ASSOCIATION OF CONSULTING ACTUARIES

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Dear Sirs

Consolidation of defined benefit pension schemes

I am writing on behalf of the Association of Consulting Actuaries in response to the above-named consultation issued by the Department for Work and Pensions.

We welcome the Government's proposals to support the development of the superfund sector and in the rest of this response we provide comments on the proposals and our response to the consultation questions. However, as set out in our recent paper with Royal London, 'Benefit Simplification - is it time for the pensions pound?'[1], we believe that a stepping stone to achieving successful consolidation is through simplifying the manifestly complex DB environment, with significantly lower ongoing costs supporting improved benefit security for members. Greater facilitation of benefit simplification in DB schemes could also provide a significant improvement to member understanding and be a major catalyst for greater consolidation – whether that be in superfunds or other existing forms of pension scheme consolidation.

In terms of superfunds, it is right that there is appropriate regulation and protection for members, but this needs to be balanced with appropriate pricing and accessibility for schemes whose members could benefit from transferring to a superfund. In particular, the proposed superfund gateway is intended to remove the superfund option for those schemes that could fully buy out in the foreseeable future – the gateway should be set at a level where schemes which can benefit from the superfund option are not unnecessarily excluded. The authorisation regime (including the financial sustainability and adequacy requirements) also needs to reflect the pension scheme trust model and be set at a level sufficiently less onerous than that of insurance companies in order to support a viable superfund market that could materially improve member outcomes for those schemes that cannot afford to insure fully now or in the foreseeable future. Regulation also needs to consider the very different position of the superfund corporate entity (as opposed to the trustee body) and ensure that this body is also appropriately regulated.

There needs to be clear delineation between superfunds, insurance companies and ongoing DB pension schemes. Regulations made for one of the three should not be carried over to the others, as we expect each sector to have its own needs and capabilities and to serve specific sections of the market. In particular it would not be appropriate for funding rules applicable to

[1] https://aca.org.uk/simplifying-pension-benefits-is-it-time-for-the-pensions-pound/

superfunds to become a de-facto standard for DB scheme funding, where the reliance on ongoing employer covenant should allow for much greater freedom where appropriate.

We would welcome further commentary on the expected investment strategies of superfunds, and how it is proposed that these are regulated.

Finally, although we follow the DWP's lead in using the word "superfunds" in our response, we would suggest that this might not be the ideal term to use, especially given the existence of The Pensions Superfund, although we recognise that "consolidator" may also cause confusion with other forms of consolidators, such as DB master trusts and potentially the PPF and insurance companies. Ideally a new term would be devised.

Our comments on the specific questions raised in the consultation are set out in the Appendix.

We hope that you find the contents of this letter of assistance. We would be happy to discuss them further if that is helpful. Please contact either me on 020 3327 5314 (jane.beverley@xpsgroup.co.uk), or my colleagues Kevin Rowe (0113 203 5897 or kevin_rowe@jltgroup.com) and Stewart Hastie (020 7311 2437 or stewart.hastie@kpmg.co.uk) who prepared this response.

Yours faithfully

Jane Beverley
Chair, Pension Schemes Committee
On behalf of the Association of Consulting Actuaries Limited

APPENDIX

Consolidation of Defined Benefit Pension Schemes

Consultation questions

Question 1: Are these characteristics wide enough to define a superfund? If not, how could superfunds be defined for the purposes of a future regulatory regime?

We believe that more work is required here to avoid the accidental characterisation of a "normal" multi-employer fund as a superfund. The proposed definition is very broad, and a number of multi-employer schemes could fall into it, for example the third bullet point could arguably describe a scheme with contingent assets, and the fourth simply allows refunds to the employers.

Question 2: Given the differences of superfunds and traditional DB occupational pension schemes, what are the additional risks and challenges associated with TPR regulating superfunds?

There appears to be a risk that TPR will, as part of the superfund regulatory process, become closer in nature to an FCA-style rule-maker rather than its current role. We have already seen TPR take on an authorisation role in respect of DC master trusts, and it is proposed that it will also take on a similar role in respect of collective DC schemes as well as superfunds. Whilst an authorisation approach may be appropriate for certain specific types of schemes, we do not think that it is a model that should be applied across the whole DB and DC universe.

TPR may also face new risks as a result of the fact that it will be regulating commercial entities that are different in nature from the entities it has regulated to date, for example because they are able to impose potentially high service charges and to take profits, only to fail later and fall into the PPF. However, it may be worth noting that sponsoring employers of traditional DB pension schemes are also commercial entities, whose decisions as to profit-taking and funding will also affect the scheme, and therefore the difference in regulatory regime may not be as great as appears on first sight.

Question 3: Are the proposed authorisation criteria the right ones for the superfund regulatory regime?

Yes.

Question 4: Are there any circumstances in which it would be advantageous, or necessary, that the authorisation criteria are not applied to the whole superfund but instead to individual segregated sections when the superfund scheme is sectionalised?

We would expect each section to be authorised even in a sectionalised fund, to avoid the risk of strong sections subsidising weaker ones.

Question 5: Are these restrictions the right ones to ensure that superfund corporate structures are transparent and compatible with regulatory supervision? Are there any other measures that would aid TPR's ability to supervise superfunds?

We comment on disclosure requirements in our responses to questions 54 and 55.

It should also be clear that the capital buffer assets remain within the regulatory jurisdiction.

Question 6: Should the corporate entities of superfunds be permitted to be established as partnerships or should they be required to be set up as a UK limited company?

We would suggest that a limited company is a more appropriate vehicle due to its greater transparency and clarity of limitation of liability.

We would note however that, as actuaries, we are not best placed to advise on corporate structures.

Question 7: Should TPR have a discretionary power to require evidence that individuals outside the superfund structure meet the fit and proper persons requirement?

While we understand the rationale for this proposal, it would be very hard to exercise such a power consistently in practice, particularly where parent companies are involved.

Specifically in relation to the point around those providing "a significant amount of external investment", we would suggest that this could be dealt with by a clear rules- or trigger-based approach rather than a discretionary power.

However, we would expect both trustees and key decision-makers at the superfund corporate entity to be subject to the fit and proper person requirements.

Question 8: Would these requirements be sufficient to allow TPR to identify those subject to a mandatory fit and proper persons requirement?

Yes, we agree that it would be appropriate for the superfund to set out clearly their governance arrangements on application.

Question 9: Should TPR have the power to interview individuals for the purposes of the fit and proper persons test?

Yes.

Question 10: Are there other areas that should be included as part of the mandatory fit and proper persons requirement?

As noted in our response to question 7, we expect the trustees and the key decision-makers at the corporate to be the main focus of these requirements. For other individuals, a proportionate approach should be taken, so for example should an investor have such a stake in a fund that they may de facto exert control over it, it may be that they should also be subject to the fit and proper person requirements.

Question 11: Would introducing a set of standards of conduct for the superfund's corporate board be proportionate?

Given the large body of long established law and practice around trustees' duties and responsibilities, we do not believe that a specific code of conduct would improve governance or outcomes. The corporate board would in any case be covered by existing corporate governance requirements.

Question 12: What in your view should form the basis of any standards of conduct?

See response to question 11.

Question 13: In your view, are there any other elements that should form part of a potential integrity test, conduct requirement or competency test?

No.

Question 14: Should there be a minimum requirement on the proportion of independent NEDs on the superfund's corporate board or should this be left to TPR discretion? If so, what would be a suitable proportion?

There should be a minimum number of independent NEDs, and this should not be set on a discretionary basis. We would suggest one half of the Board (as suggested in the FRC's 2018 Corporate Governance Code).

Question 15: Should superfund trustee boards consist entirely of independent trustees?

Yes, we believe this would be the most effective and prudent approach**.** However, we note that the power of appointment of trustees remains with the corporate entity. We would suggest that the initial trustees are involved in appointing their successors to increase independence.

Question 16: Should there be a non-affiliation requirement for the appointment of trustees to a superfund's trustee board?

Yes.

Question 17: Should superfund trustee boards be subject to the MNT/MND requirement?

We do not believe that this would be necessary given the higher level of regulation applicable to these boards, and the consolidated nature of the funds (as clearly an MNT from each constituent fund could rapidly become unmanageable).

Question 18: Should superfunds be required to establish member panels? Would such panels be an effective and proportionate way of ensuring that members' views are represented?

We agree that it is important that there is member representation of some kind. Panels may be an appropriate way of achieving this, although we would suggest that they are established on a purely consultative basis to reduce any risks of conflict or perceived conflict between the panel and the trustee board (or corporate board). Terms of reference should be very clear on the remit of the member panel. Member panels do exist in industry, and it may be that DWP would benefit from researching further the role these panels carry out.

The trustee board should also ensure that it has a policy in place for managing its relationship with the panel.

Question 19: In your view, would the areas outlined in this section enable TPR to assess the effectiveness of a superfund's systems and processes? If not, what alternatives would you propose?

Yes, although we would comment that we expect conditional authorisation to be a very rare event given the overriding importance of superfunds being well run and regulated.

Question 20: Are there other areas that should be included as part of the systems and processes requirement for superfunds?

The transfer of data at the point of moving into the superfund is clearly key to the ongoing administration of the scheme and to ensuring that members receive the correct benefits. The superfund will need to demonstrate that its processes are robust and comprehensive.

Question 21: Should superfund financial adequacy be regulated through a pensions based funding requirement approach with an added test of probability of success or an insurance based approach using a Solvency II type balance sheet?

The key point will be to ensure that the approach taken fits with the policy objective, which may develop over time. As things stand, we take the view that a pensions-based approach would be the appropriate model in terms of funding requirements given the benefits to be paid, though noting that the corporate structure is different, crucially there being no covenant afforded to the scheme other than the capital buffer. The aim of superfunds is in no way to replace the insurance bulk annuity market as set out in paragraphs 82 and 83 of the consultation document.

Question 22: Which of the suggested models would best ensure appropriate financial adequacy, and balance the interests of the various parties? Are there elements of other options that you think should be combined with your preferred option?

Approach (iii) (long term objective with minimum standards) would be our preferred option although this assumes that the probability under (i) and the authorisation basis (ii) are set at an appropriate level to achieve the financial stability objective as stated in paragraph 79 of the consultation document ("It needs to deliver improved protection to members moving into superfunds, while balancing the need to maintain reasonable affordability for employers, and sufficient potential profitability to attract investment capital"). See also our response to questions 23 and 25 below. The modelling aspect potentially allows for a scheme-specific approach while ensuring a floor level of funding relative to an authorisation basis.

In particular we would reject option (iv) as being too close to the insurance regime and thus negating the aim of superfunds of acting as a genuinely new alternative to ongoing schemes on one hand and buyout on the other.

Question 23: Does a 99% probability of paying or securing members' benefits over the lifetime of the scheme adequately protect members' benefits, and effectively balance

the competing priorities of employer affordability and member security? If not, what would an appropriate probability be, and why?

The 99% level certainly protects the interests of members already in a superfund. However, we would question whether this is such a high bar that it will restrict the size of the market and mean that a large number of schemes which genuinely have a sub-90% chance of paying full benefits without external capital would be excluded from superfund membership, and could ultimately reduce member outcomes in these cases.

Depending on the assumptions and modelling adopted, a 99% level of confidence over the lifetime of the scheme (and annually tested) could in theory be a more onerous target than that applied to insurers (99.5% over a one year time horizon). Given the policy objective to make superfunds available to schemes that are unable to insure fully in the foreseeable future, consideration should be given to shorter time horizons and / or a level of confidence between 95% and 99%. It may well also be difficult to obtain sufficient data for a robust tail risk calculation.

Question 24: Should a superfund have a long term objective to secure benefits with an insurance company?

Many funds will have this aim, in part in order to allow profit to be taken at some point. However, we would suggest that this objective is not made compulsory to allow for flexibility in the running of the funds.

Question 25: Is the proposed authorisation basis suitable for this purpose? If not, what basis, if any, would you propose for this purpose?

We would suggest that the authorisation basis is on the strong side (as set out in paragraph 102 of the consultation document), particularly with reference to current bulk annuity pricing. However, an overly strong basis risks damaging the aim of superfunds to aid consolidation and reduce costs, which in turn could affect member outcomes. The capital buffer could be a more flexible amount reducing over time as the superfund matures.

We also note that considering the probability of reaching a specified / full funding level by 'peak cashflow' (which may not be relevant and which can be sensitive to assumptions) may not be practical.

Question 26: Is a 97.5% probability of being 100% funded on an authorisation basis by the earlier of 2040 and the date the scheme reaches its estimated peak cash outflows consistent with the principle of a superfund having a 99% probability of paying or securing members' benefits at all times?

See responses to questions 23 and 25 above.

Question 27: Is the earlier of 2040 and the independently assessed point at which the superfund's membership reaches peak maturity a reasonable target date?

For certain less mature funds, the 2040 hard stop could be too early particularly as the superfund option is most likely to be viable for non-pensioner liabilities. We would prefer to rely on the independently assessed point. If the regulatory regime is sufficient for each scheme, then we would not expect there to be a fixed end date, as each scheme will arrive at this point in its own time.

Question 28: Are the additional minimum standards in (iii) needed, in order to ensure a high level of protection for member benefits? In particular, are the additional minimum standards (that the superfund scheme itself is funded to 87.5% on the authorisation basis) required for every scheme entering a superfund?

Further work is needed on the detail of the requirements (for example the suggested alternative of a long-term objective rather than only the 87.5% funding level). The regulatory regime should allow for flexibility in the business model, for example a larger capital buffer might permit a lower funding target in the scheme itself.

Question 29: Should superfunds be required to publish an annual balance sheet using market valuations and including liabilities valued on a buyout basis together with a buffer fund based on the Solvency II approach?

An annual funding statement should be produced, however this should be consistent with the funding basis – if a solvency II approach is not adopted in funding, it should not be reported on (and indeed a solvency II valuation would be a very significant undertaking). Perhaps reporting on the authorisation basis would be appropriate.

Question 30: Should superfunds be required to secure benefits with an insurance company as soon as practicable, once the scheme assets reach the buyout level of liabilities?

We understand the rationale to move to buyout as soon as possible, however we have some concerns that funds in this position could be seen as captive markets for the insurers. There should be enough flexibility in the timescales to allow a full market review and ensure that competiveness is retained in the buyout market. Buying out benefits remains an investment decision and should be taken by the trustees in the usual way, taking into account all relevant factors. We would also not want to risk the corporate keeping funds back to avoid reaching such a trigger point.

Question 31: Should superfunds be required to maintain a minimum level of scheme funding regardless of approach to financial adequacy? This could include a separate long term objective for the superfund scheme itself to reach a buyout level of funding but to a lower level of probability than the superfund as a whole?

We believe the funding regime (iii) referred to in our response to question 22 adequately covers this point.

Question 32: Is the failure test in relation to the PPF funding level proportionate and what probability of failure is acceptable?

We would suggest that the difficulty of implementing such a test for a superfund open to new schemes makes it very hard to see what value it could add.

Question 33: What powers should TPR have to intervene should a funding level trigger be breached?

We would expect TPR to intervene once breaches have occurred, in an analogous manner to the existing regime (replacement/removal of trustees, contribution notices etc).

Question 34: At what level above fully funded on the S179 basis should the winding up trigger be set?

No more than 105% assuming this refers to the stress-tested s179 position, and noting that this applies solely in the case of superfunds, not to the DB pension universe more widely.

Question 35: Is three months an appropriate period of grace to allow for any volatility in investments to recover before triggering a wind up?

Yes.

Question 36: Is this minimum funding level trigger sufficient to provide adequate protection for the PPF while mitigating the risk that short term volatility might force a superfund into the PPF when it still might have a very good chance of meeting the long term objective?

Where a superfund has wide discretion on investment strategy, it is very likely that short-term volatility could cause a trigger in an otherwise healthy scheme.

Question 37: Do you agree that there should be a Tier 1 funding level trigger to protect members' benefits at this level?

Yes.

Question 38: What would be the best way of expressing this trigger?

As suggested, a level related to the authorisation basis (although see response to question 25) would be appropriate, assessed over at least a six month period. A recovery period of greater than six months could be agreed where viable.

Question 39: Is three months an appropriate period of grace to allow for any volatility in investments to recover before allowing trustees access to the capital buffer?

See question 38.

Question 40: should TPR have the power to intervene and require wind up or transfer if they believe the trigger has not been acted on in the best interests of members?

Yes, although we would expect this degree of intervention to be rare. We would expect intervention only around key areas such as the level of investment risk being taken.

Question 41: is this a reasonable basis on which to prevent new business being written, or should this be left to the discretion of the superfund trustees on the basis they should not be accepting new business if it would have a detrimental effect on existing superfund members?

Trustees should be capable of managing this risk. In addition we would note that the due diligence undertaken by trustees of schemes looking to transfer into the superfund should also prevent schemes transferring to a superfund in this position. Therefore we do not think formal regulatory powers are required here.

Question 42: Is it reasonable to only allow investors to take a profit after they exceed the requirements for authorisation and if so on what basis?

Yes, once the scheme is funded to the authorised level, the taking of profit is to be expected. We would expect this to be possible once funding is over 100%.

Question 43: Is it reasonable to retain investor profits for a period to mitigate against profits being taken from market volatility rather than genuine outperformance?

Yes, and a contingency reserve approach seems an appropriate way of managing this, allowing reasonable reward to investors without permitting speculation and putting members' benefits at risk. However, as the regulatory regime includes capital buffers, this should only be used in extreme circumstances and any delay should be short (a maximum of six months).

Question 44: Should superfunds be restricted from taking profit until the funding level is above that required to secure a buyout?

No, we would expect some profits to be taken while the superfund progresses toward buyout, subject to the authorisation requirements being met. Otherwise this would unduly constrain the potential model for superfunds and the differences from insurance buyout.

Question 45: Is it reasonable to allow a sectionalised superfund to take profit or write new business if one or more sections are inadequately funded?

If the authorisation regime remains on a single basis, so should the regulation around profit-taking and new business. However, please note our response to question 4: we would not expect strongly funded sections to subsidise weaker ones.

Question 46: In relation to the criteria for financial adequacy and funding level triggers discussed above, should each segregated section within a sectionalised scheme:

a) be considered separately for financial adequacy purposes and also considered separately for the funding level triggers;

b) be aggregated together (along with the capital buffer) for assessing financial adequacy but each section is considered separately in relation to funding level triggers;

c) be considered separately for assessing financial adequacy but be considered together as a whole when assessing whether the collective scheme funding position meets any of the funding level triggers; or

be aggregated together (along with the capital buffer) for assessing financial adequacy and considered together as a whole when assessing whether the collective scheme funding position meets any of the funding level triggers?

We would suggest approach a). See also our response to question 4.

Question 47: Does this approach provide adequate protection for members, while effectively balancing the interests of the investors?

Option 2 would support this aim, and be consistent with the response to question 43 around a contingency reserve for profit taking, though care will be needed in how this is implemented in practice. A fluid arrangement for the powers over capital is key to allowing all stakeholders to benefit appropriately.

Question 48: What are the minimum requirements on a buffer fund in order for the scheme to be able to rely upon the assets being available in the event they are needed?

We would assume that this would work in the same as for DB occupational schemes as set out in paragraph 152.

Question 49: Should there be minimum standards on the capital buffer to ensure it can be relied upon in stressed situations?

See response to question 48.

Question 50: Is it reasonable and proportionate to require superfunds to provide detailed fund guidelines, and does this provide the regulator with sufficient information?

Yes – in return for the flexibility offered by such a regime, detailed guidelines should be drafted and made available.

Question 51: Should superfunds be required to submit their modelling for TPR to review, or should TPR develop a model against which they can assess all superfund proposals?

We would suggest TPR develops a benchmark, and then engages with funds which appear to fall outside of a reasonable range – but fully aware that the modelling carried out by the superfund may still be appropriate in its individual case. We recognise that a single internal model would not cover all superfund structures.

Question 52: Should TPR have a 'fall back' model for cases when the modelling provided by superfunds is not adequate?

We do not think that a standard model should be imposed, but would expect TPR to engage with the fund and amend the modelling as required.

Question 53: Should there be any other reporting requirements of either the corporate entity or pension scheme to ensure effective supervision?

No.

Question 54: Should the corporate entity and pension scheme have to disclose their strategic asset allocation and investment risk limits so that TPR can effectively supervise the investment strategy?

Yes. The corporate structure of the superfund should also be disclosed.

Question 55: Should superfunds be required to regularly publish publicly available material on their financial position and operations?

Yes, although we would not expect disclosure to be more detailed than for example statutory accounts.

Question 56: Would the proposed events outlined in Table 1 meet the aims of the significant events framework?

We suggest that this table here would result in a large number of reports, for example for minor changes to business plans. Similar to the notifiable events framework, we suggest that some exclusions apply to the reporting basis, eg less reporting for fully funded schemes. We agree with the proposal that the reporting duties should fall on both the pension scheme and the corporate entity.

Question 57: How could we define 'significant deterioration' in relation to investment performance and funding level?

Funding level is normally of greater importance than investment performance in isolation. 5% over a quarter would appear to be a reasonable trigger point.

Question 58: Should TPR's executive arm have the power to unilaterally commission a skilled persons report in relation to superfunds with TPR acting as the end user?

Yes, this would permit more nimble regulation, which is appropriate given the potential scale of superfunds.

Question 59: Would an enforceable Code of Practice be sufficient to allow TPR to respond quickly and proactively to emerging market risks and supervise effectively?

We would seek to avoid a rule-making power as referred to in paragraph 191, however an enforceable Code of Practice with a narrow scope would be appropriate.

Question 60: In your view, what areas of a future code should be enforceable?

Key areas would include:

- Fit and proper person requirements
- Breaches of agreements in relation to profit-taking
- Breaches of previously agreed fund guidelines.

Question 61: Would the proposals outlined in Chapter 4 allow for the effective regulation of superfunds? Are there any other powers needed for TPR to intervene where necessary to effectively regulate superfunds?

Subject to the comments above, yes.

Question 62: Should superfunds be subject to a bespoke levy to fund their ongoing regulation?

Yes, although these costs will likely be passed onto schemes / sponsors that transfer to the superfunds. Arguably, if the superfund option reduces calls / risk on the PPF, then there is a wider benefit to all DB schemes.

Question 63: Do these principles achieve the policy aim?

We have some concerns that schemes which might benefit from superfund entry would be excluded on some of these criteria. In particular where trustees are currently placing reliance on covenant it would be hard to fairly assess the "able to afford buyout in the 'foreseeable future'" point.

Question 64: Is five years a reasonable timeframe to assess a scheme's potential to reach buyout in the foreseeable future?

We would prefer eligibility to be based on the evidence of whether "it enhances the likelihood of members receiving full benefits".

Question 65: Are there any other important factors that trustees should take into consideration as part of the transfer to a superfund?

They should also consider the fund management guidelines of the superfund, depending on how much flexibility is permitted in these guidelines.

Question 66: Should a scheme looking to join a superfund be required to meet a specific minimum funding level at the point of transfer, for example 87.5% funded on the authorisation basis?

No, this should be a trustee decision on a case-by-case basis.

Question 67: If you think there should be a minimum scheme funding level for entry to a superfund, should it be based on the authorisation basis or a buyout basis? What percentage minimum funding threshold do you think would be appropriate?

The authorisation basis would be more appropriate. A level of 85% might allow more schemes which could potentially benefit to enter superfunds, subject to the overall point above that superfund trustees will have the ultimate duty to ensure their members' security is not diluted.

Question 68: Should external covenant advice be a mandatory requirement of the superfund transaction process? In what circumstances would covenant advice not be required?

We would expect covenant advice in such a transaction to be mandatory. In addition it may be that trustees of ceding schemes would seek investment advice around the superfund itself.

Question 69: Should it be a requirement for those providing covenant advice to be regulated by either the Financial Conduct Authority or the Financial Reporting Council?

Yes, by an appropriate professional body with expertise in the area. We would note that the involvement of such a body should be solely in relation to regulating covenant advice, not any other aspect of the operation of the superfund.

Question 70: Do you agree that the current legislation regarding bulk transfers should apply to transfers to a superfund? Please give an explanation for any changes you recommend to the legislation.

Yes, the same arrangements should apply.

Question 71: Should TPR decide whether each scheme transfer to a superfund can proceed or only have the power to prevent a scheme entering a superfund if they judge that the principles set out in the gateways are not being met.

TPR should not be required to approve each case. The notifiable events set out in paragraph 220 should enable a review to be undertaken by TPR and questions asked of the trustees where appropriate, and take action (up to and including preventing the transaction) if necessary.

Question 72: What checks should TPR do on a proportionate and objective basis to satisfy itself a transfer to a superfund is likely to be in the best interests of members?

If the required processes have been followed and advice taken, we would not expect TPR to carry out further checks other than ensuring that the regulatory regime has been followed. We see the role of TPR as setting and monitoring the regulatory regime, not adjudicating on individual transactions.

Question 73: What further powers should TPR be given to allow it to regulate effectively both superfunds and transfers to superfunds? Please provide reasons for any additional powers suggested.

None, although we would expect some work to be done to understand what powers the FCA/PRA have, and to ensure that there is no duplication.

Question 74: Should these schemes continue to be known as "defined benefit master trusts" or is there a more suitable name that can be used to distinguish them from DC master trusts?

The current name does lead to some possible confusion

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