ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE

ACA SAYS TPR STATEMENT PROVIDES USEFUL GUIDANCE FOR TRUSTEES AND ADVISERS IN A VOLATILE MARKET WHERE SPONSOR COVENANTS MAY CHANGE MARKEDLY

30 April 2020: The Association of Consulting Actuaries (ACA) welcomes the guidance in the Pensions Regulator's (TPR) Annual Funding Statement, issued today, for those Trustees who are part way through, or just beginning, actuarial valuations in the current volatile markets. In particular, it is important that time should be taken so that Trustees and their advisers can better understand how financial markets develop and how sponsor covenants will change.

Commenting on the Statement, **ACA Chair, Jenny Condron**, said:

"Scenario testing is recommended, which we anticipate will be standard practice already for larger schemes but may challenge already strained governance budgets for smaller arrangements.

"There is also helpful reinforcement too of TPR's expectations set out in their consultation on the new Defined Benefit Scheme Funding Code, and earlier, with a focus on agreeing Long Term Funding Targets with robust IRM frameworks to support them. Whilst TPR is clear that a strong employer is the best support for any scheme, where contributions have been deferred, Trustees must ensure that they share in any recovery".

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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.

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