Pensions Aspects

www.pensions-pmi.org.uk

Edition 53 | February 2024

Navigating the landscape of trusteeship

ESG Pension Litigation

Tee Up a Trustee

Student Essay Competition Winners

Pensions Management Institute
Moving pensions forward

Foreword

Navigating the pensionscape for 2024 and ahead

Tim Middleton
Director of Policy and External Affairs, PMI

The governance of the UK's pension schemes is a major responsibility. Tens of millions of people are reliant on pension schemes to provide them with an income in retirement or to provide for their dependants on their death. The total value of the assets held by funded pension schemes is approximately £2.5 trillion, and these assets have to be invested in a way that both maximises returns over the longer term yet maintains a sufficient level of liquidity to pay for benefits as and when they fall due. Ultimate responsibility for the governance of pension schemes lies with trustees. In view of the apparently onerous responsibilities, who would wish to be one?

Trustees can, in fact, be very ordinary people with no specific expertise in the day-to-day issues involved in the management of a scheme. Trustees have an essentially non-executive role in running a scheme: they do not manage the scheme themselves but are required to manage those who do. Trustees are not expected to be experts in investment, or law or actuarial science, but they are required to be guided by those who are. Whilst there is a statutory requirement arising from the Pensions Act 2004 for trustees to have a working knowledge of pensions law and their own scheme's Trust Deed and Rules (the Trustee Knowledge and Understanding (TKU) requirements), it is not expected that trustees should themselves attain a degree of expertise in any of the many professional disciplines involved in the operation of a pension scheme. Most trustees in the UK are lay people who have been appointed to their role by their employer (the scheme sponsor) or nominated by the scheme's members.

Of course, there has been a growth in recent years of the professional trustee sector. Professional trustees are typically individuals who had previously provided professional advice to pension schemes, such as actuaries, lawyers, accountants, or investment consultants. Given their background, they are expected to demonstrate appropriate levels of expertise. Although not formally required to do so, they are actively encouraged to seek accreditation from either PMI or the Association of Professional Pension Trustees (APPT). Ultimately, however, their responsibilities are the same as those of lay trustees: to exercise prudence and judgement in their supervision of those tasked with a scheme's day-to-day administration.

Trustees are not formally required to have any expertise in pensions beyond the rudimentary requirements of the TKU requirements. However, a well-managed board will usually consist of a balanced team of enthusiastic and committed individuals co-ordinated by an effective Chair. Trustees are actively encouraged to seek training designed to develop and enhance their understanding of technical issues affecting pensions and it is here that PMI has a pivotal role to play. Since its inception, PMI has been at the forefront of providing effective support for trustees. Our Trustee Group, with over 1,100 members, provides a dedicated conference for trustees each November. PMI's Certificate in Pension Trusteeship (CPT) remains the only formal qualification for those acting as trustees. This year will see some exciting new developments in PMI's support for both lay and professional trustees. For nearly half a century, PMI has led the way in the support that it provides the trustee sector. It is a standard of support that will not only continue but will also continue to grow. PMI's commitment to the sector is stronger than ever.

Contents

Issue 53 | February 2024

Student Essay Competition winners

Is Pensions administration a suitable sector for the deployment of artificial intelligence?

18

Winner 1

British Airways Pensions Administrator, Lucas Richards' winning entry

22

Winner 2

Barnett Waddingham LLP Data Engineer, Scott Hawes' winning entry

26

Winner 3

Spence & Partners Limited Consultant, Caitlin Watson's winning entry

Feature Articles

30

ESG Pension Litigation

Burgess Salmon's Partner and Director explain why trustees must add pension litigation to their risk register

32

Tee Up a Trustee

Dr. Nickolai Slavchev sheds light on the history of safeguarding and protection solutions in Bulgaria

48

Changing Nature of Trusteeship

Director of Lifelong Learning Dr. Keith Hoodless paints the evolving UK trusteeship landscape

Insight Partner Articles

34

Greater responsibilities call for stronger partnerships

Graham Hook and Mary Cahani of Invesco extol the virtues of closer partnerships going into 2024

36

Supporting members to take the right course of action

WEALTH at Work's Johnathan Watts-Lay looks at the challenges members may face in the year ahead

38

The future of defined benefit pensions and the role of consolidation

Schroders Solutions' Ajeet Manjrekar explores the recent focus on Defined Benefit (DB) pension consolidation

40

Paradigm shift for pension investment

Ren Lin on why investing to grow a surplus is easier than investing to repair a deficit

Month in Pensions

42
Reducing barriers to returning surplus
Mark Tinsley FIA on why the Government needs to change the rules of the game on surplus.

44
What does the recent Government call for evidence mean for trustees' investment duties?
Schuyler Hillbery of Sackers ponders, do trustees currently have sufficient investment?

PMI Update

06
Membership update
A comprehensive breakdown of PMI Membership grades and programmes.

08
Hear from the PMI
Compudis diam hhil laborrunt aceptio nseque

09
Regional News
A breakdown of the latest news and notifications from across the PMI's regional groups.

10
PMI Events
Listing the latest upcoming PMI Events.

12
2023 Pinnacle Awards winners!
A roll call of winners and highly commended from the Pinnacle Awards 2023.

50
Pension Conundrum
Our regular pensions puzzle.

52
Service Providers
A comprehensive directory of PMI services.

55
Appointments
An overview of openings and career opportunities in the pensions industry.

The Pensions Regulator

45
Improving trusteeship in an evolving pensions world
The Pensions Regulator's Lou Davey argues savers deserve more than minimum Standards.

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

Membership update

Your membership, what's happening?

Continuing Professional Development (CPD)

Congratulations to all Associates and Fellows who have recorded their 2023 CPD. Fellows and Associates are reminded that their CPD becomes due on 1st January 2024, and meeting the PMI CPD requirement is compulsory (except where retired/non-working). Under our CPD Scheme, PMI members are required to record at least 25 hours during the year. Please log on to your member portal and update your CPD record.

Fellows and Associates who did not complete and record their 2023 CPD will now be required to make up any short fall in 2024 and you will be notified of this shortly.

Failure to have completed the required CPD for three consecutive years (without having notified the PMI of any extenuating circumstances) may result in your membership being downgraded and you will lose your entitlement to exclusive APMI and FPMI member benefits such as the use of your designations, voting rights and opportunity to be elected to PMI's governing structures.

We strongly urge all our APMI and FPMI members to use our online CPD recording tool available through the My PMI member portal.

If you wish to record a self-declaration for CPD completed under the auspices of another professional institute, please **download the self-declaration form** – and return this to the **Membership team**.

New Benefits

From 2024, **Complimentary access to the PMI Trustee Group network** for Fellow and Associate members.

All Associates and Fellows will be automatically added to the PMI Trustee Group at no further cost. Access to this network will include exclusive Trustee events such as roundtables and webinars.

Students who are completing the **Certificate in Pension Trusteeship (CPT)** can also request complimentary access to the Trustee Network for the first year of their studies. Request your free membership for 2024 here.

Exclusive offer for PMI Trustee Group members

Aon's Pension Cyber scorecard for trustee-based pension schemes to assess their cyber strategy and how it compares to others in the market. To find out more and sign up please check our dedicated webpage **here**.

We have partnered with **Portfolio Institutional** to offer all Associate and Fellow members a free monthly subscription of their magazine. More than 6000 copies of their print magazine are distributed each month to pension fund trustees, asset managers, investment consultants and related industry readers.To find out more and request a free subscription click **here**.

Obituary:

Peter Silvester FPMI (Fellow member of PMI since 1976)

It is with great sadness we announce the passing of Peter on the 9 November 2023.

Our deepest condolences to his family and friends.

Recommend a colleague for EPMI membership?

Know someone senior in the industry who would benefit from PMI membership?

Our Member by Experience route is designed for individuals with more than 10 years' experience in the finance sector at a senior level.

Benefits of EPMI membership include:-

- Use of Post-nominals **(EPMI)**
- CPD Online recording tool
- Access to PMI output – ie. Pensions Aspects magazine, PMI Newsletters – Membership, Learning, Knowledge, Events (Including PMI Technical news (quarterly technical supplement)
- Eligible for co-option onto PMI governing structures (boards, committees)
- Sharing expertise and knowledge with student/junior members of the PMI (incl. in multi pension disciplines and improved interaction between private and public sectors) through Q&A/coffee break sessions
- Access to PMI regional groups
- Access to member initiatives such as the PMI Mentoring and Development Programme
- PMI Extra (member discounts and savings)
- Pensions Aspects bi-monthly - Opportunity to have your written articles featured in the magazine
- Access to PMI-produced research reports and thought leadership content produced by influential leaders of the sector
- Free access to all video content and webinars on BrightTalk (webinar platform)

Benefits for employers

- Invitation to attend 1-2 Fellowship Network events per year
- Networking opportunity with decision-makers of the pensions sector
- Assurance and credibility of hiring individuals with a proven level of experience
- Opportunity to be invited to exclusive roundtables, debates and discussions
- Reduced member rates/or free places at selected events
- Free access to video content and webinars on BrightTalk (webinar platform)
- Opportunity to purchase exhibition and sponsorship items to market and raise awareness of your products and services

Get in touch if you know someone who fits the profile.

PMI Regional Groups – Events in 2024

In 2023, we saw an increase in local events delivered by our PMI regional groups taking place across the country with various key topics covered by experts in the sector. Not only can you claim CPD from attendance at regional events, but this is an excellent opportunity to network with other likeminded professionals from outside of your place of work.

The regional groups and PMI are working together closely to deliver even more exciting seminars, breakfast roundtables and half-day conferences.

Don't forget to sign up through your My PMI membership portal – Sign In (pensions-pmi.org.uk) to receive up to date news on upcoming events in 2024.

If you have a good idea for an event topic/s, want to put yourself forward for a speaking slot or simply want to get involved in supporting the work carried out by the regional group committees please contact us at membership@pensions-pmi.org.uk

PMI | Hear from the PMI

Hear from the PMI

In last year's Autumn Statement, Chancellor Jeremy Hunt announced that there was to be a Call for Evidence on what he described as a Lifetime Provider.

The Government has become increasingly concerned at the number of small Defined Contribution (DC) pension pots, and with members of Generation Z predicted to have an average of 18 jobs over the course of their working lives, this is likely to exacerbate the existing problem. Whilst Pensions Dashboards will help individuals consolidate those pots which already exist, the Government is keen to adopt a strategy that will reduce the likelihood that small pots will continue to proliferate in future.

The Lifetime Provider concept would see employees adopt a pensions arrangement early in their working lives which would then be taken from employer to employer. The idea, which is heavily influenced by the Australian policy of stapling, would see employers required to contribute to an arrangement designated by the employee rather than to its own selected auto enrolment scheme.

At this stage, many questions remain unanswered. The system would require a dedicated clearing house system to match existing pension schemes to new employers. It would also require employers to make contributions to as many different pensions arrangements as their workforce requires. As the Lifetime Provider arrangement would be instigated by employees rather than be automatic, it is unclear what take-up rates would be like.

The idea has already provoked much discussion within the pensions industry. PMI's Policy and Public Affairs Committee is preparing its response to the Call for Evidence, and you may already have seen the webinar that PMI arranged in December. There is much left to be discussed, and you can be sure that PMI will continue to be at the heart of the debate.

Tim Middleton
Director of Policy and External Affairs
PMI

PMI Regional Group News

Southern Regional Group

Mark Hodson
Associate Director,
Omnium Employee Benefits

Details of the forthcoming
PMI Southern Meeting:
Thursday 25th January 2024
2:30pm to 5:30pm

The Importance of Governance and Professionalism in the Workplace

Governance has always been essential, and this presentation will focus on how to provide good governance and how to make boards and schemes more robust.

Paul Tinslay from Dalriada Trustees will talk through the key steps we all need to focus on. He is highly experienced in developing pensions legislation, having worked with HMRC and GAD.

To be held at: RSM, 1 London Square, Cross Lanes, Guildford GU1 1UN

PMI CPD Accreditation 3.0 hours

This session is available to all and is aimed primarily at students and newly qualified members. We encourage members to invite students or others who don't usually attend our events to hear more about what PMI has to offer.

In addition to the above, there will be a presentation on the new membership and qualification structure, PMI Pathways, which aims to ensure better alignment with a wider range of pension career aspirations.

To reserve a place please contact Clair Hood by Thursday, 18th January at clair.hood@howdens.com

London Regional Group

Martin Lacey
Communications,
PMI London Regional Group

The PMI London Group hopes all our members had an enjoyable festive season!

We'd like to thank everyone who joined us at Willy's Wine Bar in November for our annual pub quiz! We had over 50 quizzers across 11 teams, and it was a very close competition. The winning team (by one point!) was "Seven Weeks to Xmas" from Isio. Many thanks to Sackers who again proudly sponsored the PMI London Group pub quiz.

We were also delighted to see so many of our members at our November Business Meeting. We were joined by Dominic Harris, the new Pensions Ombudsman and Pensions Protection Fund Ombudsman, for his first public seminar following his appointment to the role in January 2023. Dominic shared key insights on some of the main themes of recent determinations – including the recovery of overpayments, pension scheme surplus, transfers, fraud and dishonesty – and spoke about the focus of the Pensions Ombudsman's office over the next 12 months. The London Group would like to thank CMS for hosting the Business Meeting and Natalie Mee (Partner, CMS) for chairing the event.

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

Scottish Regional Group

John Wilson
Spence & Partners

Following its very successful afternoon seminar in Glasgow on 23 August, the Scottish Group will be holding its next seminar in late February 2024.

It will be a ½ day event in Edinburgh city centre.

The theme will be hot topics for 2024 and will include the latest on the General Code and the new Funding Regulations and code, as well as updates on consolidation, investment and trustee issues following the Autumn Statement 2023.

Further details of timings, venue and speakers will be in the next Pensions Aspects Magazine.

Events

The view ahead for PMI Events 2024

PMI is hosting a range of pensions-industry-leading events for 2024. With industry specialists delivering the best insights and knowledge to flagship events such as The Pinnacle Awards, excellent networking opportunities and extensive partner exhibition and sponsorship packages. For further details please select from the list below or see pensions-pmi.org.uk/events for the full programme.

Defined Benefit Pensions Conference 2024
13 March 2024 | 09:00 - 17:45

DC and Master Trust Symposium 2024
25 April 2024 | 08:30 - 17:30

Annual Conference 2024
04 July 2024 | 08:15 - 17:30

PensTech and Admin Summit 2024
25 September 2024 | 10:00 - 14:45

Trustee Workbench 2024
12 November 2024 | 08:30 - 17:30

Pinnacle Awards 2024
TBC November 2024

ESG and Investment Forum 2024
04 December 2024 | 08:30 - 17:30

ESG Pensions Tool

Our award-winning tool is designed to assist trustees (and employers) in understanding the legal obligations relating to ESG which apply to their pension scheme. It aims to help users navigate through the various and numerous sources, including legislation, statutory guidance and best practice publications with links to the sources for further information. ESG factors present risks and opportunities, so through our tool we aim to support you in spotting which is which for your scheme.

To receive your free copy of our interactive Pension Schemes ESG tool, please visit our website here.

Burges Salmon

www.burges-salmon.com

Pinnacle Awards

A very big thank you to everyone who sponsored, entered or attended the 2023 PMI Pinnacle Awards. We are delighted to announce that once again the evening was a great success and a credit to the UK pensions industry.

Held for the second year at the capital's beautiful Londoner Hotel in Leicester Square, and hosted by the wonderful Alex Jones, the night saw our worthy winners, and those who were Highly Commended, collect their prestigious PMI Pinnacles awards.

Congratulations to all of you!

PEOPLE CATEGORY AWARD WINNERS

Star in the Making
Chloe Leslie
ndapt

Team of the Year
XPS Continuous Improvement Team
XPS Pensions Group

Leader of the Year
Mark Grant
CMS UK

Lifetime Achievement Award
Kim Gubler
KGC associates ltd

Frontline Hero of the Year
Dian Smith
Mayer Brown

INNOVATION CATEGORY AWARD WINNERS

Innovation in Learning, Development and Talent Retention

Pensions Academy
Brightwell

Innovation in Systems and Technology

Gemini
Intellica Ltd

Innovation in New Product or Service

DrumRoll
Barnett Waddingham

Innovation in Trusteeship

Emerging Markets Just Transition Investment Initiative
Church of England

IMPACT CATEGORY AWARD WINNERS

Impact on Climate
CACEIS

Impact on Customer Experience
Rothesay

Impact on the Profession
IMPACT LENS Research,
led by Karen Shackleton
Pensions for Purpose

Impact on Society
Dormant Assets Scheme Expansion
Reclaim Fund Ltd

HIGHLY COMMENDED

PEOPLE

Star in the Making
Daisy Gillet
BARNETT WADDINGHAM

Team of the Year
Pensions Disputes Resolution
Pinsent Masons

Leader of the Year
Samantha Hayward
Sestini & Co Tax Consultancy

Frontline Hero of the Year
Zahid Hai
CTC Pensions Technology

INNOVATION

Innovation in Learning, Development and Talent Retention
Learning Development Programmes
CMS law·tax·future

Innovation in Systems and Technology
Duncan Stevens
GRETEL

Innovation in New Product or Service
QUIETROOM

Innovation in Trusteeship
ndapt

HIGHLY COMMENDED

IMPACT

Impact on Customer Experience

Civil Service Pensions

Impact on the Profession

Steve Webb

LCP powering possibility

Impact on Society

State Social Protection Fund of Azerbaijan

PINNACLE AWARDS 2023

ITM Student Essay Competition 2023

Student Essay Competition Winner 1

Is Pensions administration a suitable sector for the deployment of artificial intelligence?

Lucas Richards
Pensions Administrator, British Airways Pensions

Pensions administration, a sector vital for managing retirement benefits, is poised for a significant transformation with the integration of artificial intelligence (AI). This essay delves into the suitability of deploying AI in pensions administration, exploring the potential benefits, challenges and ethical considerations surrounding this integration. AI's arrival in this domain brings about new possibilities, and we shall explore whether these possibilities outweigh the complexities involved.

The Benefits of AI in Pensions Administration

1. **Efficiency Enhancement:** Pensions administration involves vast amounts of data and complex calculations, from processing contributions to calculating benefits and handling disbursements. AI can automate these tasks with remarkable precision, reducing administrative burdens and processing time. For instance, AI algorithms can swiftly reconcile contributions, minimizing the risk of errors or omissions.
2. **Accurate Record-Keeping:** Accuracy is paramount in pensions administration, as even minor errors can lead to costly consequences. AI can maintain meticulous records by minimizing human errors, ensuring that beneficiaries receive the correct benefits, and avoiding compliance issues.
3. **Cost Reduction:** The use of AI can dramatically reduce operational costs within pensions administration. Automation of repetitive tasks not only frees human resources but also reduces the likelihood of costly errors, ultimately leading to significant savings for both pension providers and plan beneficiaries.
4. **Data Analytics:** AI's prowess in data analysis is instrumental in pensions administration. The vast amounts of data generated in this sector can be harnessed by AI algorithms to identify trends, anomalies and predictive patterns. This data-driven approach can enable pension providers to make more informed decisions, enhance investment strategies, and better meet the evolving needs of pensioners.
5. **Streamlined Customer Service:** AI-driven chatbots and virtual assistants can provide efficient and consistent customer support, guiding individuals through the complex pension processes. This ensures that beneficiaries have quick access to information and assistance when they need it most.
6. **Fraud Detection:** Detecting fraudulent activities within pension systems is a critical concern. AI can continuously monitor transactions and identify unusual or suspicious behaviour, enhancing the security of pension funds and safeguarding beneficiaries' assets.

Challenges and Ethical Considerations

While the benefits of deploying AI in pensions administration are compelling, it is crucial to address the challenges and ethical considerations that come with this transformation.

1. **Data Security and Privacy:** Pensions administration deals with highly sensitive personal and financial data. Protecting this information from breaches and unauthorized access is paramount. AI systems must be designed with robust security measures to safeguard this data against potential cyber threats and breaches.
2. **Algorithmic Bias:** AI systems can inherit biases from the data they are trained on, potentially leading to discriminatory or unfair outcomes. In the pensions sector, where equitable treatment is essential, AI systems must be rigorously tested and calibrated to ensure fairness and impartiality.
3. **Regulatory Compliance:** The pensions sector is subject to strict regulations, and the deployment of AI must adhere to these standards. Ensuring that AI processes are transparent and that they comply with regulatory requirements can be a complex task. Transparency is crucial in demonstrating accountability.
4. **Transition Challenges:** Transitioning to AI-driven processes may be disruptive and costly initially. The integration of AI with existing systems and the retraining of staff present challenges that pension providers must navigate to ensure a smooth transition.
5. **Accountability:** In cases where AI-driven errors or malfunctions occur, determining responsibility and accountability can be complex. It is essential to establish clear policies for oversight and accountability, ensuring that responsible parties can be held accountable in the event of issues.

Case Studies: AI Success Stories in Pensions Administration

To illustrate the benefits and challenges of AI deployment in pensions administration, let's examine a few case studies.

1. State Street Corporation:

State Street Corporation, a global financial services provider, serves as an excellent case study of how AI has brought tangible benefits to pensions administration:

BENEFITS:

- **Efficiency:** State Street implemented AI solutions to automate various tasks, including data validation, transaction processing, and reporting. As a result, they significantly reduced the time and effort required to process pension-related data. Tasks that used to take days or weeks are now completed within hours, enhancing operational efficiency.
- **Cost Savings:** By automating labour-intensive processes, State Street achieved substantial cost savings. They were able to allocate human resources more strategically, focusing on complex issues while letting AI handle routine tasks. This not only saved money but also improved the allocation of human capital.
- **Accuracy:** AI's ability to process vast amounts of data with minimal errors ensured higher accuracy in pensions administration. This is vital in an industry where precision is paramount to avoid costly errors or compliance issues.

CHALLENGES:

- **Data Security:** With AI handling sensitive financial data, the security of this information became a paramount concern. State Street had to invest in robust cybersecurity measures to protect pension data from potential breaches or unauthorized access.
- **Compliance:** The deployment of AI in pensions administration had to adhere to industry-specific regulations. Ensuring that AI-driven processes met compliance standards while remaining transparent was a complex and ongoing challenge.

2. The Netherlands' APG:

APG, one of Europe's largest pension providers, demonstrates how AI has enhanced customer service and fraud detection within pensions administration:

BENEFITS:

- **Streamlined Customer Service:** APG introduced a virtual assistant driven by AI to handle routine customer inquiries. This chatbot provides quick and consistent responses, freeing up human agents to focus on more complex and nuanced customer issues. This improved response times and customer satisfaction.
- **Fraud Detection:** AI plays a pivotal role in continuously monitoring transactions and identifying potential fraudulent activities. By leveraging AI's capacity to analyze large volumes of data quickly, APG can detect anomalies and unauthorized transactions, safeguarding pension assets and protecting beneficiaries.

CHALLENGES:

- **Algorithmic Bias:** Ensuring that the virtual assistant remains unbiased and treats all customers fairly is a constant challenge. APG had to implement regular audits and checks to identify and mitigate any potential biases in the AI's responses to ensure equitable customer service.

3. Hewlett Packard Enterprise (HPE):

Hewlett Packard Enterprise's use of AI in pension fund management demonstrates how AI can enhance investment strategies within pensions administration:

BENEFITS:

- **Data Analysis:** HPE leverages AI for data analysis, particularly in market trends and historical data. This data-driven approach enables them to make more informed investment decisions. AI can analyze vast datasets more efficiently and identify trends that human analysts might overlook.
- **Investment Optimization:** By using AI to optimize investment strategies, HPE has the potential to achieve better returns on the pension fund's investments. This can ultimately benefit pensioners by increasing the value of their retirement savings.

CHALLENGES:

- **Data Quality:** AI relies on the quality of the data it processes. Ensuring that the data used for investment decisions is accurate and reliable is crucial. HPE had to invest in data quality assurance processes to maximize the benefits of AI-driven investment strategies.
- **Regulatory Compliance:** The financial industry, including pensions administration, is heavily regulated. HPE had to ensure that AI-based investment strategies align with these regulations, demonstrating the need for ongoing compliance efforts.

Conclusion

In conclusion, the integration of artificial intelligence in pensions administration offers the promise of increased efficiency, cost savings and enhanced accuracy. The application of AI can revolutionize the sector, benefiting both pension providers and beneficiaries. However, the introduction of AI also poses significant responsibilities and challenges, particularly concerning data security, regulatory compliance, and algorithmic fairness.

The suitability of deploying AI in pensions administration hinges on a thoughtful, well-governed approach. As we move forward, it is imperative to strike a balance between leveraging AI's capabilities and ensuring ethical, secure and transparent practices. The future of pensions administration will likely entail a harmonious partnership between human expertise and AI-driven efficiency, ensuring that retirement benefits are managed accurately, securely and responsibly. Ultimately, the potential benefits of AI in pensions administration make it a sector ripe for transformation, provided that we navigate the challenges and ethical considerations wisely.

REFERENCES:

https://www.hpe.com/us/en/home.html

https://www.statestreet.com/gb/en/asset-owner/insights/making-sense-of-machine-learning

https://www.pexip.com/customer-stories/apg

https://www.lcp.com/our-viewpoint/2023/07/ai-and-pensions-what-i-learned-talking-with-pensions-actuaries

https://www.gov.uk/government/case-studies/analysis-of-experience-dashboard

https://procentia.com/gb/insights/the-potential-of-ai-in-transforming-the-pensions-market/67/

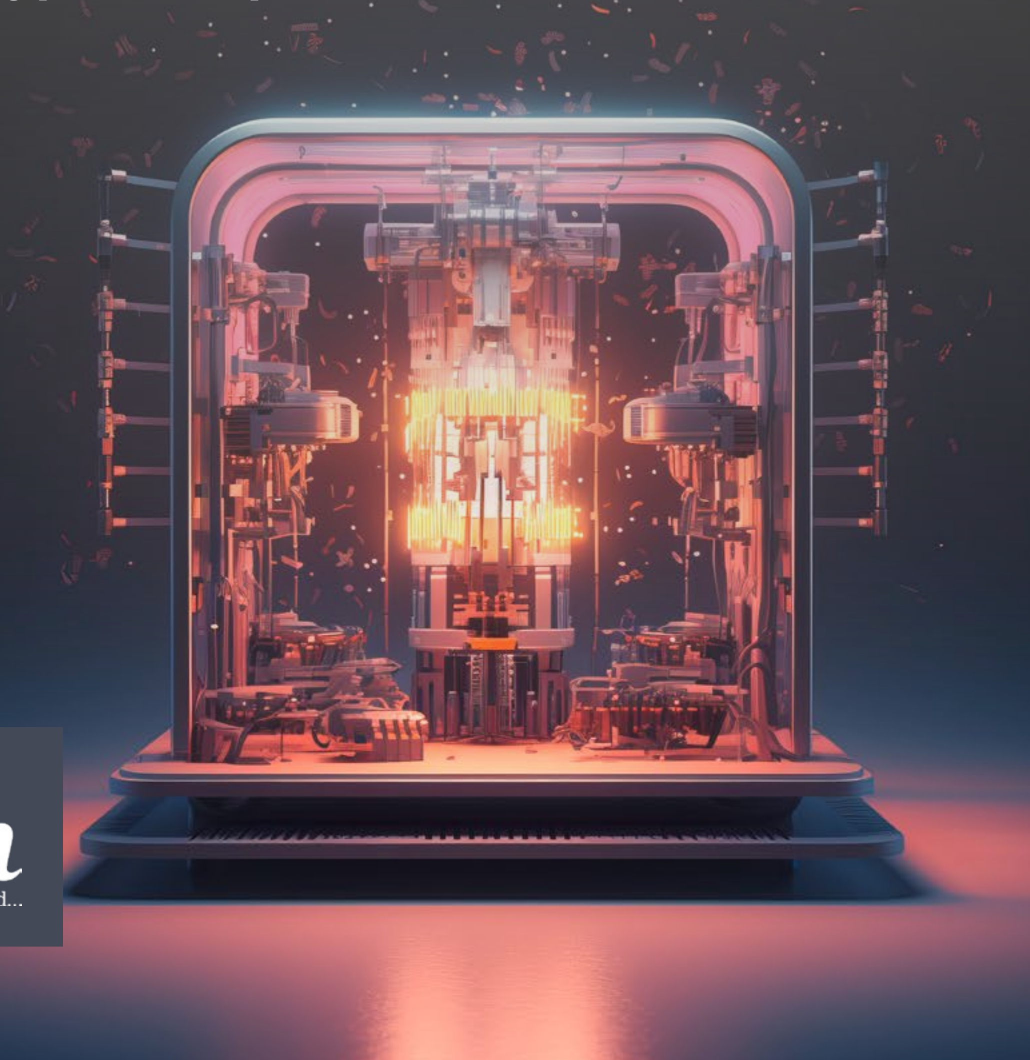
ITM Student Essay Competition 2023

Student Essay Competition Winner 2

Is Pensions administration a suitable sector for the deployment of artificial intelligence?

Scott Hawes
Data Engineer, Barnett Waddingham LLP

The advent of artificial intelligence (AI), propelled by advancements in machine learning and computing capabilities, has breached the confines of traditional tech domains, finding its stride in commercial markets. This technological evolution, while previously enriching sectors like healthcare and tech with predictive diagnostics and speech processing respectively, now beckons new horizons of opportunity for businesses. Particularly in financial enterprises, AI fuses with routine operations to augment capacity, elevate output, and broaden user capabilities, thereby reshaping operational landscapes.



In the pension administration sector, the narrative of AI unfolds with a lens on augmenting administrative efficiency, accuracy and personalization. The core arenas of pension administration where AI finds its calling include responding to inquiries through chatbots, utilizing enhanced data analytics to review and modify records, employing machine learning for intelligent decision-making in determining entitlement amounts, managing contributions, streamlining the transition of benefits between different pension plans, coordinating pension disbursements, and automating the monitoring of regulatory changes (Blows L. , 2018) (Waite, 2023) (Barker, 2021).

The transformative potential of AI in pension administration is pronounced, emphasizing a saver-centric experience through technological innovations. By embracing AI, the sector is poised to meet modern-day demands, enhance services, and foster member engagement, ensuring resilience and relevance in a rapidly evolving technological landscape (Masters, 2023) (Mantz).

To grasp the evolution of AI in the pensions industry, an examination of documented insights (Blows L. , 2018) is recommended. A GOV.UK report paints a picture of a budding engagement with AI within the sector, with 38% of organizations either planning or piloting AI interventions, 33% yet to embrace the technology, and 27% having fully integrated AI solutions (GOV.UK, 2021).

The sector, primarily driven by private service providers, somewhat trails in AI adoption. Yet, certain initiatives underline a burgeoning interest in leveraging AI:

Predictive Algorithms: The Finnish Centre for Pensions utilized a machine-learning algorithm, achieving a 78% accuracy rate in predicting disability pension retirement, leveraging socioeconomic, earnings and benefit data (Saarela, 2022).

1. **Automated Administrative Decisions:** Pension Danmark has automated approximately 80% of its administrative decisions and aims to increase this percentage.
2. **Chatbots:** Keva, a Finnish national pensions company, harnessed chatbots to bolster customer service, aiming for 24/7 support, reducing call volumes, and automating half of the incoming calls and chats, among other goals (Salminen, 2019).
3. **Robo-advisors and Dashboards:** The emergence of white-labelled robo-advice systems aids Independent Financial Advisors (IFAs), while AI's role in personalizing dashboards enhances user engagement. For instance, Betterment and SigFig employ AI for tax-efficient transactions and asset allocations, respectively (Koksal, 2020)

PwC's 2018 Pensions Technology Survey anticipates that over 53% of employers in the sector will channel investments towards automating member communications in the ensuing three years (Blackmore, 2018).

Discussing AI necessitates an acknowledgment of its broad spectrum of applications and interpretations, spanning from machine learning algorithms in predictive analytics to simpler technologies like chatbots (Russell, 2020). The ongoing evolution of the technology, driven by a myriad of user needs, often entails performance trade-offs when fine-tuning AI algorithms for specific tasks (Dacrema, Cremonesi, & Jannach, 2019). This has spurred the creation of specialized AI technologies tailored for distinct applications, moving away from a "one-size-fits-all" paradigm (Caruana, 1997).

The fusion of AI with pensions administration heralds a tide of efficiency and automation, vital for managing the extensive data and computations inherent in pension schemes. As articulated by the financial services group Cardano, AI augments data quality, automates manual undertakings, and births new tools that markedly refine pension administration efficiency. These strides translate to swifter, more accurate outcomes, diminished human error, and the liberation of human resources for strategic endeavours (Mantz). Lane Clark & Peacock LLP (LCP) echoes this sentiment, spotlighting AI's prowess in automating routine chores like addressing member inquiries through chatbots and leveraging machine learning for trend prediction (Waite, 2023).

AI's imprint on pensions extends to personalization, enabling bespoke investment portfolios and enriched member engagement. AltFi accentuates AI's capability to offer pension holders personalized investment portfolios, paving the way for a more tailored pension journey. For instance, machine learning and predictive analytics can guide pension funds to investment avenues resonating with an individual saver's ethos, like eco-conscious companies (Bucksey, 2023). LCP also delves into product tailoring based on data analysis, an effort that significantly bolsters personalization in the sector (Mantz).

AI emerges as a linchpin in elevating risk management within pensions administration by furnishing real-time analysis, thus enabling proactive risk management. Mason Hayes Curran elucidates AI's potential in aiding pension trustees and risk managers with real-time insights into the repercussions of economic adversities like recessions or employer insolvency on pension schemes (Gillick, 2023). Further, discussions on Style of Money and AI-CIO underline AI's role in advancing risk management, cost mitigation and bolstering efficiency, alongside its impact on evolving liability-driven investing (LDI) – a cornerstone of risk management in pensions (Veerman G, 2015) (Kerluke, 2023). Lastly, LCP envisions a transformative journey for risk management, member engagement, and client satisfaction through AI, underscoring the long-term vision of fully unlocking AI's potential in the sector (Waite, 2023).

The use of AI systems within pension administration introduces a wide range of challenges and concerns for both service providers, clients and members. Above all is the cybersecurity risk associated with data breaches, cyber-attacks, and the lack of transparency attached to machine learning.

EY mentions how cybercriminals often attempt to gain unauthorized access to public pension systems through common vulnerabilities, emphasizing the need for enhanced vigilance surrounding pension provider websites, member and employer portals, and staff-conducted investment operations (Josef Pilger, 2023). This is essential to preventing unauthorised access that could jeopardise the financial security of pension plans and the personal information of the members.

A Deloitte report outlines how AI can augment predictive cyber-intelligence capabilities, including risk-sensing, threat monitoring, and detection. It highlights the need for continuous monitoring and updating to address emerging cybersecurity issues (Ramachandran, 2019). This allows for service providers to proactively address the cyber risks associated with the integration and development of new technologies.

Additionally, a piece on Pensions & Investments mentions how the SEC adopted new rules requiring enhanced cybersecurity disclosures, which is a nod towards the increasing regulatory compliance requirements in the face of advancing technology (Degen, 2023). By introducing new rules, we begin to encourage greater transparency and accountability with our pension administration systems and proactively look to mitigate the short-term issues associated with a lack of regulation within the technology's development.

The survey conducted by Mason Hayes & Curran showed a cautious optimism among pension professionals regarding AI. About 72% of the surveyed professionals believed that AI has the potential to enhance outcomes for pension scheme members (Gillick & McElligott, Pensions Industry Cautiously Optimistic About AI, 2023). Moreover, the Irish Legal News article further emphasized this cautious optimism, stating that while professionals see the potential in AI, they may not yet be comfortable receiving financial advice from AI systems (Gillick, 2023).

The Professional Pensions Administration Survey 2023 revealed rankings for third-party administrators and software providers, where AI could play a pivotal role in enhancing service delivery and operational efficiency. The survey reflects the industry's acknowledgment of the transformative potential of AI technologies (Professional Pensions, 2023).

A report by the Mercer CFA Institute suggests that AI could significantly improve the performance of pensions by reducing operational costs and identifying upcoming risks, which is crucial for maintaining the financial health and sustainability of pension schemes (Reuters, 2023).

In summation, the integration of Artificial Intelligence (AI) in pension administration emerges as a promising avenue to significantly enhance operational efficiency, precision, personalization, and risk management within the sector. The potential of AI to automate routine tasks, provide real-time analysis, and facilitate proactive risk management underscores its instrumental value in modernizing pension administration, aligning it with contemporary technological advancements (Mantz) (Gillick, O'Connor, & McElligott, 2023) (Veerman G, 2015).

However, the journey towards fully harnessing AI's potential is not devoid of challenges. The concerns surrounding cybersecurity, data privacy, and the ethical dimensions of AI deployment necessitate a cautious and well-regulated approach to integrating this technology (Josef Pilger, 2023) (Degen, 2023). The industry's cautious optimism, as mirrored in surveys and professional discourse, reflects a conscious acknowledgment of both the transformative potential and the associated challenges of AI (Professional Pensions, 2023) (Gillick, O'Connor, & McElligott, 2023).

Furthermore, the comparatively nascent adoption of AI in pension administration compared to other sectors suggests a measured pace of integration, allowing for a thorough understanding and mitigation of risks (GOV.UK, 2021). The examples of successful AI deployments in pension administration across different regions, as discussed, illuminate the viable pathways and the tangible benefits that can be accrued (Salminen, 2019) (Saarela, 2022).

Engagement with counterarguments and criticisms, alongside an inclusive dialogue among stakeholders, will be crucial in navigating the ethical and operational challenges, ensuring that the deployment of AI in pension administration is conducted responsibly and to the maximal benefit of all stakeholders involved.

As the sector continues to evolve, a collaborative approach among policymakers, pension administrators and technology providers, backed by robust regulatory frameworks, will be imperative to foster a conducive environment for innovation. This collaborative ethos, coupled with continuous monitoring and assessment of AI applications, will play a pivotal role in ensuring that pension administration not only adapts to the digital era but thrives in it, ultimately serving the overarching goal of securing financial stability for retirees (Ramachandran, 2019).

By embracing AI, pension administration stands at the cusp of a transformative era, where the amalgamation of human expertise and machine intelligence can significantly elevate the quality-of-service delivery, member engagement, and the overall resilience and relevance of the pension sector in the modern technological landscape (Lumera, 2022) (Masters, 2023).

REFERENCES

Barker, S. (2021, April 23). Four tech trends to watch in public pensions administration. Retrieved from CIVICA: https://www.civica.com/en-gb/insights/four-tech-trends-2021/

Blackmore, S. (2018, June). The virtuous circle: value for all from pensions technology. Retrieved from The Suite PWC: https://thesuite.pwc.com/insights/pensions-technology-survey-2018

Blows, L. (2018, October). The future is now. Retrieved from Pensions Age: https://www.pensionsage.com/pa/images/PA_Oct_2018_AI.pdf

Blows, P. (2017, September 19). How AI is transforming pensions. Retrieved from reba: https://reba.global/resource/how-ai-is-transforming-pensions.html

Bojarski, M. D. (2016). End to end learning for self-driving cars. arXiv preprint arXiv:1604.07316.

Bucksey, P. (2023, September 23). AI integration: Transforming the sector and empowering savers. Retrieved from altfi: https://www.altfi.com/article/ai-integration-transforming-the-sector-and-empowering-savers

Capita. (n.d.). Taking the hassle out of pensions administration. Retrieved from Capita: https://www.capita.com/expertise/people-solutions/pensions/pensions-administration-and-software/pensions-administration

Caruana, R. (1997). Multitask learning. Machine learning, 28, 41.

Codevilla, F., Müller, M., López, A., Koltun, V., & Dosovitskiy, A. (2018). End-to-end driving via conditional imitation learning. 2018 IEEE international conference on robotics and automation (ICRA) (pp. 4693--4700). IEEE.

Dacrema, M. F., Cremonesi, P., & Jannach, D. (2019). Are We Really Making Much Progress? A Worrying Analysis of Recent Neural Recommendation Approaches. 13th ACM Conference on Recommender Systems, (pp. 101--109).

Degen, C. (2023, 07 26). SEC adopts rule for enhanced cyber disclosure, issues proposal on AI. Retrieved from Pension&Investments: https://www.pionline.com/regulation/ai-cybersecurity-focus-sec-rule-making-meeting#:~:text=SEC%20adopts%20rule%20for%20enhanced,and%20approved%20a%20rule

Development, E. N. (2018, December 12). EUR 29245 - Artificial Intelligence: A European Perspective. Retrieved from Policy Commons: https://policycommons.net/artifacts/2014215/eur-29245-artificial-intelligence/2766658/

Dilmegani, C. (n.d.). 4 Reasons for Artificial Intelligence (AI) Project Failure in 2023. Retrieved from AIMultiple: https://research.aimultiple.com/ai-fail/

Explainable Artificial Intelligence (XAI) Supporting Public Administration Processes – On the Potential of XAI in Tax Audit Processes. (2021). In C. H. Nijat Mehdiyev, Innovation Through Information Systems (Vol. 46). Retrieved from https://link.springer.com/chapter/10.1007/978-3-030-86790-4_28

Gillick, S. (2023, September 19). MHC: Pension professionals treating AI with cautious optimism. Retrieved from Irish Legal: https://www.irishlegal.com/articles/mhc-pension-professionals-treating-ai-with-cautious-optimism#:~:text=The%20business%20law%20firm%20surveyed,outcomes%20for%20pension%20scheme%20m-embers

Gillick, S., & McElligott, B. (2023, September 20). Pensions Industry Cautiously Optimistic About AI. Retrieved from Mason Hayes & Curran: https://www.mhc.ie/latest/news/pensions-industry-cautiously-optimistic-about-ai#:~:text=Pensions%20Industry%20Cautiously%20Optimistic%20About,outcomes%20for%20pension%20scheme%20members

Gillick, S., O'Connor, P., & McElligott, B. (2023, 5 5). I, Trustee: Artificial Intelligence & Pensions. Retrieved from Mason Hayes & Curran: https://www.mhc.ie/latest/insights/i-trustee-artificial-intelligence-pensions#:~:text=,recessions%2C%20inflation%20or%20employer%20insolvency

Gov.uk. (n.d.). Retrieved from https://nationalcareers.service.gov.uk/job-profiles/pensions-administrator#:~:text=Day%2Dto%2Dday%20tasks&text=use%20a%20computer%20system%20to,from%20one%20pension%20to%20another

GOV.UK. (2021, August). Data Foundations and AI Adoption in the UK Private and Third Sectors. Retrieved from GOV.UK: https://www.gov.uk/government/publications/data-foundations-and-ai-adoption-in-the-uk-private-and-third-sectors/data-foundations-and-ai-adoption-in-the-uk-private-and-third-sectors-executive-summary#fnref:3

Gray, J. (2022). Cardano Advisory launches AI covenant assessment tool. Pensionsage. Retrieved 9 21, 2023, from https://www.pensionsage.com/pa/Cardano-Advisory-launches-AI-covenant-assessment-tool-for-smaller-schemes.php

Josef Pilger, H. W. (2023, 07 25). Cybersecurity in pensions. Retrieved 10 22, 2023, from EY: https://www.ey.com/en_us/government-public-sector/us-pension-retirement-and-social-security/cybersecurity-in-pensions#:~:text=Cybercriminals%20will%20often%20attempt%20to,Investment%20operations%20conducted%20by%20staff

Kerluke, M. (2023, 8 1). Why You Should Turn to AI to Boost Your Pension. Retrieved from Style Of Money: https://www.styleofmoney.com/why-you-should-turn-to-ai-to-boost-your-pension/

Koksal, I. (2020, 4). Forbes. Retrieved from How AI Is Expanding The Applications Of Robo Advisory: https://www.forbes.com/sites/ilkerkoksal/2020/04/18/how-ai-is-expanding-the-applications-of-robo-advisory

Lumera. (2022, February 01). Deploying AI for Life and Pensions – the recipe for success. Retrieved from Lumera: https://lumera.com/en/insights/deploying-ai-for-life-and-pensions/

Mantz, F. (n.d.). What do technology advancements mean for pensions? cardano. Retrieved 9 21, 2023, from https://www.cardano.co.uk/perspectives/ai-technology-what-does-it-mean-for-pensions/

Masters, M. (2023, 02 22). Pensions in the blink of an AI. Retrieved from Spence and Partners: https://www.spenceandpartners.co.uk/insights/pensions-in-the-blink-of-an-ai

Nick, B. (2014). Superintelligence: Paths, dangers, strategies. nick2014superintelligence.

Professional Pensions. (2023, May 04). Revealed: The top third-party administrators and software providers in 2023. Retrieved from Professional Pensions: https://www.professionalpensions.com/news/4113307/revealed-party-administrators-software-providers-2023#:~:text=The%20Professional%20Pensions%20Administration%20Survey,had%20experience%20of%20working%20with

Ramachandran, K. (2019, September 11). Cybersecuirty issues in the AI world. Retrieved from Deloitte: https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/ai-and-cybersecurity-concerns.html

Reuters. (2023, October 17). AI should cut pensions costs, highlight risks - report. Retrieved from Reuters: https://www.reuters.com/technology/ai-should-cut-pensions-costs-highlight-risks-report-2023-10-17/#:~:text=LONDON%2C%20Oct%2017%20%28Reuters%29%20,Institute%27s%20global%20pensions%20report%20said

Russell, S. J. (2020). Artificial Intelligence: A Modern Approach (4th ed.). Pearson Education, Inc. Retrieved October 2, 2023

Saarela, K. (2022, 8). Work Disability Risk Prediction Using Machine. In A. A. Kevin S, & K. Daimi (Ed.), Proceedings of the ICR'22 International Conference on Innovations in Computing Research (pp. 13-21). Cham: Springer International Publishing. doi:https://doi.org/10.1007/978-3-031-14054-9_2

Salminen, R. (2019, September 17). Partnership in Action: Chatbots for the Pensions Industry. Retrieved from Get Jenny: https://www.getjenny.com/blog/partnership-in-action-chatbots-for-the-pensions-industry

Veerman G, B. G. (2015, November 4). Better Pension Risk Management Through Technology. Retrieved from Chief Investment Officer: https://www.ai-cio.com/thought-leadership/better-pension-risk-management-through-technology/#:~:text=,driven%20investing%20%28LDI

Waite, A. (2023, July 5). AI and pensions: What I learned talking with pensions actuaries. Retrieved from LCP: https://www.lcp.com/our-viewpoint/2023/07/ai-and-pensions-what-i-learned-talking-with-pensions-actuaries#:~:text=The%20technology%27s%20capacity%20to%20automate,value%20than%20either%20working%20alone.

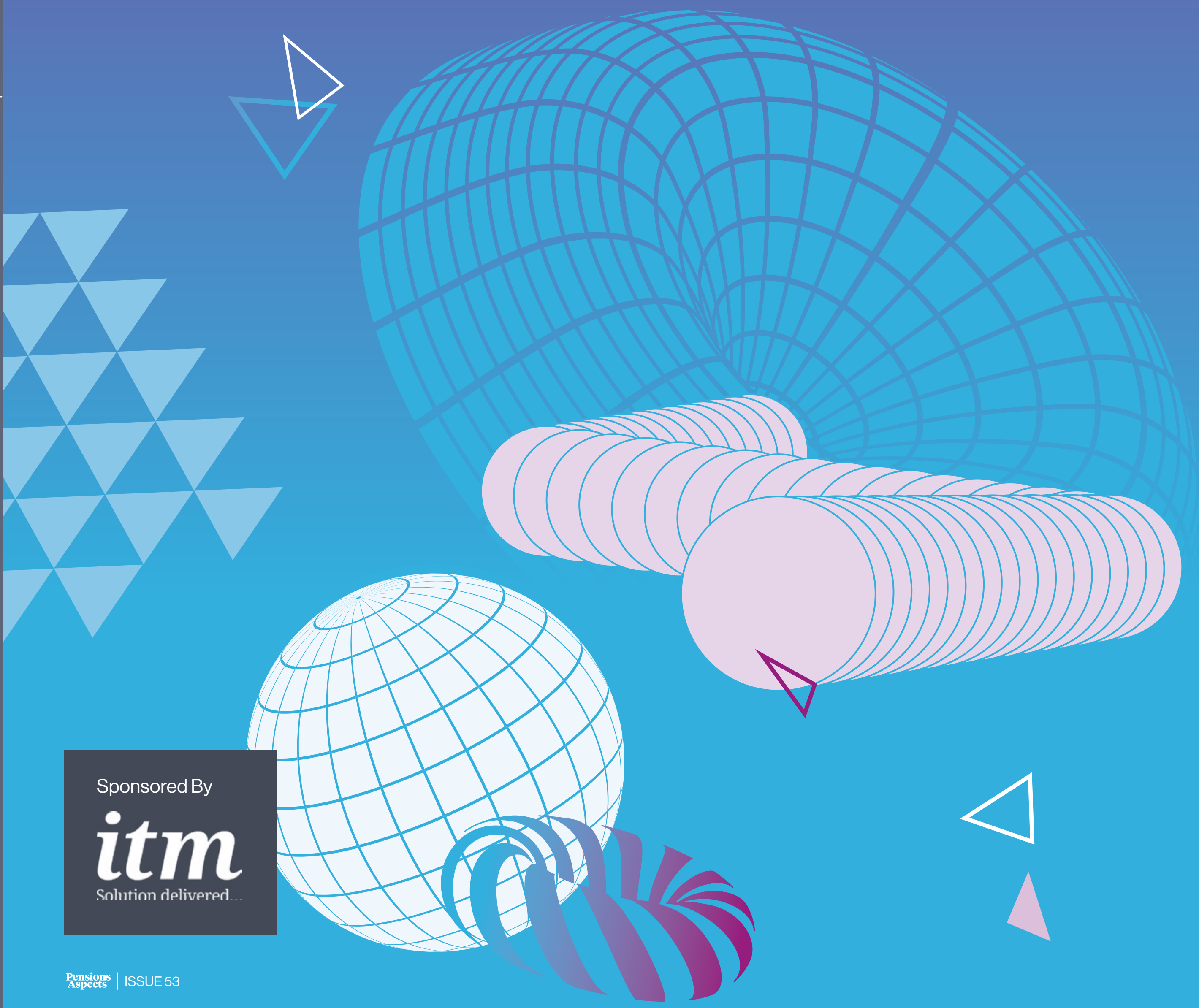
Walsh, D. (2023). Should trustees be worried about the impact of artificial intelligence on master trusts? Pensions Age. Retrieved 9 21, 2023, from https://www.pensionsage.com/pa/images/PA_Sep_23_StandardLifeMtft1.pdf

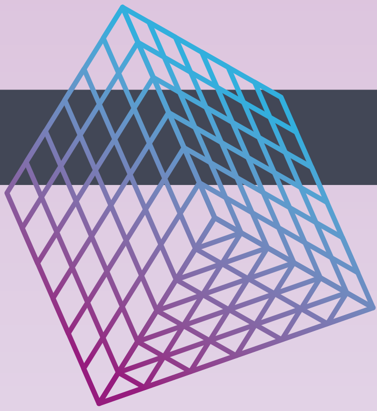
ITM Student Essay
Competition 2023

Student Essay Competition Winner 3

Is Pensions administration a suitable sector for the deployment of artificial intelligence?

Caitlin Watson
Pensions Consultant, Spence & Partners Limited





The pensions sector has historically lagged behind in adopting technological advances[1]. Pensions administration plays a pivotal role in ensuring the financial wellbeing of scheme members and, therefore, requires efficient operations.

Artificial Intelligence ("AI") can be referred to as machine learning, which mimics human intelligence while increasing efficiency. The adoption of AI in pensions administration is a topic of growing interest, and its implementation has sparked both enthusiasm and scepticism. There are undoubtedly processes in the pensions administration sector which AI can contribute to, but could the potential benefit outweigh the outlay?

Potential Benefits of Deploying AI in Pensions Administration

Accuracy of Calculations: The impeding Pensions Dashboard initiative necessitates the automation of pensions calculations.

There is a key opportunity for AI systems to process large volumes of data quickly and accurately. It will come as no surprise that AI can reduce the need for human operators, reduce errors, and increase efficiencies. Moreover, AI could also provide administrators and Trustees with summaries, KPI analysis, and data trends that can be used in a multitude of circumstances and tailored to a variety of stakeholders with minimal input.

Data: With many DB schemes progressing toward buyout, data rectification exercises are being undertaken in preparation for approaching the insurer market. AI could support administrators by reviewing data sets quickly, identifying inconsistencies, errors, and, in some cases rectifying the issues at the source.

Fraud Prevention: Pension scams pose a growing threat to pension scheme members and Trustees, particularly in the wake of the Covid-19 pandemic in which pension scams increased by 400 percent[2].

AI tools could be implemented to successfully verify the identities of pension scheme members using methods such as biometrics, verifying identification documents and other advanced authentication processes. This could significantly reduce the risk of scammers impersonating a member to gain access to their pension pots.

Security: AI has the ability to analyse transactions in a manner which can recognise and identify any suspicious patterns or transactions, such as duplicate payments, unexpected transfers, suspicious behaviours and anomalies. This analysis could provide an opportunity to expose errors and issues that have previously gone unnoticed.

Additionally, AI can operate continuously, offering real time safeguarding whereas historically, outside of periodic audits, costly large-scale reviews would be necessary.

AI tools can also be implemented in other forms, such as monitoring behaviours, pattern analysis, language processing and anomaly detection with the added advantage of operating in real time, continuously.

The potential time and cost savings through real time monitoring is staggering alone. When considered alongside the further benefit of AI being unbiased, the economic advantages are even more apparent.

Enhancing Member Experience: For many members, their pension will be the second largest investment following a property, therefore they should feel informed and empowered to manage their pension.

Many industries have already implemented 'chatbots' that operate 24 hours a day to respond to general queries. AI has the ability to learn the more it receives questions and interacts with both members and administrators. This means that the AI could be 'trained' to understand Scheme-specific queries, and responses will be personalised and consistent based on the underlying data.

As individuals have a multitude of apps at their fingertips, including finance, business and organisation apps amongst many more, there is an expectation for real-time information and functionality to be available.

DC Pension administrators could seek to utilise AI in their platforms to review member records and provide them with tailored investment options based on their members' wants. Members may not always be well informed on investment methods and could utilise AI's research results to tailor their investment options.

The ability of AI in providing investment advice was showcased when a UK personal finance comparison website sought recommendations for a theoretical fund, comprising of 30 stock selections. Notably, the performance of this AI-led 'fund' eight weeks following the advice surpassed that of ten of the UK's most favoured funds, with an impressive increase of 4.9 percent[3].

Efficiencies and Fees: AI has the potential to complete routine tasks, respond to general queries, complete data entry, calculations, and document filing.

As previously alluded to, these automations could result in a reduction of human labour which, in turn, could lead to cost savings for pension providers. The pensions industry is currently suffering from a shortage of labour resources, and the utilisation of AI could relieve pressures from administrators by completing routine tasks and handling general administration queries and calculations, allowing resources to be used in the most efficient manner.

Although infantile in the industry, the potential for AI being used to streamline processes and accuracies being improved is ever increasing.

No Human Bias: Due to the computational approach of AI, it approaches queries and analysis in an unbiased manner and follows the information it is provided with.

As a result, there is great potential to remove human bias from a number of processes, resulting in reduced errors and further consistencies. These consistencies should only contribute to efficiency and cost savings within the industry.

Attracting Talent: Due to many job roles in the industry being innately repetitive, it is understandable that talent may seek more lucrative opportunities. However, the implementation of AI would allow administrators to focus on contributing value to a scheme. In addition, the use of AI in the industry would attract a number of individuals with varying skillsets, opening the industry to further potential modernisation.

Potential Pitfalls of Deploying AI in Pensions Administration

Loss of Skilled Employees: With the industry suffering from a shortage of skilled workers, implementing AI may lead to administrators retraining or leaving the industry due to concerns that their jobs may be at risk. Suppliers and Trustees would need to consider the cost savings and potential efficiencies versus the potential skill loss[4].

Data Security and Regulation: Given the sensitivity of pensions data, pensions administrators will want to ensure that AI complies with stringent data security and privacy policies. To date, the UK government has not released any regulations regarding AI, but have created an AI task force[5]. Without regulations, AI may be viewed as a risk to administrators and the handling of member data.

Potential Bias: As AI operates on algorithms, it can carry biases through assumptions in which it has been trained and therefore requires oversight, careful planning, and human monitoring to prevent any discriminatory outcomes. Monitoring the output will also ensure that data being used or referenced is not skewed.

Risk Management: Trustees when reviewing implementing new processes or suppliers take into consideration they will improve or increase the risks to the Scheme. For many Trustees they may be unable to identify the risks that implementing AI may bring. Trustees may also want to wait to see what legislation and regulations are implemented regarding data protection and AI specifically.

Human Interaction: In certain circumstances, AI may not be the most appropriate approach, such as dealing with sensitive member cases, such as death. Members on occasion will require humans to provide compassion, empathy and a personal approach that currently cannot be replicated by AI. Administrators on occasion will deal with complex and unique cases that require human interpretation of laws and regulations to ensure compliance and a fair outcome is achieved.

Artificial Intelligence is becoming an integral part of our daily lives, such as Amazon product recommendations and smart speakers. However, perceptions about AI vary widely, and the scepticism extends to the pensions administration sector.

While there are clear benefits to integrating AI into pensions administration, there is a need for thorough evaluation, clear policies, and robust risk management to ensure its successful and responsible implementation in this crucial sector. Pensions administrators and Trustees should prioritise the best interests and experience of scheme members while embracing the potential modernisation and improvements that AI can bring.

SOURCES

[1] Helen Thomas (Financial Times) – "The Future of UK Pensions: delayed and confused".

[2] ActionFraud – " Coronavirus-related fraud reports increase by 400% in March" https://www.actionfraud.police.uk/alert/coronavirus-related-fraud-reports-increase-by-400-in-March

[3] Alf Wilkinson (Financial Times) – "ChatGPT 'portfolio' outperforms leading UK funds.

[4] Beth Ure (Pensions Age) – "Will AI leave room for the human touch?"

[5] Anna Gross & Christina Criddle (Financial Times) – "UK sets out scenario of increased joblessness and poverty due to AI by 2030"

Feature Article

ESG Pension Litigation

Kate Granville Smith
Director, Burges Salmon

Suzanne Padmore
Partner, Burges Salmon

ESG Litigation risk is increasingly considered by corporations, institutions and even governments. Pension scheme trustees, whilst used to assessing risks, must also add ESG litigation to their risk register.

Burges Salmon has launched a **Pension Schemes ESG Tool**, to assist trustees with predicted litigation themes including trustees':

- failure to comply with legislation and / or best practice guidance: including in their Statement of Investment Principles (SIP), implementation statement or (for schemes with greater than £1bn assets) TCFD report. TPR and the DWP have published statutory and regulatory guidance with a General Code from TPR anticipated, all of which should be incorporated into trustees' decision-making processes and audit trails;
- failure to provide climate change information requested by members. **Mr D v The Shell Contributory Pension Fund** highlights the balance between regulatory obligations requiring trustees to publish information, and the need to protect confidential, commercially sensitive information. Here the PO noted that trustees had met with the member and provided more than the legal minimum. They were also able to point to their decision-making process in deciding not to share further information;
- failure to consider risks and opportunities from climate change in their investments: In **Universities Superannuation Scheme v McGaughey**, although the members unsuccessfully argued that failure to divest from fossil fuels was a breach of trustee director duties, future similar claims can be expected, particularly with developments in litigation funding and group litigation;
- taking into account unprofitable 'ethical considerations': schemes must produce a SIP which details how non-financial considerations impact investments, with the 2014 Law Commission report stating that if non-financial factors are taken into account, trustees should:
  1. have good reason to think that scheme members share the concern; and
  2. ensure any decision does not risk significant financial detriment.
- refusing potentially profitable investments due to non-financial factors: in the case of **Harries v Church Commissioners** the trustees refused to invest in alcohol, tobacco and armaments on moral grounds. The court held that such divestments would not be a breach of duty if trustees were satisfied that they didn't risk significant financial detriment.

A future consideration is Greenwashing – the Financial Conduct Authority has proposed anti-greenwashing rules which would regulate the naming and marketing of sustainability-related products. So called 'ethical' pension funds will need to ensure conversance and compliance.

In all the cases above, trustees' decision-making processes and audit trails were robustly investigated, highlighting the importance of good governance and record-keeping. Trustees cannot outsource ESG responsibilities, and where needed should take advice in this rapidly evolving area. Burges Salmon is well placed to advise on ESG issues in relation to pension schemes. If you would like to explore this topic further, please contact us.

Feature Article

Tee Up a Trustee

Dr. Nickolai Slavchev
PhD-holder in International Economic Relations
Member of the Standing Social Commission at the National Tripartite Council in Bulgaria

The collapse of the former communist regime in CEEC inspired the establishment of privately managed fully funded DC schemes with individual capitalization accounts where individual members are the owners of pension assets. And yet, trustees have been teed up with safeguarding roles and responsibilities in seemingly private financial products.

Trusteeship is about trust. Less obvious is how to tee up trustees when trust in safeguarding and protection solutions has been worn out by the former communist cliches of common prudence, wealth, and prosperity for the benefit of the working class.

Having lived in a totally controlled society with almost no risks, the serf system of compulsory registration at the place of permitted residence, as well as the central planning and coupon system where financial matters had been taken care of by the authorities for more than 45 years, in the 90s the Bulgarians showed strong risk appetite, ardent desire for job mobility, and great interest in financial independence. This historical turning point had its reflection on the architecture of the restored 2nd (also known as pillar 1bis) and 3rd pension pillars.

Private pension pillars were designed as fully funded DC with individual capitalization accounts and daily valuation of assets. Having seen traces of emerging problems in Western European workplace pensions, the Bulgarian legislators came up with a legal solution which did not exactly copy the Western European model. Special market entities (the so-called pension companies - PC) are the only ones authorized to establish and manage pension funds (PF). They do not have the right to manage the assets of other individual and institutional investors. A total legal segregation of assets was achieved – a PF is a legal entity separate from the sponsoring undertaking and the managing PC. The PF does not have its own staff and administrative premises. The fund is represented by the PC against a management fee paid by the fund. The PC may not use PF assets for its management and administrative purposes. All the money is kept in individual member accounts irrespective of whether the contribution is personal or at employer expense.

Criticism against such a capitalist approach in pensions did follow soon from leading EU pension experts, bodies and institutions with the argument that what was being re-established was actually a financial product where the typical social element was missing. The Bulgarian legislators did claim that the social nature of the scheme was not lost in the attempt to restore the principles of free market economy. One of the arguments was the establishment of the legal figure of trustees.

Having been wooed with unsustained promises in their entire lives, during the social, economic and political turbulence of the subsequent transformation period where not only single employers but entire industries were closed down, Eastern Europeans could no longer trust governments or their employers. They had no other option but to trust themselves.

Conventional knowledge and practice say that trustees are the legal owners of the pension scheme assets. They decide how the pension assets will be invested. They get regular scheme valuations and ensure there is enough money in the scheme to pay the members' pensions. However, under the re-established private pension model in Bulgaria the owners of pension assets are the individual members themselves. Investment decisions are taken by the pension company. The trustee council establishment, representation, functions and responsibilities are regulated by the applicable law.

Each PF must have a trustee council. The trustee council in a 2nd pillar PF consists of an equal number of representatives appointed by the nationally recognized employer organizations and the nationally recognized trade unions, and one representative of the PC. The trustee council in a 3rd pillar PF consists of representatives of PF members and retirees, representatives of the PF sponsoring undertakings, and one representative of the PC. The number of representatives of the PF members and retirees in a 3rd pillar PF must be equal to or higher than the number of the representatives of the sponsoring undertakings.

Trustee councils:

- monitor the fulfilment of the PC obligations to members and retirees;
- make proposals to the PC for amendments of the PF Rules of operation and improvement of PF member service;
- review PF annual financial statements;
- draw and submit annual reports to the PC and the national Financial Supervision Commission (FSC);
- have access to the PC documentation and make use of the PC premises for free;
- have the right to appoint trustee council members to attend meetings of the PC management body regarding trustee council proposals, inquiries and claims;
- review complaints, requests and signals related to breaches of the rights of members and retirees; claim explanation by the PC and/or other institutions and organisations; assist in settling disputes;
- make the public informed about the results of their work, including on the PC website;
- immediately inform the FSC upon reasonable suspicion of committed violations of the applicable law by the PC, its employees or intermediaries.

PC board members report financial performance, policies and customer complaint settling to trustees in regular trustee council meetings at least once every quarter.

Trustees in fully funded DC pensions may not be trustwordy, i.e. construed only as legally binding words for trust but practical legal solutions which are teeing up to be trustworthy.

Insight Partner Article

Greater responsibilities call for stronger partnerships

Graham Hook
Head of UK Government Relations and Public Policy, Invesco

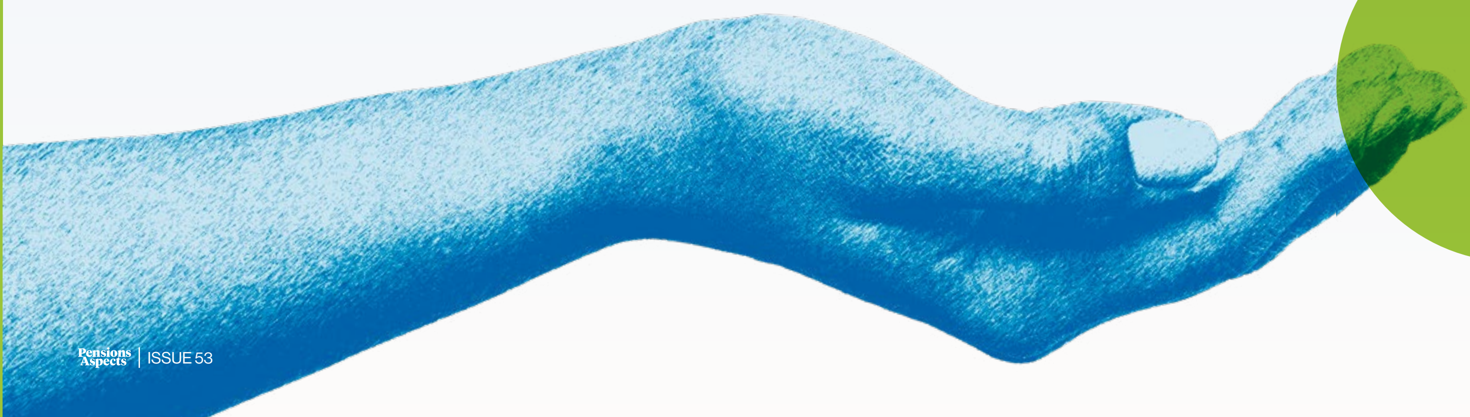
Mary Cahani
Director, UK Pensions, Invesco

With 2023 firmly in the rearview mirror, it seems timely to ask trustees a simple question: did you enjoy it? For believe it or not, last year was slated to be the 'year of the trustee'. Indeed, when the former Work and Pensions Secretary, Therese Coffey, made the announcement in October 2022, she pledged the Government's plans would "recognise some of the excellent work trustees are already doing" and "look at a range of support and opportunities" because the Government is "asking a lot" of trustees.

Roll forward 16 months, throw in the Edinburgh and Mansion House reforms, and trustees might be forgiven for taking a moment to ponder how 'recognition of their excellent work' has translated into such a comprehensive upheaval of the regulatory environment. Having recognised that it was already asking a lot of trustees, the Government's response in 2023, across the spectrum of reforms, has been to ask a whole lot more. From consolidation to professionalisation to decumulation, the direction of travel is clear: the breadth and depth of trustees' duties and responsibilities will only increase in the coming years.

The Government's trustee ratchet

Of course, increasing trustee responsibilities is not a new phenomenon. The last decade or so is littered with efforts to clarify or augment trustees' responsibilities. From the Kay Review and the Law Commission's work on fiduciary duties, through the DWP's numerous recent initiatives – spanning ESG-related risks and opportunities, stewardship responsibilities and asset allocation disclosures – the Government has steadily ratcheted up trustees' duties.



Mansion House: fewer, professional trustees?

The Mansion House reforms and the Autumn Statement now take this a significant stage further. Under four key themes, the Government is once again asking more of trustees:

- Asset allocation: encouraging trustees of workplace DC schemes to allocate 5% of their default funds to unlisted equities by 2030, via the voluntary Mansion House 'Compact';
- Capabilities: creating a new trustee register and encouraging all professional trustees to seek formal accreditation – potentially a precursor to an Australian-style licensing system;
- Consolidation: promoting further consolidation of both DC and DB schemes, with DWP, the FCA and the TPR developing a new value-for-money framework which is intended to act as a driver of consolidation for workplace DC schemes; and
- Decumulation: placing (once the necessary legislation has been passed) a new duty on trustees of workplace DC schemes to offer decumulation products and services, including a default decumulation option.

Fiduciary duties under fire?

However, underlying this flurry of legislative and regulatory activity an important question is emerging: will the concept of trustees' fiduciary duties emerge unscathed? While much of the recent legal attention on pension trustees' duties has focused on the degree to which non-financial considerations are compatible with the requirement to invest in the best interests of scheme beneficiaries, the Mansion House reforms now pose a different question: does Government policy on asset allocation risk fettering trustees' freedom to fulfil their duties.

In 2018, the then Pensions Minister, Guy Opperman MP, pledged: "we will never exhort or direct private sector [pension] schemes to invest in a particular way. Trustees have absolute primacy in this area"[i]. Yet recent encouragement for trustees of both DB and DC schemes to increase their allocations to growth assets in general, and to private equity in particular, might be considered close to the line. At what point does ministerial encouragement become exhortation? Where do ministers draw the line – and will it stay in the same place? For with the current pessimistic outlook for the public finances, and demand for private capital investment growing, trustees will need to be alive to the risk that government policy makes the small, but consequential step, to exhortation or even direction.

Partnership will be key to navigating change

How then should trustees respond to these significant shifts in the regulatory landscape? For some, the breadth and pace of change may seem overwhelming. Investment consultants will no doubt have an important role to play in navigating the changes. But the growing complexity of trustees' responsibilities also places a greater emphasis on the importance of stronger relationships with investment managers.

Increasingly, there is a place for more direct dialogue between trustees and investment managers, particularly as trustees look to find investment solutions that meet their members' decumulation requirements. Given the market in decumulation products is still developing, engaged trustees will find partnership opportunities with full-spectrum investment managers to design solutions from the bottom up. And as managers look to develop their product suite, direct input from trustees is invaluable to ensure that products are designed with members' needs and wants prioritised.

So as the 'year of the trustee' becomes a distant memory, let's make 2024 the 'year of partnership', with trustees, consultants, advisers and asset managers all working more closely together to develop the solutions that scheme members really need.

Investment risks
The value of investments and any income will fluctuate (this may partly be the result of exchange-rate fluctuations) and investors may not get back the full amount invested.

Important information
Views and opinions are based on current market conditions and are subject to change. This document is marketing material and not financial advice. It is not intended as a recommendation to buy or sell any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication. Issued in the UK by Invesco Asset Management Limited, Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK. Authorized and regulated by the Financial Conduct Authority.

[i] DWP, Clarifying and strengthening trustees' investment duties, September 2018.

Insight Partner Article

Supporting members to take the right course of action

Jonathan Watts-Lay
Director, WEALTH at work

Jonathan Watts-Lay looks at the challenges members may face in the year ahead, including the continuing pressure from rising costs and how this may impact pension savings, as well as the key considerations for members approaching retirement. With this in mind, he also outlines how schemes, Trustees and employers can help members take the right course of action to optimise their retirement outcomes.

Many households have faced severe financial pressures from rising costs over recent times. Yet, as we look to the year ahead, whilst inflation is expected to gradually continue falling, it seems that the strain on household budgets is set to continue for some time. In fact, our latest financial wellbeing research[1] found that employers are expecting financial pressures such as high childcare costs (64%), rental costs (66%), high consumer inflation (75%), and energy prices (77%) will continue to be a risk to the financial wellbeing of employees.

Increasing costs have meant for some that making regular contributions into a pension pot has become more of a challenge. Our research last April[2] showed that 13% of working adults had reduced or stopped pension savings because of rising costs. Yet more worryingly, 29% said that they may consider stopping payments in the future, while 30% said that they may consider reducing future payments.

The current environment is also causing disruption to the retirement plans of many, with our research finding that 33% of working adults thought that they won't ever be able to afford to retire. Not only this, 83% were concerned that the cost of-living crisis meant that they would have to work longer before retiring.

There are also others who are considering dipping into their pensions early to alleviate current financial pressures. Our research found that 31% of those eligible to withdraw pension savings either intend to or may consider doing so in the future to supplement their income. However, this really should be a last resort and members must understand the dramatic impact this will have on their retirement savings to be used in later life.

However, as the year continues, those involved in the pensions industry will need to closely monitor member behaviour to see what the longer-term impact of rising costs may have on pensions.

[1] The REBA and WEALTH at work Employee Financial Wellbeing Survey 2023 was carried out online between March and May 2023 and was launched on 26 September 2023. Responses were received from 195 wellbeing, HR and employee benefits specialists working at organisations representing over 1.5 million employees

[2] Are rising costs impacting pension savings and retirement plans? The research for WEALTH at work was carried out throughout April 2023 amongst a panel resulting in 2,025 UK adults aged 22+ in full time employment responding

What do members need to know?

It's important that members understand how their pension schemes work, what they should be contributing, what funds they should be selecting, and ultimately, what size of pot they need or want when they get to the point of retirement.

Then once at-retirement, people need to understand the options available to them for creating retirement income from pensions they have accumulated, as well as other savings such as ISAs or other investments. Understanding what their state pension will be and when they will receive it is also crucial.

There are common pension mistakes that members could make as they approach retirement, and it's important they understand these so that steps can be taken to avoid them. This includes withdrawing savings from a pension too early, or if a member's pension investments or 'glide path' isn't in line with their planned method of generating a retirement income, as well as not shopping around for product providers to get the best deal.

In addition, as many individuals will have more than one pension (not forgetting other available savings and investments such as ISAs or shares), it's important that they are looked at holistically to avoid paying more tax than necessary. Those with multiple pensions may also be better off consolidating their pensions to ensure a joined-up investment strategy.

There is also a real risk that people either underspend or overspend by underestimating or overestimating life expectancy, and devastatingly, that they lose their pension savings to scams. Its estimated that £2.5 trillion worth of pension wealth in the UK is 'accessible' to fraudsters, which represents a 'huge target base for criminals'.

For many, the decisions that are made at retirement may be the biggest financial decision they make in their lives, and as these pension pitfalls show, it could so easily go wrong. Yet our research showed that 51% of employees either spoke to family and friends or no one at all when getting support with their pension. This highlights the need to ensure members are guided by reliable sources.

What should be done?

It's exceptionally important that schemes, Trustees and employers collectively work together to ensure that pension scheme members and employees are making the right decisions when it comes to their pensions.

Firstly, supporting individuals with their day-to-day needs, especially in the current environment, should be an area of focus. This should sit alongside support around longer-term needs such as pensions and retirement savings. Offering financial wellbeing programmes that help with a full range of money matters from debt and money management to preparing for retirement can really help. Many leading companies now deliver this sort of support through financial education workshops, one-to-one guidance or coaching sessions, digital tools and helplines, as well as providing access to regulated financial advice.

In fact, when it comes to retirement provision, the good news is that employers are viewing the ageing workforce as increasingly important, with 29% citing that it will be a driver of financial wellbeing strategy over the next two years. 44% say that they plan to offer targeted support for the over 55s during the same period – which has grown from 17% and represents a 159% increase in the past two years. Specifically, pre-retirement planning is set for a boost with 68% of employers either currently offering it or planning to do so.

But before proceeding with a programme, carrying out due diligence on providers is crucial. This should include checking that any financial education and guidance providers are workplace specialists with experience in providing support to members. Due diligence on regulated advice firms should cover areas such as qualifications of advisers, the regulatory record of the firm, compliance process e.g. compliance checks of 100% of cases, pricing structure, and experience of working with employers and Trustees.

Ultimately, empowering members by providing them with access to appropriate support at the right time can improve financial capability and resilience. This can help members to navigate any challenges that may lie ahead, which should result in better retirement outcomes for all.

Insight Partner Article

The future of defined benefit pensions and the role of consolidation

Gerard Francis
Head of UK Design and Strategic Risk, Schroders Solutions

This article explores the recent focus on Defined Benefit (DB) pension consolidation in the UK, considering the implications of the Mansion House Reforms and the Autumn Statement and evaluating the range of consolidation options available to pension schemes.

The UK Chancellor's Mansion House Reforms, announced on 11th July 2023, set out a comprehensive package targeting UK pension pools, with the aim of fostering more 'productive investment', such as private equity. This move was presented as a 'win-win' for pension savers and UK growth, but it also placed DB pensions firmly in the spotlight.

One of the key focuses of the reforms is DB consolidation. While buyouts are acknowledged as an 'essential part of the market', with approximately £1.4tn[1] of pension scheme assets, not all can be bought out (or at least, not quickly). The average scheme is approximately 5 years from having sufficient assets for buyout[2]. The current stock of assets that have been bought out historically is around £300bn[3]. Market estimates put the possible annual insurer capacity for buyout at around £60bn[4]. If that's right, then there is a significant gap. This is where consolidation options could potentially play an important role. The Pensions Regulator (TPR) has already proposed some changes to their guidance to encourage schemes to 'improve or consolidate'.

The Autumn Statement, delivered on 22nd November 2023, built on all of this. The Government announced a consultation "this winter" on how to set up a public sector consolidator for "commercially unattractive" DB pots, by 2026. It also proposed easier access to surpluses in schemes to incentivise investment in higher-returning assets, possibly with the returns shared "between sponsors and members".

Trustees should not wait for future legislation to become clear before understanding the range of consolidation options out there. Proactivity is key in this rapidly evolving landscape.

> **"The focus on DB consolidation is more than just hype. It has the potential to be a gamechanger in the pensions industry."**
> Ajeet Manjrekar, Head of UK Client Solutions, Schroders Solutions

[1] Source: PPF 7800 index, 31 October 2023

[2] Source: Barnett Waddingham, DB End Gauge, 31 October 2023

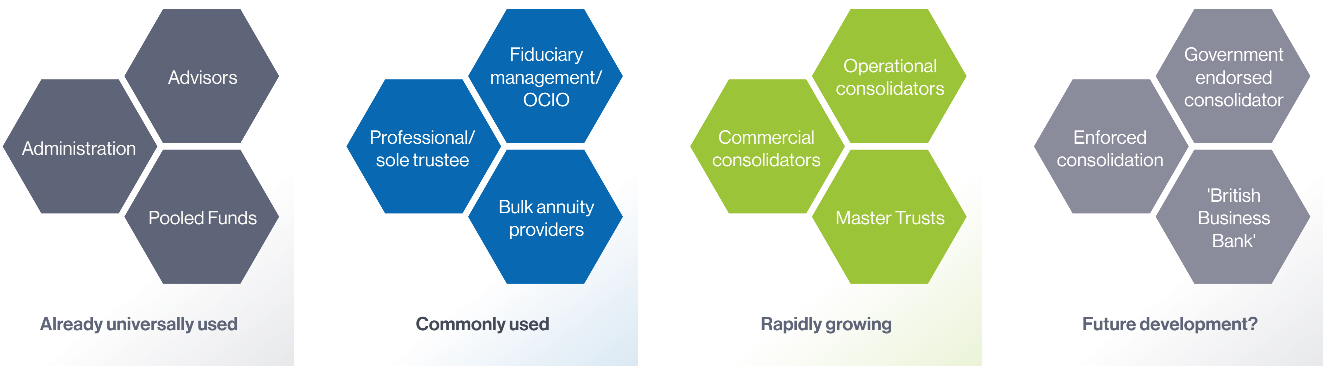
[3] Solvency UK: Maintaining the momentum - speech by Gareth Truran | Bank of England

[4] Insurer estimates

What are your consolidation options?

In the UK, there are various consolidation options already available to pension schemes. These range from universally used options such as administration, pooled funds, and advisors, commonly used options such as sole trustee and Fiduciary Management to rapidly growing options like commercial or operational consolidators, and Master Trusts.

Consolidation options in the UK



Understanding the different types of consolidation is crucial. There is a wide spectrum of options. Each offers distinct advantages, from economies of scale and access to alternative asset classes, to enhanced regulatory oversight and additional capital backing.

Fiduciary management/OCIO	**Operational consolidation/ Master Trusts**	**Commercial Consolidators**
– Economies of scale – Access to alternative asset classes – Specialist expertise – Delegate day-to-day investment decisions	As fiduciary management, plus… – Manage all governance requirements – Economies of scale on administration, actuarial, legal etc. – Delegate all day-to-day decisions	– As operational consolidation, plus… – Break link to sponsor – Supported by additional capital – Enhanced regulatory oversight

Differing degrees of delegation and control

The focus on DB consolidation is more than just hype. It has the potential to be a gamechanger in the pensions industry, providing new opportunities for investment and growth. However, it is essential that pension schemes understand the range of options available to them, and the implications of each, to make informed decisions about their future.

As a practical action, pension scheme investors should ask themselves these three key questions:

- What are the potential benefits and drawbacks of consolidation for our scheme?
- How does each type of consolidation align with our scheme's needs, governance budget, and long-term objectives?
- What steps do we need to take to prepare for a potential consolidation?

Insight Partner Article

Paradigm shift for pension investment

Ren Lin
Head of Client Strategy, Insight Investment

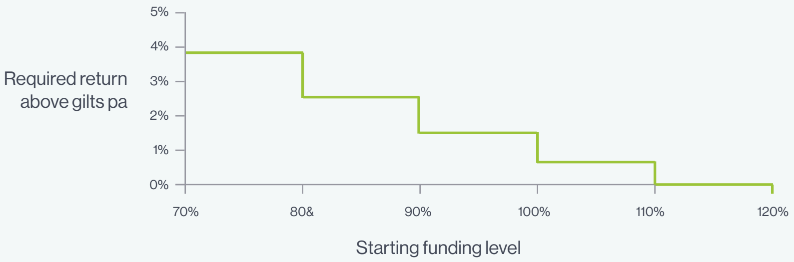
Many UK defined benefit pension schemes are now in a significant surplus position, even on more conservative measures. This is an opportunity for trustees to reconsider their investment strategy, taking into account a key proposition: investing to grow a surplus is easier than investing to repair a deficit.

Many may intuitively think that growing a pension scheme from 100% to 110% funded is just as hard as increasing a scheme's funding level from 80% to 90%.

However, in practice, this is not true. After a pension scheme goes into surplus, growing that surplus becomes an ever-easier proposition.

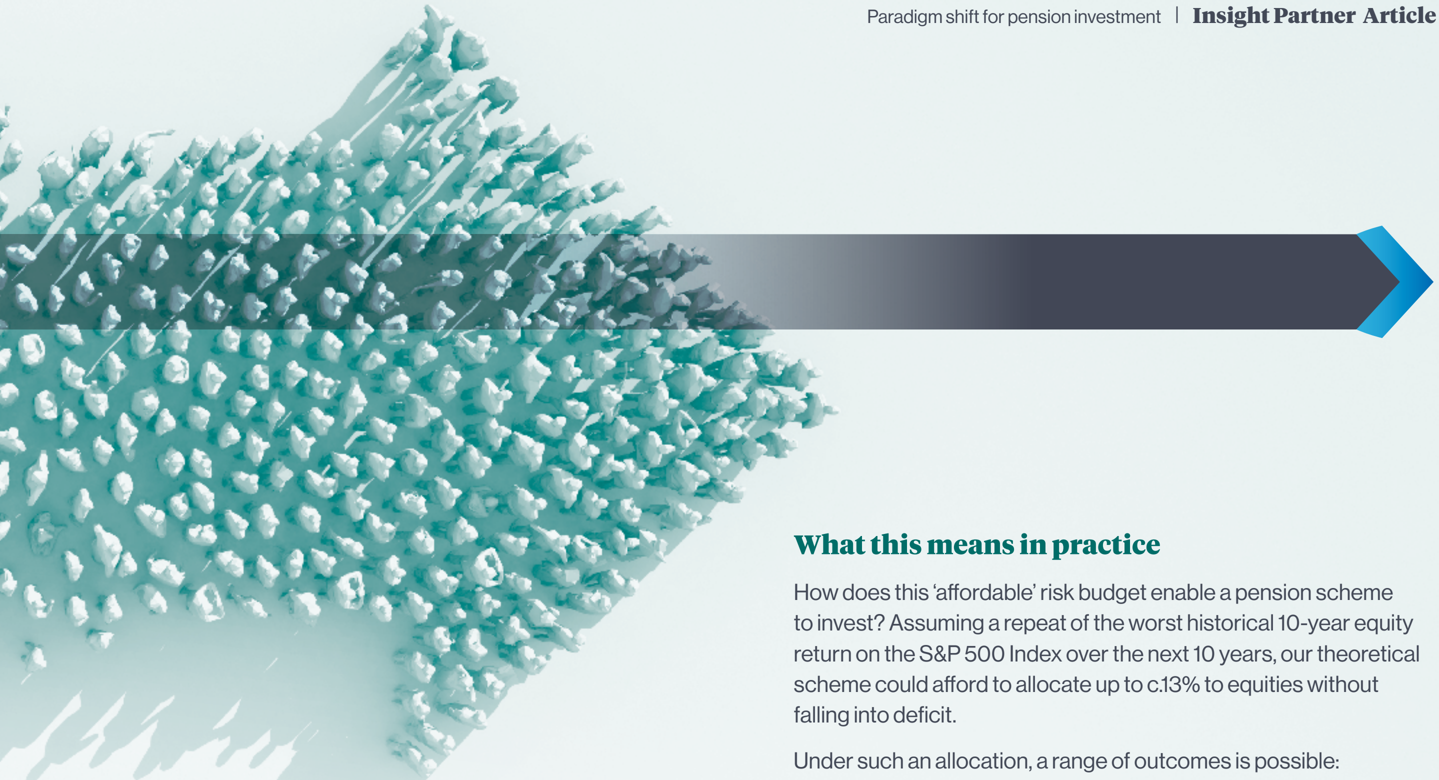
With a starting position of 110% funding, even investing at the risk-free rate could generate an additional 10% funding over a 10-year period (see Figure 1). There is potential to enhance these returns further with minimal incremental risk by investing in investment grade credit and other such assets, rather than gilts.

Figure 1: Required returns for 10% funding improvement over 10 years drop sharply once in surplus



[1] Insight, for illustrative purposes only, based on indicative pension scheme profile, as at 31 May 2023.

> **"This could change the economics of the potential endgame for a defined benefit pension scheme."**



A framework for 'affordable' risk

For those prepared to take a little more risk, we can demonstrate how to create a framework that could potentially generate significant growth in surplus assets while ensuring that members' retirement benefits are covered.

As typical low-risk assets such as investment grade corporate bonds provide contractually defined returns as well as cashflows, we can calculate the expected additional surplus that would be generated over the projected period by an allocation to such assets – and adjust this to incorporate a prudent level of defaults. This leads to what we might call an 'affordable' risk budget, which can be viewed as a loss-absorbing buffer for investments into higher-risk assets such as equities, which aim to generate higher returns.

In a case study illustrated in Figure 2, we have taken a theoretical scheme with £1bn in assets and liabilities, and a 10-year time horizon. In the median historical default scenario, this scheme would be expected to generate £107m in surplus assets over the 10 years. Reflecting a more prudent default scenario at the 80th percentile reduces this projection to £96m – the 'affordable' risk budget, as mentioned above.

Figure 2: A case study – scheme with £1bn in liabilities

What this means in practice

How does this 'affordable' risk budget enable a pension scheme to invest? Assuming a repeat of the worst historical 10-year equity return on the S&P 500 Index over the next 10 years, our theoretical scheme could afford to allocate up to c.13% to equities without falling into deficit.

Under such an allocation, a range of outcomes is possible:

- Worst outcome: The 'affordable' risk budget would be depleted. Member benefits would remain secure.
- Median outcome: The scheme would end the 10-year period with a surplus of £310m. This could be used to enhance member benefits, and/or with appropriate legislative changes, a proportion of these surplus assets could be shared with the sponsor.
- Best outcome: The scheme would end the 10-year period with a surplus of £1,017m, holding assets more than double its liabilities. This would represent a significant asset, which could be used for similar purposes as described above.

An opportunity to grow a surplus with low risk

The unexpected rise in gilt yields over the last two years, and the resulting improvement in their funding status, has created an unprecedented opportunity for pension scheme stakeholders.

Even for schemes that adopt a conservative, fixed-income only strategy, there is potential to grow a surplus substantially over time. This changes the economics of the potential endgame options for a defined benefit pension scheme, widening the choice.

Month in Pensions: Administration

Reducing barriers to returning surplus

Mark Tinsley FIA
Principal and Senior Consulting Actuary, Barnett Waddingham

In his July 2023 Mansion House speech, Jeremy Hunt set out the Government's ambition to get assets working for the UK economy. The biggest prize in the Chancellor's drive to get schemes to invest in so-called UK "productive finance" assets is the nearly £1.5trillion locked up in private sector DB schemes.

DB schemes, for a variety of understandable reasons, have significantly reduced their allocations to UK growth assets in recent decades. If the Government hopes to reverse this trend, then it needs to change the rules of the game.

One of the barriers to schemes taking more risk is the asymmetry in the funding regulations - when investment and other experience is poor, sponsors are required to quickly fund deficits with cash. Yet, any surpluses that arise can be difficult to access, especially once a scheme is closed to future accrual (as most now are). This asymmetry encourages the adoption of lower-risk approaches and ultimately leads to schemes being bought out in the insurance market.

As such, the Government is exploring ways in which the barriers to surplus extraction can be reduced, announcing a consultation for this winter to consider what an appropriate new regime could look like.

Authorised surplus payments tax charge

The Autumn Statement signalled the Government's intent. It was announced that the authorised surplus payments charge – the tax on any surplus payment made from a scheme to a sponsor – will be reduced from 35% to 25% from April 2024.

Around a quarter of schemes are believed to be able to afford to buy out benefits with an insurer following recent funding improvements, so the reduction in the tax charge will be welcome news for sponsors of these schemes.

However, rather than wanting to give schemes about to transact in the insurance market a one-off bonus, the Government is really hoping that the reduced charge will change investment behaviours for schemes that are still some way off buying out benefits or planning to run-on.

That is, employers paying into schemes - and who bear much of the risk - have long felt penalised by a 35% tax on exit and have often taken actions to avoid a 'trapped surplus' emerging in the first place. The announced changes will help to alleviate some of these concerns.

Will schemes embrace the changes?

The reduced tax charge is potentially just the start, with options to address other barriers to surplus extraction – such as the requirement in most scheme rules to wait until wind-up before any surplus can be returned – to be considered as part of the announced consultation.

However, even if other issues are addressed, is it realistic to expect DB sponsors and trustees to change course, targeting higher levels of investment risk and possibly running on schemes for longer than previously intended?

For the vast majority of schemes, the answer is likely "no". Having experienced the downside risks of DB in years gone by, employers and trustees are likely to remain steadfastly focused on offloading schemes, freeing up sponsors to focus on their core businesses. This is especially so when the finishing line is now in sight for many schemes.

The Government will be aware of this: the proposals around surplus extraction are perhaps really aimed at the small number of large schemes (many of which remain open to new members) that were already considering run-on as an alternative to buyout.

Member security is key

When considering changes to the current regime, the Government should remember that the primary purpose of a DB scheme is to pay the promised benefits in full and on time.

Trustees will be concerned about one type of asymmetry being replaced by another – where for example the employer gets the benefit of positive investment performance, but poor performance might in some circumstance lead to losses which cannot be redressed.

Therefore, it is essential that appropriate safeguards are put in place to protect savers from the risks of any change.

One option that is to be explored in the upcoming consultation is allowing schemes to opt into a higher level of Pension Protection Fund (PPF) protection in exchange for paying a higher levy. While this would increase benefit security, such a proposal is laden with issues, including administrative, moral hazard, cross subsidy, and public perception issues.

Additional security may also not by itself be enough to answer the "what is in it for members?" question for trustees, and therefore some prospect of benefit improvement for existing members may also need to be part of the package.

Summary

The wider Mansion House proposals have the potential to significantly change the DB landscape, with reducing barriers to returning surplus being one component of many needed to change investment behaviour. If implemented successfully, the proposals could be a win-win-win for sponsors, members and the UK more widely. However, care must be taken to protect members and the PPF, meaning that any changes should not be rushed.

The proposals also reflect the latest shift in political 'mood music'. There is some dissonance with the new Funding Code measures – with their focus on low-risk in the long-term – due to be introduced in 2024. For schemes to fully embrace "productive" investment, long-term regulatory stability is much needed. In this regard, it remains to be seen how a new government will take forward the ideas currently under discussion, should Labour win the next election.

Month in Pensions: Legal

What does the recent Government call for evidence mean for trustees' investment duties?

Schuyler Hillbery
Associate, Sackers

As part of the Government's wider focus on 'unlocking' investment opportunities for UK pension schemes (which account for around £2tn of assets), the Government has been looking to understand what makes for good trusteeship in today's landscape. It has had a particular focus on whether trustees have the right knowledge and skills to consider the full breadth of investment opportunities available. Last year, the Government issued a call for evidence to explore this in detail.

Do trustees currently have sufficient investment knowledge?

Trustees need to understand their duties and obligations towards members. This includes having knowledge and understanding of the principles relating to funding and investment. Being a trustee does not mean being an investment expert but trustees should have sufficient understanding of investments to question and challenge any advice they are given.

Responses to the call for evidence suggested that the majority of trustees' current knowledge and understanding is sufficient to invest in the full breadth of investment opportunities.

Whilst most respondents felt that trustees make investment decisions in the long-term investment interests of members, the Government response stated that evidence suggests some trustees are influenced by short-term performance metrics and minimising costs rather than delivering long-term value for members.

Some respondents asked for TPR to implement regulatory guidance for trustees with a focus on long-term investments to aid trustees and counter-balance the short-term considerations that trustees are required to take into account.

What are the barriers?

The responses to the call for evidence also drew out some barriers which may hinder progress towards the Government's ultimate goal of 'unlocking' investment opportunities. As well as current limitations on the availability of suitable investment products in the market, many respondents felt that current regulation for DB schemes has resulted in a focus on de-risking into bonds and gilts with a view to buy-out, and some considered the DC charges cap can limit trustees' investment options.

What's next?

Whilst the call for evidence suggested that most trustees are well-supported and knowledgeable, the Government believes that trustees and others would benefit from more support, guidance and training. TPR is updating its investment guidance for trustees to cover investment decisions and alternative assets, as well as reviewing its trustee toolkit.

This is just one piece of the puzzle for the Government to 'unlock' UK pension scheme assets. It will be important to see how the wider Mansion House reforms, such as considering DB consolidators, extracting surplus, new requirements to provide DC decumulation services, and any resulting changes to the regulatory framework surrounding investments develop over the coming year and how they work together towards the Government's overarching goal.

The Pensions Regulator

Improving trusteeship in an evolving pensions world

Lou Davey
Interim Director of Policy, Analysis and Advice, The Pensions Regulator

Savers deserve more than minimum standards. In an evolving marketplace of fewer, larger, well-run pension schemes, trustees must assure themselves and regulators they are acting in savers' best interests. The Pensions Regulator (TPR) is working closely with government and industry to ensure those running schemes are qualified and able to balance competing priorities to deliver for savers.

Trustees are the first line of defence for pension savers.

This is not a new position for TPR. It's something we have been making clear for many years.

But what is changing, and at pace, is the pensions landscape. We are moving from a fragmented pensions landscape, with thousands of small schemes, to one of fewer, larger schemes, which must be well run and well governed. The role trustees play is more vital than ever.

Many schemes are well run, but far too many trustees fail to meet our expectations. For example, around one-fifth of trustees have never read a TPR code of practice (33% defined contribution, 11% defined benefit). This must change.

We want all schemes to have the high quality of governance and risk management savers should expect.

We believe every trustee body should include someone who meets professional standards, be highly qualified and able to balance competing priorities to deliver the best outcomes for savers.

Where trustees are unable to deliver the standards of governance we expect they should seek to consolidate their scheme.

Driving up standards of trusteeship

We welcomed the Department for Work and Pensions' (DWP's) call for evidence in July last year, which was an important step to understanding how we can best ensure that trustees - responsible for the retirement outcomes of millions of savers - meet stringent standards.

It sought to deepen the evidence base around trustee capability and the barriers that hinder trustees from doing their job in a way that's effective and results in the best saver outcomes. It was focused on three areas: trustee skills and capability, the role of advice, and barriers to trustee effectiveness.

Equally welcome was the DWP's response to the call for evidence in November, which set out a clear focus on value and quality of trusteeship.

The response was strongly supportive of a trustee register, something we agree with. A similar arrangement operates in the charities sector where The Charity Commission maintains a register of trustees. This will give TPR greater visibility of trustees, strengthen our regulatory grip and our ability to target communications. It may also facilitate cross-checking trustees against basic training, such as the Trustee Toolkit, and whether they have completed accreditation.

Work is well under way to scope out the information we will request, including looking at how much can reasonably be captured via our existing powers. We are working with DWP on any legislative changes required to collect additional data.

In addition, we are updating our Trustee Toolkit to help trustees gain the skills they need. We expect trustees to complete it.

Accreditation is key

We continue to work closely with industry bodies that provide accreditation for professional trustees, such as the Association of Professional Pension Trustees (APPT) and the Pensions Management Institute, to ensure appropriate expectations and standards are set.

This is an area also strongly supported by DWP in its call for evidence response. It noted trustees have a key role in delivering member value through testing investment strategies, ensuring member value and considering consolidation. The response also made clear that training providers should ensure training covers the full range of assets. That's why we recently published additional guidance on investing in private markets.

This all points to why we would like to see people demonstrate high standards of knowledge and governance on every trustee board.

Take up of accreditation has been slower than we would like. Our new general code sets an expectation that anyone acting as a professional trustee should be accredited. We are also working with the accrediting bodies to increase the standards expected of those obtaining accreditation.

We would eventually like to see someone who meets professional standards sitting on every pension scheme board. We are considering the possible routes to this end, which could be via accreditation or an authorisation regime.

Increase in sole trusteeship

We have seen an increase in demand for sole trusteeship. For some scheme sponsors, it may be difficult to find employer or member-nominated trustees. Other employers may look to sole trustees for other reasons, such as reducing the time burden on the employer in running the scheme.

A sole trustee may have advantages from an employer's perspective due to the simple arrangement, high governance standards and efficiency of having a professional trustee running their pension scheme.

However, appointing a sole trustee does not remove risks, and may introduce new challenges for scheme sponsors.

A lack of diversity of thought, and the members having less of a voice in decision-making could present issues. This could be mitigated by, for example, the sole trustee having a member consultative panel to engage with savers to ensure their views are represented.

As trustee firms consolidate, and influence is centralised we are seeing trustee companies becoming parts of groups, or arrangements, that offer a broader range of services to schemes. This could lead to conflicts of interest where decisions are influenced by the wider interests of the group.

There is also a risk that unscrupulous trustees may seek to extend their appointment (through not seeking to consolidate a scheme, for example) to maintain an income stream from that scheme.

We contributed to the APPT's professional corporate sole trustee code of practice, which seeks to set expected standards in these areas, and we are pleased many leading trustee firms have adopted them.

Working together to protect savers

We are aware of the huge amount of value lay trustees deliver. We want to retain and capture all of that, while making sure they are supported within trustee board structures as the role of being a trustee becomes ever more complex.

Savers deserve more than minimum standards — we are unapologetic about the standards we expect from trustees — savers would expect the people looking after what is for many their entire retirement savings to be appropriately skilled and qualified.

In a marketplace of fewer, larger, and eventually systemically important entities, trustees must assure themselves and regulators that they deliver the high standards of governance their members deserve. That means those running schemes will collectively need to be highly qualified and able to balance competing priorities to deliver for savers.

That's why we all need to do more to ensure that every trustee body has an appropriate level of skill and professionalism.

Feature Article

Changing Nature of Trusteeship

Dr. Keith Hoodless
Director of Lifelong Learning

The evolving trusteeship landscape in the UK is marked by increasing demands from increasing regulatory scrutiny prompting pension scheme trustee boards to adopt sole trustee models and fiduciary managers to enhance governance and expertise.

As the industry is witnessing a potential governance gap, with 80% of professional trustees planning to step down from their roles within the next three years, then there is a worrying backdrop to the future of trusteeship, as now there are questions being asked about the adequacy of existing regulatory requirements for trustees.

With the Mansion House Reforms, then the regulator is in discussion about increasing the scrutiny of:

- **Compliance Costs:** Increased regulatory scrutiny often leads to higher compliance costs for trustees. They may need to invest in additional staff, technology, and processes to ensure they meet the new regulatory requirements.
- **Operational Changes:** This could involve updating internal policies, procedures, and systems to ensure they are in compliance with the latest regulatory standards.
- **Risk Management:** Trustees may need to enhance their risk assessment processes and adopt more robust risk management practices to mitigate regulatory risks.
- **Training and Education:** This could include workshops, seminars, and ongoing professional development initiatives to ensure that trustees are well informed and capable of meeting regulatory expectations.
- **Increased Accountability:** There is a call for greater emphasis on transparency, reporting, and demonstrating how trustees are fulfilling their fiduciary duties in accordance with regulatory guidelines.
- **Consolidation and Exit:** Some smaller trustees may find it challenging to cope with the increased regulatory burden, leading to consolidation within the industry or even exits from the market.
- **Client Confidence:** Knowing that trustees are subject to rigorous regulatory scrutiny may provide clients with a greater sense of security and trust in the services provided.

While this is a look to the future, this has then indeed raised questions about the adequacy of existing regulatory requirements for existing trustees and for trustees new to the field.

It also has to be reviewed with insight to some of the current key considerations and challenges associated with this:

- **Complexity of Investments:** The evolving financial markets, including new and intricate financial instruments, can pose challenges for trustees in fulfilling their fiduciary duties. Regulatory frameworks may need to be updated to address the complexities of modern investment strategies.
- **Technological Advances:** Trustees need to adapt to these technological advances, and regulatory requirements may need to encompass guidelines for the responsible use of technology in trusteeship.
- **More Extensive Reporting Requirements:** Trustees are increasingly expected to consider the broader impact of investments on sustainability and ethical considerations. Regulatory obligations will need to reflect this shift toward responsible and sustainable investing (as per TCFD/TNFD requirements).
- **Risk Management:** The changing nature of risks, including cybersecurity threats and global economic uncertainties, requires trustees to have robust risk management strategies.
- **Professionalisation of Trusteeship:** The role of trustees has become more professionalised, and there is an increasing demand for trustees to have specialised knowledge and skills.
- **Transparency and Accountability:** There is a growing expectation for transparency and accountability in the financial industry.
- **Client Communication and Education:** Trustees may need to improve communication with clients, explaining complex investment strategies and risks in a clear and understandable manner. This is a key area moving forward as we have been seen not to be the best at getting the 'message across'.

All of these have to be delivered upon in the short term, and the obligation of further regulation is the tool necessary to allow for that to happen, in what appears to be a heavy burden of regulatory reform.

But who regulates the regulator?

The Pensions Regulator (TPR) has the authority to regulate and enforce pension legislation.

While TPR operates independently, its actions and policies are subject to scrutiny by Parliament, and it is required to report on its activities to the Secretary of State for Work and Pensions. The Secretary of State has the power to give directions to TPR, but such directions must be consistent with the regulator's objectives and the law.

The big problem then is an election seemingly next year and where does this leave us?

Pension scheme members want, and need, the long-term sustainability of pension funds. Regulation can set standards for governance, investment practices, and disclosure, aiming to prevent fraud, mismanagement, and other issues that could harm pensioners, but only in periods of 'calm waters'.

Excessive rushed regulation can create administrative burdens for employers and pension scheme providers that may amount to nothing on a change of government. This may assert that a balance needs to be struck between ensuring proper oversight and allowing flexibility for innovation and efficiency now.

The evaluation is therefore of pushing through reforms now rather than playing 'wait and see'.

The Regulator faces the ongoing challenge of adapting regulations to keep pace with the evolving landscape, by not introducing a more flexible framework that accommodates innovation and ensuring robust safeguards to protect beneficiaries, they (and we) are seen to fail.

Striking the right balance between protecting individuals and enabling efficient pension provision is difficult and a challenge that provides a need for stronger control - this is not something we should shy away from.

As the sector evolves, we have to understand the need to work collegiately rather than independently competitively. Regulation should aim to enhance the overall effectiveness and integrity of the trusteeship sector, but not on a sporadic basis. The PMI will always try and mediate the middle ground of working with the Regulator and providing Trustees with the knowledge and education necessary to meet any challenges.

P

Pension Conundrum

i

Pensio

Pension

conundrum

drum

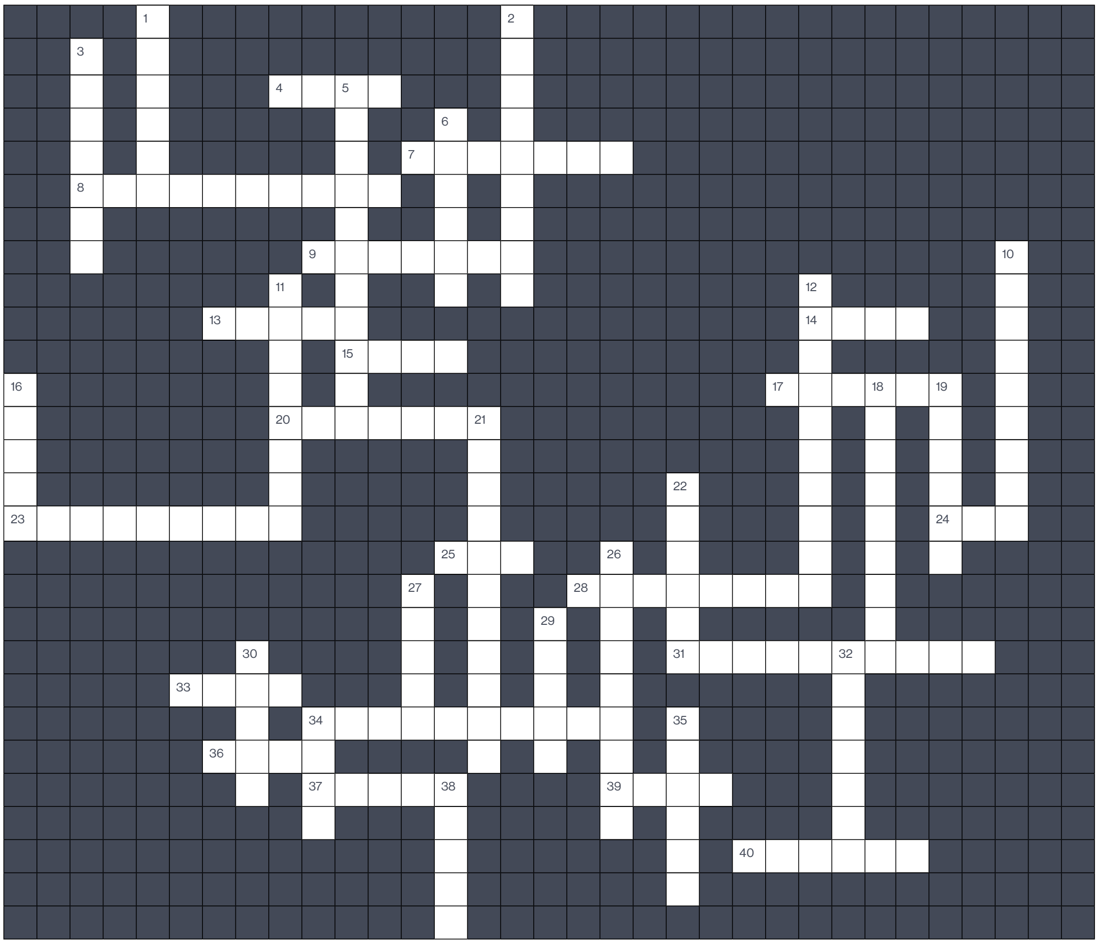
Crossword

Across

4. Tie (4) **7.** Praise or express approval of (7) **8.** Legal process to resolve disputes (10) **9.** Imaginary storytelling (7) **13.** Uneven, not smooth (5) **14.** Assignment or job to be completed (4) **15.** Emotional state (4) **17.** Documented history or achievement (6) **20.** Outdated or obsolete (7) **23.** Painter's portrayal of natural scenery (9) **24.** Gentle inclination of the head (3) **25.** Distinct period in history (3) **28.** Conversation between two or more people (8) **31.** Pertaining to rules or regulations (10) **33.** Scenic outlook or perspective (4) **34.** Suggestive of future outcomes (10) **36.** Self-operating (4) **37.** Someone who sets aside money for the future (5) **39.** Point of transition or change (4) **40.** AI-powered conversational program (7)

Down

1. Remove or strip off possessions (6) **2.** Of utmost importance (9) **3.** Intricate or multifaceted (7) **5.** Procedure based on algorithms (12) **6.** Area of expertise or control (6) **10.** Without damage (9) **11.** Apt or appropriate (9) **12.** Optimise or make more efficient (10) **16.** Information gathered through espionage (5) **18.** Supervision or omission (9) **19.** Rely on or be contingent upon (6) **21.** Digital assault on computer systems (5, 6) **22.** A symbol of strength (6) **26.** Conscientiousness or thoroughness (9) **27.** Expressed affection softly (5) **29.** Assert ownership (5) **30.** Golf action at the starting point (2,2) **32.** To increase or enhance (7) **34.** Message on social media (4) **35.** Remnant of ancient life (6) **38.** Automated machine programmed to perform tasks (5)



Answers from Issue 52

Across

5.Tread **7.**Observer **9.**Star **10.**Chance **11.**Political **14.**Chartered **17.**Tranche **20.**Supranational **22.**Sharp **26.**Hope **27.**Wrongfooted **28.**Laggard **30.**Disagreement **31.**Induction **32.**Qualifying **35.**Indirect **36.**Unequivocal

Down

1.Postponement **2.**Rollover **3.**Hero **4.**Weather **6.**Sanction **8.**Cloud **12.**Vesting **13.**Gate **15.**Extreme **16.**Allowance **18.**Auspices **19.**External **21.**Labour **23.**Accolade **24.**Jurisdiction **25.**Unmodelled **29.**Unlisted **33.**Reflection **34.**Nature

Service Providers

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

sales@pensions-pmi.org.uk

Copy deadline: 18th March 2024 FOR April 2024 ISSUE

Actuarial & Pensions Consultants

Asset Management

Brand Design and Advertising

Service Providers

Independent Trustees

Pensions Lawyers

Pension Systems

Trustees Liability Protection Insurance

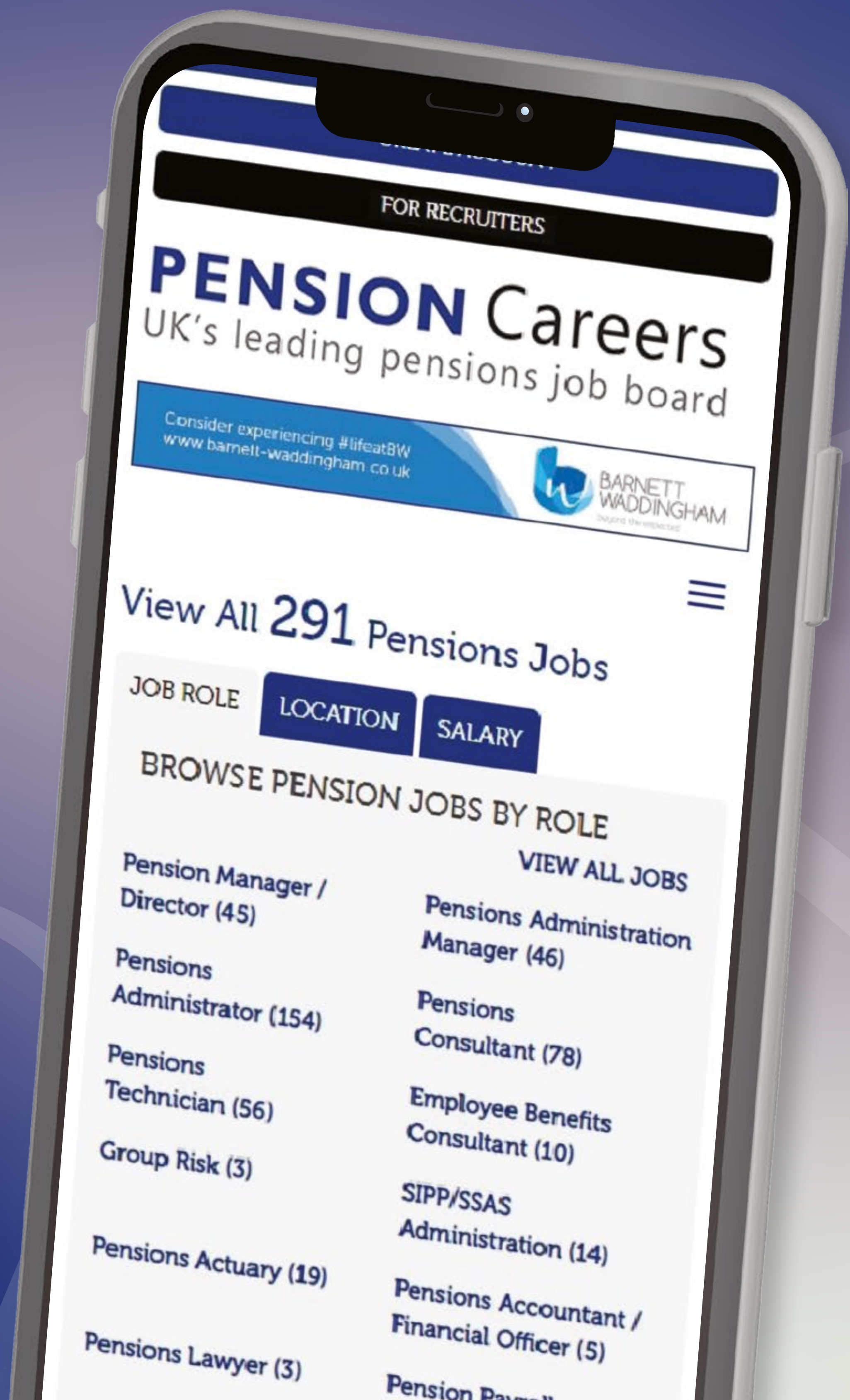
Appointments

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: 18th March 2024 FOR April 2024 ISSUE

New Year... New Career?



Appointments

BWF BranWell Ford
Pensions & Legal Recruitment

EXPERT ADVISERS IN PENSIONS RECRUITMENT

01279 859000

Recruitment & Employment Confederation

Please see below a small selection of some of our live opportunities – get in touch for more details!

Senior Pensions Administrator (HB18199)	Merseyside/ Hybrid	£23,000 – £30,000 pa
DB Pensions Administrator (HB17025)	Lancashire	£24,000 – £30,000 pa
Pensions Administrator & Senior Pensions Administrator (CB18057)	Hybrid/ any regional office	£25,000 – £35,000 pa
Pensions IT Developer (CB18399)	London	£30,000 – £40,000 pa
Pensions Implementation Analyst (CB18345)	Remote	£35,000 – £37,000 pa
Pensions Admin Team Leader (CB18427)	Buckinghamshire/ Hybrid	£42,000 – £50,000 pa
Pensions Technical & Governance Specialist (HB18408)	Remote	£44,000 – £54,000 pa
Senior Project Administrator (CB18381)	Leeds / Manchester / Surrey / Remote	Up to £45,000 pa
Senior Associate - Governance & Pensions Solutions (HB18378)	Hybrid/ Remote	£45,000 – £55,000 pa
Pensions Associate – Pensions Secretariat (HB18373)	London/ Hybrid	£45,000 – £65,000 pa
DC Pensions Consultant (HB18406)	Leeds/ Lancashire	£60,000 – £70,000 pa
Pensions Manager (HB18330)	London/ Hybrid	Up to £75,000 pa
Senior Project Consultant (CB18338)	London / Edinburgh	Up to £85,000 pa

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

Jenson Fisher

Trustee Pensions Communications & Development Manager
12 Month Maternity Contract
£55,000 - £70,000, plus excellent benefits

Our client is one of the UK's largest Defined Benefit pension schemes, serving more than 105,000 members and well-funded at its most recent actuarial valuation. The Scheme closed to new members in April 2002 and to future accrual in April 2017. The role is within the Trustee Executive Team (led by the Head of Pension Trust), which provides executive support to the Trustee and manages the Pension Scheme on a day-to-day basis. The main purpose of this role is both to provide a professional communication resource to the Trustee for all current and future communication requirements, working with all stakeholders to coordinate delivery of regular and ad-hoc pensions communication materials across all print and digital channels as well as to develop, manage and deliver Trustee operations, including the Trustee training plan.

Your key responsibilities will include

- Design, develop and deliver the communication plan for Defined Benefit (UK) pension scheme
- Be responsible for the Trustee's digital strategy (Scheme website and member portal) to reach and engage with Scheme members and reduce the requirement for paper communication
- Manage the Trustee's external reputation risk with support from the Trustee's appointed PR adviser and appropriate engagement with External Communications
- Provide support and technical expertise to the development communications for members of the Defined Contribution pension plan
- Support the Head of Pension Trust and CIO and the Chair of the Trustee Board in ensuring the smooth functioning of the Board of Trust and Sub-Committees

Your skills and experience will include

- Good knowledge of pension scheme member communications, operations and administration and an understanding of Scheme governance frameworks and the role of a Trustee Board
- High level of pensions technical knowledge, with a desire to continually improve upon this
- Strong communication skills across all levels, including senior stakeholders
- Comfortable with change and confident to take ownership of tasks and delegate as necessary
- Highly self-motivated and enjoys working with own initiative, taking a proactive approach to driving improvements

If you have the relevant experience, please apply for this role or contact me for a discreet conversation on:
07876 561616 or **lloyd.rosenthal@jensonfisher.com**.

sammons PENSIONS RECRUITMENT

A member of the Sammons Recruitment Group

Leading recruiter for Pensions Professionals

www.sammonspensions.co.uk

pensions@sammons.co.uk

020 7293 7022

Is your salary in line with the market?

2023 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.

Assistant Scheme Secretary
Work from home **£excellent**
Role open to candidates with existing Trustee focused work or those looking to move across from other areas, good DB technical knowledge required. Ref: 73044 BC

Part-Time Client Account Manager
Hybrid/London **up to £55000 per annum**
Build and nurture client relations for this award-winning Pensions specialist. Ref: 80468 BC

Pensions Administration Manager
Hybrid/East Yorkshire **£in line with experience**
Do you have a strong working knowledge of DC & DB pensions administration, legislation and regulations, excellent opportunity to join this in-house pensions team. Ref: 72969 JW

Senior Pensions Administrator
Hybrid/West Yorkshire **£in line with experience**
Take your DB Pensions knowledge forwards as you gain exposure to complex schemes and client-facing opportunities. Ref: 79608 NMJ

Pensions Consultant (In-House)
Work from home/London **to £44000 per annum**
Excellent opportunity to join an in-house team working on a £billion closed DB scheme and an open DC scheme. Ref: 79651 JW

Associate DC Consultant
Hybrid/Kent **£competitive**
Are you from an admin or analytical background and keen to take the next in your pensions career within a growing team? Ref: 73178 NMJ

SSAS Client Manager
Hybrid/Multiple office locations across UK **£competitive**
Join an established team and have responsibility for managing a high value SSAS portfolio. Ref: 34976 JM

Pensions Technical Trainer
Hybrid/Merseyside **to £30000 per annum**
Take your pensions and investments knowledge forwards and represent a global brand, acting as a brand ambassador and supporting the wider team with all training requirements. Ref: 80628 NMJ

Communications Analyst
Hybrid/London **to £30000 per annum**
Are you a strong communicator? Do you have an interest in building your pensions career? Ref: 80437 NMJ

Pensions Director, Ops & Comms, In-House
Hybrid/Scotland c.2 days per week **£6 figure**
Exceptional senior appointment with a highly skilled team supporting a £multi-billion Pension Fund. Ref: 79999 SB

Transitions Manager
Hybrid/London office c.3 days per week **£superb package**
Manage delivery of the implementation phase for de-risking transactions for this financial services specialist. Ref: 68293 SB

Audit Partner
Home-based **£6 figure base**
Highly successful and ambitious Pensions Audit Specialist business offering a diverse and interesting opportunity. Ref: 80428 SB

Client Director/Trustee/Trustee Executive
Hybrid/various offices UK **£attractive compensation**
Support ongoing business growth whilst taking on a highly varied client portfolio Ref: 73266 SB

Professional Trustee
Hybrid/London or North West 2-3 days **£6 figure package**
Superb opportunities with this highly reputable Professional Trustee business, for skilled Pensions professionals seeking a progressive career move. Ref: 70402 SB

Senior Communications Manager, In-House
Hybrid/Scotland 2 days a week **£superb**
Drive communications strategy to enhance and develop Pension Scheme member engagements. Ref: 80395 SB

Senior Manager – Trustee Services
Hybrid/London or Surrey **£in line with experience**
Excellent opportunity for a technically astute DC pensions specialist with good regulatory knowledge of the Mastertrust world. Ref: 80617 BC

Senior Pensions Project Manager
Hybrid/Hampshire **£competitive**
Exceptional Financial services Project Manager needed to work for a leading financial services provider. Ref: 80307 JM

Senior Communications Consultant
Remote Working **£excellent**
Lead on delivery/strategic direction and use your experience and skillset to communicate pensions in a creative and inspiring way. Ref: 73170 BC

Pensions Technical Manager
Remote/Merseyside **c.£55000 per annum**
You will be responsible for technical aspects of the services provided by the company pensions schemes to its various customers. Ref: 72733 JW

Senior Compliance Manager
Hybrid/Manchester c.2-3 days per week **£competitive**
Join a leading pensions consultancy and help to direct and control the company's compliance strategy. Ref: 76254 JM