- whether only a proportion of the benefit should be forfeited (if the rule allows this).

In some cases, the forfeiture rule may be mandatory, giving trustees no discretion on whether to forfeit unclaimed benefits older than six years. In these cases, it may be possible for trustees to consider whether it's appropriate to use any of the scheme's augmentation powers to pay the benefit.

With great power...

Where benefits are forfeited, the scheme will need to handle any communications sensitively and explain the reasons for the forfeiture carefully. As with all decisions, trustees should keep a record of the decision-making process, including the reasons for those decisions, along with an audit trail of what the trustees had done to trace and contact a missing beneficiary in the intervening years.

Forfeiture rules are tricky. They can be a powerful tool for trustees in managing an outstanding liability – but exercising that power requires great care.

Feature

How fiduciary management and OCIO helped schemes during the liquidity crisis

Ajeet Manjrekar
Head of UK Client Solutions, Schroders Solutions

Schemes using a fiduciary manager (FM) or outsourced Chief Investment Officer (OCIO) to manage their total assets, including their liability driven investments (LDI) strategies, were amongst those best able to act with the urgency required during the 2022 liquidity crisis. Why? Because of strong governance arrangements, transparency and the integrated nature of their entire investment portfolio and operational efficiency.

The 2022 liquidity crisis that affected many UK pension schemes started with falls in the value of gilts at unprecedented speed and scale following the UK Government's "mini-budget". This fall in gilts prices created a self-perpetuating cycle. Liquidity and operational constraints prevented some pension schemes from raising collateral at the speed and scale required, forcing them to reduce their LDI exposure. The associated sale of gilts drove down gilt prices even further.

The challenging combination of forced reductions in liability hedging as gilt prices fell together with the subsequent "snapback" in gilt prices before pension schemes could restore hedges was a key risk faced by some schemes during this period of market stress.

The pension schemes who could meet the collateral demands of their LDI programme's bank counterparties or settle repo contracts expiring during the market turmoil were well positioned to maintain their liability hedges. As discussed further below, some pension schemes were less able to transact and transfer the scale of assets needed to meet collateral demands in time even if they had enough assets to meet their collateral calls. Schemes using a fiduciary manager (FM), or outsourced Chief Investment Officer (OCIO) to manage their total assets were, in our experience, amongst those best able to act with the urgency required. Why? Because of strong governance, transparency and the integrated nature of their entire investment portfolio and operational efficiency.

How can a pension scheme's operational arrangements act as a constraint?

Broadly, there are two parts to collateral management for LDI strategies. First, LDI investors hold a pool of assets, such as cash or gilts, available to post on demand to meet the collateral calls of bank counterparties (the "collateral pool"). Often the assets are held in custody and readily available to transfer between the scheme and associated counterparty allowing the daily collateralisation process to run smoothly.

The second part is the "top up" of the collateral pool from time to time. If gilt prices fall sufficiently, the collateral pool may need to be topped up by sales of other scheme assets. This helps ensure there are sufficient assets available on demand to meet further collateral calls. In principle, a pension scheme can sell any assets to "top up" their collateral pool within a reasonable timeframe, except for long-term illiquid assets, such as real estate and private equity. However, even for the most "liquid" assets, operational constraints might mean it can take several days from identifying the need to top up, to the settlement of cash in the collateral pool.

Diversified sources of liquidity can increase resilience in stressed markets

Pension schemes with a diverse range of liquid assets fared better in the crisis because, barring any operational constraints, they could look across a greater proportion of their portfolio to realise assets. They were able, for example, to use US credit assets for liquidity because this market was largely unaffected by the turmoil in the gilts market.

Liquidity and efficient operational arrangements go together: it is imprudent to rely on a liquid asset being available to top up collateral if held in a governance structure with inherent delays because of the need for trustee approvals, notice periods, infrequent dealing dates and long settlement periods.

How can fiduciary management and OCIO improve liquidity management?

1. **Enhancing the efficiency of pension schemes' governance processes.** Trustees can delegate authority to instruct trades and meet day-to-day liquidity needs to an FM or OCIO. This might include meeting collateral calls, topping up collateral pools, transitioning assets between managers and meeting schemes' ongoing cash flow requirements.
2. **Managing both the collateral pool and top up assets under one roof.** Pension schemes who held LDI programmes and "top up" assets with the same manager were, in our experience, more easily able to top up their collateral quickly because the "plumbing" enabling rapid topping-up was already in place. Trustees should expect FMs or OCIO's with in-house LDI capability to have better visibility, transparency and operational efficiency than those using external LDI managers.
3. **Complete transparency.** By having full sight of scheme assets and responsibility for the entire portfolio, FMs and OCIOs can provide timely scheme-specific information on funding, portfolio positioning, hedging levels and collateral adequacy. This can enable trustees to remain fully appraised and keep all their stakeholders informed throughout a crisis period.
4. **Regular collateral and liquidity stress testing.** An FM or OCIO can assess a scheme's liquidity profile and stress test for different market conditions. If a stress test fails, then different levers can be available for action, such as topping up the collateral pool from other assets or reducing exposure to LDI or other derivatives. The most appropriate choice of lever should allow for individual scheme circumstances, including the strength of the sponsor covenant.
5. **Access to a diversified pool of assets and managers.** Having a choice of assets to top up the collateral pool makes a pension scheme's overall investment strategy more robust. This is because, whilst liquidity can quickly deteriorate in one asset class or geography, there may be other assets that remain unaffected.

If managed inappropriately, liquidity constraints may cause pension schemes to suffer higher costs and forced divestments, as well as increasing the risk for their trustees having to make short-term decisions. Good liquidity management remains a crucial part of pension scheme governance and investment management. In our view, delegating some or all investment decisions to an FM or OCIO can significantly improve a pension scheme's liquidity management arrangements.

Feature

Corporate credit: staying afloat in a turbulent sea

Emma Sinnamon
Institutional Business Director, Trustee Engagement at Janus Henderson

UK pension schemes are set to grow their allocations to corporate credit amid rising yields, but at a time when the credit cycle is showing signs of deterioration. To help trustees navigate this shift in market regime Emma Sinnamon, Institutional Business Director – Trustee Engagement at Janus Henderson underscores the importance of dialogue between schemes and corporate bond managers, as well as what to consider given recent market volatility.

Risky business

2022 will be remembered for the speed at which the mood of fixed income markets deteriorated. Inflation, war and concerns about excessive levels of debt after a decade of historically-low interest rates triggered a strong undercurrent that sank nearly every fixed income asset class deep into negative return territory, with many sectors posting their largest drawdowns in well over a generation.

Our Janus Henderson Credit Risk Monitor, a data-driven report we publish quarterly to measure risk metrics in the credit markets, shows that we may be heading towards credit fundamental deterioration, as the inventory overhang could lead earnings growth to fall off sharply in the next six to 12 months. Indeed, each of the report's three gauges of the underlying sources of credit risk – debt load, borrower access to capital and company fundamentals – are all indicating that the credit cycle is showing signs of weakening, which could signal further spread volatility and a rise in defaults from current levels.

Importance of dialogue

Faced with this risk of deterioration in credit fundamentals, we feel it is now more important than ever for trustees to keep an open dialogue with their corporate credit managers, especially those that access corporate credit through flexible mandates such as bespoke buy & maintain (B&M) portfolios.

Bespoke investment approaches like B&M offer a useful level of flexibility for navigating periods of uncertainty as they allow for changes to investment guidelines to reflect scheme and market circumstances. Leveraging this flexibility, however, works best if both parties share a common goal reached through a two-way flow of information. As Janus Henderson has been involved in several such dialogues in recent months, below we share an overview of the conversations we've been having with trustees as we steer clients through the recent volatility.

The selloff in corporate credit has also triggered discussions around adjusting portfolio durations. Bond arithmetic dictates that a fall in bond prices such as the one seen so far this year will shorten the market's duration. In fact, the selloff in the sterling investment grade market has trimmed about two years of market duration as of late-October.

Given this change, we have been engaging with several schemes keen on extending the duration profile of their credit portfolios to take a more liability-aware stance and physically replace synthetic duration investments such as leveraged LDI. Extending duration also means that schemes stand to benefit should yields fall sharply in the event of a dovish turn from central bankers should inflation worries ease faster than markets anticipate.

This willingness to extend portfolio durations – as well as a desire to diversify credit risk – has led us to discuss bond investment opportunities outside of the UK with trustees. Longer-dated issuances in the sterling investment grade space can be thin on the ground and skewed to certain sectors, so international diversification has been a useful tool for investors looking to add duration to a portfolio while remaining diversified. Furthermore, yields in the global investment grade space are higher than we have seen in over a decade, which has allowed investors to capture additional yield.

Discussions points

It should come as no surprise that our recent interactions with trustees have centred around how to position B&M portfolios given that economies are already in or heading towards recession, which is our base case.

This more challenging economic background underpins our belief that high quality non-cyclical companies are well placed to provide resilience. Given that the easy money quantitative easing-fuelled part of the recent credit cycle has run its course, and we are moving from a liquidity-driven downturn into one led by the deterioration of fundamentals, defaults will likely tick up as credit quality wanes. While the strong starting point of fundamentals offers the prospect of a more subdued default path, we still expect the global high yield default rate to double to around 4-5% by late 2023. Also reassuringly, there is no near-term refinancing cliff to cause a default spike, while maturity profiles are not unusually extended. Nevertheless, we feel that focusing portfolios on issuers whose business models offer resilience throughout the economic cycle – especially those with a strong liquidity position and robust balance sheets – will help cushion schemes from further volatility. We also believe that returns across sectors will differ as analyst expectations normalise and companies react to the economic environment. This greater dispersion, in turn, should benefit active investment approaches, such as B&M.

Tool for success

While the late credit cycle presents a challenge for trustees, the asset class still looks set to become a growing part of the defined benefit investment toolset as schemes continue to advance towards their endgame goals given the recent improvements in funding levels. Corporate credit also showed its usefulness during the worst of the 'mini-budget" selloff in early October. In fact, the liquidity provided by corporate bonds proved invaluable for schemes needing to fund capital calls in the LDI-driven liquidity crunch.

Since risks are likely to remain elevated for some time, we look forward to continuing our engagement with trustees to help drive a better understanding of the fundamental factors driving credit risk and how to position given the cycle – as we have done with our quarterly Credit Risk Monitor – as well as finding practical solutions to address any potential pitfalls.

PMI Academy Partner Feature

My first year at BlackRock

BlackRock.

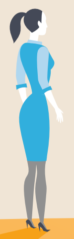
Lara Edmonstone-West,
Director, UK OCIO Business, BlackRock

After a year at BlackRock as a Director within the UK OCIO business team, Lara Edmonstone-West explains how she has adapted and what she has learned.

I joined BlackRock for the people. But it was the strength of the OCIO fiduciary management offering that first attracted me to the business.

In a market that is evolving so rapidly, you want to be in the strongest possible company. After spending some time at a boutique fiduciary manager, I really felt that BlackRock had the greatest OCIO offering.

Throughout the interview process, I met a range of BlackRock people and was able to appreciate the breadth and depth of talent that the firm attracts, and the genuinely unique culture that allows each employee to thrive.



True team effort

Covid changed the culture of many businesses massively, but BlackRock managed to keep its collegiate approach alive, even when we could not travel to meet face-to-face. Now that we are back in the office together, it is even more apparent.

Everything at BlackRock is a team effort. The company has values and principles, but these aren't just written down – they are real and lived day-by-day.

This results in better service for our clients, as well as an exciting working environment for me and for my colleagues.

Reassuring our clients

The last 12 months has included some volatile times for the markets. Our clients, like all investors, have needed reassurance and reminders about the benefits of long-term investing.

We have taken every opportunity to meet them face-to-face. Clients have seen the advantages of being able to sit down with us to talk, meet people and build trust.

BlackRock is a very stable organisation, which is important when markets are rocky. And we've got amazing technology, which benefits clients, too.

Though stability is generally returning, I think that trust is going to be vital over the next six months, so I'm glad BlackRock has been so supportive of us speaking with clients as much as we need to.

We haven't panicked or stepped back from our values – and we've been able to talk with and meet clients to reassure them of that.

I'm expecting the next six months to bring constant evolution – and I'm ready for it.

Big yet personal

BlackRock is big and I think some people might worry that when they partner with us they are suddenly exposed to a huge organisation where they could get a bit lost.

My experience from this past year is that this isn't the case. We make sure every client has a couple of people who they know well and can advocate for them. Our job is to open the door to BlackRock so they meet the right people at the right time. We never lose the personal touch.

Living our vision and values

I'm a firm believer in holding true to your personal values at work – and I really feel that at BlackRock I can be myself.

It's the first time I feel that I've been at a company where my personal values match.

One new thing I've got involved with is The Girls' Network, an organisation that provides mentoring to girls between the ages of 14 and 19 to inspire and empower these girls not to have their futures limited by gender, ethnicity, background or parental income. BlackRock supports this programme and I've just been matched with my first mentee.

She's incredible and I'm going to spend a year mentoring her to help her work out what she wants to do and how to get there.

I've never been involved in something like this before. BlackRock encouraged me to do it. It's part of my work plan, will be included in my objectives and I'll talk to my manager about it. I love that.

If you asked me what I've learned most over the last 12 months, I'd say that I finally understand why people stay in a company for a long time. And I've never felt that way before.

Month in Pensions: Administration

New transfer regulations one year on: the impact on trustees

Sarah Allard
Senior Client Relationship Manager , Barnett Waddingham

Over a year has passed since the introduction of The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (the new regulations). Trustees have long been placed in a difficult position where they were extremely limited in the steps that they could take to prevent a statutory transfer to a suspicious arrangement going ahead, and this exposed them to risk.

Initially, it seemed that the requirements introduced by the new regulations were designed to give trustees greater powers to prevent or delay suspicious transfers, but has this worked in practice?

All trustees should have been confident their administrators were carrying out sufficient due diligence checks before paying out transfers. However, in order for a statutory transfer to go ahead without additional checks, the new regulations set out specific conditions to be met.

Where certain risk indicators have been identified by the administrator, it has been necessary to gather more information from the member and refer members to the Money and Pensions Service (MaPS) to obtain guidance. Whilst increasing workloads and timescales for administrators and members, this has also resulted in more referrals to trustees.

To minimise delays to members, some trustees created sub-committees with delegated authority to approve or refuse transfers on behalf of the wider board. However, this greater power has increased the strain upon trustees, who may not be experienced in the intricacies of transfers out, to be certain that they are content with the request before allowing it to proceed. In practice, this has meant increased member communication requirements as transfer payments have taken longer to process as further checks are carried out, more information is gathered and members are required to wait for an appointment with MaPS.

One unexpected element of the new regulations was the inclusion of any overseas investments in the receiving scheme as a potential amber flag. The Pensions Regulator's (TPR's) guidance was subsequently revised to highlight that the concern was whether the investment was in funds where there is a lax, or non-existent, regulatory environment or opaque corporate structure, giving trustees clearer guidance.

Many trustees elected to adopt the clean lists proposed by their administrators to enable transfers to proceed to certain arrangements where due diligence deems them low risk, without needing further checks. However, this still carries a risk for trustees who need to be confident they are happy with the continuing accuracy of the list.

Regardless of the checks carried out by administrators, ultimately the responsibility still lies with the trustees to protect members from transferring benefits to an inappropriate arrangement.

So, have the new regulations helped to mitigate the risks faced by trustees in allowing transfers out to go ahead and give trustees comfort that a transfer won't come back to bite them?

Only time will tell.

Month in Pensions: Actuarial

How did the gilt market crash affect pensions actuaries?

Oliver Nicholls
Actuarial Trainee, First Actuarial

In the days following the September mini-Budget, loss of investor confidence caused the price of debt to plummet, driving down the price of government gilts and pushing up yields at an unprecedented rate.

How did this affect pensions actuaries?

The pensions world moved to centre stage, as market turmoil impacted a complex investment asset known as LDI (Liability-Driven Investment), held by many Defined Benefit (DB) schemes.

LDI uses financial derivatives to gain more exposure to government gilts than the actual pounds invested. Because the price of LDI moves broadly in line with DB scheme liabilities, it acts as a good hedge. Typically, every £1 invested in LDI gives schemes £3 exposure to the gilt market. Schemes can then free up other assets and invest them for higher returns. However, schemes do need collateral (a pile of cash) to pay derivative counterparties as gilt yields rise and prices fall.

And, of course, yields did increase. This is where the collateral comes in. Due to the magnitude of the change in yields, LDI managers now needed large amounts of collateral to settle the derivative contracts (which were 'out of the money'), and quickly. Schemes turned to gilts – the assets that could be converted to cash most easily in the time available – but the need to sell them in large volumes drove up supply without demand. This triggered even higher yields, and those collateral calls increased even further.

As a part-qualified actuary, my workload rocketed as I battled to support the actuarial team by crunching numbers, writing reports and drafting letters. Almost every client needed help, so we had to identify schemes that were particularly affected and prioritise carefully.

Actuaries played a valuable role in these areas:

1. **Funding updates:** We calculated how funding levels and liabilities changed due to those shifts in expected yields on scheme investments.
2. **Investment strategies:** We advised on how to adjust the LDI allocation to maintain the liability matching element.
3. **Factors:** We advised on appropriate early, late, and cash commutation factors, taking inflation into account.
4. **Buy-out:** Many schemes suddenly found themselves better funded. This led to a surge in interest in scheme buy-outs – transferring liabilities to an insurer – a transaction that involves actuarial brokerage.
5. **Communication:** We knew it was vital to give scheme members clear explanations through this uncertain time, and so we provided input for newsletters and summary funding statements.

Have I developed as an actuary? It's definitely improved my stamina! Like many part-qualified actuaries, I was approaching the end of my exams when the market crashed, and I immediately dived straight into another lengthy period of intense working. My post-exam recovery time never materialised.

And how is the actuarial team now? It's not quite business as usual but we're heading in that direction.

Feature

Face the Elephant

Uche Enemchukwu
Co-Founder and CEO,
Nelu Diversified Consulting Solutions

Auto-enrolment has increased active membership in workplace pensions by around 88% since 2012.[1] Mission accomplished?

Well, it depends on who you ask...

The impact of increased access to workplace pensions is the increased participation of historically marginalized or underrepresented groups. For example, prior to auto-enrolment, only 36% of Pakistani and Bangladeshi workers had any form of private pension. That percentage has since doubled, and mirrors growth in participation for women and other races and ethnic groups.[2]

Yet, meaningful access has been hindered by the elephant in the room, which is represented by significant wealth gaps, that pre-existed auto-enrolment and which persist. These gaps are due to underlying inequities that hinder the ability of some members of our society to accumulate a meaningful pension pot or one comparable with many of their peers. Today, the data show that certain groups, specifically people of colour, those with disabilities, and women, have significantly smaller pension pots, owing not only to lower participation rates, but to deeper social and behavioral barriers that result in wealth disparities. So, what is behind these disparities?

A lot of systemic issues...

It goes without saying that systemic racism and other forms of discrimination existed far before the racial reckoning of 2020 or the COVID-19 pandemic. Yet, it was those events that exposed significant and persistent fault lines in our social systems. For example, systemic racism, which can be defined as racial inequality that is embedded in our institutions and structures (including healthcare, financial services, and employment), has consistently placed people of colour at a disadvantage. To add a layer of intersectionality, we also know that the working patterns for women, together with the gender pay gap, is a result of systemic inequities that have persisted through and as a result of UK history.
Well, what does this have to do with us?

[1,2] https://www.gov.uk/government/statistics/workplace-pension-participation-and-savings-trends-2009-to-2021/workplace-pension-participation-and-savings-trends-of-eligible-employees-2009-to-2021#sect-one

Everything...

As a society, we all play a role in perpetuating systems. In fact, these systems interact in ways that can mitigate or increase harm to others. For example, the pensions industry is system within itself – a quite powerful one - that interacts with most aspects of peoples' lives over periods of socio-environmental shifts and public policy changes like auto-enrolment. That interaction gives our industry great potential to mitigate harm. Yet, that potential has been hindered by a tendency to approach pension scheme design, operations, and engagement from an insular and limited perspective, which is a symptom of a lack of diversity. Considering that we are not all impacted by the same systems in the same way, we can be blind to the myriad of other systems and circumstances that affect our members. In short, we can be blind to the elephant in the room, because we see the world from our own lens of race, gender, identity, and life experiences. Ok, so how do we change?

Face the elephant...

In reality, the elephant is now doing more than occupying the pensions space - it is charging at us with great force. Unfortunately, the winds the of inertia, which underpin auto-enrolment policy, will not be enough to stop the incursion.

A global push for social-equity has forced governments, employers, and corporate boards alike to modernize their approach to socio-environmental engagement -- that is to equality, diversity, and inclusion ("ED&I")...that is to reduction of disparities...that is to amplifying voices that have historically been ignored. In order to respond to this push, we need a more engaged and deliberate approach to dealing with inequality, exclusions, and ultimately our industry's lack of diversity (especially at the top).

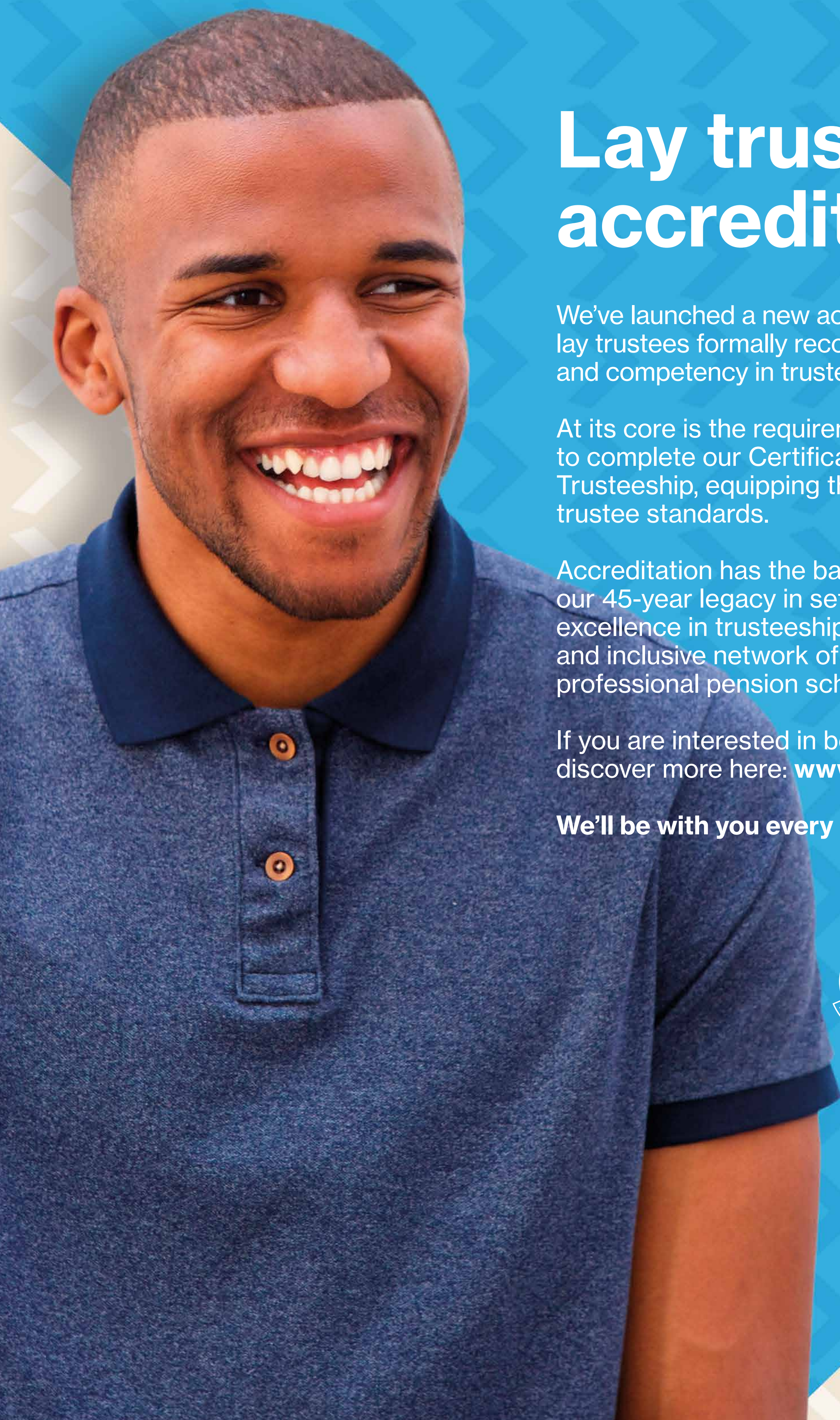
As the elephant charges, the pensions industry is lagging behind, and the social and regulatory risk is mounting. The implementation of auto-enrolment is continuing to increase the gender, ethnic, and racial diversity of pension populations, yet we are far from mirroring the diversity of our members. Moreover, employers are now pushing their ED&I initiatives beyond their internal operations and out to their vendors and suppliers. Finally, the Pensions Regulator has laid out aggressive ED&I goals for itself, and has issued guidance stating its intention to begin collecting trustee board diversity data and understand the fiduciary and member-outcome impact of ED&I initiatives. We cannot out-run the elephant, so it is time to turn around and face it.

The time is now to respond to the evolving regulatory and social landscape by strengthening your ED&I strategies and standards. Join Nelu Solution ("Nelu"), in partnership with the Pensions Management Institute ("PMI"), to receive a Pensions Certificate in ED&I.

Visit **nelusolutions.com** and **pensions-pmi.org.uk** to learn more.

About Nelu Solutions

Nelu is a global ED&I consultancy that specialises in employee benefits. With a view across the globe, Nelu brings together a diverse and multi-disciplinary team of benefits strategy professionals and legal professionals with global benefits, organizational ED&I, and international human rights experience. Applying an ED&I lens to a wide range of employee benefits programmes, Nelu is changing the way these programmes are designed, delivered, and used, for the benefit of all members.



Pension Conundrum

P

i

Pensio

Pension

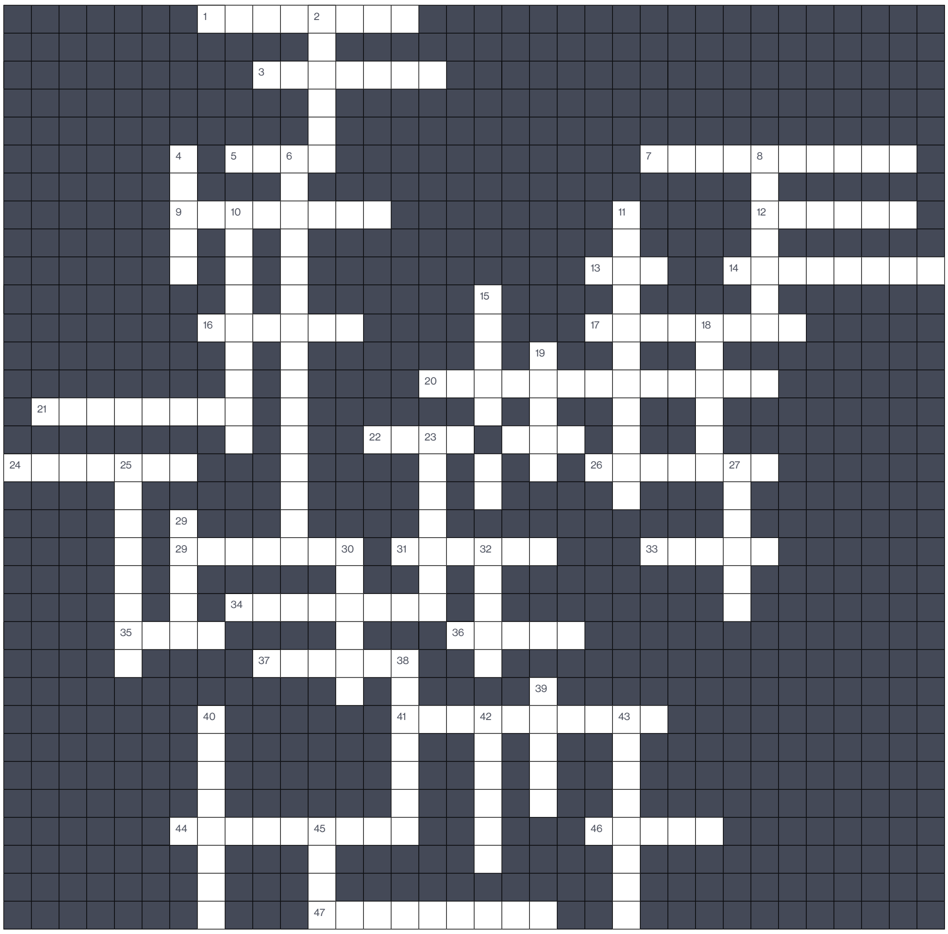
conundrum

drum

Crossword

Across

1. Affirmation (8) **3.** Hidden danger (7) **5.** Fixed-interest loan security (4) **7.** Mid-term fiscal intervention (4,6) **9.** Sudden, striking (8) **12.** Pinnacle (6) **13.** As in a singular individual (3) **14.** Decade in which new-romanticism began (8) **16.** Deliverance from (6) **17.** Exceed in importance (8) **20.** Unique to the individual (13) **21.** Telephone advice (8) **22.** Possessions of stocks or shares (8) **24.** Without fairness (7) **26.** Idea (7) **29.** Move forward (7) **31.** Achieved without harm (6) **33.** Construct (5) **34.** Speak in favour of (8) **35.** Argument (4) **36.** Transparent (5) **37.** Single part of a whole (6) **41.** Economic system in which wages and inflation are tied to cost-of-living (10) **44.** Not known (10) **46.** Two-score (5) **47.** Choppy, unsteady (9)



Down

2. Choose to be excluded (3,3) **4.** Make broader (5) **6.** Gaining enough assets to cover liabilities (9,6) **8.** Lying in the sun (7) **10.** Fears (9) **11.** State of being joined together (11) **15.** Rules for governing (8) **18.** Complete (6) **19.** Usual conduct (5) **23.** Association (7) **25.** Counsel (8) **27.** Collected together centrally (6) **28.** Foundation of an argument (5) **30.** Be greater than (6) **32.** Premature (5) **38.** Catalyst (7) **39.** Repetitious behaviour (5) **40.** Total sum entering and exiting an account (4,4) **42.** Product of fuel consumption (6) **43.** Exclusive exchange between two individuals (3,2,3) **45.** Not able to be found (4)

Answers from Issue 46

Across

2.pathway **3.**sector **5.**buyout **6.**tendering **9.**agile **10.**poor **12.**help **14.**divergence **18.**adhere **20.**connectivity **22.**nonprofit **23.**cleansing **25.**bulk **27.**unhedged **29.**function **36.**outsource **37.**staging **39.**vacancies **40.**pace **41.**peer **43.**clarity **44.**reinsurer

Down

1.partial **2.**postpandemic **4.**inclusive **7.**sole **8.**cohesion **11.**reality **13.**officer **15.**exodus **16.**lens **17.**fenland **19.**lockin **21.**embark **24.**niche **26.**support **28.**delegation **30.**outset **31.**flagship **32.**myth **33.**modular **34.**subsector **35.**evolve **38.**actuarial **42.**exempt

Service Providers

To advertise your services with the Pensions Aspects directory of Service Providers, please contact:

sales@pensions-pmi.org.uk

Copy deadline: 20th MARCH 2023 FOR APRIL 2023 ISSUE

Actuarial & Pensions Consultants

Asset Management

Service Providers

Asset Management Contd.

Financial Education & Regulated Advice

Independent Trustees

Pensions Lawyers

Sackers

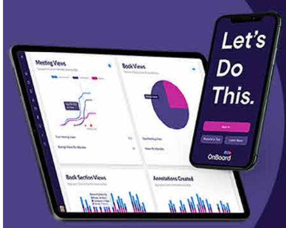
We are the UK's leading specialist law firm for pensions and retirement savings.

Find out more about how we can help you at www.sackers.com

Georgina Stewart, Director of Business Development

Sacker & Partners LLP
20 Gresham Street
London EC2V 7JE
T +44 20 7329 6699
E bd@sackers.com

Pension Systems



Setting the Standard for Board Management

Drive visionary leadership with elegant technology that helps you make better decisions and pursue bold action.

onboardmeetings.com | enquire@onboardmeetings.com

OnBoard
BOARD INTELLIGENCE PLATFORM

Trustees Liability Protection Insurance

OPDU
WWW.OPDU.COM

OPDU is a specialist provider of insurance for trustees, sponsors and pensions employees. Our policy covers risks including GDPR, Defence Costs and Regulator Investigations. We can also provide cover for: pursuing third party providers, theft, retired trustees and court application costs. Benefits include our own claims service and free helpline. We also provide run off cover and missing beneficiaries cover and cover for independent professional trustees. OPDU offers free CPD training covering trustees protections and how insurance works for groups of 6+ which qualifies for CPD points.

Contact:

Martin Kellaway
Executive Director

Address: OPDU Ltd,
90 Fenchurch Street,
London, EC3M 4ST

E: enquiries@opdu.com
W: www.opdu.com

Appointments

To advertise your jobs within Pensions Aspects or on pensioncareers.co.uk, please contact:

adam@insidecareers.co.uk or call 0203 915 5940

Copy deadline: 20th MARCH 2023 FOR APRIL 2023 ISSUE

BWF
BranWell Ford
Pensions & Legal Recruitment

EXPERT ADVISERS IN
PENSIONS RECRUITMENT

01279 859000

Recruitment & Employment Confederation

DB Pensions Associate
HB18262 West Midlands Circa £40,000 pa
A superb opportunity for a pensions professional who is looking to become more involved with clients and consultancy projects as well as get involved in scheme governance and secretariat support.

Pensions Implementation Manager
CB18220 West Yorks./Hants. £45,000-£55,000pa
Due to the on-going success of an independent pensions business, a new opening has been created. Personable with the ability to build relationships easily, you will be included in new business presentations to discuss scheme implementation with potential new Clients.

Client Manager
CB18233 Surrey / Fully Remote £65,000 pa
Are you an Ops Manager seeking a new direction or currently working as a Client Manager in pensions admin but looking to change sectors? Working at the forefront of one of the UK's leading firms, you will have full responsibility for all client related matters from development of new revenue, to delivery of client proposals.

Pensions Team Leader
HB18258 Glasgow £32,000 - £40,000 pa
Seeking a proven leader, with a wealth of Pensions Administration experience from an operational prospective also with a sound understanding of pensions' legislation to manage one of the largest funds in the UK.

Pensions Funding & Risk Lead
HB18257 South West Circa £40,000 pa
Brand new role within a large in house team to make your own. You will monitor risk to the fund, manage contribution rate, on-board new employers, lead on triennial valuations and sit on various working groups. CARE pensions scheme plus excellent annual leave.

Senior Pensions Administrator
CB18241 Fully Remote or North East Circa £35,000 pa
You will be mentored through on- going training to ensure your potential is reached and will establish a defined career path aligning with your ambitions. You will be encouraged to commence/ continue to study towards professional qualifications whilst receiving support such as time off for exams. Benefits include annual bonus and 25 days holiday.

Pensions Specialist
HB18202 Avon/Oxfordshire £Highly competitive pa
Support with the development, management and operation of the in house DB pension scheme with a particular focus of project delivery. This role is on a hybrid working model of 1-2 days a week in the office.

Scheme Secretary
HB18121 Remote/South East To £75,000 pa
We are seeking a Senior Manager to lead a portfolio of UK DB & DC Pension clients on their secretariat and governance service. Responsibilities will include all aspects of service delivery and commercial considerations. Within a highly supportive working culture.

Pensions Accounts
CB18259 Hants / West Yorks. Circa £40,000 pa
Supporting the Pensions Accounts Manager, you will be joining a team managing a portfolio of client accounts. You will be a technical expert providing a range of pension accounting services to external clients within strict procedural and audit requirements. Previous pensions accounts' experience is essential. You will also be given the opportunity to study for professional qualifications.

Christine Brannigan: christine@branwellford.co.uk

Hayley Brockwell: hayley@branwellford.co.uk

BranWell Ford Associates Ltd
Suite 8, The Chestnuts, 4 Stortford Road, Dunmow, CM6 1DA
T 01279 859000 E recruit@branwellford.co.uk

bwfgroup.co.uk

45

sammons PENSIONS RECRUITMENT

A member of the Sammons Recruitment Group

Leading recruiter for Pensions Professionals

www.sammonspensions.co.uk
pensions@sammons.co.uk
01277 268 988 / 020 7293 7022

Is your salary in line with the market?

2022 Salary Survey now published. Comprehensive insight into current salaries and trends in the pensions industry.

If you would like to discuss our findings or specific benchmarking, please contact us.

Pensions & Benefits Manager
Warwickshire/hybrid **c.£60000 per annum**
Join this in-house scheme as they go through a period of extensive change and restructure. Ref: 1378246 JW

Pensions Operations Analyst
London/hybrid **up to £55000 per annum**
Are you an experienced pensions administration professional, looking to grow and diversity your role and make an impact in a business allowing greater scope for progression? Ref: 1377909 JW

DC Governance
Kent/hybrid **£in line with experience**
Excellent position available for a DC specialist with exposure to governance and trustee secretarial areas, manage Trustee Committees and work on strategic projects. Ref: 1376381 BC

Pensions Technical Analyst
Devon/hybrid **£in line with experience**
A rare opportunity for an Occupational Pensions professional with sound Defined Benefit technical knowledge. Ref: 1378302 JW

Associate Consultant
London **to £40000 per annum**
Are you a pensions administrator looking for a change? Great opportunity to join this global consulting leader. Ref: 1371541 NMJ

Assistant Pensions Associate
London/hybrid **£competitive**
Superb opportunity to take your pensions career in a new direction with this award-winning professional Trustee company. Ref: 1374565 NMJ

Senior DC Pensions Administrator
West Mids./Scotland/London/hybrid **£in line with experience**
Benefit from strong team support and gain knowledge in the office with this hybrid role as you expand your pensions knowledge. Ref: 1370687 NMJ

Senior Pensions Administrator
West Yorkshire//hybrid **to £34000 per annum**
Great opportunity to join a leading independent UK professional services consultancy offering flexible working. Ref: 1370663 NMJ

Pensions Administrator
West Yorkshire//hybrid **£excellent**
Join a leading UK specialist requiring a Pensions Administrator who is committed to providing quality customer service whilst working within the company's vision and values. Ref: 1042900 JB

Head of Funding
Hybrid/London office c.2 days per week **£excellent**
Highly varied and rewarding role with this £bn+ pension fund leading funding and investment strategy, and employer covenant and relationship management. Ref: 1378300 SB

Interim Senior Pensions Manager
Hybrid/London office c.3 days per week **£superb package**
Support company and trustees in ongoing strategy development and delivery for Pensions and Benefits, whilst managing buy-out program for existing DB plans. Ref: 1378287 SB

Actuary Pensions/Life
Home-based **to £100000 per annum**
Join this well-known and respected actuarial team and advise a large range of clients, both Trustee and Corporate across either Pensions or Life. Ref: 1378321 BC

Head of Finance
Hybrid/Surrey office c.1 day per week **£superb bens package**
Varied opportunity with a £multi-billion Pension fund for a qualified Senior Pension Fund Accountant. Ref:1378290 SB

Investment Consultant
Work from home **£excellent**
Join a well renowned Pensions Consultancy, deliver across all areas of investment consulting work for corporate and trustee clients. Ref: 1378289 BC

Pensions Operations Manager
Home-based/flexible working **£superb**
Newly-created opportunity working at Senior level, building and developing and then leading a growing team. Ref: 1364846 BC

Head of Operations
South East/flexible working **£competitive**
Superb senior appointment with this £multi-billion pension fund to drive forward the in-house Pensions Administration function. Ref: 1378203 SB

DC Pensions & Benefits Manager, EMEA
Northern Home Counties **£excellent**
Newly-created appointment to lead in the strategic development and delivery of Pensions & Benefits arrangements across Europe for this industry leading organisation. Ref: 1378227 SB

Pensions Risk Manager, in-house
Warwickshire/Hybrid **£in line with experience**
Exceptional opportunity for a skilled Pensions professional with keen focus on risk and stakeholder engagement as you support the setup of a new in-house Pension function. Ref: 1378245 SB

Senior Client Manager
North East **£excellent**
Work pro-actively with a growing portfolio and deliver end-to-end services and be the focal point for client delivery. Ref: 1378293 BC

Interim Pensions Manager
Work from home **£competitive**
An exciting and challenging opportunity has arisen for a Staff Pensions Manager within the Finance Department. Ref: 1376756 JW

Client Management
Offices Countrywide **£excellent**
Unique opportunity specialising in outsourced pensions management, supporting a wide range of clients for this leading Pensions Consultancy. Ref: 1378288 BC

contactus@abenefit2u.com
0207 243 3201
www.abenefit2u.com

Abenefit2u

We can assist with 'one-off' recruitment needs or ongoing staff requirements; on a permanent, contract or temporary basis.

CELEBRATING our 15th year

Finding you your perfect fit!

Pens. Technical & Governance — £50k-£80k band
Home-based, occasional day in office — DB15547

You will be a Governance & Operational Risk Management Specialist, ideally on DB schemes, keen to work from home (with visits to office when essential), keen to join one of the largest UK in-house pension schemes.

In-house Pensions Administrator — Up to £40k
Home/London — DB15529

Full or part-time option to work 5, 4 or 3 days per week. You will deal with all administrative aspects of the Pension Plan, for a very large in-house pension department, 2-3 days are on site.

Pensions Systems Analyst — Up to £65k
3 days London/2 days Home — DB15530

You will provide support for all software applications utilised within this large in-house Group Pensions department, from processes to special projects, day-to-day, to further development.

Pensions Technical Analyst — £DOE
Devon/Homeworking — TD15556

A fantastic and rare opportunity in South Devon for an Occupational Pensions professional with sound DB technical knowledge with some exposure to Public Sector benefits. We are seeking someone with the ability to communicate with highly educated and high-earning professionals about their benefits.

GMP Project Manager — Up to £50k
UK-Wide / Home-based — TD15482

You will be an integral part of a team that will oversee and deliver many complex projects to clients (trustee and corporates) with a primary focus on DB pension schemes, many such projects are currently focused around GMP reconciliation, rectification and equalisation.

Senior Project Manager — £45-£55k
Home-based — CE15500

Are you a highly experienced project manager who has the background and knowledge to successfully manage the implementation of all types of occupational pension schemes, as well as client projects?

Pension Trustee Consultant — £50-£70k
London or NW England/Home — CE15551

Do you have an excellent grounding in UK pensions and ideally have experience of working with Trustee Boards, providing specialist governance support? If so, this could by your next exciting challenge.

Senior Pensions Analyst — £45-£55k
London or South England/Home — CE15449

An excellent opportunity for you to join this well-regarded pension's administrator in their change and projects team. A blend of office and homeworking on offer alongside a good benefits package.

Junior System Analyst — £DOE
Home / Essex on occasion — TD15413

Do you have knowledge of pension's administration, ideally with some experience of working on implementations? If you are seeking a new challenge outside of admin and have an interest in IT and pension's systems this could be the job for you!

Pensions Calculation Specialist — Up to £55k
Manchester / Home — TD15544

Do you have experience of working on pension calculation projects? We are seeking candidates with good knowledge of working with pension's administration systems; for example; implementations, migrations, automating calculations.

Contact Craig English (CE)
craig@abenefit2u.com
07884 493 361

Contact Dianne Beer (DB)
dianne@abenefit2u.com
0207 243 3201 / 07747 800 740

Contact Tasha Davidson (TD)
tasha@abenefit2u.com
0208 274 2842 / 07958 958 626

Working in partnership with employer and employee

BARNETT WADDINGHAM
beyond the expected

The freedom to have a thriving career

With pension opportunities across our nine UK offices, within our management services, accounting, systems and administration teams, you can thrive in your career with BW.

Our people have the freedom to excel, through flexible working options and a future-focussed infrastructure that supports your career progression.

This is underpinned by our independence, which empowers everyone to do their best work.

Visit our website to discover more and view current vacancies on our careers portal

barnett-waddingham.co.uk/careers