CoP for authorisation and supervision of CDC schemes

Comment from the Association of Consulting Actuaries (ACA)

ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE: IMMEDIATE

ACA calls for CDC Code to be finalised quickly to assist employers considering schemes

23 March 2022: In our response to the consultation on the Code of Practice for authorisation and supervision of CDC schemes, The Regulator has clearly put a significant amount of consideration into the appropriate governance structures for CDC schemes and the draft Code is extremely comprehensive. Our response highlights a number of areas in which we would like to see changes made. However, the draft Code is already a very helpful document and we would encourage the Regulator to finalise this as soon as possible, to enable employers considering CDC schemes to move forward.

Commenting on the response, Peter Williams, Chair of the ACA Pension Schemes Committee, said:

"We would encourage TPR to update the industry on developments in their expectations, as the first schemes progress through the authorisation process - perhaps via informal routes such as blogs if this allows information to be published sooner. This will ensure the industry is aware of the latest expectations.

"As CDC regulations evolve to permit wider forms of CDC, including profit-making master trusts, we believe little extension of the draft Code would be required."

"Although we expect single employer CDC schemes to be of more interest to larger employers, the anticipated extension to master trusts will open up the option for medium and smaller employers. In the ACA's 2021 pensions trend survey, 25% of respondents indicated that their business might consider a CDC Master Trust".

Contacts for further information:

Peter Williams, ACA Pension Schemes Committee Chair, at peter.willams@aon.com - (0)1372 733763
David Robertson, ACA Secretariat at david.robertson@aca.org.uk – 020 3102 6763

About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body.

Disclaimer

This document is intended to provide general information and guidance only. It does not constitute legal or business advice and should not be relied upon as such. Responding to or acting upon information or guidance in this document does not constitute or imply any client /advisor relationship between the Association of Consulting Actuaries and/or the Association of Consulting Actuaries Limited and any party, nor does the Association accept any liability to any person or organisation relating to the use of such information or guidance.

Association of Consulting Actuaries Limited · First Floor · 40 Gracechurch Street · London · EC3V 0BT

Tel: +44 (0)20 3102 6761 · Email: acahelp@aca.org.uk · Web: www.aca.org.uk

Privacy Statement: https://aca.org.uk/privacy-accessibility-statement/