ASSOCIATION OF CONSULTING ACTUARIES

APPENDIX: RESPONSE FORMS FROM ASSOCIATION OF CONSULTING ACTUARIES (ACA)

Response form 1: General questions about the new code of practice

Question	Response
We welcome any observations about a possible regular process for issuing updates to the new code. For example, should updates be annual, or at longer intervals? Please advise us of any concerns about regular updates. We would also be interested to hear about any topics that we should prioritise for inclusion in the new code.	We are supportive of regular updates to the new code so that it remains relevant and appropriate. We welcome the inclusion of items in the code rather than in guidance, due to the resulting opportunity for consultation and warning before changes are made. For consultations on future amendments to the code, we would strongly recommend that you highlight the specific changes being made to requirements (which would need to go much further than the high level analysis set out in Appendix 1 of the consultation document in highlighting the actual changes made). TPR should also ensure that historic version of the Code are retained on their website so that users are clear on what the requirements of the Code were at specific dates.
Which pieces of guidance, or topic areas, should be prioritised for updates following the introduction of the new code?	Reference is made to a number of DC Guides throughout the new Code, and those Guides will continue to reference Code of Practice 13. It is our understanding that these Guides will be retained, which we support as they have proved popular since their introduction. We would like to see these Guides updated as a priority so they signpost the correct modules in the new Code and incorporate relevant new content.
Do users understand the term "governing body"? Would another term work better?	We believe this term to be adequately explained in the new code and so understandable and appropriate.
We would be interested to understand if there are any aspects of our expectations users think would discriminate against, disadvantage or present an additional or exceptional	We note that the eventual plan is for the document to be fully web-based. An easily downloadable and readable PDF version would also be invaluable to help those trustees who may be less comfortable reading from a screen, or who may wish to have a printout to

challenge to anyone with a protected characteristic.	refer to. The document was difficult to navigate as a printout in its current form. This does not necessarily apply to individuals with a protected characteristic, but is important to ensure the new Code is used by all and accessible to all, including lay trustees (for example) or pensioner trustees.
General comments about the new code of practice	Overall, the move to a bullet point style has made the Code easier to use compared to some of the existing codes. However, there are some areas where the new Code could be improved: - including DB/DC/Public Sector arrangements all in the one document does make it slightly confusing. Would you consider producing separate sub-versions of the CoP for DB, DC and Public Sector arrangements (and presumably for CDC schemes in future)? - the references to the underlying legislation/regulations is helpful for professional users, but lay users would benefit from some context/summary, i.e. rather than just saying "where applicable", please could the Code summarise the schemes/situations where it is applicable. For DC schemes, there is an existing TPR requirement that the scheme is assessed against Code of Practice 13 on an ongoing basis (Checking you run a quality DC scheme | The Pensions Regulator). As such, many DC schemes will have frameworks in place to comply with this requirement. In order to provide clarity for these schemes we request that TPR communicates any change in expectations as soon as practicable.

ASSOCIATION OF CONSULTING ACTUARIES

Response form 2: The Governing Body

Ref	Question	Response
Working Knowledge of Pensions (TGB017)		
WOQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	We have no comments
WOQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	We have no comments
WOQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	Following the recent publication of the FCA and TPR's "guide for employers and trustees on providing support on financial matters without needing to be subject to FCA regulation" we believe there should be a requirement for trustees to be familiar with the law relating to financial promotion and provision of regulated advice. There has been a significant increase since pension freedoms alone in trustees widening the support they provide their members in the lead up to, and at retirement.
WOQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	We have no comments
WOQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

Value for members (TGB009)		
VAQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Yes
VAQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how	We have no comments

	expectations may be applied to their scheme's own circumstances?	
VAQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	In connection with the comment "Consider all available evidence when exercising judgment about what represents value for members". We believe this comment may confuse DC schemes as this is not the current expectation. Our suggestion is that it is expanded to clarify the requirements that the "focus should be on the value provided by the scheme for the charges and transaction costs paid by members" (TPR Guide on Value for Members).
VAQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	No
VAQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

Managing advisers and service providers (TGB010)		
MAQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	We have no comments
MAQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	We have no comments
MAQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	We have no comments
MAQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	There are two areas that are not currently requirements of Code of Practice 13 set out below, which we expect are likely to be disproportionate from a time and cost perspective for schemes:

		• "Establish agreed and documented policies needed for making appointments to the Scheme". • "Review relevant independent frameworks, such as ISO certification, or accreditation frameworks for specialist functions like administration"
MAQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

Own Risk Assessment (TGB045)		
OWQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Yes
OWQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	Yes, with one exception: • The draft says the Assessment should cover "how the governing body assesses the scheme's funding needs with reference to its recovery plan." This requirement is vague, so could be made more specific to better capture TPR's objectives here.
OWQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	No, as the presentation and nature of the code lean towards a tick-box mentality, which is unlikely to lead to improved outcomes for pension schemes and their members. Instead we would propose that TPR considers issuing best practice and good practice examples of this, especially to help understand what is a reasonably approach and how to apply proportionality.
OWQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	The list of expectations is relatively long compared to much of the proposed Code. While the majority seem proportionate to include, there are some that could be combined, removed as they are already covered elsewhere or slightly amended to ease the governance burden on schemes while still achieving similar

ASSOCIATION OF CONSULTING ACTUARIES

		outcomes. This would be particularly helpful for smaller schemes, where the trustees may be seeking ways to ensure that they use their governance budget as effectively as possible and so will need to take a proportionate approach. For example: • The proposal to state "How investment performance is reviewed and monitored" can simply be detailed in the implementation statement. • Likewise, the climate risk measurement and reporting requirements by the TCFD can be aligned to cover "how the governing body assesses investment risks relating to climate change, the use of resources and the environment." • "How the governing body assesses social risks to the scheme's investments" and "How the governing body considers the potential for depreciation of assets arising from regulatory or societal change" could be merged and brought under a broader requirement for an ESG assessment. • The SIP already requires schemes to set out the risks they are facing and mitigations. This should cover "how the governing body assesses the protection mechanisms available to the scheme, including how these might apply and the risks of them not functioning as intended". "How the governing body ensures the security of assets and their liquidity when they are required" and "How the governing body assesses the specific risks relating to the indexation of benefits provided by the scheme" could be included as additional risks. • The process for how pension schemes benefits are protected in the event of insolvency is well established in pensions law and is covered in scheme funding advice so could be removed completely.

ASSOCIATION OF CONSULTING ACTUARIES

OWQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

Response form 3: Funding and Investment

Ref	Question	Response
<u>Investment Governance (FAI001)</u>		
INQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Yes
INQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	• The expectations are reasonably clear, they set out a number of policies and procedural approaches that need to be established. • Given responsibility for most of this will sit with a Trustee Board, it's unclear how they might go about acquiring the knowledge to achieve some of the objectives.
INQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	• A key aspect of investment governance is the extent to which the governing body focuses their resources on strategic decisions and looks to establish an executive to implement such decisions. There is information on roles and responsibilities but limited guidance/information on establishing an appropriate investment governance framework. • Linked to this is there is limited information on approaches to outsourcing where it is impractical for certain stakeholders to establish their own executive.
INQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	• The obligations should be achievable as long as they can leverage existing processes to meet them. For instance documenting processes through the SIP.
INQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

<u>Investment decision-making (FAI003)</u>		
IVQ1	Is the title of the module a fair reflection of the content provided	We have no comments

	within it? If not, what would be a clearer description of this content?	
IVQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	We have no comments
IVQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	Similar to the governance section, the 'Investment decision-making' looks to establish specific areas of decision-making such as investment costs and regulated markets – which are important. However, the section is light on ensuring the Board of such governance body (in the case of most users of the CoP this will be a Trustee Board) weight their decision making towards the strategic investment issues and utilising sub-committees or an executive function to manage decisions on the more detailed areas. Otherwise there is a risk the Board spend their resource on points of detail.
IVQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	The requirement that no more than a fifth of scheme investments are held in assets not traded on regulated markets appears to be new. This limit could be lower than many schemes' current allocation – there is a risk that this would lead to significant changes in portfolios which we don't believe is the intention of the code. Reviewing investment manager fund documentation for Trustee Boards will be an onerous task. Perhaps the expectation should be set that they seek investment advice and legal advice (as is already stated) (and also tax advice in some cases) and review the funding documentation in accordance with that advice. In other words, make it clear they can rely on the advice to identify the areas of fund documentation they should focus their review upon.
IVQ5	Do you have any further comments on the module that have not been covered by the previous questions?	The statement: "if using a bespoke investment arrangement to meet specific requirements, document a clear explanation of their strategy and objectives and how the specific requirements will be met" risks encouraging a scheme to simplify and standardise to the

		detriment of the scheme. Our preference would be for this to be removed.

<u>Implementation report (FAI004)</u>		
IMQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	This has more commonly been known as the "Implementation Statement" so we propose that this naming convention is also adopted here for consistency.
IMQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	Yes
IMQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	We have no comments
IMQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	• The requirements of the Implementation Statement appear to have increased quite considerably. In particular, reproducing a number of policies that are already documented in the SIP (financial/non-financial considerations, exercise of rights, arrangements with asset managers). What we consider to be essential, and how TPR can support, is guidance on what items need to feature and how, and what can be omitted given they are covered in other disclosures (such as the SIP, Chair's statement, Investment report in the Report & Accounts, SORP risk disclosures). The "How" is equally important given that scheme members are expected to be the core audience. Our view is that TPR guidance is crucial in ensuring that the lessons learned from the recent DWP review of the Chair's statement can be successfully applied to the Implementation statement.

		• Our understanding of the Implementation Report to date has been to document the Trustees' actions over the year. Reporting on investment performance and a breakdown of each of the investments held (by geography, liquidity etc) seems out of place in the Statement and will represent an additional burden. • One challenge of the existing requirements has been gathering voting data. As asset managers become more used to providing this (as all schemes will be requesting) this should improve. However, it would be useful for the guidance to be clear that providing this is on a reasonable or best endeavours basis.
IMQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

<u>Investment monitoring (FAI005)</u>		
IEQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	'Investment monitoring and oversight' would better capture the role of the governing body.
IEQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	Much of the structure of this section assumes that the governing body follows a traditional structure. In other words, Trustee Board, maybe with some in-house resource such as a pensions manager/Trustee secretary with an investment advisor and asset managers. Increasingly this governance structure is being reassessed to ensure the Board focus on strategic matters, the code should be careful not to undermine the importance of a Trustee body making impactful long-term decisions by focussing too much on process monitoring when this could be delegated to another party (for example, the pensions executive).
IEQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would	More could be made/included on the monitoring of an overall mission and long-term objectives rather than just return.

	assist governing bodies in meeting our expectations?	
IEQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	The statement: "ensure that controls (including those related to the security, liquidity and safe custody of scheme assets) are in place to alert them to potential financial risks related to the investment manager" – it might be better to have this at the portfolio level rather than investment manager level.
IEQ5	Do you have any further comments on the module that have not been covered by the previous questions?	• On the second page of this section, there's a bullet that starts: "have procedures in place to monitor their scheme's investments and performance:" with a series of sub-bullets. It focuses on returns here but should also mention risk. While it is covered further down, often performance versus benchmark is considered only relevant to 'return' which is likely to be misleading. • On the second page of this section, it says: "where applicable, include a stress test or scenario test to assess the impact of changing circumstances on scheme assets". We propose that this should also include a statement about stresses 'relative to liabilities (where applicable)'.

<u>Stewardship (FAI006)</u>		
STQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Stewardship is one branch of wider 'Sustainable Investing', we suggest going for this wider title.
STQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	Yes
STQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	• It may be worth adding that there is an expectation that the governing body will assess their sustainability beliefs in order to come up with an appropriate course of action.

		• As more pension schemes look to insure liabilities and therefore hand assets over to an insurer in a (near) irreversible transaction, sustainable investment criteria (given the length of time the insurers will hold the assets for) should likely have a material place in the priority of assessment and selection. There may be value in having this as a principle to assess. • An explanation could be included outlining what the "rights and responsibilities" associated with investments are. • Trustees are likely to be comfortable describing voting and engagement behaviour associated with listed equity investments. Some clarity on what is expected in relation to fixed income, private equity and property would be helpful.
STQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	• This section says seek to follow the FRC's UK Stewardship Code. This is fine as long as the position is not interpreted as to become a signatory to, given the governance requirements for a pension plan to become a signatory to the new code is much more onerous. • Given that there is a fair amount of overlap between the Stewardship Code and the content of the Code of Practice, TPR should consider whether it would be preferable to just incorporate anything relevant (but missing) into the Code of Practice? • The "where appropriate" caveat could be made clearer.
STQ5	Do you have any further comments on the module that have not been covered by the previous questions?	• Currently it is challenging for DC trustees to take decisions about managers' stewardship policies and records as they all appear to be similar. We therefore expect that trustees are unlikely to change investment manager based on these assessments. Guidance on this would be welcomed.

Statement of Investment Principles (FAI008)

SAQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Yes
SAQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	Yes
SAQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	Yes
SAQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	While okay to leave in, for many pension schemes of any material size, it is likely to be impractical to gather credible information in order to "take into account the types of investments scheme member prefer". Part of the governing body's role is to manage the scheme in the best interests of members which should be sufficient.
SAQ5	Do you have any further comments on the module that have not been covered by the previous questions?	• When preparing the SIP the governing body should "ensure that relevant membership data is accurate" while it is important that this is the case, it will be a more significant requirement elsewhere in the requirements of managing the scheme and so perhaps doesn't need to be an explicit requirement of SIP preparation as well. • When preparing the SIP the governing body should "consider evaluating performance by referring to recognised and credible industry benchmarks for investment funds with similar risk/reward profiles". Previously, pension schemes would often make decisions by ranking the performance of similar funds and investing in the best performing. This has been shown to be value destructive, given this, we should be wary of placing too much weight on comparing funds that might encourage such behaviour.

Default arrangements and charge restrictions (FAI010)		
DEQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	• For clarity, we suggest that the title of the module includes DC in brackets at the end (DC).
DEQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	• It may be worth including a few examples of common areas where the cost cap for default arrangements may bite but where the governing body may not be aware. For instance, when taking decisions to transfer members into certain arrangements without consent.
DEQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	• While the subject has relatively limited information, it is clear in how it directs governing bodies to tackle the issue (i.e. professional advice and sign-posting appropriate resources).
DEQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	We have no comments
DEQ5	Do you have any further comments on the module that have not been covered by the previous questions?	• We believe that the module should highlight that there are defaults that do not have a charge cap applied but are still be subject to the governance requirements applying to defaults. • We do not consider the requirement relating to identification and reporting activities involving charging members commission as solely relating to a charge capped default.

ASSOCIATION OF CONSULTING ACTUARIES

Response form 4: Administration

Ref	Question	Response
Financial transactions (ADM002)		
FIQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	• Yes
FIQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	We have no comments
FIQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	• There are various requirements listed, such as the requirement to "understand the scope of administrator responsibilities and tasks, as well as the suitability of those performing them". We believe that reference should be made to the existing DC guide on administration as this will alert governing bodies at an early stage that guidance exists to help them comply with this requirement. • We believe that there should be mention of the reporting requirements of core financial transactions in the Chair's statement (this is in addition to legislation footnote).
FIQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	We have no comments
FIQ5	Do you have any further comments on the module that have not been covered by the previous questions?	Most schemes outsource at least some functions, and it is not clear from the module how much detail trustees need to go into when a third party is carrying out a function. It would be useful if the Code gave some guidance as to what levels of due diligence may be reasonably taken in such circumstances.

Transfers (ADM014)		
TRQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Yes
TRQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	• It is not clear if the requirements extend to transfers-out to secure benefits (in the case of DC members in particular – transfer to drawdown or annuity providers). If the same principles apply, we recommend that this is called out in the opening paragraph and additional detail added where required.
TRQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	We have no comments
TRQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	We have no comments
TRQ5	Do you have any further comments on the module that have not been covered by the previous questions?	The use of the term "Cash Equivalent Transfer Value" is not commonly used in connection with a DC transfer, so consideration should be given to adopting suitable terminology for DC transfers

Cyber controls (ADM0016)		
CYQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Yes
CYQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	Yes
CYQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would	Most schemes outsource at least some functions, and it is not clear from the module how much detail trustees need to go into when a third party is carrying out a function. For example, the trustees cannot personally "ensure

ASSOCIATION OF CONSULTING ACTUARIES

	assist governing bodies in meeting our expectations?	critical systems and data are regularly backed up" but will normally instead ask the third party for assurances about processes and controls. It would be useful if the Code gave some guidance as to what levels of due diligence may be reasonably taken in such circumstances. It may be appropriate to move some of the individual requirements into guidance, so that third parties can work with TPR to develop best practice and demonstrate that their processes are sufficient, rather than putting much of the responsibility on to trustees. Similar considerations apply where trustees rely on services from the sponsor, and are unlikely to be able to materially influence the sponsor's cyber security processes.
CYQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	We have no comments
CYQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

Receiving contributions (ADM007)		
RCQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	• Yes
RCQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	We have no comments
RCQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would	• Users may expect to see details about the investment of contributions in this module (or section). We suggest that reference is made to requirements and expectations on

	assist governing bodies in meeting our expectations?	investment of contributions in the module "Financial transactions". • In light of the gating of property funds that we experienced over the last year in particular, and subsequent guidance issued by TPR, we recommend that commentary on this theme, including TPR's expectations, features in this module or in the "Financial transactions" module. We note there is a broad comment on page 90 of the "Transfers" module however there is a risk that this requirement will not be linked to gating of funds.
RCQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	We have no comments
RCQ5	Do you have any further comments on the module that have not been covered by the previous questions?	• We suggest amending the first paragraph "Employee contributions are deducted from scheme members' salaries" so that Users recognise that what follows equally applies to contributions paid via salary sacrifice arrangements.

Response form 5: Communications and disclosure

Ref	Question	Response
<u>General principles for member communications (CAD001)</u>		
GEQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	Yes
GEQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	We have no comments

GEQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	• Following the publication of the FCA and TPR "Guide for employers and trustees on providing support with financial matters without needing to be subject to FCA regulation" we believe this should be referenced/signposted or as a minimum, and the broad theme about regulated advice vs guidance commented on. We view this as an overarching principle that governing bodies should comply with when communicating with members
		• In connection with the list of modules "other information governing bodies are required to provide members":
		    ○ We recommend a link to the Chair's statement module is included
		    ○ Reference is made to the "Retirement Information" module which does not feature
		• In the section "when preparing communications to members. The governing body should" - for DC members we believe there should be a specific call-out to remind members of their investment choices and factors they should consider in determining whether their current selections are right for them. As this significant risk sits with the member, we believe it could get buried if relied upon in the last bullet.

GEQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a	We have no comments

	well-run scheme, or for certain types of scheme or governing body?	
GEQ5	Do you have any further comments on the module that have not been covered by the previous questions?	No

<u>Chair's statement (CAD008)</u>		
CHQ1	Is the title of the module a fair reflection of the content provided within it? If not, what would be a clearer description of this content?	• Yes
CHQ2	Is it clear from the module what our expectations are, and does this content provide governing bodies with a clear sense of how expectations may be applied to their scheme's own circumstances?	We have no comments
CHQ3	Has the subject matter of the module been covered in sufficient detail and is there any further information or guidance that would assist governing bodies in meeting our expectations?	• We recommend the continued signposting to TPR's Chair's statement checklist as this supports the production of the statement for schemes.
CHQ4	Are there any expectations that may be considered a disproportionate and/or unreasonable burden for a well-run scheme, or for certain types of scheme or governing body?	• The production of the Chair's statement has become a disproportionate cost for many schemes with the subsequent addition of content since its introduction and increased costs of production. However, following the DWP's statutory review we understand that change is expected. We recommend that any changes are incorporated into the new Code as a priority once they come into force.
CHQ5	Do you have any further comments on the module that have not been covered by the previous questions?	• The requirement is that certain governance and charge sections of the Chair's statement is placed on a publicly accessible website as opposed to the whole Chair's statement. We note that the latter is recommended in this module as an alternative. Whilst we appreciate that many schemes may place the entire Chair's statement on a publicly accessible website, we believe that if this recommendation is to remain, a caveat regarding scams and Chair's signatures should also be mentioned given that this issue has been highlighted in the industry more recently.

ASSOCIATION OF CONSULTING ACTUARIES

Response form 6: Reporting to TPR

We have no comments on the questions detailed in this form.

Disclaimer

Produced by the Association of Consulting Actuaries Limited May 2021