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July/August 2018

Pensions Aspects

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Secluded destinations

Exploring alternative investment strategies

THE RISE OF SELF SUFFICIENCY

GMP RECONCILIATION THE IMPACT ON MEMBERS

FINANCIAL GUIDANCE AND CLAIMS ACT 2018

Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

Edition July / August 2018

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HEAD OFFICE
The Pensions Management Institute, Floor 20,
Tower 42, 25 Old Broad Street, London EC2N 1HQ
T: +44 (0)20 7247 1452

MEMBERSHIP T: +44 (0)20 7392 7410
E: membership@pensions-pmi.org.uk

QUALIFICATIONS/TRUSTEES T: +44 (0)20 7392 7400
E: qualifications@pensions-pmi.org.uk

COMMERCIAL DEVELOPMENT T: +44 (0)20 7392 7425
E: marketing@pensions-pmi.org.uk

FINANCE T: +44 (0)20 7392 7430
E: accounts@pensions-pmi.org.uk

PMI news team

MEDIA ENQUIRIES T: 0207 392 7425 **E:** media@pensions-pmi.org.uk

EDITORIAL Chris Eyett **T:** +44 (0)20 7392 7401 **E:** CEyett@pensions-pmi.org.uk

CORPORATE/DISPLAY ADVERTISING T: +44 (0) 20 7392 7425 **E:** Malcolm Dunn MDunn@pensions-pmi.org.uk

RECRUITMENT ADVERTISING T: +44 (0)20 8405 6412 **E:** nick@insidecareers.co.uk

SERVICES DIRECTORY T:+44 (0)20 8405 6412 **E:** megan@insidecareers.co.uk

DESIGN sjw **SJW Branding & Communications T:** +44 (0)1732 455555 **E:** welcome@sjwbranding.com

PRINT Crossprint Ltd T: +44 (0)1983 524885 **E:** sales@crossprint.co.uk

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Acceptable in the 80s

Thirty years ago, providing information to members about their accrued rights was a simple matter. In an era where Defined Benefit (DB) coverage was the norm, schemes were required to provide details only under specific circumstances, such as leaving service, the submission of a transfer request or imminent retirement. Then – as now – there was no statutory requirement for DB members to be provided with an annual benefit statement.

This was not perceived as a problem, as there was no incentive for schemes to try and improve levels of member engagement. Providing the benefit promise was the responsibility of the trustees alone and required no active role on the part of the member. Apart from anything else, until 1988, employers could make membership of the occupational scheme a condition of employment, and so members were required to accrue a benefit even (for whatever reason) they might not have wished to do so.

By Tim Middleton,
PMI Technical Consultant

Another constraint on promoting member engagement was technological. In an era before the internet, providing information for members inevitably meant sending out paper documents. The costs arising from drafting, printing and posting documents made this process laborious and expensive. With little obvious benefit to the scheme in conducting such an exercise, it was obvious that many did not bother.

Today's environment could not be more difficult. Today's member is likely to belong to a Defined Contribution (DC) arrangement. He or she may have joined as a consequence of auto enrolment; active consent to join may not have been given, but the right to withdraw applies at any time. Crucially with a DC scheme, effective member engagement is absolutely necessary if members are to appreciate the true value of their benefit and ultimately achieve the goal of a satisfactory retirement outcome.

The onus lies with trustees and manager to ensure that members properly appreciate the value of scheme membership. Whilst the statutory requirements to provide an annual Benefit Statement and Statutory Money Purchase Illustration have been in place for many years, a communications revolution has arisen via the internet.

Online access to pension scheme information allows members to check – in real time

– current fund values. They can make fund switches, review scheme rules and consider transfer and decumulation options. It may be possible to model the impact of changes to contribution rates or of bringing forward or deferring decumulation. Online information is extremely empowering for members and plays a vital role in promoting member satisfaction. For DC schemes, this is a crucially important consideration.

It is therefore surprising to learn that according to recent research as many as a third of employers sponsoring DC schemes have not provided online access to members.

Auto enrolment has been one of the great success stories in the pensions industry in recent years.

PwC established that younger members in particular consider the option to manage pension savings online is particularly important. Failing to provide access to a form of communication which younger people consider the norm is a serious obstacle to effective member engagement.

Whilst PwC's research suggests that employers are prepared to make the necessary financial commitment required to improve employee engagement with pension saving, there is for many a lack of clarity as to how this might best be achieved. Many lack an understanding of the associated technology and the benefits it can bring.

Auto enrolment has been one of the great success stories in the pensions industry in recent years. Bringing so many new employees into pension saving, when competition for scant employee financial resources has been so intense, has been a significant success. It would be a terrible failure if this success were to be compromised by a myopic approach to the importance of successful member engagement.

As is always the case with pensions, a vision for the longer term rather than a short-term fix is absolutely necessary.

Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

Member benefits

Don't forget to maximise your membership by making use of the benefits available to you:

Designatory Letters

PMI qualified members can use the designatory initials CertPMI, DipPMI, AMPI and FPMI after their names.

News & Publications

We regularly release news and provide a range of publications, all of which offer valuable information to keep both our members and those affiliated with the PMI up-to-date with current pensions issues.

- **PMI Technical News**
  PMI Technical News is our quarterly newsletter which is sent to all our professional pensions and trustee members. It addresses, in depth, one particular topic which is of current interest.
- **Pensions Aspects**
  Pensions Aspects (formerly PMI News) is our monthly magazine which is sent to members. It features technical articles from professionals within the industry; expert/investment insight columns from our Insight Partners; latest news from the PMI including qualification updates; updates from the industry regulators; updates on consultancy and administration, actuarial and investment, and legal issues; information to support pension trustees; details on forthcoming PMI events, and news from our Regional Groups.

Discussion Forums

- **PMI LinkedIn Group**
  The PMI LinkedIn group provides members and others involved in pensions and employee benefits to network and share information and views. This is a private group so if you would like to join, please email the events team at events@pensions-pmi.uk
- **PMI Fellowship Network LinkedIn Group – Fellow members only**
  Fellows of the PMI can book to attend sessions through membership@pensions-pmi.org.uk The network provides Fellows with access to discussion material from the Fellowship Network meetings and the ability to network.
- **Mallowstreet**
  The PMI has teamed up with mallowstreet, the online community for the pensions and retirement benefits industry, to enable PMI members to participate in the discussion forums, blogs and other activities made available through their website.

To access the mallowstreet forums and blogs, PMI members will need to join mallowstreet (membership is free).

Regional Group

PMI has a network of 8 Regional Groups throughout the UK. Each Regional Group organises local seminars, talks and social events. In addition, they provide study support and advice to Students who are preparing themselves for PMI examinations.

PMI Qualifications

The PMI is the UK's leading professional body for those working in the field of employee benefits and retirement savings. It supports and develops the experts who are responsible for running the UK's pensions industry and is acknowledged as the body for establishing, maintaining and improving professional standards in every area of pension scheme management, consultancy and trusteeship. The PMI is renowned for providing qualifications that demonstrate the knowledge and expertise of those taking them.

PMI Extra

PMI Extra contains cost-saving discounts and offers on a portfolio of everyday products and services, such as home insurance, hotel stays, gyms and health clubs, Apple products, cinema tickets, and office supplies and stationery. There is no sign-up process, and no extra charge to access these benefits; you are automatically eligible to access these benefits by virtue of your membership.

> PMI Continuing Professional Development (CPD) Scheme

Although the recording of CPD is only compulsory for PMI Associate and Fellow members, the scheme and recording system are open to all. CPD is a key part of your membership and by participating in our CPD scheme you will contribute to the development of the profession as a whole. Recording your CPD demonstrates that you are working to ensure your knowledge and skills are up-to-date.

> Standard Life Investments Educational Portal

Learning Gateway is a free and convenient way for PMI members to access up-to-date training that is relevant to your role. It is designed to address the specific training requirements of investment professionals, and to help you to achieve the level of knowledge required to meet your investment and career objectives. It is simple to use and flexible enough to fit round your busy schedule for either gap filling or ongoing training needs.

> PMI Trustee Group Seminars: free for all PMI Trustee Group members

PMI Trustee Group members enjoy free attendance at our twice-yearly trustee seminars, whilst other members pay a discounted price to attend. This year PMI Trustees have been given an additional benefit and can attend the PMI Annual Lecture on 12th September 2018. There are now additional benefits for entire trustee boards that join the PMI Trustee Group. This includes the ability to sign up for collective training to be recognised by the PMI, and for trustee boards to be issued with a PMI Trustee Group Continuing Professional Development (CPD) Certificate as an independent verification.

Membership update

2018 – 19 Membership Renewal Subscriptions

Your membership renewal is due on 1st September 2018 and subscription renewal notices have been sent out to all members.

If you have not received your renewal notice contact the Membership Department at membership@pensions-pmi.org.uk or on 0207 392 7410.

Direct Debit

As an incentive to use the Direct Debit facility and to help members spread the cost of annual subscriptions, for the 2018/19 subscriptions payable on 1st September, for all members except Affiliate members, you can pay your subscription over three months (1 Sept, 1 Oct, 1 Nov). Alternatively, you can pay your subscription as a single annual payment by indicating this on the mandate you received with your renewal notice. Please ensure your completed Direct Debit form is sent to the membership department by Friday 17th August, 2018.

Obituary

We are saddened to hear that **Stephen Masamba DipPMI** recently passed away.

APPT Renewal

APPT renewal notices have been emailed to members advising them that they must renew by 1st July 2018 at a cost of £200. Please ensure that your 2017 CPD reports have been submitted to the PMI Membership Department in preparation for your renewal.

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.

PMI Trustee Group Scheme

The PMI extends a warm welcome to:

- IBM UK Pension Trust Limited
- Cambridge Colleges Federated Pension Scheme
- Volkswagen Pension Scheme
- Nationwide Pension Fund
- The Cheviot Trust Pension Schemes

who all joined the PMI Trustee Group Scheme recently.

Continuing Professional Development (CPD)

Your completed 2017 CPD report was due on 31st 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). Members are required to record at least 25 hours. Please log on to the website and update your CPD record.

Members with outstanding CPD have been notified to complete and submit their CPD to the PMI Membership Department. Failure to comply will result in the withdrawal of their designatory initials FPMI and APMI.

PMI Fellowship Network Sessions

The next London Fellowship Network Session will take place on Thursday, 12th July at PMI Office to discuss Collective Defined Contribution (CDC):

- Would CDC deliver tangible benefits to savers compared with other models?
- Does this risk creating extra complexity and confusion? Would savers understand and trust the income 'ambition' offered by CDC?

The session will be hosted by Gillian Graham, FNA (PS Independent Trustees Limited), and Martin Lacey, FNA (Royal Mail). CDC Specialist, Kevin Wesbroom, will also be in attendance.

If you are a Fellow and would like to attend, please register your interest by contacting the Membership Department at membership@pensions-pmi.org.uk or on 020 7392 7410.

PMI Membership Upgrade Waiver

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.

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 **Tatyana Hicks and Fiona Whtye-Smith** have been elected bto Diploma Membership and can now use the designatory initials DipPMI.

Fellowship

Congratulations PMI Fellows! Following the recent promotional campaign in April and May 2018 allowing Associates to climb the PMI ladder without paying the usual upgrade and election fee, we are pleased to announce that approximately 200 eligible Associate members took advantage of the offer. They have now been elected to Fellowship and are entitled to use the designatory initials FPMI.

Stuart Allen
Mark Andrews
Phil Anthony
David Appleby
Jacqueline Archer
Sarah Austin
Timothy Banks
Hazel Bloomfield
Margaret Boate
Daniel Bowman
Christina Bowyer
Carol Bradshaw
Janet Branagh
Katie Brassington
Jacqueline Bretnall
Pamela Broadhead
Mark Brown
Richard Bryant
Joanne Buchanan
Geoffrey Buck
Nicholas Burdett
Nigel Butt
Guy Bysouth
Andrew Callis
Neil Campbell
Irene Campbell
Margaret Carruthers
Philip Casson
Kanon Chalcraft
Hai Ying (Fiona) Chan
Caroline Cheetham
Lucy Clark
Marina Clarke
Lyn Anne Clay
James Colegrave
Andrew Coles
Martin Condon
Stephen Cooper
Rachel Croft
Peter Croucher
Wendy Davies
Edward Davies
Omaira Deen
Christopher Deeson
Danny Dowd
Jonet Dunmore
Caroline Eastwood
Matthew Elguezabal
Shona Fleming
Mark Fox
Mark Frankland
Joanne Franklin
Michael Franks
Helen Frisby
Anthony Frith
Cyril Gaffney
Lisa Garner
Isobel Garside
Andrew Gibson
Charles Gould
Katalin Grantham
William Green
Jane Gregory
James Hacker
Andrew Hale
Richard Hallam
Julie Halligan
Paul Harris
Christopher Hayes
Paula Hendry
Rachel Hewlett
Richard Hill
Hazel Hinde
David Hosford
Lynn Housecroft
Phillip Howden
Helen Hughes
Katie Hulbert
Daniel Hulbert
James Hutson
Nuala Jackson
David Jacobs
Rebecca Jaques
Nathan Jones
Jemma Jurgenson
Donna Kellett
Hazel Kendrick
Kevin Kenneally
Susan Kettle
Antony King
Ian King
Helina Kuberek
Olga Lafon
Corinne Lawson
Stuart Lee
Andrew Leslie
Colin Liddell
Joanne Linley
Gwyneth Lloyd
Rachel Longsden
Isabell Lotz
Christopher Lyons
Louise Mackie
Paula Maguire
Kim Mairs
Stephen Mann
Andrew Marshall
Timothy Mason
Deborah Mather
Calvin Matthews
Charles Matthews
Fiona McCartney
Andrew McGowan
Stuart McLean
Mary McLeod
Christopher McNay
Stephen McPhillips
Deborah McWhinney
Alastair Meeks
Zoe Mills
Valerie Milne
Paula Morton
David Noakes
Paul Ian Noone
Wendy Norton-Round
Robert Orr
Catherine Palmer
Richard Parker
David Parker
Janet Parrington
Colin Pennycook
Stephen Perera
Alexander Perman
Kelly Phillips
Emma Pilley
Nicola Plummer
Thomas Pook
Christopher Potts
Thomas Prime
Gemma Pugh
Mark Pugh
Sandra Pugh
Martin Ralph
Simon Redfern
Helen Redman
John Reid
Derick Riddell
Stephen Rideout
Ian Roylance
Tina Rushworth
Catherine Russell
Judith Sambrook
Joanne Sargant
Robert Sauer
Peter Scott
Ian Scott
Richard Seymour
Elizabeth Shanks
Karl Sidebottom
Carlos Simoes
Andrew Smith
Roger Stenner
Keith Sully
Christopher Symonds
Susan Tate

Certificate Membership

Certificate membership is open to those who have completed one of our qualifications at Certificate Level. For more information please see the PMI's website. We are pleased to announce that the following people have been elected to Certificate Membership and can now use the designatory initials CertPMI:

Sara Bird
Robert Jones
Stewart Nairne
Sekani Simpson
Adrian Wedgewood
Emma Guyers
Matthew Lindsay
Sukie Perera
Elizabeth Smith
Simon Mulima

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 **Carole Weir** has been elected to Associate Membership and can now use the designatory initials APMI.

Events

DIARY DATES

Wednesday 12th September 2018
PMI ANNUAL LECTURE

SAVE THE DATE

We are pleased to announce that the 2018 Annual Lecture will be held on the 12th September at:

JP Morgan, 60 Victoria Embankment, London, EC4Y 0JP

Our 2018 speaker will be Tim Harford, a world-renowned behavioural economist, award-winning Financial Times columnist, and BBC broadcaster.

This event will count as one hour of CPD.

This event is free for PMI members to attend.

Monday 17th September 2018
PMI WORKSHOP, SECRETARY TO TRUSTEE

Following the previous cancellation of this event, the PMI is happy to confirm that this has now been rescheduled for the 17th September at Taylor Wessing.

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.

Wednesday 19th September 2018
INTRODUCTION TO UK PENSIONS, LONDON

Wednesday 31st October 2018
INTRODUCTION TO UK PENSIONS, LEEDS

This introductory workshop is designed for those with little or no previous pensions knowledge. Our panel will go through the essentials of the pensions industry, touching on core areas that those starting out in the industry need to know, as well as answer any questions that you may have.

For further details, please contact Events.

Wednesday 7th November
PMI ADMIN SUMMIT:
THE FUTURE OF PENSIONS ADMINISTRATION

The Future of Pension Administration is a must attend event for in-house pension schemes, pension trustees, and finance directors who want to keep up-to-date with the latest best practices and trends, meet industry influencers, advance their careers, and find solutions to some of the industry's most challenging concerns. The conference will also provide a greater networking opportunity for trustees, administrators and pensions scheme managers.

Early bird price of £250 for members and £300 for non-members (until 31st August 2018).

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.

Secluded destinations

Exploring alternative investment strategies

Continue reading on pages 12 -16

The road less travelled

alternative investment strategies

I recently moved house and for my morning commute to the train station, I continued to use the route I was familiar with. It was not until recently that someone told me about an alternative route to the station. Yes, it was a B road and slightly more complex to navigate but it was a much more pleasant drive, involved less traffic and, more importantly, was a quicker commute to the station. There was nothing wrong with my original route but my comfort and familiarity with it meant that I had not considered an alternative... until it was pointed out to me.

Jeffrey Malluck of Aon looks at the benefits of some alternative investment approaches.

Aon Empower Results®

What does that have to do with pension scheme investments, you may ask? Well, most pension schemes have identified their long-term objective, whether that is buyout or self-sufficiency, and a direction of travel to reach that objective.

However, many schemes' investment strategies continue to focus on the use of traditional asset classes, or those which are familiar, in order to achieve those objectives. Whilst the performance from traditional assets has been strong over the past few years, the outlook is less compelling.

In our opinion, there are currently attractive alternative investment opportunities which pension schemes should be considering as part of their overall strategy. These opportunities can improve the likelihood of schemes meeting their long-term objective, diversify their portfolio, and reduce their reliance on traditional assets.

> **Two strategies we think are appealing from a strategic perspective are infrastructure equity and private credit.**

Infrastructure refers to large-scale systems; services and facilities that are necessary for economic activity. The assets are associated with the provision of public goods and essential services. They tend to have monopolistic characteristics and high barriers to entry, which should mean their performance is less impacted by economic conditions (although there is no guarantee of this). Examples include airports, renewables,

telecommunication networks and utilities.

For pension schemes, infrastructure equity has a number of characteristics which we believe makes a compelling case for its inclusion within portfolios. Whilst past performance is not a guide to the future, these characteristics included steady cash flow generation, low correlation to other traditional asset classes, and an attractive risk-return profile. We believe that the return expectation for infrastructure is around 7% per annum over 10 years which, we feel, is favourable on a risk-adjusted basis compared to a range of fixed income, equity and other alternative strategies. Private credit is another area that offers a unique and compelling investment opportunity to pension schemes due to its attractive risk-return characteristics and the income it provides.

This opportunity has arisen following the new bank regulations implemented in response to the last global financial crisis.

Many companies relied on banks for borrowing but, as banks have reduced lending, institutional investors like pension schemes have the opportunity to capture enhanced returns by providing finance in private markets.

There is a wide range of strategies within this area, from loans which are secured, backed by, say, an underlying property, or that rank high in the company's capital structure and therefore benefit from better recovery rates than traditional bond investments, to higher risk strategies which target a higher level of return.

Funds specialising in this asset class tend to target net-of-fee returns ranging from 3% for lower risk senior loans, to the low teens for higher-yielding loan strategies.

We believe the attractiveness of private credit strategies relative to other traditional assets include high potential returns, income generation to meet cash flows and, increased diversification.

Infrastructure and private credit strategies are not without their risks, and schemes should be aware of these before investing.

For example, both of these strategies are less liquid than traditional public market assets. In addition, manager selection is essential.

Pension schemes have been on an interesting journey over the past decade. Whilst they continue to navigate the numerous challenges ahead in order to reach their destination, we would encourage schemes to consider the alternative approaches available which may help reach that destination sooner. There are many roads one can take but, as the poet Robert Frost said, 'Two roads diverged in a wood and I – I took the one less travelled by, and that has made all the difference'.

Jeffrey Malluck is a senior investment consultant at Aon. To read more of our thinking on investment strategy, visit www.aon.com/investmentuk

The rise of self sufficiency

Scott Edmunds,
Senior Investment Consultant,
Quantum Advisory

During a period of record low interest rates, the objective of achieving a 100% funding status seemed, at best, elusive, with the days of recording a pension scheme surplus appearing to have been firmly relegated to the pages of history for many pension schemes.

Unsurprisingly, the main focus for trustees historically has been achieving their scheme's primary funding objective i.e. to reach 100% funding on a technical provisions basis. This implies an investment strategy that delivers a reasonable degree of investment outperformance during, and indeed after, the recovery period and is used to set sponsor contributions. This isn't a surprise given the large deficits that many pension schemes have been plagued by.

However, we've witnessed a shift recently. Whilst the primary objective is still used to set contributions, investment strategy is increasingly set by a secondary objective; typically to become fully funded on a self-sufficiency basis. In our experience, the target of self-sufficiency varies according to scheme circumstances; the common theme is that any scheme that becomes 100% funded in this way should be in a position to substantively reduce risk within their investment portfolio, so that the impact of under-performance has a minimal effect on the sponsor.

This more challenging secondary objective might appear counter intuitive. However, strong performance from risk assets over the past several years, coupled with recent rate rises, has meant that many pension schemes now find themselves in a reasonably well funded position. Trustees and advisors have rightly been asking the questions "where next?" and "how do I protect these gains?" Following 2007 and all the difficulties that ensued, trustees know only too well the consequences of not correctly balancing risk and return within investment strategies, and the dangers of taking their eye off the longer term prize (whether this is self-sufficiency, buy-out, buy-in etc).

There are obvious advantages to getting to this position, primarily:

Reduced risk and an increased likelihood of meeting benefit payments as and when they fall due:

Fully funded status based on self-sufficiency assumes only a marginal degree of future outperformance from investment strategy, allowing greater investment in liability matching assets. These assets can be tailored to meet benefit payments, reducing the likelihood of underperformance and a worsening of the funding level.

Benefits for the scheme sponsor:

The reduced risk of material investment underperformance means that any impact of unexpected deficit recovery contributions is unlikely to be substantive; this frees the sponsor to build its business, providing reassurance for all interested parties in the future.

With this in mind, it makes sense that schemes thinking about the end game (whether it is buy-out, buy-in etc.), consider self-sufficiency as a staging post. Indeed, where the cost of buy-out is truly prohibitive, achieving self-sufficiency may be a sensible solution itself to the pension risk problem.

Of course, in order to savour the long-term benefits of self-sufficiency a number of short-term challenges must be met.

[redacted]

The following issues will all need to be considered:

Recovery plan periods:

Pension schemes will need to give careful consideration to the recovery period assumed for achieving self-sufficiency. Too short a period may result in excessive investment risk being adopted initially. Too long a period may result in higher returns being sought when visibility of risk is poor; don't forget it is easier to predict 2019 than 2029! A balance clearly needs to be struck.

Dynamic de-risking strategies:

The concept of a trigger-based dynamic de-risking strategy remains appropriate. However, an alternative to turning up the investment risk dial at outset is to turn it down at a slower pace over time. This strategy may be particularly appropriate for those pension schemes with clear, longer-term visibility of the sponsor covenant.

Additional sponsor contributions:

Whilst sponsors might baulk at the cost of buy-out or buy-in, they are often willing to pay some extra contributions for the reassurance that self-sufficiency provides. Sponsors seem surprisingly open to this discussion, especially when a spirit of collaboration is clearly evident. At the end of the day, the sponsor is likely to remain a pension scheme's best friend.

Liability profile and cashflow issues:

For small and mature schemes, or those which experience a deluge of transfer requests, cash flow can be unpredictable. This suggests caution in scheduling investment risk, and requires adequate planning for unexpected or large scale events.

In conclusion, self-sufficiency might represent either an attractive staging post on the path to buy-out or even a sensible end game in itself; but simply deciding to go for it is not a magic bullet. Pension schemes will need a clear plan for managing the introduction of a secondary funding objective to ensure it does not unduly compromise the primary funding objective. The issues detailed above make it apparent that the key to success lies in: (i) understanding the interaction between the primary and secondary funding goals, and the trade-off between covenant and investment risk; (ii) understanding the tension between cost control and risk aversion; (iii) establishing a clear governance framework around what should be done, when and how; and (iii) remaining dynamic and capitalising on opportunities as and when they may arise. However, for all of the potential issues that introducing self-sufficiency as a secondary objective involves, the option to achieve a fully funded position that is reliant on a low risk investment strategy is attractive for sponsors and trustees alike.

"Clearer, quicker, tougher:"

no more softly, softly, catchee monkey at TPR?

In the short term, the increased media, public and political interest in pensions has made us all more interesting at dinner parties. But, once that has passed and we return to the status quo of being met with glazed over eyes when we tell people we work in the pensions industry, will there be any longer lasting effects as a result of this recent peak in interest?

The Pensions Regulator (TPR), certainly wants us to think so. Perhaps that is unsurprising given the scrutiny and the flavour of the criticisms it has faced in recent times. It has told us repeatedly, in various forums, that it is, or is working to be, a clearer, quicker and tougher regulator. But are we convinced?

TPR certainly appears to be gearing up to ensure that "clearer, quicker and tougher" goes beyond a mere slogan: it's Corporate Plan for 2018-21, released in May, confirms that it has obtained a bigger budget, it is ploughing more of this budget into its frontline regulatory team, and it is seeking wider powers.

However, it is not an increased budget, a bigger frontline team or a new set of powers that convinces me that TPR will be taking a clearer, quicker and tougher approach in the future.

What convinces me, and what should persuade you, is the seemingly tectonic shift in the political pressures that TPR now faces. We have swung away from a climate which saw the Government announce in the Autumn Statement 2012 that it was "determined to ensure that defined benefit pensions regulation does not act as a brake on investment and growth".

We, and TPR, are now in a climate in which TPR must respond to the Work and Pensions Select Committee's findings that TPR's interventions are "feeble", it has a "tentative and apologetic approach" ingrained in its culture, and that they are "far from convinced that TPR's current leadership is equipped to effect [required] change".

At the end of May, the current Chief Executive of TPR announced that she will be stepping down at the end of her four-year contract, in February 2019. Her eventual replacement will have a clear mandate: lead TPR to pursue a much more interventionalist, and possibly aggressive, strategy.

If you are still not convinced, look at TPR's most recent Compliance Report.

> **Over 25% of the fixed and escalating penalty notices that TPR has issued in the last 48 months were issued in the first three months of 2018.**

Of course, the latest round of AE staging will have had an impact on this. Nonetheless, from our experience, from the anecdotal evidence, and from the actions (not just the noises), from TPR, we should all assume that softly, softly, catchee monkey is no longer the name of TPR's game.

Aaron Dunning-Foreman, Associate, Sackers LLP

News from the regions

[Midlands region]

The popular half-day conference was held on 13th June in central Birmingham. The conference was sponsored by Gateley Plc and we thank them for their support.

Bob Campion from Charles Stanley provided a very entertaining presentation on 'risk made simple', followed by an update on liability management options from Barnett Waddingham's Chris Hawley. The ever entertaining Robin Ellison provided some very interesting insight on the Carillion pension schemes. Bob Coppage gave us the latest on developments and plans at the PMI.

A short break was followed by Tom Meyrick of Eversheds Sutherland who reminded us all that GDPR did not end on 25th May. Finally there was a hot topic panel discussion, hosted by Nick Stones of Pinsent Masons. Panellists Emma King of Eversheds Sutherland, Andrew Allsopp of Quattro Pensions and Keith Lewis of PTL gave their expert opinion on current pensions developments.

Thank you to all of the presenters, Barnett Waddingham for the fantastic organisation and to Gateley Plc.

[Southern region]

We completed our 2017/18 year at the offices of Willis Towers Watson, Reigate with a presentation and discussion around Medically underwritten buy-ins. This was led by Prash Mehta from Just.

An excellent presentation was reflected by the level of engagement from the audience and the events overrun.

Prior to the event we held our 24th AGM. This saw the committee grow back up to its maximum number of twelve. At the same time Clair Hood was appointed the new Chair for the Group. We wish Clair every success as we move into our 25th year.

Our programme for the coming year will be available in early September, but if you are interested in becoming a member please contact Clair - **clair.hood@howdens.com**

[Eastern regional news]

Following an excellent buffet and our short AGM at Mills & Reeve's fabulous Botanic House offices in Cambridge (with lovely views from the sixth floor), we enjoyed a panel debate on DB to DC transfers. The panel was ably chaired by Lesley Carline, Vice President of the PMI, and our eminent panel comprised Clare Grice, partner and head of the pensions team at Mills & Reeve, Andrew Cohen, a local IFA, and Naomi L'Estrange, an independent trustee at 2020 Trustees and former Director of Legal at the PPF.

Clare gave the legal background which was a useful reminder for us and then Naomi and Andrew looked at some of the more practical aspects. Lesley said Andrew almost had her in tears as he demonstrated just how much work an IFA has to do to advise on such transfers! There were mixed feelings as to whether a transfer value should be shown on every retirement quote, whether such transfers really are a good idea for many and if partial transfers should be allowed. There was no great disagreement between our panel members, but they felt their own stance tended to change depending on how they felt on the day. Communication in a way the member can understand really is key. We could say a lot more, but hope this is enough to tempt you to come to one of our future seminars! They are also a great opportunity for networking.

Our next afternoon seminar is planned for 30th October in Norwich and the one after that will probably be in late February 2019 in Ipswich. If you wish to be added to our distribution list, please contact Susan Eldridge at susan.eldridge@aviva.com.

Advanced Diploma in Retirement Provision

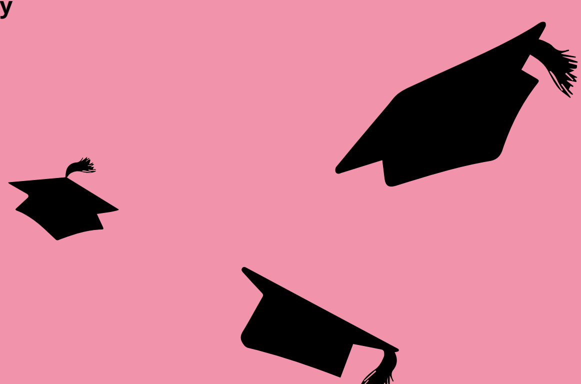
The following candidates have completed the Advanced Diploma examinations of the Pensions Management Institute following the April 2018 examinations:

Philippa Badley
Marcin Balawender
Stuart Briely
Jenifer Goodchild
Alison Hay
Christopher Hughes
Katie Lambert
Jane Le Pla
Kelsey Marriner
Rachel Marston
Jennifer May
John McCawley
Derek McCormick
Malina Miller
Colin Minty
Jennifer Owen
Philip Persson
Liam Scarfe
Mark Smith
Laura Webb

Diploma in Employee Benefits and Retirement Savings

The following people have completed the Diploma following the April 2018 examinations:

Philippa Badley
Claire Barnes
Daniel Bracey
Stuart Briely
Lauren Cochrane
Cassie Davis
Alice Fletcher
Jenifer Goodchild
Stephen Graham
Alison Hay
Christopher Hughes
Richard Ingham
Kimberley Longhurst-Hill
Simon Magee
Rachel Marston
Stephen Rowland
Nicole Sullivan
Saara Vernalls
Lucie White



Diploma in International Employee Benefits

The following people have completed the Diploma following the April 2018 examinations:

Agnieszka Harrebye Sorensen
Balazs Kaposvari
Lyudmyla Moncalvo
Ciona Murray
Rosemary Nantambi-Amiri
Jennifer Owen
Carina Schuetz
Christiane Ward

Diploma in Retirement Provision

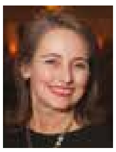
The following people have completed the Diploma following the April 2018 examinations:

Marcus Allen
Daniel Blackman
Joanne Carr
Matthew Coleman
Ruth Cresdee
James Duggan
Joseph Durnford
Annabelle Hardiman
Drew Henley-Lock
Katie Lambert
Michael Lee
Kurtis Lingham
Yoram Lustig
Darren Morrison
Christopher Nightingale
Michael Peters
David Revell
Steven Robinson
Kevin Shiel
Mark Smith
Kevin Stempien
Ashley Temple
James Walters
Alexander Wells
Mathew Witherwick

Diploma in Regulated Retirement Advice

The following people has completed the Diploma following the April 2018 examinations:

Natasha Markanday



Carol Perry (top)
Anne Harper
(below)

Carol Perry FPMI, Chair of the PMI's Lifelong Learning Committee, and Anne Harper, PMI's Director of Lifelong Learning, are working together on PMI's review of its lifelong learning offer. It spans professional standards, Continuing Professional Development, accreditation and endorsement, apprenticeships, qualifications, examinations and assessment. Their mission is to review, revise, revamp, and re-launch the PMI's learning products and services to members, employers and stakeholders.

PMI Qualifications Review

The review of the qualifications began in 2017. Key findings from that, and subsequent meetings with employers and learners, included a shared desire to:

- create a clear progression structure
- promote the qualifications offer more widely
- retain a senior level 'jewel in the crown'
- encourage and support apprentices and apprenticeships
- reduce the amount of handwriting in examinations.

What follows is a brief update on each of these areas, showing how this work supports the PMI's five key objectives:

1. To be the recognised authoritative voice for the pensions and lifetime savings sector
2. To be the learning and development partner of choice for professionals and their organisations
3. To be active across the UK and have international reach
4. To have an impact on economy and society
5. To be financially strong, efficient and successful employer of choice.

Featured qualifications

* Retirement Provision Certificate
* Certificate in DC Governance
* Award in Pension Trusteeship
* Certificate in Pension Scheme Member Guidance
* Diploma in Regulated Retirement Advice

Progression structures

We are currently writing a draft set of pensions professional standards. Our researcher is working with some of the leading fellows in the PMI to create a consultation document that will be shared with learners, members, fellows, employers, study support partners, stakeholder organisations, regulators, and complementary professional bodies worldwide. We will be asking for your comments, suggestions, amendments and additions to the document itself, and for your support in encouraging as wide a response as possible. By stating and sharing our standards we believe that we are advancing our ambition to be the recognised, authoritative voice for the pensions and lifetime savings sector. Professional standards, once finalised, will be the yardstick by which we can measure everything from qualification and membership levels to training needs analysis for organisations; they will inform series of masterclasses, continuing professional development programmes, and how we accredit external learning offers from employers, educational establishments and other professional bodies.

Promoting the qualifications more widely

The qualifications that PMI currently offers are robust, demanding and nowhere near as widely offered and understood as the PMI would like. PMI is striving to become the learning and development partner of choice for professionals and their organisations. To do this our current and emerging offer has to be widely known and used across the sector.

This summer we are highlighting some of our qualifications (see 'featured qualifications section'), with a strong focus and a desire to succeed, learners could enrol for, study towards, be examined in and, if successful, achieve a professionally recognised qualification before the end of 2018. We have extended our enrolment deadline to August 14th but would advise learners to sign up and get working on their studies as soon as possible. We will be profiling the qualifications on our website, with accounts from previous successful learners, and briefing PMI members and contacts on how and where these qualifications might best serve them, their teams and their employers.

The jewel in the crown

Holders of the Advanced Diploma are rightly proud of their achievement. It is one of the toughest series of examinations available and is demanding in the extreme for the learners, their employers, and their families. The Advanced Diploma takes years of study, hard work and application, and, just when you thought you'd mastered the topic, the legislation changes. Advanced Diploma holders are active across the UK. Think of those who have opted to undertake the Diploma in Regulated Retirement Advice as part of their advanced diploma and are now Financial Conduct Authority recognised Retail Investment Advisors, and internationally, particularly those who have acquired the Diploma in International Employee Benefits.

The Advanced Diploma will remain the pinnacle of success for pensions professionals. During the review of our lifelong learning we will be looking to ensure that we have developed challenging and supportive structures that will increase the breadth of talent entering and succeeding in our sector, with the necessary drive and determination to undertake the advanced Diploma. Over the coming months we will be working with advanced diploma holders, examiners and supporters, to ensure that our qualification continues to be demanding and future focussed, enabling holders to possess the blend of technical and professional skills that will keep them at the top of their game.

Apprentices and Apprenticeships

PMI was part of the trailblazer group for apprenticeships in the financial sector. By the end of 2018 some of our first group of apprentices will be ready for end point assessment by the institute, and recognition of their achievements. The apprenticeship offer means employers can create new ways of recruiting, retraining, and developing their staff. The potential impact on economy and society of the PMI and pensions organisations generating a dialogue with schools, careers advisors, parents and young people on pensions as a career of first choice, and indeed the value of pensions to the long term saving strategy of the individual, and the investment strategy of the UK, is significant

Apprenticeship funding can as readily be used to build the capacity of current employees as it is for new recruits. PMI is about to apply to become the end point assessor for the level six (equivalent a post graduate degree level qualification), financial services apprenticeship for pensions professionals. Winning this recognition will require a huge amount of work across the PMI, however the benefits with respect to reputation of the organisation and increased diversity of membership will be the true signals of success.

Handwriting in examinations

Since joining the PMI in January 2018, Anne Harper has met with employers and learners across England, Wales and Scotland (she was snowed out of Northern Ireland), when learners were asked the question what would you change about the examinations? The near unanimous answer was “get rid of the requirement for handwriting”. As learners pointed out, no employer expects them to arrive in the office at 9am and write non-stop until midday. The desire to adopt a less antiquated, more up-to-date way of demonstrating knowledge, understanding, and the ability to process information, was overwhelming.

Following negotiations we are now able to offer the current autumn 2018 series of examinations to learners online, rather than paper-based.

We will be:

- **extending the enrolment deadline to August 14th**
- **working with centres to ensure that they have the necessary bandwidth to support the transition**
- **Operating a 'dual fuel' system for those who cannot go online to take the exams**
- **commissioning city centre examination suites for independent learners.**

Moving to an automated system will of course have an impact on the PMI's team too. We will be moving away from a multi-staged and largely manual process of printing, multiple postage, secure management of the examination papers, storage of the leaners' results, statistical analysis allowing the PMI to be financially strong, more efficient, and a more up-to-date place to work.

GMP Reconciliation

The impact on members

Most schemes will be well advanced with their GMP reconciliation projects, and many trustees will feel they have already had to make some difficult decisions regarding setting tolerance levels and whether to accept or decline HMRC's figures. But as many schemes move into the rectification phase, the hardest part is still to come. Most trustees at some point will have dealt with a case where a member has not been paid their correct benefits, but past experience doesn't make the decision about how to rectify this any easier.

Faye Jarvis, Partner, Hogan Lovells

Underpayments

I suspect that most trustees would prefer to deal with a case where a member has been underpaid rather than overpaid, but they may still face some tricky legal issues. The starting point is that all underpayments should be made good, irrespective of how small they are. While this will be relatively straightforward for members still in the scheme, it does create some difficult questions about what to do in relation to members who have died or transferred out. And then there is the question of whether to pay interest on the underpayment.

- **Deaths/transfers:** most trustees starting point is likely to be 'let's do nothing' and I have a lot of sympathy with that but unfortunately there is no legal basis for it. That said, in my view, a pragmatic approach can be adopted. Death cases, for example, will be harder to deal with the more that time has passed. Trustees may therefore decide to only try to rectify in respect of members who have died in, say, the last two years.

- **Interest:** it may be that the scheme rules require interest to be paid on any underpayments, in which case no decision needs to be made. But very often the rules will be silent on this issue and so trustees will need to decide whether to pay interest and, if so, at what rate.

Overpayments

While it is easier to be more pragmatic in relation to cases where members have been overpaid, trustees need to ensure that they adopt a consistent approach and so it is worth coming up with some principles at the outset about how overpayment cases will be dealt with. For example, trustees could decide to:

- **reduce members' pensions going forward but not seek to recover any past overpayments, or**
- **only recover overpayments above a certain level, as the cost of trying to recover small overpayments is likely to be disproportionate**

The easiest way to recover any overpayment is to make deductions from future payments of pension, known as 'recoupment'. Trustees will need to ensure that any such deductions are made over a reasonable period. Based on Pensions Ombudsman decisions, a good rule of thumb is that the deductions should be made over a similar period to the period over which the overpayment was made.

An alternative option is to not award any future pension increases until the amount of pension in payment reflects what the member is actually entitled to.

Does the member have to repay?

So far, so straightforward, but does the member have a defence to the trustees' claim for repayment?

Change of position

The most common defence relied upon is known as the 'change of position defence'. Broadly, to be able to establish this defence the member would need to demonstrate:

- **they were unaware of the overpayment**
- **they changed their position i.e. they have spent the overpayment and would not have done so had they known they were not entitled to it, and**
- **the change of position is irreversible.**

Whether a member has a change of position defence will be very fact specific. It is for the member to argue that they have such a defence and to provide evidence in support of it.

Limitation

There is an ongoing legal debate about whether the ability to recover overpayments is subject to a six year limitation period, meaning any payments made more than six years ago cannot be recovered. In the case of GMP reconciliation claims, there could be many members who could benefit from a six year cut-off.

In the case of Webber v Department of Education and another (2016), the High Court held that the six year limitation period would apply. However, in the recent case of Burgess v BIC UK Ltd (2018), the High Court held 'recoupment' was "an equitable self-help remedy" and the Limitation Act does not apply to claims for equitable relief. A helpful decision for trustees but it does not end there.

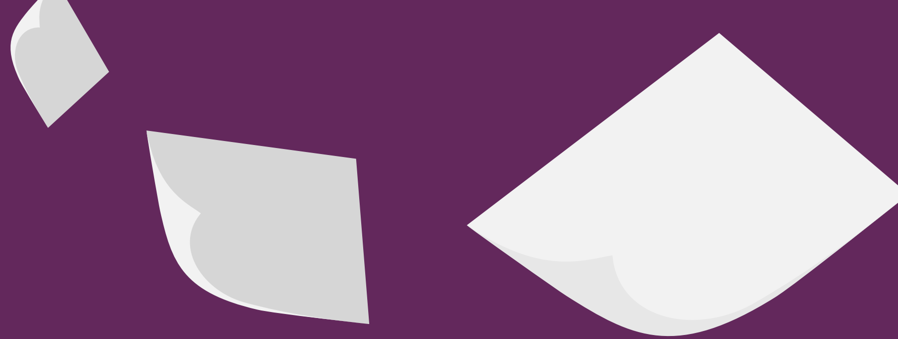
Whilst a limitation period may not apply, a little known legal concept called the 'doctrine of laches' could still prevent the trustees from recovering the overpayment. Key elements to the 'doctrine of laches' are delay and detrimental reliance, both of which a member may be able to demonstrate in relation to a claim for overpayments as a result of GMP reconciliation. A clued up member could therefore turn a straight forward claim for recovery of an overpayment into a very complex legal debate.

Member simply refuses to pay

The trustees' right of recoupment is subject to section 91 of the Pensions Act 1995, as it is a form of set-off. Section 91 states that the right to set-off cannot be exercised "unless the obligation in question has become enforceable under an order of a competent court". In the Burgess case, the High Court held that a decision by the Ombudsman was not "an order of a competent court". This means that if the member won't accept the Ombudsman's decision, the trustees may have to seek an order from the County Court before they can make any deductions from the member's pension.

For those members who are no longer entitled to any benefits from the scheme because, for example, they transferred out, but their record was not updated and so a pension was subsequently put into payment (it happens!), recovery is even more difficult if the member refuses to pay. In these circumstances, the trustees only real option for recovery is to sue the member which can be a very costly and time consuming process.

So you could say that the hard work is only just beginning when it comes to GMP reconciliation exercises.



DWP's White Paper:

A Public Sector Pensions Perspective

Mark Shaw (GAD - DWP advisor Private Pensions)
Chris Morley (GAD - HMT advisor Public Pensions)

In recent times we have all seen analyses contrasting the golden world of public sector pensions with those of a frugal private sector. At the Government Actuary's Department (GAD), we are uniquely positioned to think about the connections between these worlds. This allows us to bring an extra dimension to pension policy debates. Here we explore the recent DWP White Paper Protecting Defined Benefit (DB) Pension Schemes,' which sets out the government's policy intentions regarding the DB private pensions sector across four main chapters:

1. **Protecting private pensions:** a stronger Pensions Regulator
2. **Improving the way the system works:** scheme funding
3. **Improving the way the system works:** consolidation
4. **British Steel Pension Scheme and other live areas**

We focus on the first three chapters, which cover sector wide policy, and consider how the DB private sector issues translate to DB public sector schemes.

CHAPTER ONE:
Protecting private pensions; a stronger Pensions Regulator

This chapter is about strengthening the regulatory framework and powers of the Pensions Regulator (TPR). In particular it proposes:

+ **giving TPR the power to issue punitive fines**
+ **introducing a criminal offence for company directors that deliberately put their pension schemes at risk**
+ **strengthening the existing notifiable events and voluntary clearance regime in relation to corporate transactions and**
+ **strengthening TPR's information gathering powers.**

One of TPR's statutory objectives is to protect members' benefits. The proposals in this chapter are intended to help TPR meet this objective, especially where employers wilfully put members' benefits at risk. The public schemes are established in statute so issues around certainty and security of benefits differ. However the importance of good governance and administration applies to both private and public schemes. TPR seeks to raise standards in these areas and its current initiative '21st Century Trusteeship and Governance,' is focussed on circumstances where it feels standards currently fall short. In 2015 the governance arrangements of the public schemes were overhauled and TPR were given a new statutory oversight role for these schemes.

Whilst the proposals in this chapter are only intended to cover private schemes, we are seeing a trend towards a more proactive, tougher regulator and this trend could be seen in all areas of TPR's work going forwards. Speaking recently at a pension industry conference, TPR indicated that its latest annual survey had found "a number of gaps around good governance" in relation to the public schemes. As well as scheme governance, the White Paper recognises the importance of scheme financing to ensure schemes maintain sufficient assets to pay benefits.

CHAPTER TWO: Improving the way the system works; scheme funding

This chapter seeks to enhance the existing private scheme funding regime and TPR's ability to enforce standards through a revised code of practice that scheme trustees will be required to comply with. Schemes will require a chair who will be responsible for reporting to TPR on key decisions regarding the funding of the scheme's benefits. Private schemes are required to fund prudently and this chapter proposes further guidance from TPR to help trustees understand and demonstrate a prudent approach.

In the public schemes, employer contributions are generally set using a best estimate approach, not including any margin for prudence (or optimism). For example, the discount rate used to determine employer contributions in these schemes (known as the 'SCAPE rate'), is set as a best estimate of future GDP growth. This means that today's employer contributions as a share of current GDP are expected to match the cost of the associated pensions as a share of future GDP. So, one interpretation of intergenerational fairness; each generation pays its own share.

One exception to the public schemes best estimate approach is the local government pension scheme (LGPS). The LGPS often finds itself caught up between public scheme approaches stemming from their statutory establishment, and private scheme approaches which stem from holding funds to finance benefits. Whilst prudence makes LGPS funding levels appear lower than best estimate, it can reduce the risk of more volatile employer contribution rates and the potential for rising contributions in the future. So, another interpretation of intergenerational fairness; earlier generations pay more than their share as they are exposed to less risk. However you interpret intergenerational fairness, improving governance and funding standards increases the likelihood of members receiving their full benefits.

There are around 6,000 schemes in the private sector, with a significant proportion having less than 100 members. Such fragmentation can make it difficult for TPR to regulate the sector and ensure schemes are well managed. Greater consolidation could be a catalyst for improved standards of governance whilst allowing more effective regulatory oversight and providing savings for schemes through economies of scale.

CHAPTER THREE: Improving the way the system works; consolidation

This chapter encourages the consolidation of pension schemes, both through existing, and innovative new, commercial consolidators. Consolidators are offered an accreditation regime and an authorisation regime is proposed for new ones. These regimes can then give members and employers more confidence which will hopefully catalyse increased consolidation.

Where consolidation is allowed to break the link between schemes and employers, members should be compensated with more certainty over their benefits. This also allows sponsoring employers to focus on core business. These outcomes are welcome especially where trustees have legitimate concerns regarding the long term viability of their sponsor.

The vast majority of public scheme members belong to a handful of very large unfunded schemes, so fragmentation issues and consolidation possibilities are much more limited in scale. When consolidation does happen the objectives are primarily focussed on efficiencies of scale.

A recent example was the civil service scheme absorbing various smaller public schemes as part of the 2015 reforms of all the public schemes. This included House of Commons, House of Lords and lighthouse staff schemes.

On a much bigger scale a major program is currently underway in the LGPS to consolidate the assets of the 90 funds in England and Wales into 8 pools. Going forward these 8 regulated fund management entities will eventually run almost all of the LGPS assets, leaving individual funds to decide asset allocation and focus on other areas of pension scheme management.

The objectives of LGPS pooling are: achieving benefits of scale, improving governance and decision making, reducing costs, and improving capacity to invest in infrastructure. These are clearly different from benefit security objectives and the LGPS pools are not breaking links with employers. However, some of these objectives again bridge public and private schemes and the LGPS experience could help inspire wider consolidation across the private sector.

Two connected pension worlds

Despite differences between public and private sector pension schemes they both seek to provide members with their benefits when they are due. The policy changes proposed in the White Paper aim to improve the system and increase the likelihood of members of private sector pension schemes receiving full benefits. On governance, administration, and consolidation, there are lessons the public and private schemes can share to improve member outcomes and enhance schemes' cost efficiency.

The DB to DC transfer debate

By Lorraine Harper, PMI Vice President, Co-Chair of PMI Trustee Group

On 24th May, the anticipated PMI debate took place, kindly hosted by Redington in London. We were hopeful of a lively evening given that our 70 places were sold out within 36 hours of invitations being released by email, and we had a long waiting list for cancellations.

The motion was, "This house believes that trustees and sponsors of pension schemes should not be afraid of advertising members' rights to transfer benefits from DB to DC schemes."

Speaking for the motion were Steve Webb, Director of Policy, Royal London and former Minister, and Hugh Nolan, Director at Spence & Partners and President of the Society of Pension Professionals.

Speaking against the motion were Tim Sharp, Pensions Policy Officer at the TUC, and Jeannette Holland, Head of Pensions at Baker McKenzie.

The debate was chaired by Angus Peters, Associate Editor, Pensions Expert, and it proved to be a very lively evening with the arguments well presented and reasoned by both sides. The key points for the motion were:

- it is a legitimate option and sponsors would be failing in their duty if they do not inform members
- no sponsor or trustee can know the individual situations of every member so are in no position to judge whether such a transfer would be to a member's advantage or detriment. Trustees should instead inform members and point them toward advice and guidance, and
- there are scenarios where members might feel moved to sue trustee boards for non disclosure of this option. For example, if an individual was seriously ill and believed that he and his family would have been better off taking the transfer value had he been aware of the option and amount involved.

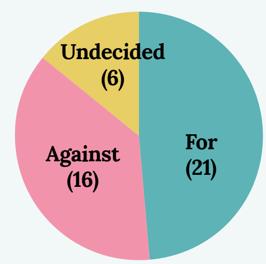
The main arguments presented against the motion included:

- the amounts can be very large and members may be tempted into taking the transfer without properly understanding the potential impact and personal risks. Members often under-estimate how long the money will last and how long they might live
- it would be better to mention the option but not quote the value, then, if a member is interested, he/she can request a separate quotation. In this way members are less likely to be seduced by large numbers into making a transfer, and
- the values vary enormously from scheme to scheme; they are not automatically a good deal. As a result, this is potentially another mis-selling scandal in the making putting members at risk of unscrupulous criminals and jeopardising their wellbeing in retirement. Members who lose out could seek to sue trustee boards in the future on the grounds that the risks were not properly explained.

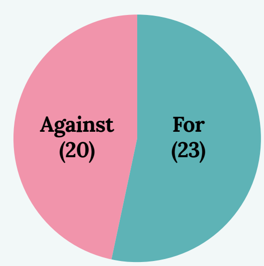
The members of the audience comprised a mixture of trustees, pensions' managers, consultants and retired members. There were many questions from the floor that clearly demonstrated a mixed range of opinion. The subject of partial transfers was raised from the audience and it was noted that although this presents an opportunity to take advantage of some of the flexibilities without giving up all guarantees, it is only viable for those with large pension values.

Before the debate commenced, the PMI invited members of the audience to vote and the results were:

Voting before the debate



Voting after the debate



Although the 'For' camp won the day, the majority of those who had been undecided, supported the 'Against' camp.

The PMI would like to thank the moderator, all our speakers, those who took part, and our host, Redington, for creating a very successful and interesting evening.

Financial Guidance and Claims Act 2018

New single financial guidance body will provide free and impartial pensions information

John Wilson, Head of Technical
Julian Rowe, Senior Consultant
JLT Employee Benefits

The Financial Guidance and Claims Bill has finally received Royal Assent, providing for:

+ The creation of a single financial guidance body to replace Pension Wise, the Pensions Advisory Service and the Money Advice Service
+ Regulations to be introduced to ensure members have received appropriate pensions guidance before transferring or accessing flexible benefits
+ Regulations to be introduced to ban pensions cold-calling.

The new single financial guidance body, whose name is yet to be determined [names on a postcard, please], will replace Pension Wise, the Pensions Advisory Service and the Money Advice Service. The single financial guidance body will be a non-departmental public body sponsored by the DWP and will have the following functions:

+ A pensions guidance function across the UK to provide free and impartial information and guidance on matters relating to occupational and personal pensions. As part of this function, the single financial guidance body must provide information and guidance for the purposes of helping a member of a pension scheme, or his/her survivor, to make decisions about what to do with the flexible benefits (broadly DC or cash balance benefits) that may be provided to the member or survivor.

+ A debt advice function in England to provide free and impartial information and advice on debt. Provision of debt advice in Scotland, Wales and Northern Ireland will be delivered through the devolved authorities and funded by a levy on the financial services industry.

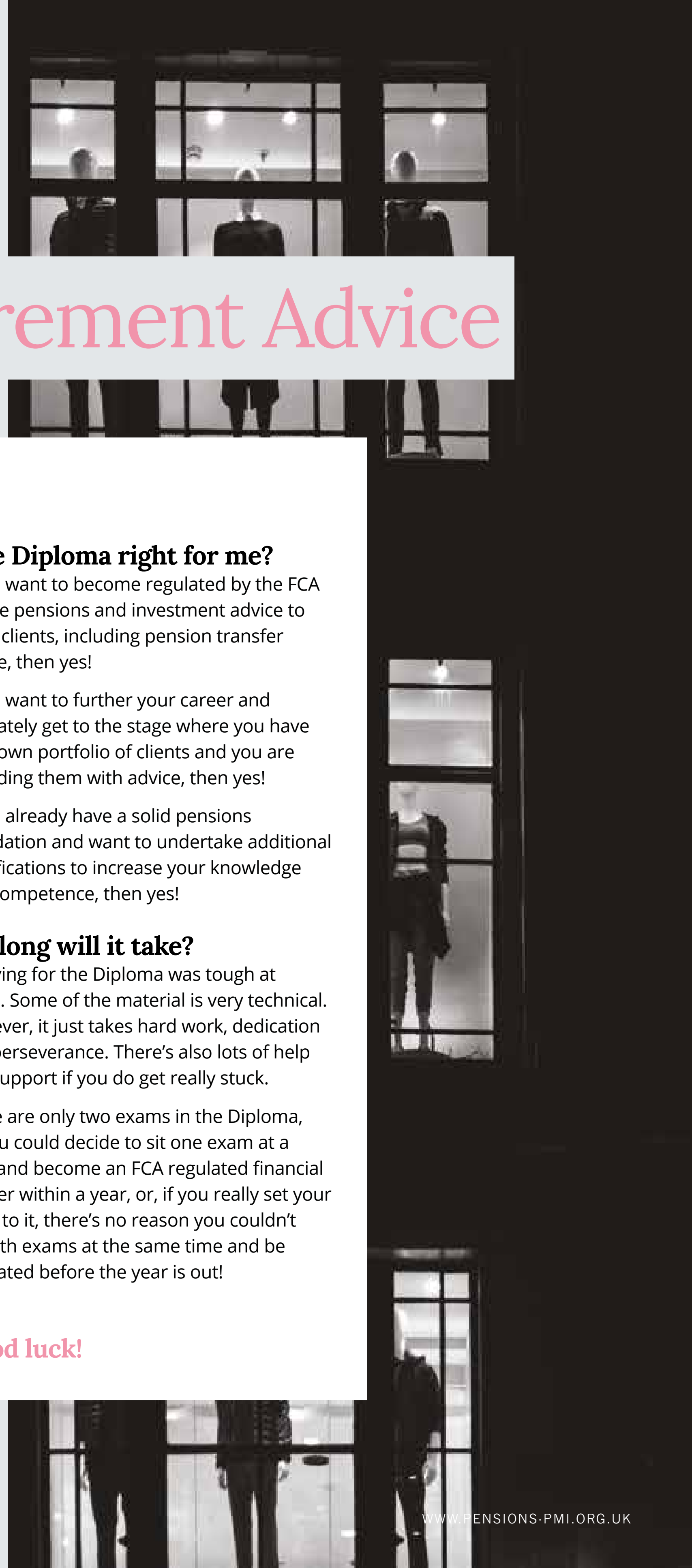
+ A money guidance function across the UK to provide free and impartial information and guidance designed to enhance people's understanding and knowledge of financial matters and their ability to manage their own financial affairs.

+ A consumer protection function to notify the FCA where it becomes aware of practices carried out by FCA-regulated persons which it considers to be detrimental to consumers, and to consider the effect of unsolicited direct marketing on consumers of financial products and services.

+ A strategic function to develop and co-ordinate a national strategy to improve the financial capability of members of the public, their ability to manage debt, as well as the provision of financial education to children and young people.

The Act gives a new power to the Secretary of State to make regulations requiring trustees to ensure that a member or survivor applying to transfer or access flexible benefits is referred to appropriate pensions guidance and is provided with an explanation of the nature and purpose of such guidance. Before proceeding with the application, the trustees must ensure that the member or survivor has either received the appropriate pensions guidance or has opted out of receiving such guidance. The guidance will be provided by the new single financial guidance body.

In consequence, trustees will need to amend their communications to signpost members to the new single financial guidance body, which is expected to begin operations in Autumn 2018. Trustees will also need to change their processes to ensure members are referred to appropriate pensions guidance before transferring or accessing flexible benefits. The industry will no doubt be monitoring early customer experiences of the new guidance body. Overall, Pension Wise was shown to provide high levels of customer satisfaction for those who used the service.



Diploma in Regulated Retirement Advice

Natasha Markanday
Lead Associate
Retirement,
Willis Towers Watson

I am a consultant at Willis Towers Watson and have been in the pensions industry for nearly eight years. I've recently passed the Diploma in Regulated Retirement Advice and have provided a few points on the Diploma which you may not know about.

What is the Diploma in Regulated Retirement Advice?

- The Diploma in Regulated Retirement Advice consists of two exams. This qualification is recognised by the FCA so, once complete, you are on the road to becoming a recognised FCA regulated financial adviser.
- Before completing the Diploma in Regulated Retirement Advice, I sat the Advanced Diploma in Retirement Provision exams, on the (wrong!) assumption that completing these would allow me to provide regulated advice to retail clients. If I'd have known that I would have only had to take two exams and sit the Diploma in Regulated Retirement Advice I know which option I would have chosen!

Is the Diploma right for me?

- If you want to become regulated by the FCA to give pensions and investment advice to retail clients, including pension transfer advice, then yes!
- If you want to further your career and ultimately get to the stage where you have your own portfolio of clients and you are providing them with advice, then yes!
- If you already have a solid pensions foundation and want to undertake additional qualifications to increase your knowledge and competence, then yes!

How long will it take?

- Studying for the Diploma was tough at times. Some of the material is very technical. However, it just takes hard work, dedication and perseverance. There's also lots of help and support if you do get really stuck.
- There are only two exams in the Diploma, so you could decide to sit one exam at a time and become an FCA regulated financial adviser within a year, or, if you really set your mind to it, there's no reason you couldn't sit both exams at the same time and be regulated before the year is out!

Good luck!

PMI Exams

My name is Peter Ainsworth and I work for the Data Solutions team for Equiniti Paymaster in Reading. I have been working towards the PMI Advanced Diploma.

From my experience the first thing I would suggest is to check if you're entitled to an exemption. I found out that the QPA qualification I obtained whilst working for Sedgwick Noble Lowndes in Birmingham, (Hi to those guys who used to work with me in Tricorn house), meant that I did not have to take the first exam and I have a nice Certificate in Pensions Examination into the bargain; bonus!

First exam – the beast - Regulation of Retirement Provision. First attempt October 2016. I tried the old method of reading and making notes, whilst listening to music. I did this all through my summer holidays; I have two kids and worked before they got up. It was hard work, it took a long time, and it did not go in. I can make notes without thinking about them. When it came to the exam there were too many questions I did not know enough about and I failed.

So I tried again. The thing about having kids is you can never be seen to give up! I worked out this time that I needed to visualise the whole syllabus in my head so I made mind maps of the entire course and had lots of lovely yellow post it notes on my wall; it looked like a scene from American Psycho! I took the exam in April 2017 and was sure I had passed; so sure, that I applied for the next one, Running a Workplace Pension Scheme. But I had failed and now had two exams to take in October 2017.

I needed a new solution. I had realised two things. Firstly, the course has lots of lists to learn. I devised flashcards, which I carried around with me to learn. I copied notes from the manual and pasted these into tables in Word. I laminated these and fixed them all together with a treasury tag.

The second thing I learned was that writing notes was not working; reading and understanding is better, and in silence. Read and re-read and understand. Also, the testing of yourself on all the STQ, mocks and previous exams creates pathways in your brain and the more times you practice the stronger these pathways become.

A final suggestion is exercise; try walking whilst using the flashcards. It's enjoyable and the endorphins released stimulate the mind.

I passed both exams in October 2017: what a feeling! Like nothing on earth. I felt on top of the world, with tremendous confidence for the next exam: Financing and Investment for Retirement Provision. This was quite fascinating, and very well written. I actually enjoyed the reading and learning, and passed this one in April 2018. So, now I am taking DB Arrangements and actually looking forward to it!

In my role for Data Solutions in Equiniti, we are running on campaign to improve data **www.Equiniti.com/WeSeeMore**, it reminds me that taking exams is just processing data in the manuals and converting it into accurate data on the page with the minimum of errors.

By Peter Ainsworth, Pensions Consultant, Equiniti

Introduction to UK Pensions

Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

Wednesday 19 September 2018 - London

10:00	**REGISTRATION AND COFFEE**	
10:30	**Chairman's Introduction**	**Lesley Carline,** Director, KGC Associates and PMI Vice President
10:40	**Setting the Scene** • Essential jargon • Parties involved in a pension scheme • Types of Trustee	**Lesley Carline**
11:10	**Pensions Law** • Role of lawyers – Company v Trustee • Complaints and the Ombudsman • Recent legislation and on the horizon	**Speaker from** Squire Patton Boggs
11:40	**Design of Trust Based Pension Schemes** • Defined benefit • Defined contribution • Retirement benefits • Early leavers • Ill health benefits • Death benefits	**Julian Mainwood,** Partner, Barnett Waddingham
12:10	**Pension Administration** • Role of the administrator • Calculating benefits • Communicating benefits • Data	**Paul Couchman,** Managing Director, Premier
12:40	**LUNCH**	
13:20	**Member Engagement** • Disclosure • Advice v guidance • New communication channels	**Karen Bolan,** Head of Engagement, AHC
13:55	**Pension Scheme Funding** • Role of the Actuary and Investment Consultant • Contributions • Investments • Actuarial valuation	**Andy Nichols,** Consultant, Retirement and Investment, Aon Hewitt
14:25	**CONCLUDING REMARKS AND Q&A**	

FEES

Members	**£109.00 + VAT**
Non-Members	**£163.00 + VAT**

Hosted at the PMI
Floor 20, Tower 42, 25 Old Broad Street, London, EC2N 1HQ

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Secretary to Trustee Workshop

Monday 17 September 2018

Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

Event Schedule

9:00 REGISTRATION AND COFFEE

9:30 Chairman's introduction
Roger Cooper, Head of Trusteeship, Pi Partnership Group

9:35 The role of Secretary to the Trustees – best practice approaches
- Effective pre and post meeting preparation
- Organising the meeting
- Drafting an effective agenda
- Drafting the minutes and dealing with actions
- Managing relationships and handling conflicts

Angela Sharma, Lawyer, Taylor Wessing

10:00 Effective minute writing
- Accurate recording
- Appropriate degree of detail
- Clear action points
- Timely distribution

Joanna Smith, Associate Director, Sackers

10:30 Development of meeting management
- Teleconferencing
- Paperless approach to document distribution
- Identifying constraints

Curtis Mitchell, Assistant Scheme Manager, PSITL

10:55 COFFEE

11:15 Regular annual activities
- Annual timetables and reporting
- Managing scheme documentation
- Managing budgets and business plans
- Triennial submission of the declaration of compliance
- New statutory duties concerning DC schemes

Joel Eytle, Legal Director, DLA Piper

11:45 Preparing and monitoring an effective risk register
- Identifying key risks
- Assessing potential impact on the scheme
- Implementing effective controls
- Ongoing review

Jayne Pocock, Head of Pensions Governance Services, JLT

12:10 Effective complaint handling
- Maintenance of procedure
- Compliance with deadlines
- Relations with TPAS / Ombudsman

Temilola Osha, Pension Consultant, Barnett Waddingham

12:35 LUNCH

13:20 Managing conflicts of interest
- Identifying actual and potential conflicts
- Developing procedures
- Maintaining appropriate records

Manjinder Basi, Scheme Secretary, Inside Pensions

13:50 Working effectively with the Chair of Trustees
- Management information
- Document management
- Monitoring action points

Beth Brown, Senior Associate, Mayer Brown International LLP

14:20 Trustee effectiveness
- Training needs analysis
- Maintenance of a training log
- Types of training
- PMI CPD scheme

Alan Pickering, Chairman, BESTrustees

14:50 CHAIRMAN'S CLOSING REMARKS

FEES

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We will use our

powers to protect pension savers

In our latest compliance and enforcement report, we have once again demonstrated how we are using our powers to safeguard pension savers.

The bulletin for January to March 2018 shows how we are ensuring employers meet their automatic enrolment pension duties. This quarter's enforcement action represented over 20% of the AE powers we've ever used, including nearly 20,000 Compliance Notices (CNs), over 11,000 £400 Fixed Penalty Notices (FPNs), and over 2,500 Escalating Penalty Notices (EPNs) for those who persistently failed to meet their duties.

Darren Ryder,
Director of Automatic Enrolment at TPR

This high number was due to a bulge of employer staging dates in autumn 2017, with their declaration of compliance due date falling five months later.

We also successfully prosecuted a company and its managing director for falsely claiming they had put their staff into a pension. Employers who deliberately put incorrect information on their declaration of compliance risk being found out in a number of ways, including from spot checks or whistleblowers.

Huge numbers of employers are starting their workplace pensions duties every month and the vast majority are successfully meeting their duties.

However, where an employer fails to do the right thing for their staff, we will take action using the wide range of powers available to us.

The Pensions Regulator

automatic enrolment

The bulletin highlights:

- A total of **35,862** enforcement powers were used between January and March 2018 compared to 28,446 the previous quarter
- **3,721** more fixed penalty notices were issued this quarter compared to last quarter
- **2,037** more compliance notices were issued this quarter compared to last quarter
- **431** more unpaid contribution notices were issued this quarter compared to last quarter.

What steps can your clients take to ensure compliance with automatic enrolment?

They will need to ensure that they pay and maintain regular contributions into their chosen pension, monitor the age and earnings of their staff and enrol eligible staff, process any requests to join or leave the scheme, and keep and maintain accurate records. They'll also need to re-enrol eligible staff into an automatic enrolment pension scheme every three years. Let's take these in turn:

1. Pay and maintain regular contributions into the pension

Employers need to calculate and pay the employer contributions to their staff's pension scheme on an ongoing basis. In addition, they'll need to calculate staff contributions, make the necessary deductions from payroll, and transfer their contributions to the pension scheme.

They'll have agreed what these rates are and when to pay them with their chosen pension scheme. By law, your client and their staff have to make minimum contributions into the scheme, and they should be aware that these minimum contribution levels increased in April 2018, and are due to increase again in April 2019 (see below).

Date effective	Employer minimum contribution	Staff contribution	Total minimum contribution
Current until 5 April 2019	2%	3%	5%
6 April 2019 onwards	3%	5%	8%

2. Monitor the age and earnings of all staff

Employers will need to monitor any changes in age and earnings of their staff to identify if they become eligible for automatic enrolment. They'll also need to check eligibility of any new members of staff on the day they start work. Should staff members become eligible, for example by turning 22, or by meeting the earnings thresholds, then they'll need to be put into a pension scheme and contributions paid to it. Payroll software should be able to support clients with this.

3. Process requests to opt in, join or leave the scheme, and keep and maintain accurate records

Opt in/join: If any staff write to their employer asking to join their workplace pension scheme, they must be put into it within a month of the request being received. Employers will have to pay into the pension scheme unless they are aged 16-74 and earn less than £490 a month or £113 per week.

Opt out: If any staff choose to leave the pension scheme within one month of being put into it, employers need to stop taking money out of their pay and arrange a full refund of what has been paid to date. This must happen within one month of their request.

Keeping records: Staff records need to be kept up-to-date, including who's been enrolled and when, information about the pension scheme, and the contributions being paid. These records must be kept for six years, except for requests to leave the pension scheme which must be kept for four years.

4. Re-enrolment

Every three years, all staff who either opted out of their workplace pension scheme or have ceased to become members, need to be re-assessed and re-enrolled if they meet certain criteria. Employers will need to write to them to tell them what they've done, and then they'll need to re-declare their compliance to The Pensions Regulator.

Further information on ongoing duties can be found on The Pensions Regulator's website.

Useful links:

Business advisers:
www.tpr.gov.uk/knowing-your-clients-ongoing-duties

Employers:
www.tpr.gov.uk/ongoing-duties

PMI Annual Lecture 2018

Wednesday 12 September

Time: 5:30pm - 8:00pm

Great Hall JP Morgan , 60 Victoria Embankment, London EC4Y 0JP

Pensions Management Institute

ACHIEVING PENSIONS EXCELLENCE

GUEST SPEAKER

TIM HARFORD

A world-renowned behavioural economist, an award-winning Financial Times columnist and a BBC broadcaster

With the continued success of our annual lecture series, we are pleased to announce that we will be holding our fourth PMI lecture in September 2018.

This event will count as a one hour CPD accredited workshop and whilst there is no charge to attend for PMI members and Trustee Group, places will be filled on a first come, first served basis and must be pre-registered.

REGISTER NOW Member and Trustee Group: FREE Non-Members £50

Please contact us on events@pensions-pmi.org.uk or alternatively, you can call us on 020 7392 7427 for further details.

5 actions if your sponsor is a retailer

Craig Simmons, Consultant at Hamish Wilson

It's safe to say, 2018 hasn't exactly been a vintage year for many retailers, but the pressure on them has been growing for some time. In 2016, a British Retail Consortium report predicted as many as 900,000 UK retail jobs could be lost by 2025 due to the effects of the digital revolution and the relative costs of labour, property and technology. Low consumer confidence, a weak pound (against the dollar), and rising oil prices (due to OPEC and Russia limiting supply), have not helped matters. So what should trustees and sponsors of DB schemes in this sector be thinking about?

1 Be prepared to take action

Immediate action may be needed if the future survival of the sponsor is uncertain. Don't wait for the next trustee meeting, investment review or funding review. Implement or review an Integrated Risk Management process to manage covenant, investment and funding risks. Consider if you have the right advisers in place.

2 Review and monitor the employer's covenant

Inevitably some retailers will fail and the schemes they sponsor will end up in the PPF. Others, however, will be able to adapt their businesses and thrive in a new environment. Knowing which camp your sponsor falls into is vital to enable appropriate investment and funding decisions to take place. Make sure the process used to assess and monitor the employer's covenant is robust and can stand up to scrutiny. Good lines of communication between trustees and sponsor go a long way here.

3 Review the investment strategy

Avoid the knee-jerk reaction of adopting a less risky investment strategy on the back of what may be happening to other retailers. The investment strategy must be considered on the merits of the unique circumstances of each scheme and sponsor.

4 Review the funding strategy

A demand for additional contributions from pension schemes may be the final nail in the coffin for some retailers. It is important for trustees to understand both the opportunities and constraints faced by the sponsor in determining their funding strategy.

5 Governance

There is no need to be fearful of the regulator or parliamentary select committees if your house is in order. Make sure a good governance framework is in place to manage the scheme and associated risks robustly and efficiently.

RPI: the last rites or a rejuvenated measure for pension increases?

By Richard Akroyd, Willis Towers Watson

Since the Government announced in 2010 that it would move to using the Consumer Prices Index (CPI) to uplift State pensions, there has been a debate on the merits of continuing to use the Retail Prices Index (RPI) as a measure for pension increases in other pension schemes.

Despite being discredited in various quarters (including by those who produce it), and no longer a national statistic, RPI remains an intrinsic measure of inflation for the UK economy. This is not just for pension schemes but in many areas of life including rail fares, student loans, and perhaps most importantly because the Government continues to raise funds through issuing index-linked gilts where returns are linked to RPI (and will continue to be until 2068, the maturity date of the longest index-linked gilt).
For most schemes the position is predestined by the drafting of their rules, which will often not have envisaged there being more than one measure of inflation. Hence some schemes automatically moved to a CPI basis, but others were constrained to a RPI basis. This has resulted in a number of court cases to try to resolve the position, where the outcome has often turned on the precise wording in a scheme's rules. Whilst the argument should in theory be around what is the most appropriate way of adjusting pensions for price inflation, often the motivation hasn't been about getting to the 'right' increase, rather than to reduce costs by moving to the lowest possible basis for inflation.

This is a problem that does need to be resolved for pension schemes but, to date, the Government has not been prepared to legislate on the matter, stepping back from the discussion, at least for now, in its recent White Paper. Perhaps, more fundamentally, it is not clear what the right level of inflation for pensioners is. Everyone has their own unique inflation experience (it depends what you spend your money on), so it is finding the best fit. Whilst RPI may have been discredited, there are arguments that CPI itself is flawed since it ignores housing costs, and a variation on CPI (CPIH), which is closer to RPI, may be more appropriate.

But the position may be resolved from an unlikely quarter as the House of Lords Economic Affairs Committee has launched an inquiry into the use of RPI, and has been taking evidence from interested parties. It is possible that by the time this article is published, they may have issued their report and this may help to steer Government policy.

To date, it is not clear what this influential committee may conclude. Comments made on the evidence presented to them suggest that they thought more efforts should have been taken from 2010 onwards to ensure RPI had remained fit for purpose, rather than trying to pave the way for its demise. Comments in recent months from Mark Carney and the Chancellor suggest that RPI is needed for now, but this may not remain the case (possibly paving the way for the issuance of CPI-based gilts). However, the outcome is likely to be some change. Lord Kerr has said that "the one thing we cannot do is nothing." another committee member, Lord Lamont, has said he had "a lot of sympathy" with the argument that RPI could be maintained with some urgent changes relating to clothing prices.

So, over the next few months we are faced with the possibility we may finally lose RPI, in which case pension scheme trustees and sponsors will need to work out how they should replace it (either with or without Government help), or we may get a redefined RPI (something close to CPIH, with housing costs), which may lead to pension increases somewhere between CPI and RPI, or RPI may soldier on for a few more years as a discredited measure but still at the heart of the UK economy.

Whatever the outcome, as well as making a real difference to pensioner benefits, trustees and sponsors should be wary of any wider effects on their pension schemes, particularly if they are hedging liabilities using RPI-based instruments.

Whilst trustees may end up paying lower pension increases, they may also have fewer assets with which to pay those increases. And markets may move on the expectation of a change, in advance of any actual change. A change in the measure for RPI could therefore have wide-ranging effects on funding targets, recovery plans, buy-out terms, and PIEs to name a few.

Accredited Adviser Programme

A BRIEF INTRODUCTION

Hello and welcome to what has always been your page. As part of my role as Director of Lifelong Learning I am now supporting the AAP and have a brief to ensure that your qualifications, learning, and ongoing recognition are relevant and appropriate for your needs.

Anne Harper, Director of Lifelong Learning

Fresh focus on Continuing Professional Development

Following a recent meeting with the FCA it is timely to reconsider our approach to CPD. I am looking to refresh everything from the declaration paperwork to our approach in supporting and guiding you as an FCA recognised authority to maintain and improve your practice. Over the coming months there will be regular updates on what we are doing and why we believe it is important to define our offer to you.

As a starting point we would like to extend an open invitation to all of our accredited advisers to attend a briefing and workshop session here at the PMI's offices in central London. 26th July, 11am - 2pm. For those who can't attend we will provide a full set of the presentations used, complemented with speakers' notes, and a set of action points arising from the meeting, along with an impressionistic account of the proceedings. The event will be free of charge to all of our AAP members.

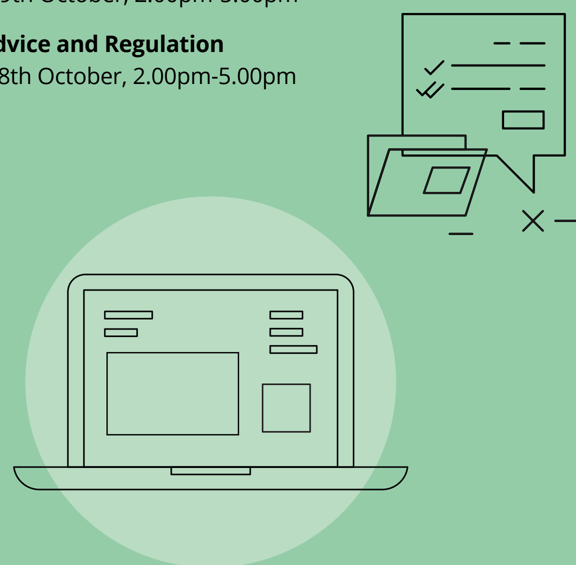
Diploma in Regulated Retail Advice

PMI is actively promoting this qualification to encourage take up for both the autumn 2018 examination series and the spring 2019. I would like to increase the take up for this qualification and am currently engaging with recent successful learners to gain information about their impressions of taking the qualification and how this has benefited their working practices, Seasoned AAP folk are also invited to share their stories of life as a Financial Adviser.

DRRA exam dates:

Taxation, Retail Investment and Pensions
Tuesday 9th October, 2.00pm-5.00pm

Retail Advice and Regulation
Monday 8th October, 2.00pm-5.00pm



A particular area of regulatory concern is the advice given about pension transfers. An FCA report last year stated that in less than half of the cases that it had reviewed was the regulated advice concerning pension transfers found to be suitable. With the continued interest in DB to DC transfers, there is an urgent need for improvement.

There is also a need for a greater number of transfer specialists to ensure that the volume of demand is adequately met. The FCA has revised its syllabus for accredited qualifications for transfer specialists and there is a compelling case for further CPD for advisers working in this area.

Taking on the PMI Qualifications

Tips for Effective and Efficient Study

Jed Newton

I joined Willis Towers Watson (WTW), in January 2017, and work as a pension administrator for one of our largest clients. The bulk of my experience lies in Defined Contribution benefits, but recently I have been increasing my exposure to Defined Benefit arrangements.

I became aware of the Pensions Management Institute during my WTW induction, which highlighted the professional development that completing the qualifications can provide. Upon learning that the company would actively support my studies I knew that this was something I would pick up at the earliest opportunity.

Having carefully considered the qualifications available, I decided to sit the Diploma in Retirement Provision (DRP). I sat my first unit of the DRP (Core Unit 1A), in April 2018 and I was very pleased to find that I had passed. I was concerned that the multiple choice questions would be designed to catch the candidate out; provided you read the questions carefully and know the content I do not feel that this is the case. The short answer questions are also expressed very clearly. Ultimately, the PMI exists to create the professionals of tomorrow, not to hinder them. That said, the purpose of the qualification is to test your knowledge, and below I have set out the four main principles which saw me through my studies:

There are chapters, make use of them!

When I first opened the study manual I was a bit intimidated by the size of the document. I found that printing it off and separating it into the specified chapters allowed me to direct my revision to specific areas. It was far less daunting to be facing small sections of the pack, and easier to take with me to review on my daily commute.

Make your own notes

The study packs are very well written but, inevitably, your own writing style will differ. I re-wrote the study pack in my own words (taking great care not to distort meanings), which allowed me to present the information in a way that worked best for me, and to practice articulating unfamiliar concepts.

Take advantage of the assignments

Two years had passed since I took my A Levels, so I was concerned that my exam technique and timings might be lacking. My PMI appointed tutor was immensely supportive and detailed in her feedback; she pointed out ways that I could ensure my answers were concise and clearly communicated.

Split your time wisely

If you enrol for an exam sitting just before the deadline, you will have just under three months of preparation. When I started studying, I first tried revising intensely in two-hour blocks but found that this was not conducive to the retention of new concepts. I found that a 40 minutes on, 20 minutes off approach allowed me to focus more, study for longer and cover more material in an evening, preventing 'burnout'.

I am currently studying towards Core Unit 2. It is my aim to progress to, and complete, the Advanced Diploma in Retirement Provision, with a view to becoming a Fellow of the Pensions Management Institute by the age of thirty.

> **My eventual goal is to move into Operations Management or Client Relations. I am confident that the support offered by Willis Towers Watson, and the PMI qualifications, will help me get there.**

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Wednesday 7 November 2018

ADMIN SUMMIT

The Future of Pension Administration

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America Square Conference Centre, One America Square, 17 Crosswall, EC3N 2LB

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