



ASSOCIATION OF CONSULTING ACTUARIES

ACA NEWS

4 April 2023

Here is our periodic brief for ACA members summarising activities and events we have planned over the period ahead.

NEXT SESSIONAL MEETING: Capital backed journey plans **Wednesday 19 April 2023 at 5pm (NOTE TIME) at ST. ERMIN'S HOTEL**

Find below a copy of the **meeting notice** circulated to Firms' contacts last week.

Capital backed journey plans: The last few years has seen the emergence of alternative risk transfer solutions all seeking to support DB schemes on their journey to end game. This session will explore and examine how capital backed journey plans work and how they can benefit the trustee, members and sponsor. Our speakers will be **Richard Jones** of the Pension Safeguard Solution, **Russell Lee** and **Gurbani Swanni** of M&G and **Jerome Melcer** of PwC who will explore the concept and each talk about and answer questions on their own offerings in this new market. We will conclude with a Q&A session.

Following the meeting, drinks and dinner will be held at 6.30pm for 7pm.

Will Members please let their Firm's Contact know as soon as possible if they intend to come to the meeting only or meeting and dinner

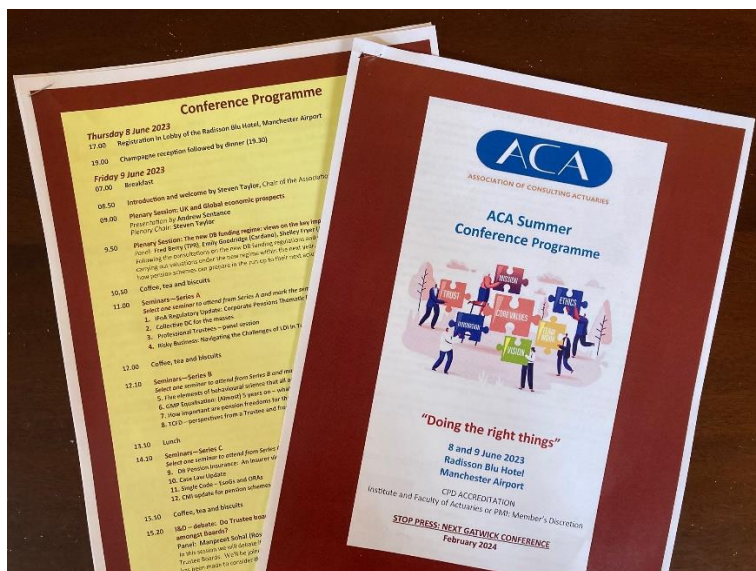
DB FUNDING CODE RESPONSE says Regulations need to better gel with the Code's greater flexibility

In our detailed [response](#) to the TPR's DB Funding Code consultations, we have said our most significant concern with the proposed Code of Practice is the disconnect between the relatively prescriptive wording used in the draft DWP Regulations and the greater degree of flexibility signalled in TPR's document.

ACA Chair, Steven Taylor also commented: *"We have a strong preference for use of a less volatile measure of significant maturity, to help schemes plan ahead with certainty on when they must reach low dependency and would support a fixed basis for the calculation of duration. In addition, as set out in our response to the draft regulations, we would prefer schemes to be able to set a relevant date within a wider range of the projected date of significant maturity."*

BOOK NOW!: ACA CONFERENCE IN MANCHESTER: 8/9 JUNE 2023

The Programme and Registration Form for this year's in-person ACA Conference at the Radisson Blu Hotel, Manchester Airport (the next in-person Gatwick Conference will be in February 2024) has just been circulated to Firms' contacts. The Conference is **open to Members and firms' other pension specialists throughout the UK** and this year includes three plenary sessions covering UK economic prospects (our keynote speaker being former member of the Monetary Policy Committee of the Bank of England, Andrew Sentance); a DB Funding Code panel reviewing "The new DB funding regime: views on the key implications for stakeholders" including TPR, Actuarial, Investment and Professional Trustee speakers; and a Diversity & Inclusion debate.



There are a further 12 seminars in three series covering a wide range of DB, DC and investment topics, with a networking dinner on the Thursday evening ahead of the business day. **A copy of the Conference programme is available on the ACA website [HERE](#)** then login (left box) **member** and (right box) **stochastic** (You may have to login twice to open the page).

YOU MAY HAVE BEEN ELEVATED TO BE A FULL ACA MEMBER!

If you are an IFOA Fellow and you've been an ACA member for less than 3 years you will (until last Thursday) have been an Associate Member. That has changed. At the Association's AGM, a rule change was enacted so all Fellows, irrespective of their length of membership, are now elevated to be Full Members.

Reflecting changes in the Profession's rules, Associate membership will now be conferred on those who have achieved IFOA Associate membership (Chartered Actuary (CACT) to be). And those achieving the Certified Actuarial Analyst qualification will also be able to join the Association in a new category.

OTHER RECENT ACA RESPONSES

Since our last issue, the ACA has responded to three other consultations. See links below to these responses on the ACA website:

27 March 2023: [Response to CDC new opportunities DWP consultation](#)

27 March 2023: [Response to Addressing challenge of deferred pots \(DWP\)](#)

27 March 2023: [Response to VFM: Framework of metrics. Standards and disclosures \(DWP\)](#)

SELECT COMMITTEE TO EXPLORE DB SCHEMES

Hot on the heels of its Inquiry into the Autumn 2022 LDI 'events', the Work & Pensions Select Committee has opened a new Inquiry into DB schemes. Amongst the areas it will be looking into are:

1. Is the right regulatory framework in place to enable open DB schemes to thrive?
2. Is there sufficient capacity in the buy-out market to meet demand from DB schemes? If not, what are the alternatives?
3. What should the Pensions Regulator (TPR) do to improve the quality of trustee boards?
4. What, if any, further steps should be taken to encourage DB scheme consolidation?
5. Are there any circumstances in which consolidation should be mandatory?

The ACA will be responding and giving evidence to the Committee. The ToR for the Inquiry can be found [HERE](#).

On LDI, whilst we await the Select Committee's report and recommendation to Government, the Bank of England stepped in last Wednesday and called for The Pensions Regulator to take action "as soon as possible" to mitigate financial stability risks by specifying the minimum levels of resilience for liability-driven investment (LDI) funds and LDI mandates in which pension trustees may invest. In particular, the Bank's Financial Policy Committee recommended that the size of the yield shock to which LDI funds should be resilient, at a minimum, around 250 basis points.

DIARY DATES: MAY SESSIONAL MEETING and ANNUAL DINNER

After 19 April, the next Sessional meeting in May will be at the St Ermins Hotel, Caxton Street, SW1 – this may be a Joint Meeting with APL –as below.

- **25 May 2023: 5.30pm for 7.00pm**

The **Annual Dinner** will be held at Claridge's on **26 September 2023** – details will be circulated later in the Spring.

RECORDING OF PRESENTATION AVAILABLE on the IFoA's consultation on proposals for regulatory requirements on DEI

The recording of the AGM and Web Sessional Meeting held on 30 March 2023 is available from the Secretariat at tracey.bleed@aca.org.uk

The slides for the presentation are available on the ACA website [HERE](#) then login (left box) **member** and (right box) **stochastic** (You may have to login twice to open the page).

Issued by:

ACA Secretariat, First Floor (129), 40 Gracechurch Street, London EC3V 0BT
020 3102 6761 acahelp@aca.org.uk web: www.aca.org.uk

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