Strengthening The Pensions Regulator's Powers: Contribution Notice and Information Gathering Powers Comments from the Association of Consulting Actuaries (ACA)

ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE: IMMEDIATE

ACA calls for greater clarity on impact of employer resources test

26 April 2021 – In our response to the DWP consultation '*Strengthening The Pensions Regulator's Powers: Contribution Notice and Information Gathering Powers Regulations 2021*', whilst we have observed that the regulations appear to meet the policy aim, we are again concerned that there is too much uncertainty in how the regulations will be applied giving rise to the fear that many normal corporate activities will potentially result in exposure to an employer resources contribution notice.

As a result, ACA Pension Schemes Committee Chair, Peter Williams, commented:

"Further clarity is needed on the intended impact of the employer resources test. Companies need to know whether actions they are likely to take could depress the proposed profit measurement and whether such a reduction would be considered material.

"They need to know this through sufficiently comprehensive guidance rather than through applying for clearance.

"Companies will not want to find they are in situations where the employer resources test is potentially very frequently met, with power passing entirely to the Regulator to decide whether or not it is reasonable to impose a Contribution Notice."

For further comment:

Peter Williams, ACA Pension Schemes Committee Chair at peter.williams@aon.com - 01372 733763
Chintan Gandhi, ACA PR Committee Chair at chintan.gandhi@aon.com - 01372 733322
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.