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March 2018

Pensions Aspects

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Protecting members from the pensions vultures

Pension fund governance and trusteeship

AUTOMATIC ENROLMENT AND MASTERTRUSTS

STRIVING FOR A BETTER INFORMED MEMBER

DIVERSIFICATION AND WHY IT MATTERS TODAY

Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

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WORLD LAND TRUST™

It's Groundhog Day again…

So once again we witness a high-profile corporate failure. Once again there are under-funded Defined Benefit schemes. And once again there is the inevitable finger-pointing and the solemn promise to prevent anything comparable from happening again.

The collapse of Carillion was characterised by an additional complication. Many of the members whose accrued benefits have been compromised had previously been employed in the public sector, where any threat to accrued rights would have been out of the question. Following the TUPE transfer arising from a series of privatisations, many had elected not just to accrue pension benefits from the time of transfer but also to transfer rights accrued previously.

Carillion's post mortem has already begun, and is being conducted very publicly. Whilst the principal focus has inevitably been on the company's directors, there has also been widespread criticism of both the Pensions Regulator and the trustees of the various Carillion schemes. Much of the commentary has been unfair, and has failed to recognise correctly the role and responsibility of trustees and the Regulator. However, it has brought to the public's attention just how complicated and demanding the role of a trustee can be.

Over the past few decades, trusteeship has evolved into an intensely demanding role. The trustee board may well be managing a scheme with liabilities which exceed the market capitalisation of its sponsor. Trustees must be expert negotiators: having assessed the strength of the employer covenant, they will seek to maximise employer contribution rates to repair a deficit whilst not compromising the sponsor's continued viability. They must comply with an increasingly-complicated compliance regime which exposes them to severe sanctions should they fail to meet expected standards. They must be able to evaluate recommendations from a range of different advisers and be expected to challenge advice if they consider it inappropriate for their scheme.

And yet most of the UK's pension trustees are amateurs. Whilst there is a growing role for professional trustees, most pension trustees in the UK carry out their work on an essentially part-time and unpaid basis. They are in the role because they have been appointed to it by the scheme sponsor or nominated by the scheme membership. There remains no formal qualification required of them; the only statutory requirement being the Trustee Knowledge and Understanding (TKU) requirements arising from the Pensions Act 2004.

Whilst there is a growing role for professional trustees, most pension trustees in the UK carry out their work on an essentially part-time and unpaid basis.

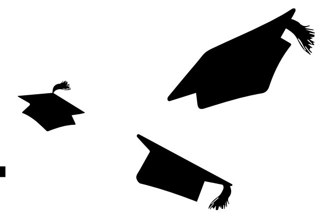
It is surely inevitable that the Regulator should have introduced the 21st Century Trusteeship initiative. As the role becomes increasingly demanding, it is right that trustees be able to demonstrate that they have the appropriate skill sets to cope with what is required of them. In future, professional trustees will no doubt have a much greater part to play in the stewardship of the UK's pension schemes. However, not all employers are in a position to appoint a professional. Lay trustees will continue to dominate for the foreseeable future, and it is right that there be a focus on ensuring that they remain adequately skilled for their role.

At this stage, it is not clear precisely what the Regulator will require of trustees as a result of the 21st Century Trusteeship investigation. It seems reasonable however to expect that there will be a far greater emphasis on trustee education. This is likely to extend beyond traditional technical skills and to focus more on 'soft' skills such as negotiation and problem solving.

PMI has played a central role in trustee education since the body was founded in 1976. We have always understood the importance of providing trustees with the skills required for their crucially important role. The Trustee Group continues to provide vital educational support for trustees, and in the coming months we will be holding a number of events which address the most pressing issues facing trustees today. Whatever the future may hold for trusteeship, it is guaranteed that PMI will play the principal part in providing first class educational support.

By Tim Middleton

Qualifications



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_Simon Crowe
_Adam Denham
_Annalise Etherington
_Rebecca Mary Heanes
_Amelia Jayne Rippon
_Lloyd Stallebrass
_Zoe Vinall
_Joshua Ward
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_Emma Hadley - Boyd
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_Emma Howard
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_Richard Christopher Maslin
_Lydia Rose Skene
_Jennifer Soper
_Marc Stables
_Jamie Stewart
_Anna Mary Symes
_Sarah Trollope
_Megan Varndell
_Joshua Ward
_Ashley Wood

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_Laura Ann Francis
_Paige Tiffany Webber
_Abby Jane Pearman

If you have a qualification query, please contact the Qualifications team at: qualifications@pensions-pmi.org.uk

DPA, CPA, & CPC Exam Dates

Monday 5 March	Retirement benefits without special circumstances **1.30pm - 4.30pm**
Tuesday 6 March	Retirement benefits with special circumstances **9.30am - 12.30pm** Death benefits without special circumstances **2.00pm - 4.30pm**
Wednesday 7 March	Death benefits with special circumstances **9.30am - 12.30pm** Leavers' benefits without special circumstances **2.00pm - 4.30pm**
Thursday 8 March	Leavers' benefits with special circumstances **9.30am - 12.30pm** Transfers in and out **1.30pm - 4.30pm**
Wednesday 14 March	Retirement Provision Certificate (UK candiates only) **2.30pm - 4.30pm** Certificate in Pensions Automatic Enrolment (DC) **2.30pm - 3.30pm** Certificate in DC Governance **2.30pm - 4.00pm** Award in Pension Trusteeship **2.30pm - 4.00pm** Multi choice **from 2.30pm**

March 2018 results
will be issued to the centre contact, or independent candidate, on Tuesday 8 May 2018

Examinations	Monday 16 April 2018	Tuesday 17 April 2018
Core Unit 1A - Understanding Retirement Provision	9.30am - 11.30am	
Core Unit 1B - Foundation in International Employee Benefits		2.00pm - 4.00pm
Core Unit 2 - Regulation of Retirement Provision	2.00pm - 4.00pm	
Core Unit 3 - Running a Workplace Pension Scheme		9.30am - 11.30am
Core Unit 4 - Financing and Investing for Retirement Provision		2.00pm - 4.00pm
Defined Benefit	9.30am - 12.30pm	
Defined Contribution		9.30am - 12.30pm
Reward and Retirement Provision	2.00pm - 5.00pm	
Retail Advice and Regulation		9.30am - 12.30pm
Taxation, Retail Investment and Pensions	2.00pm - 5.00pm	
International 2: Managing International Employee Benefits	9.30am - 12.30pm	
Professionalism and Governance		2.00pm - 5.00pm

Study and examination tips

By Anne Jones
Syllabus Analyst, PMI

***Don't panic! Read & re-read the whole course**

Do not try to 'question spot'

Questions will come from the entire online learning material not specific sections.

***Choose a study method that suits you best**

Reading and re-reading the study material

Repeatedly copying out the study material word for word

Reading out loud the study material or having someone record it for you to listen to on your journey to work

Making lists, and lists of lists

Creating crib cards for topics – only you can know which study method will suit you!

***Make sure that you know the format of your exam**

Is it multiple choice questions; short answer questions; questions requiring a longer more detailed answer, or a mixture of these?

***Practise by completing any sample questions**

Available on the PMI website or contained within the study material.

***If your exam is a three hour written exam, practice writing for three hours.**

The examiners need to be able to read your handwriting; and having writer's cramp in the exam will be a distraction.

***Sign up for any online tuition material**

Complete all the assignments – the questions will mirror the format of those you can expect in the exam.

***Read any examiners' reports available**

Look through past papers.

***If you find some of the study material difficult to understand, can you ask a colleague to explain?**

Your employer may also arrange for you to have a study mentor.

***Make the most of any revision sessions offered**

***Revise the entire study material, if you can**

Focus on your weak areas and any specific topics where you have had difficulty with the sample questions.

Exam Day

/ **Arrive** in good time

/ **Check** you have everything you need: spare pen, pencil, eraser, calculator, proof of ID, exam permit etc.

/ **Read the exam paper** and allocate your time. Ideally allow time to read through your exam paper at the end

/ **Read each question carefully** and answer the question on the paper, not the question you would like

/ **Attempt** all questions

/ **If** you finish within time, **re-read** the questions and your answers.

Membership update

PMI Trustee Group

Your payment was due on **1 January 2018.** PMI Trustee Group members should have received their 2018 subscription renewal notice. If you have not received your notice, please contact the Membership Department on 020 7392 7410 or membership@pensions-pmi.org.uk

Please ensure that your payment to renew your membership reaches the PMI by **Friday 16 March 2018** to prevent your membership being lapsing.

If you are a Trustee Group Board Scheme member, please contact the Secretary to the Trustees or the responsible person to ensure that your subscription is paid to renew your membership.

Don't forget, entire Trustee Boards can also join the PMI Trustee Group (at a reduced rate of £80 per trustee) and receive additional benefits including the ability to sign up for collective training to be independently recognised by the PMI. Trustee Group Members also receive free attendance at our biannual seminars which focus on trustee issues, and reduced rates at our other conferences and seminars. For further information please contact the Membership Department: membership@pensions-pmi.org.uk

Continuing Professional Development (CPD)

Your completed 2017 CPD report was due on 31 January 2018. If you have not completed your report please do so now and submit it to the Membership Department.

Fellows and Associates are reminded that 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 CPD during the year. Please log on to the website and update your CPD record.

Members have been notified that the withdrawal of the designatory initials FPMI and APMI is inevitable for those who do not comply with PMI CPD requirements and have not submitted any evidence of CPD for the years 2015 through to 2017.

Fellowship

Fellowship is open to Associates with five years membership and five years' logged CPD.

We are pleased to announce that Philip Farrell and Paul Rickman have been elected to Fellowship and are now entitled to use the designatory initials FPMI.

Trustee Group CPD Certificates

Congratulations to the following Trustee Group Board Pension Schemes who have received their PMI CPD Certificates!

The Thomas Miller & Co Ltd Defined Contribution Pension Scheme

The Thomas Miller & Co Ltd Retirement Benefits Scheme

If your Board is a member of the PMI Trustee Group and each member has achieved 15 hours CPD, then you are eligible for a PMI Certificate of Achievement.

Please contact Denise at **dhawkins@pensions-pmi.org.uk** for more information.

PMI Membership Upgrade Waiver

Following the success of the opportunity to upgrade membership category without the election fee for recent qualifiers in the April 2015 exams, the Board has decided to allow all future qualifiers after each exam to upgrade their membership without the appropriate election fee. The invitation to upgrade letter will be posted, together with your results, indicating a three-month window in which to upgrade your membership.

Members wishing to upgrade after the end of the waiver period will be required to undertake the usual process which requires the upgrade fee, plus the annual subscription, at the appropriate rate.

For further details contact the Membership Department at **membership@pensions-pmi.org.uk** or on **020 7392 7410**.

Condolences

We are saddened to hear that Christopher Stanley Johnson MA FIA FPMI recently passed away.

Certificate Membership

Certificate membership is open to those who have completed one of our qualifications at the Certificate Level – For more information please see the PMI's website.

We are pleased to announce that the following have been elected to Certificate Membership and are now entitled to use the designatory initials "CertPMI":

Pooja Bhalekar
Priyanka Gogri
Pratima Moghe
Stephanie Portelli
Moshin Shaikh
Shweta Shirke

PMI Fellowship Network Ambassador:

The following six new PMI Fellowship Network Ambassadors were selected at a recent Development Committee meeting and will be inducted on Thursday 15 March 2018.

Lorna Griffin-Smith
Ivan Laws
Martin Lacey
Rosie Lacey
Brian Smyth
Robert Wakefield

If Fellows would like to find out more about the PMI Fellowship Network, please contact Denise Hawkins at dhawkins@pensions-pmi.org.uk

If you have a membership query, please email membership@pensions-pmi.org.uk

Associate Membership

Associate membership is open to those who have completed the Advanced Diploma in Retirement Provision qualification. For more information please see the PMI's website.

We are pleased to announce that the following have been elected to Associate Membership and are now entitled to use the designatory initials "APMI":

Faraaz Yusaf Butt
Thomas Davies
Alastair Dawson
Mark Jenkins
Elizabeth Mawdsley
Curtis Mitchell
Michael Nicolaou
Cassandra Pappas
Deborah Schembri
Julia Smith

Diploma Membership

Diploma membership is open to those who have completed one of our qualifications at the Diploma Level. For more information please see the PMI's website.

We are pleased to announce that the following have been elected to Diploma Membership and are now entitled to use the designatory initials "DipPMI":

Ian Batten
James Carrell
Amanda Harrington
Graeme Houston
Lynn Muckley
Jake Peat
Saara Vernalls

Membership Record

Please ensure that your personal details are correctly updated on the PMI database to ensure that there is no interruption to your membership service.

If you require a reminder of your username/password to log in and check your details, please contact the membership department at **membership@pensions-pmi.org.uk** or on **020 7392 7410**.

A big *thank you* for the continued support of our Pensions Aspects Insight Partners:

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WEALTH at work
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STATE STREET GLOBAL ADVISORS
–
TARGETED RETIREMENT FUNDS

Aberdeen
–
DIVERSIFIED INVESTMENT STRATEGIES

BARNETT WADDINGHAM
beyond the expected
–
ADMINISTRATION

ORIGO
–
PENSION SYSTEMS

If you would like to become an Insight Partner, please email **bcoppage@pensions-pmi.org.uk** to discuss your interest.

If you would like to place a corporate advert or book insertions into Pensions Aspects,
please email **Mdunn@pensions-pmi.org.uk** for further information.

GIVE SOMETHING BACK

#pmivolunteer

We rely heavily on many volunteers to support our range of membership, qualifications and support services through the many committees we have in place to oversee their development, delivery and assessment.

If you are interested in volunteering, contact our Qualifications Team at **qualifications@pensions-pmi.org.uk**

Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

Events

DIARY DATES

Thursday 14 June 2018
SACKERS – DB TRANSFERS

Following the interest in the March session, this free to attend Insight Partner PMI seminar, kindly arranged by Sackers and Wealth At Work, aims to give an overview of current developments and experiences, highlighting why DB transfers are on the rise and what schemes can do to help members make good decisions.

SAVE THE DATE

Thursday 19 April 2018
PENSIONS ASPECTS 2018

For over forty years the Pensions Management Institute has provided its members, and wider society, with information and insight regarding pensions and employee benefits through its regular events, seminars and our member magazine.

This one-day conference will discuss topical issues within the industry including:

- **Regulatory change**
- **Economic/political uncertainty**
- **Financial advice**
- **Freedom and choice**
- **Institutional investment trends**
- **Pension investment restrictions**
- **Partnership and co-investment**
- **Infrastructure options for pensions schemes**
- **Future of DB transfers**
- **Employer covenant risks**
- **Delegated consulting**
- **Risk and innovation**
- **Pension communication**
- **Technology developments**
- **Data protection**
- **Cybersecurity**

Contact us

Register your interest in any of our listed events by emailing events@pensions-pmi.org.uk

Full details of all our events can be found on our website, along with all our booking forms.

Thursday 19 April 2018
PMI ANNUAL DINNER

The PMI annual dinner has been a part of the PMI calendar for as long as can be remembered, and it still proves to be one of the most entertaining pensions events of the year. Although we have changed the venue this year to County Hall, our usual industry recognition awards and after-dinner guest speaker will remain. Attracting pensions professionals, it is the ideal occasion to relax and unwind with colleagues and peers.

It is also an opportunity for the PMI to thank our sponsors, partners and volunteers for the help and assistance that they give our Institute. We look forward to welcoming you to our annual dinner.

Drinks reception at 7pm.

Table of 5	**£1,500.00 +VAT**	**Members**	**£250.00**
Table of 10	**£3,000.00 +VAT**	**Non-members**	**£300.00**

All prices displayed exclude VAT

Wednesday 2 May 2018
PMI WORKSHOP, SECRETARY TO TRUSTEE

This event will provide the opportunity to share experiences and gain insight into how others carry out the role of the Secretary to the Trustee effectively. Come along to learn more about managing conflicts, trustee effectiveness, preparing and monitoring an effective risk register, and working effectively with the Chair of Trustees

Topics include:
- The role of Secretary to the Trustees – effective meeting preparation/best practice at and post meeting
- Preparing and monitoring an effective Risk Register
- Working effectively with the Chair of Trustees
- Effective Minute Writing
- Regular annual activities
- Trustee Effectiveness
- Effective Complaint Handling
- Managing Conflicts of Interest
- Development of Meeting Management

Members £255.00 Non-members £355.00
All prices displayed exclude VAT

The President's Reception

On 23rd January 2018, our new PMI president, Robert Branagh, welcomed guests and close friends to the 2018 PMI Presidential reception.

Question of the Month

?

Who was PMI President between 2015–2017?

Answer will be published in next month's issue.

LEFT: Mark Stocker, Pensions Actuary Services Limited

MIDDLE: Sarah Steel

LEFT: Gareth Tancred, PMI CEO

Ian Pittaway talks to guests

LEFT: Natalie Tuck, Pensions Age
RIGHT: Laura Blows, Pensions Age

MIDDLE: Alan Pickering, BESTrustees
RIGHT: Jenny Davie

Robert Branagh, PMI president

MIDDLE: Kim Gubler, KGC Associates

RIGHT: Roger Cooper, Pi Consulting
LEFT: David Weeks, AMNT

Who's Bill?

By Sarah Stimson, Associate, Sackers

With 25 May 2018 fast approaching, most pension schemes have work well underway in terms of preparing for the General Data Protection Regulation (GDPR). Trustees and employers need to understand their respective responsibilities under the GDPR, and ensure that updated processes and procedures in respect of their pension arrangements are in place. Although the GDPR will introduce a uniform set of requirements throughout the EU, it permits member states some latitude to adapt the law to suit their needs. The Government is repealing the UK's existing Data Protection Act 1998 (DPA) and introducing new legislation, currently in the form of the Data Protection Bill, with the aim of giving the UK "one of the most robust, yet dynamic" sets of data laws in the world.

Why is the Bill being introduced?

The Bill is designed to bring the provisions of the GDPR into UK domestic law, subject to certain amendments, and to make our data protection laws "fit for the digital age." It will also implement the Data Protection Directive, which applies to "competent authorities" such as the police.

One of the UK specific modifications proposed by the draft Bill is a specific pensions easement. The wording is currently somewhat tortuous, but we believe that it is intended to help trustees where they are holding sensitive personal data (known as "special categories of personal data" under the GDPR), in respect of certain dependants, where it would not be reasonable to expect trustees to get consent, for example, under a death benefit nomination form. An easement along these lines already exists (in the Data Protection [Processing of Sensitive Personal Data] Order 2000], which allows processing of sensitive personal data in similar circumstances, but it is limited to specific individuals (namely, the scheme member's parents, grandparents, great grandparents and siblings).

We are currently awaiting further clarification of the intended remit of the Bill's wording. By implementing the GDPR directly into UK legislation, the Government is also aiming to ensure that we have appropriate safeguards to enable the continued free-flow of personal data across the EU, something which will be required for the UK's future trading relationships in our post-Brexit world.

The Government has explained that without the new Bill, the GDPR would apply in the UK alongside the existing DPA until the Brexit process has concluded, leading to "legal uncertainty and confusion for both individuals and organisations in applying the law." As the Bill, once in force, will apply both before and after the UK leaves the EU, it will therefore attempt to both hardwire the GDPR's provisions into UK legislation and at the same time replicate and update the relevant provisions of existing legislation. The upshot of this approach is that, in order to understand the Data Protection Act (as it will become), it will be necessary to read it alongside the GDPR. Reading two substantial pieces of legislation in tandem will of course present its own challenges in practice.

What's next?

The Bill was announced in the Queen's Speech on 21 June 2017, with subsequent publication last September. However, it is still making its way through Parliament and hopes for a Data Protection Act 2017 have now turned to a definite Data Protection Act 2018.

Managing the Retirement Blend

By Anthony Rafferty, MD, Origo

Pensions Freedoms is the pebble creating waves for our industry. The ripple effect is altering not only the demand for certain types of pension products (goodbye annuities, hello SIPPs), but also the way individuals want to manage and access their pensions (please welcome the Pensions Dashboard).

The DB challenges

Since the introduction of Pensions Freedoms the question of "how much do I have?" has never been asked more to DB schemes and administrators. The volume of requests for CETVs has been at some of its highest levels in recent months which has placed real pressure on admin teams and even the transfer process. As well as Freedoms, market conditions (high gilt yields), have compounded the issue adding yet more pressure to the process, making it more challenging to ensure member demands are met.

In a recent White Paper published by Origo, The Troubles with DB Transfers (August 2017), it was found that due to these extreme market conditions many organisations are using "coping mechanisms" to overcome these administration pressures. The ever-increasing volumes however, mean these short-term solutions are incapable of keeping pace. In fact, one of our research participants went as far as to say that "the transfer process is expensive, time-consuming and probably an unprofitable task – which is a concern."

A new world of saving

DB continues to play a key role in many retirement plans, but today we know that the average worker is estimated to have 11 jobs in their lifetime, so it's likely we'll see more and more individuals with more pots, and using a blend of savings vehicles (ISAs, DC, DB and more).

SIPPs appear to be gaining favour with individuals, as shown by stats from Origo's Options Transfers service, with transfers to SIPPs up by 30% on 2016, and with a 39% increase in value. SIPPs now make up 51% of all transfers in conducted by the service (which is over 40,000 transfers each month).

This complex blend of savings and product types, coupled with the added pressure that members wish to quickly and simply move and/or consolidate pots, then access these savings, adds a whole new servicing and admin dimension. The need for administrators to facilitate the ease of movement between schemes, as well as secure and control that flow of data is critical, and if mishandled, could easily become troublesome for all parties, and harmful for the member.

Get the right support

Ensuring that you have the right processes and foundations in place to effectively manage the member data and information is key to sustaining good member outcomes. You need services that not only help to fulfil a gap in your process but also support your existing processes. At Origo, our role as the industry's only not-for-profit FinTech company is to create, deliver and maintain services that support our industry throughout its growth and development.

For nearly 10 years, Origo has provided its Options Transfers service to the industry and since its launch it has successfully transferred over £130bn in pensions monies. It helps organisations, including administrators such as JLT and The People's Pension, to transfer pensions between each other, providing full MI for reporting, and secure and controlled data transfers for a vast range of product and transfer types including; bulk schemes, SIPPs, DC pots, DB pots and many more.

For an organisation, enabling the controlled and swift exchange of member data via electronic transfers will help to ensure that you're in full control of each and every transfer, and that you can report on any or all previous cases at the touch of a button. But, most importantly, you'll have the foundations in place to support the retirement blend that members now need to ensure a comfortable retirement lifestyle.

Pension fund governance and trusteeship

Continue reading on page 19

PMI Insight Partner

Protecting **defined benefit members** from the pension vultures

By Jonathan Watts-Lay, Director, Wealth at Work

2015 was the year of Freedom and Choice in Pensions.

Since then, defined contribution (DC) members have embraced the freedoms and started to access pensions earlier, often cashing in pots in one go and paying HMRC far more income tax than it anticipated. Income drawdown has become a more popular choice than annuities, with individuals increasingly accessing it without taking financial advice. But PLSA research has found the majority of individuals who were about to access income drawdown thought it was risk free, sometimes tax free, and that it offered guarantees similar to those of annuities.
In fact, FCA's Financial Lives Matter research found that huge numbers of members accessing their pensions didn't understand their access options at all, or even that options exist.

When The Department for Work and Pensions introduced the idea of a single guidance body, it said; 'Levels of financial capability in the United Kingdom are low and many people face significant challenges when it comes to managing their money.'

It is not surprising that research from the International Longevity Centre highlighted that when making financial decisions, individuals find it hard to think long-term, preferring small rewards today over larger rewards tomorrow, and switching off in the face of complexity.

But there is another consequence of pension freedoms which is having perhaps an even bigger impact. In 2017 defined benefit (DB) pensions hit the headlines and failures involving BHS, British Steel and Carillion brought member support under the spotlight.

The news of Carillion's collapse was accompanied by rumblings that some advisers were like 'vultures' circling members.

The news of Carillion's collapse was accompanied by rumblings that some advisers were like 'vultures' circling members.

This followed much scrutiny of the closure of the British Steel Pension Scheme and transfer of pensions to alternative schemes, with much of the advice given to members being deemed unsuitable by the FCA. The FCA has since revoked or accepted the voluntary suspension of transfer advisory permissions from several firms and announced a data collecting exercise from firms holding pension transfer permissions.

Elsewhere 'high' transfer values are seeing other DB scheme members transferring to DC pensions, and inheriting the risks involved in managing pension savings and retirement income.

But what can be done to protect members and employees?

The British Steel situation in particular has flagged a big gap for me; although information was available, including a helpline and website content, in the main members were left alone to find help despite the pensions regulator 'urging' the Trustees to talk to members about the importance of obtaining financial advice.

But this doesn't have to be the way. Employers and Trustees have access to professional advice from consultants and buying power, and so are perfectly placed to facilitate access to a breadth of services including financial education, guidance and advice, to help employees and members fully understand their pension scheme options, and the risks. This approach also comes with the benefit of having agreed pricing for services rather than leaving members to guess whether they are paying appropriate fees.

This service would ensure that any financial advice provided is by a firm who has been subject to thorough due diligence including ensuring robust compliance process checks, not only in complex DB cases, but as an everyday option. There is plenty of evidence that these services help members get better outcomes.

And whilst there are some employers and schemes doing this now, they are in the minority, and it is time it was the norm.

After all, being picked at by vultures is hardly a good member outcome.

Automatic Enrolment and Mastertrusts: the new requirements

Maralyn Thomas,
Castle Pension Trustees

Many businesses have used mastertrusts to fulfil their automatic enrolment duties. There will shortly be some changes to both the automatic enrolment regime and also the mastertrust regime. What are these changes and what effect will they have?

Introduction

The Pensions Regulator has said that, from February 2018, every employer will have pension duties and must enrol all qualifying staff into a pension scheme. It has also said that mastertrusts are one of the most effective ways for members to save into a secure and well-run scheme. There will shortly be some changes to the automatic enrolment regime, and the Regulator will soon have power to supervise mastertrusts so that, in future, they will have to be authorised.

Automatic Enrolment

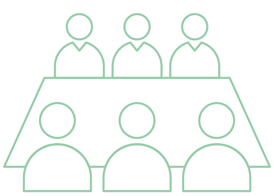
The Regulator's publication 'Automatic Enrolment: commentary and analysis,' explains that automatic enrolment commenced in October 2012. Businesses must enrol eligible job holders into a qualifying pension scheme and make contributions to it. This presently applies to workers who are aged at least 22, but under State pension age, usually working in the UK, and earning more than £10,000 per year, unless they are already a member of a pension scheme which meets certain criteria.

A worker who is automatically enrolled into a pension scheme may opt out of it within one month. Minimum contributions are being phased in. The initial rates were a minimum of 2% of qualifying earnings overall (with at least 1% from the business). In April 2018 that will increase to a minimum of 5% overall (with a minimum of 2% from the business). And, from 6 April 2019, it will increase to a minimum of 8% overall (with a minimum of 3% from the business). There is more information about these increases in the Regulator's publications.

Every 3 years, staff who were automatically enrolled, but opted out of (or ceased active membership of) a pension scheme, more than 12 months before a business's re-enrolment date, must be automatically re-enrolled into the scheme. As before, they may opt out.

The Regulator's online tools include an automatic enrolment Duties Checker.

...mastertrusts are one of the most effective ways for members to save into a secure and well-run scheme.



What is a mastertrust?

A mastertrust is a form of multi-employer occupational pension scheme, which businesses can use for their staff, instead of setting up their own scheme.

The DWP has said that mastertrusts can offer good value for members and employers, and that they offer a number of advantages, such as scale, good governance and value. The Pensions Regulator believes that authorised mastertrusts will be the lynchpin in the development of a sustainable and safe occupational-defined contribution pension schemes market.

Many businesses have used mastertrusts to fulfil their automatic enrolment duties.

The concerns about mastertrusts

The concern is that savings could be at risk from those mastertrusts which do not meet minimum governance standards. So, the Pension Schemes Act 2017 will require mastertrusts to meet higher operating criteria: they will have to be authorised by the Pensions Regulator before they can operate. The Regulator will also have power to intervene where schemes are at risk of failing.

The Regulator says that the new measures will provide consumers and employers with confidence, and that those mastertrusts which do achieve authorisation will be suitable for any business which wishes to use them for its staff.

There are many mastertrusts operating in the UK pensions market, and these new, higher, standards are expected to result in some consolidation. The Regulator has welcomed the continued reduction in numbers of defined contribution pension schemes. It has been concerned about a tail of substandard schemes, and has been encouraging trustees who cannot, or will not, achieve the standards which it expects, to consider consolidation.

What new criteria will mastertrusts have to satisfy, and by when?

There will be 5 key criteria:

- **Persons involved in the scheme must be fit and proper**
- **The scheme must be financially sustainable**
- **The scheme funder must meet certain requirements, aimed at providing assurance about their financial situation (by presenting a business strategy and fully audited accounts)**
- **Systems and processes requirements, relating to the governance and administration of the mastertrust, must be sufficient**
- **The scheme must have an adequate continuity strategy.**

The new mastertrust regulations are expected to come into effect in October 2018, and mastertrusts will have to be authorised by the Pensions Regulator by then if they wish to continue to operate. Otherwise, they may need to be wound up.

Mastertrusts will also have to continue to satisfy the authorisation criteria on an ongoing basis, including being able to show that member funds would be protected if a scheme had to be wound up.

The Regulator has said that it will assist those mastertrusts which do not apply for authorisation, or which fail to meet the required standards, to leave the market, with a view to minimising the impact on savers.

What effect will the new criteria have on the mastertrust market?

As well as the new criteria, there will be compliance costs. Because of this, there is expected to be some consolidation of mastertrusts. Some of the smaller mastertrusts, which have fewer funds under management, and for whom the regulatory costs may be too high, may decide to exit the market.

There will be a one-off authorisation fee, which is yet to be finalised. It is suggested that new trusts can expect to pay 'no more than £24,000,' and existing trusts 'no more than £67,000.'

The DWP anticipates that 28 schemes will take the decision to wind up before the new regulations take effect, and it estimates that it could cost individual mastertrusts between £89,000 and £196,000 to exit the market.

In addition, schemes, or funders which stand behind the schemes, will need to pay the winding-up costs, so as not to pass these on to their members.

Mastertrusts and The Pension Schemes Act 2017

Many more people are saving into defined contribution pension schemes. Mastertrusts account for a major proportion of the increase, and now account for 10 million defined contribution savers.

The Regulator has welcomed its new powers to authorise and supervise mastertrusts. The number of mastertrust providers has grown over recent years as more staff are put into pension schemes, so their savings need to be secure.

Regulations under the Pension Schemes Act 2017 are being developed, and the Regulator says that they will give it the power to ensure that mastertrusts are being run by fit and proper individuals, and that they are financially stable and secure.

What will this mean for businesses?

Most businesses have used mastertrusts to fulfil their automatic enrolment duties, and the DWP has said that mastertrusts can offer good value for both members and employers.

There are estimated to be around 87 mastertrusts currently operating, and the DWP anticipates that 28 of those will decide to wind-up before the new regulations take effect, expected to be in October 2018.

The Cheviot Pension is one of the mastertrusts which is currently used by employers to fulfil their automatic enrolment duties. Cheviot has been operating since 1930, and it will be applying to the Regulator for authorisation to continue operating under the new regime.

Businesses may wish to contact the mastertrust with which they currently deal, to find out what its future plans are in relation to the new regime, and how far those plans have progressed.

They may also wish to check that their systems are equipped to deal with the increases in the minimum automatic enrolment contribution rates which will come into effect in April 2018 and April 2019.

The pensions governance roadmap:

what will the journey look like?

Do you work in DB, DC, MasterTrust, or a contract-based scheme? If so, good news. The Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) are working together on a pensions regulatory strategy, which will set out how they could work together to tackle the key risks facing the pensions industry over the next 5-10 years.

In the absence of an independent pension commission, (an advisory, non-legislative body), this has real potential to bring about positive change in our industry.

The last five years has seen significant change in the industry, not the least of which was the introduction of pension freedoms. This not only changed the way that people can access their retirement savings, but alongside the introduction of automatic enrolment, we have seen more than 9 million people newly saving into workplace pension schemes. During this time, Regulators' powers have expanded in both scope and complexity with the regulatory bodies taking on a much more active, and interventionist role.

In 2013, TPR took on responsibility for the governance of public service pensions, both local and central government. In 2015, the FCA introduced new rules for Independence Governance Committees for workplace personal pension schemes, and TPR is looking at governance of trust-based schemes as part of their 21st century trusteeship programme. Concerns over the quality of governance have contributed to FCA's recommendation of pooling of pension fund assets, while the Pension Schemes Act 2017 seeks to transform the quality of master trust governance.

For the FCA, this has meant making sure that their regulation provides the appropriate level of consumer protection and competition within this new arena, whether this is through the establishment of IGCs or ongoing work such as the Retirement Outcomes Review.

For TPR, the focus has been on protecting workplace pension savers through improving standards of governance in schemes, ensuring schemes are being treated fairly by sponsoring employers, and that workers are enrolled into the pensions they are entitled to by employers as part of automatic enrolment.

> **TPR is also moving from its earlier educate, enable and enforce policy to one where it wants to be "clearer, quicker and tougher".**

As part of ongoing efforts to ensure the sector works well for consumers and workplace pension savers alike, both the FCA and TPR want to work together on a pensions strategy which will look at how they could work together, and with stakeholders, better in the coming years. Good governance is about having motivated, knowledgeable and skilled trustees in place. There is a clear link between good governance and good scheme performance. Whilst it is the responsibility of trustees to make sure that their scheme is well run, both Regulators have a role in helping understanding, transparency and consistency on the pensions system.

Some of the existing overlapping of responsibilities, and duplication of interests, e.g. value for member test definitions, can be confusing and unhelpful for Trustees and members alike. This early stage engagement between the two bodies, might one day be seen as the start of the process for a transition to one overall Regulator but in the meantime, we can contribute to and hope for, an improvement in their existing relationship to ensure that those involved in workplace pension schemes are protected and that our Regulators advice and directives are consistent.

By Robert Branagh, PMI President

Striving for a better informed member

By Sarah Brennan,
Trustee Representative,
Dalriada Trustees

It's never too early for scheme members to start thinking about their pension. Whether they're starting their very first job or nearing the age when they want to retire, being informed and in a position to make the right decision is key.

For those of us working in the pension world, we have a vital part to play in helping people to be better prepared for retirement, which must include positive engagement and offering the right sort of guidance to our members. So, what can we do? Take a step back and put yourself in the shoes of your target audience.

Here are my thoughts on what we all should be actively considering and reviewing on a regular basis.

*Getting to know your members

Consider your target audience and ask yourself questions such as: What line of work are they in? How old are they? How much do they earn? Knowing who you're trying to engage with can really help you decide the best way of doing so, what kind of language to use and what information to provide.

*Speaking plain English?

We all know the feeling of opening up that piece of post, looking at it, seeing pages and pages of black and white print, and it ending up in the 'to read later' pile that never seems to come around. Or, if we do pick it back up, reading it and thinking someone has run the content through a thesaurus. Sure, pensions are complicated; there's an enormous amount of information to provide. But let's try and give that information in a language that's appropriate for our members.

*Moving out of the Stone Age

Talking of the black and white print, next time you're about to send that bulk update to members, why not consider other means of doing so and trying to make it look more appealing to read, and for it not to end up on that ever growing pile of post. Add a bit of colour, some diagrams, break up the text, make it more personable. Although some communication needs to be in writing, we have a whole host of media available to us. The internet has become so much more accessible to such a wide range of people and we should be considering the most appropriate way of engaging (and staying engaged) with our members.

> **Being informed and in a position to make the right decision is key.**

*Content is everything

This may sound simple but always keep in mind, and focus on, the purpose of why you are engaging with members. Make sure the content is relevant for that purpose and remains clear throughout. If you're including forms/booklets etc., make sure they're enclosed and where possible, point members in the right direction of where they can find additional information on the internet.

*Be accessible

Not knowing the answer is one thing but not knowing where to find the answer can be hugely inconvenient and is something we can avoid so easily. Make sure full contact details are available to our members, whether that's on the letter you posted, e-mail you sent, or following the phone call you made. Having the right team who are easy to contact, personable and helpful is crucial.

Getting communication right is not straightforward but with a bit of understanding, and time and effort to get it right, it will pay dividends in positive member engagement and will hopefully have the best outcomes possible for our members.

How to help your clients retire earlier (with one small change)

By Hannah Goldsmith DipPFS, Goldsmith Financial Solutions

Could you help your clients get more from their pension pots, more quickly? In my experience, and in the vast majority of cases, the answer is yes, and it's all about the fees that are being charged. Regardless of age or how much is being invested, high industry fees can delay the retirement date and decrease the pot of money available. I believe it is our job, as advisers, to help our clients understand the impact of the fees they are paying.

Let's have a look at an example:

INVESTOR A is aged 45, has pension and ISA savings valued at **£300,000, and wishes to retire with a fund in the region of £750,000, preferably at the age of 65**. The total Financial Services Industry cost on their money is 2.5% per annum. Assuming an average growth rate of 6% per annum, the fund value would not achieve the target value until the investor is aged 73.

Remember, £300,000 of this fund value was Investor A's money to start with, a profit of £467,000 has been generated and it has taken 28 years to achieve target value. The total Financial Services Industry charges have totalled £345,512 over this time.

> **It has therefore cost Investor A £345,512 to make £467,000 and they have lost eight years of their desired retirement lifestyle.**

INVESTOR B, also aged 45 and with pension and ISA savings valued at **£300,000, wishes to retire with a fund in the region of £750,000 and preferably at the age of 65**, decided to review the industry costs. Investor B realised that they could get the same returns and same consumer protection for 1.1% per annum. They also achieved an average 6% return per annum on their money. They achieved a target fund value of £773,000 by age 65, eight years before Investor A.

In other words, they have achieved their target retirement fund value at their projected retirement date with one simple decision; shopping around to get the best fees.

As £300,000 was Investor B's money anyway, they have made a profit of £473,000 in 20 years, not 28, and it has cost investor B only £102,000, not £345,512, to make £473,000 and achieve their lifestyle objective. If at the time they decided to delay retirement to age 73 like Investor A, the fund value would continue to compound and be in the region of £1,128,500, an additional increase of £360,000.

Fees can make a big difference and it's important that the industry is both transparent about these fees and their impact.

Let's look at another example:

INVESTOR C is aged 30, has a smaller pension fund valued at £40,000, and is to retire at age 65. The average annual return is 7% per annum over the investment period. The total Financial Services fees are 2.13% per annum and no further contributions will be made.

The fund value is projected to be £203,968 and as £40,000 was investor C's money already, she has made a profit of £163,968. The Industry would report how well she has done and Investor C may be content with her advisor's recommendations. However, it has cost Investor C £74,588 in Financial Service Industry fees to make £163,968.

INVESTOR D, like Investor C, has exactly the same scenario but shops around and reduces her fees to 1.1%. Lower fees do not mean lower returns and investor D also averages a 7% return per annum. Because the fees do not cause such a drag on the returns, the fund value compounds and at retirement age of 65 has grown in value to £291,105. As investor D already had £40,000, a profit of £251,105 has been generated but with a reduced industry cost of only £48,623.

Fees can make a big difference and it's important that the industry is both transparent about these fees and their impact.

About the author

Hannah Goldsmith is founder of Goldsmiths Financial Solutions and author of 'Retire Faster,' Hannah specialises in Low Fee Investing and is challenging the way financial services are delivered to consumers in the UK by enabling each client to understand the nature of investment costs and the impact these costs have on their future lifestyle.

Goldsmith's complimentary 'Second Opinion Service' reviews investors' existing portfolios and makes recommendations on risk, diversification, performance, cost and tax efficiency, making investors' money grow in a more transparent and financially efficient way.

Contact us

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www.goldsmithfs.co.uk

I work in Pensions

...but I still get to play with technology

By Curtis Mitchell

I do find it incredible that, in this technological age, so many non-pensions people think our industry still involves lots of paper. Why on earth is that?

Pulling together meeting packs is a big part of my day job. It is true that some of the pension trustees for schemes I look after still like a paper pack, but they are a rare breed, and may be moving rapidly towards extinction. GDPR is looming and it makes you question whether we will be allowed to post hard copy packs anymore. The world is moving on very quickly. We are all becoming busier and carrying a variety of devices to help us be efficient while on the move or out of the office (or to pay for the parking and a coffee at the station on the way in). Carrying a paper trustee meeting pack doesn't really sit with today's world. Lugging them to and from meetings (and into and out of shops in between) can't be appealing to anyone! Finding a place to keep them safe or ensuring they are securely destroyed is yet another drag.

That's why technology is my friend.

Perhaps some context would be helpful to explain why this is a subject I feel so strongly about. I have worked in pensions for seven years and one of my first roles was setting up and running an online meeting pack portal for one of our largest clients. Over the next few years the trustee meetings I attended became more focused towards technology. More clients have invested in online meeting pack sites and I now regularly use five different ones.

> **As a scheme secretary, technology really is useful and definitely makes me - and the trustees I work with - more productive**

Printing, collating and posting is a thing of the past. With an online meeting pack you simply load the papers in and, once you're happy, make the meeting pack live to all attendees. Huge time savings and no clock-watching needed to make sure those hard copy packs are finished before the postman turns up.

Late papers? Modification to papers? These are a pain in the hard copy world but are no problem with an online meeting pack. You simply change what's shown online and it's updated for everyone.

Online meeting packs can often be viewed on a tablet, computer or phone so no matter where you are you can check up on those packs and prepare for a meeting. Most online meeting pack sites have high security levels that would be more than adequate to comply with GDPR requirements. They are significantly more secure than paper. Where did that missing hard copy pack end up anyway...?

I keep saying 'online meeting pack', but it isn't just about that. The functionality available with this technology takes us far from just a meeting pack. They help make meetings more productive. Trustees have their annotations to hand and, with some solutions, conversations on the system can resolve non-strategic matters outside and ahead of the meeting.

> **Online meeting packs can often be viewed on a tablet, computer or phone so no matter where you are you can check up on those packs and prepare for a meeting.**

Searching is simple. How many times have you sat in a meeting when someone says, "I'm sure we discussed that last year." Technology enables you to simply go back through the previous meeting agendas and find the right item. Most solutions come with a document storage facility as well, so the key documents like the Trust Deed and rules and valuation reports can be saved and easily referenced at meetings. It makes my life as a pension trustee secretary so much easier. It also means trustees can deal with the business at hand more quickly and effectively.

Redactions or hiding papers from certain or conflicted individuals are all possible, and very quick to do. Some systems come with a voting section so trustee discretions can be actioned in complete safety without the risk of confidential and personal data being released onto a public device, or enable me to record, monitor and track minutes and actions all within the same place.

I could go on, but I think you get the idea.

As a scheme secretary, technology really is useful and definitely makes me, and the trustees I work with, more productive. As technology becomes more cost effective, I genuinely believe more and more trustee boards should embrace this approach. I've seen the focus and efficiency at meetings improve significantly. Personally, I think it makes my job more enjoyable too. I know I wouldn't like my work quite as much as I do if, like those non-pension people think, it did revolve around paper.

What will be needed in the Professional Service firms of the future?

The professional service firm of the future will look very different to those of the past.

As Alius continues to work with a variety of organisations we are seeing more emphasis on the following:

+ Flexibility & Adaptability

There continues to be a move away from the traditional structure of fixed teams and skill sets to a more flexible approach where there is a focus on 'skills' rather than 'roles.' This is particularly evident in the legal sector.

As the amount of project-based work increases, the ability to react quickly and establish teams with a combination of 'core' and 'contractor' resource continues to rise. The focus seems to be on developing core and transferable skills with HR & training teams working to ensure staff have deep expertise in a couple of technical areas, together with broader delivery and soft skills. Some have described it as creating 'skill pods' that can be tapped into on a project-by-project basis.

+ Transparency

Teams are becoming more disparate with contractors, consultants, remote employees and office-based employees all working together. As a result of this, management are going to have to develop a more open and transparent culture in which to share information.

There needs to be clear and open dialogue at all levels and team members need to have leaders they can trust.

+ Technology

Most firms are now using technology to deliver some services to clients but there will be a need to focus more on social media.

It's not just LinkedIn, which has always been considered the professional platform, but also look to Facebook, Twitter and Instagram, as well as video.

> Organisations need to ensure they have a clearly defined social media and content strategy that links back to their wider sales & marketing objectives.

So, organisations will need to be flexible to reflect the modern ways of working, making sure they are completely transparent in how they communicate and develop their social media strategy across multiple platforms.

By Darren Jefferson, Alius Services

Diversification and why it matters today

Aberdeen Standard Investments

Why diversify when equity returns are so strong and volatility moderate?

Global equity markets have produced very strong annualised returns of over 20% in the past 18 months, with volatility as low as 6%. Risk has not really disappeared though as recent equity market corrections remind us. Recent strength in equity markets masks the variability of long-term performance. What was the annualised total return from the S&P 500 Index from 2000 to December 2017? It was not cash plus 5% or cash plus 7%: those returns annualised at just cash plus 3%. Equities can indeed perform well over several years, but they can have long periods of weakness too.

You wouldn't start from here

One way to look at how equity and bond markets might perform over the next few years is to look at how expensive assets are you invest. It appears that the more expensive the starting point, the lower the expected return over the next 12 months may be. On most measures, equity valuations are well above average, possibly close to historic highs. Interestingly, bonds are expensive too: here, longer-term returns relate closely to the yield at the purchase point. Today, with bond yields close to historic lows, the strong bond returns of the last 20 years may be a thing of the past.

There are also structural challenges facing longer-term investors including demographics, the fading impact of trade globalisation, and China's adjustment to a slower growing economy. Meanwhile, a savings 'glut' driven by QE programmes and the baby boomer's savings, makes the search for yield challenging; and it is getting worse.

Bridging through diversification

So what can we do? Many managers try to be bolder in their market timing, to smooth returns, and generate extra performance. However, seeking to add consistent return in this way can be challenging and can conflict with managing risk. We believe that it is better to diversify portfolios. With a greater range of return drivers, an attractive return should come through more consistently. When there is a lower reliance on equities to deliver growth, portfolios should be more resilient in the event of sharp stockmarket falls.

If we reduce our allocation to equities and bonds, we need to add other sources of potential growth. One option would be to make greater use of asset classes that are accessible to institutional and retail investors alike. These include higher yielding opportunities in credit; global loans, private debt and aircraft leasing, and real assets, such as renewable infrastructure and social housing. There are specialist opportunities as well, such as insurance-linked securities and healthcare royalties. With genuine diversification comes lower portfolio volatility and more ways to generate growth and income. All these opportunities can be accessed today in a daily dealing format so we can incorporate them in our multi-asset solutions.

Using traditional assets in a different way

We can respond to the dynamic and inefficient nature of markets to seek returns. For example, holding the Japanese yen (a defensive currency) versus the Korean won (linked to global economic growth), can help mitigate falling equity prices. Investing in European bank shares relative to the whole European equity market offers the potential for positive performance if interest rates rise.

There are clear challenges ahead for traditional asset classes and for multi-asset solutions that rely on them. Thankfully, there are also more ways for us to diversify portfolios to bridge that gap. Over the years, we have independently developed two strategies to deliver this: one focused on diversification by asset class, the other offering diversification across strategies. Both, we believe, can deliver a compelling long-term return.

By Sarah Scully,
Barnett Waddingham

What a difference a decade makes

pension administration 2018 vs 2008

For evidence of just how fast moving the pension administration world has to be we need look no further than the last decade: a period marked by the competing priorities of regulatory, commercial and technological forces. Set against a background of global economic uncertainty, a bombshell budget, and a fundamental rethink on the whole concept of retirement saving), this decade of constant change has driven the industry forward. Pension administration has become increasingly diverse and specialised. Where previously, pensions evolved at a relatively sedate pace, since the launch of pensions simplification back in 2006, the landscape has transformed and the successful administration service has had to keep up accordingly.

De-risking is a prime example. In the current climate, as trustees seek to successfully explore and implement the array of liability management exercises available to them, there is an ever-increasing need for a wider skill set and a broader range of experience within organisations. Options such as enhanced transfer values and pension increase exchange exercises, things that would have been few and far between in the past, have become commonplace, and companies are having to adapt to providing these services as a matter of course.

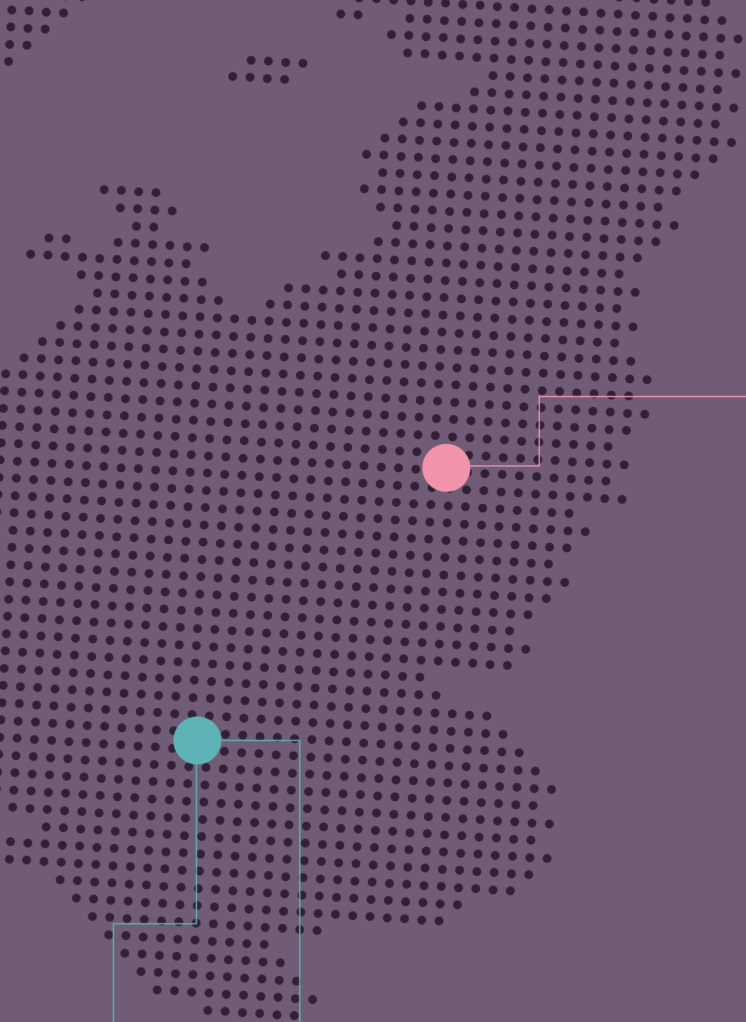
More recently, pension freedoms have generated a whole host of additional challenges. The options available to members have now increased to such an extent that almost every case needs guidance through the myriad of complex options available, be they enhanced options available under a defined benefit scheme or the multiple uses of a DC pot. As a result, member education has become increasingly important and we are all looking for ways to increase member engagement at the earliest opportunity. With an increased shift towards member self-servicing, the availability of on-line servicing tools provides the perfect platform to both engage and educate members whilst providing trustees with the added value of freeing up time and resources to devote to ongoing improvements in their service delivery.

We've also seen pensions liberation work its way higher and higher up the agenda. With the potential loss of retirement savings at risk from unscrupulous companies making attractive, but ultimately disastrous promises to unsuspecting members, there has been a marked shift of emphasis towards an increasingly forensic approach to due diligence. With all of this happening alongside the increased transfer activity generated by pension freedoms, these have been testing times for trustees and administrators.

Last, but by no means least, we have the ceasing of contracting out, and the subsequent task of reconciling GMPs, which continues to remain high profile as the impending cut-off date appears on the horizon. This has remained labour intensive across the board but has also created opportunities to develop a whole new level of automated data interrogation and rectification technologies.

The world of pensions never stands still, and with the advent of GDPR, and increasing focus on data quality, we can expect as many changes to come over the coming years, providing many new and exciting challenges for providers to prove their expertise and long-term commitment to the sector.

News from the regions



[Eastern regional news]

Our next afternoon seminar will be in Ipswich at Isaac's on the Quay on 14 March 2018, starting with a buffet lunch from 12.15pm and finishing by 4.30pm. The line up will include:

+ Tim Pike, Bank of England – update on the economic outlook
+ Gerald Smith, FRP Advisory – assessing and monitoring the employer covenant
+ Sackers – our annual legal update

We hope to also have a fourth speaker, possibly on a DC topic.

We are still seeking a speaker for our AGM/talk on 13 June 2018 at Mills & Reeve in Cambridge, which takes place in the early evening.

If you wish to be added to our distribution list, please contact Susan Eldridge at susan.eldridge@aviva.com.

London regional news

The DB to DC transfer debate
Business meeting: May 2018
Date: **TBC**
Location: **TBC**

Our May 2018 Business Meeting will address the topical question of DB to DC transfers. With continuing low interest rates and some high profile cases (such as the alleged targeting of Tata Steel members) in the headlines, transfer values continue to be a hot topic. Date and venue will be confirmed nearer the time.

Date for the diary

PMI London Group AGM
Date: **5th July 2018**
Location: **RSM UK, 25 Farringdon Street, London, EC4A 4AB**
Time: **6.00pm**

Many thanks to RSM for hosting our AGM in July . As confirmed previously our traditional post-AGM talk will address a subject that will be of interest to all members, from students to FPMIs, from younger to older, from new members to those with years of experience: How to network effectively (both in person and using social media). We are particularly keen to welcome student / younger / less experienced members to this session as well as our members who regularly attend. Indeed, our post-talk social will be a great opportunity to put those networking skills to good use!

Watch out for more details later in the year.

Pensions Aspects LIVE/18

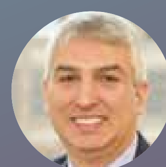
19 APRIL 2018 / COUNTY HALL

PMI's Annual conference 'Pensions Aspects Live 2018' is only two months away. Join us for one of the leading pensions conferences and exhibitions to learn, debate and share insights on some of the industry's hot topics.

WE ARE DELIGHTED TO ANNOUNCE THE FOLLOWING SPEAKERS WILL BE JOINING US ON THE DAY:

Mark Boyle
/ Non-Executive Chairman
/ The Pensions Regulator

Sarah Levy
/ Head of Pensions
/ Office of National Statistics



Serkan Bahçeci
/ Head of Infrastructure Research / J.P. Morgan

Michelle Cracknell
/ Chief Executive Officer
/ TPAS

Alan Whalley
/ Chairman
/ Wealth at Work

Josephine Cumbo
/ Pensions Correspondent
/ Financial Times

Helen Aston
/ Executive Director of Finance and Operations
/ The Pensions Regulator

Kevin Wesbroom
/ Aon Hewitt
/ Senior Partnerte

Mark Rowlands
/ Director of Customer Engagement
/ NEST Corporation

Peter Hofbeaurer
/ Head of Infrastructure
/ Hermes Investment Management

Alan Pickering
/ Chairman
/ BESTrustees plc

Tim Philips
/ Head of Pension Market
/ Smart Pension

Robert A Cochran
/ Senior Corporate Pensions Specialist
/ Scottish Widows

And many more... Visit our website www.pensions-pmi.org.uk/events for the full line-up of speakers and the agenda.

IGNITE ABSORB THRIVE

For content development, speaking opportunities and marketing contact: Tannaz Rastegar, Marketing Manager on 020 7392 7427.

For sponsorship opportunities and attendance contact: Bob Coppage, Commercial Director on 020 7392 7438

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Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

FCA update

FCA publications which may be of relevance to members include:

9 February 2018 – TPR and FCA: Our strategy for pensions
FCA and TPR announced they are working together on a pensions regulatory strategy, which will set out how they will work together to tackle the key risks facing the pensions sector in the next 5-10 years.

It will include a series of events with stakeholders in London, Edinburgh and Manchester in the spring. These will broadly focus on two discussion areas led by the FCA and TPR:

+ The collective view of the current landscape of the sector and our respective regulatory remits
+ The likely key areas of focus in the coming years

They also outlined the Regulatory approach to date:
For the FCA, this has meant making sure that our regulation provides the appropriate level of consumer protection and competition within this new landscape, whether this is through the establishment of Independent Governance Committees or ongoing work such as the Retirement Outcomes Review.

For TPR, the focus has been on protecting workplace pension savers through a drive to improve standards of governance in schemes, ensuring schemes are being treated fairly by sponsoring employers, and that workers are enrolled into the pensions they are entitled to by employers as part of automatic enrolment.

As part of the ongoing efforts to ensure the sector works well for consumers and workplace pension savers, they are working together on a pensions strategy which will look at how they will work together, and with stakeholders, in the coming years.

2 February 2018 - Effective competition in non-workplace pensions: DP18/1 – The FCA published a Discussion Paper to gather views on the market for non-workplace pensions.

The FCA estimates that non-workplace pensions, also known as individual private pensions, collectively represent around £400bn assets under management. This is more than double the amount invested in contract-based DC workplace pension schemes. They have noted that research suggests that at least 1 in 4 adults have accumulated benefits in non-workplace pensions.

Further details can be found on the FCA website.

Code of Professional Conduct

PMI AAP members are reminded that as members of the PMI they must adhere to the PMI Code of Professional Conduct, which can be found on the PMI website at www.pensionspmi.org.uk/about-us/code-of-conduct/

Pension Transfer Permissions: Help Sought

We have had a request for help from a PMI AAP member who wishes to apply to the FCA for a variation in permissions to be allowed to include Pension Transfer business.

In connection with the application the PMI AAP member would like to obtain recent experience of working under the supervision of a firm that currently operates in the area of pension transfers. Therefore, we are seeking PMI AAP members in the Manchester area who will be willing to provide supervisory/mentoring experience. Please contact Neil Scott at PMI if you think you might be able to help: **nscott@pensions-pmi.org.uk**

CPD Workshop 20 February 2018

We ran a workshop on 20 February. A report on the workshop will be provided in a future update.

We hope to run the next workshop in autumn 2018. Full details will be published nearer the time.

PMI AAP Fees

The fees for 2017-18 are as follows:
Renewal of SPS – there is a fee of £45 for Affiliate members to renew an SPS. There is no SPS renewal fee for members with the following grades: Student, Trustee Group, Certificate, Diploma, Associate or Fellow.

Money Alive website

We would like to draw your attention to this site which was launched in February: **www.moneyalive.co.uk**

It is a useful education tool for pension scheme members.

SPS Renewals

We have been renewing SPSs in recent months and a number of queries have arisen that we can clarify below:

(1) The fee for SPS renewal only applies to Affiliate members (see below for further detail on fees).

(2) We will issue an SPS in the week before the old SPS expires or on receipt of all necessary application forms (declarations) and fees (if any), whichever is sooner.

(3) The declaration only requires details of the total hours of structured and unstructured CPD completed and the recording system used. It is not necessary to provide full evidence of CPD activity at this stage. However, an itemised list of CPD activity will be very helpful.

Queries regarding renewals can be addressed to the Membership Department at PMI: membership@pensions-pmi.org.uk

SOUTHWEST REGION

PMI South West Region
- Spring Seminar 2018 -

Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

PROVISIONAL AGENDA
Date: **Thursday 3 May 2018**
Time: **9.00am to 12.50pm**
Venue: **TLT Solicitors,**
One Redcliff Street, Bristol, BS1 6TP

BOOK YOUR PLACE:
Places are limited, so you are advised to book as soon as possible. Confirmation of your place will be provided in advance of the seminar. £40 per attendee (free to student members of the PMI)

Tel: **0333 006 1249;**
Email: **Selina.vigurs@tltsolicitors.com**

9.00	Coffee and Registration
9.25	Chair's Introduction
9.30	**Legal Update** Chris Crighton and Lizzie Stone, TLT LLP
10.15	**Our Approach to Employee Engagement: Next Steps** Ian Baines, Nationwide Building Society
11.00	Coffee
11.20	**Regulatory Workshop: After Carillion** Clive Pugh, Burges Salmon LLP and Gareth Morris, FRP Advisory
12.05	**Pension Scams: Lessons and Developments** Speaker from Dalriada
12.50	Buffet Lunch

We invite you to join us for the

2018 Annual Gala Dinner

Thursday 17 May 2018
Bristol Hotel, Prince Street, Bristol
Reception drinks at **6.00pm** / Meal at **7.00pm**

Guest Speaker
Paul Lewis
Paul Lewis is a British freelance financial journalist and broadcaster on BBC television and radio. Paul Lewis is best known as the presenter of Money Box and Money Box Live on BBC Radio 4, and Your Money on BBC World Service.

BOOK YOUR PLACE: Tickets are £55 each, or tables of 10 at £550 or 5 at £275.
Book online at: **https://pmi-south-west-gala-dinner-2018.eventbrite.co.uk**

Actuarial & Pension Consultants

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For help with your pensions audit, accounting or covenant assessment needs contact

Ian Bell, Head of Pensions
+44 (0) 20 3201 8608 ian.bell@rsmuk.com

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Pensions Aspects LIVE/18

19 APRIL 2018 / COUNTY HALL

WE ARE DELIGHTED TO ANNOUNCE THE FOLLOWING SPEAKERS WILL BE JOINING US ON THE DAY:

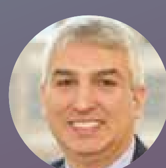
...
Martin Clarke
/ Government Actuary
/ Government Actuary's Department

...
Josephine Cumbo
/ Pensions Correspondent
/ Financial Times

...
Mark Boyle
/ Non Executive Chairman
/ TPR

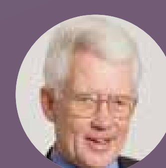
...
Alan Whalley
/ Chairman
/ Wealth at Work

...
Sarah Levy
/ Head of Pensions
/ Office of National Statistics



...
Serkan Bahçeci
/ Head of Infrastructure Research
/ J.P. Morgan Asset Management

...
Michelle Cracknell
/ CEO
/ TPAS



...
Alan Pickering
/ Chairman
/ BESTrustees plc

AND MANY MORE...VISIT OUR WEBSITE WWW.PENSIONS-PMI.ORG.UK/EVENTS FOR THE FULL LINE-UP OF SPEAKERS AND THE AGENDA.

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For content development, speaking opportunities and marketing contact:
Tannaz Rastegar, Marketing Manager on 020 7392 7427

For sponsorship opportunities and attendance contact:
Bob Coppage, Commercial Director on 020 7392 7438

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