ASSOCIATION OF ACA CONSULTING ACTUARIES

ACA Northern Conference

Programme

2013: Time for Change

19th and 20th September 2013
Radisson Blu Hotel
Manchester Airport

CPD ACCREDITATION
Institute and Faculty of Actuaries or PMI: Member's Discretion (Certificated)

Time for change...

Our first Northern Conference comes as we move towards the end of another very busy year. By its end, most businesses with more than 500 employees will have gone through the auto-enrolment of their employees into workplace pensions and we will know better how this key public policy is developing.

We also by then should have heard more from the Government about their 'reinvigoration' (of workplace pensions) agenda where the ACA has been particularly involved with the 'Defined Ambition' project. And by then, many of our clients will also be thinking about how they might re-shape their pensions packages in view of the end of DB contracting–out from 2016.

And, of course, all of us and our clients will continue to grapple with the very difficult economic conditions that have been with us for a number of years now. These are likely to remain a challenge to those of you involved in investment consulting, but also to those of you advising both employers and trustees on pension design, valuation and funding issues.

We look forward to welcoming as our morning keynote speaker, **Stephen Soper**, Executive Director for DB regulation at the Pensions Regulator.

And for our afternoon plenary, we will examine the challenges presented by the *Pensions Bill,* including an appraisal of how the end of DB contracting-out might unfold and benefit designs change as we approach 2016.

Thanks to the hard work of our organisers and the willingness of speakers, for which the Association is most grateful, the programme of seminars is varied and covers pensions, investment and wider consulting and professional issues and is designed to meet the needs of members from firms of all sizes.

We are opening the conference with a social evening. I hope as many of you as possible will join us. I am sure you will find the programme of interest. I look forward to seeing you at the conference.

Andrew Vaughan
Chairman

Main Conference Fee

The conference fee of £460 + VAT for members includes registration information and conference pack, Thursday evening champagne reception, dinner (including wines), overnight accommodation on Thursday 19th September 2013 at the Radisson Blu Hotel, Manchester Airport, including breakfast, lunch, coffee and tea breaks on Friday 20th September. Registration will be from 17.00 hours on Thursday in the Hotel Lobby.

If you wish to attend the main conference, please complete the enclosed registration form and forward it with your cheque (or pay by BACS/electronically) for the main conference fee as soon as possible. Where your firm is making a 'group' booking, please ensure that this is sent in as quickly as possible. Please note that the conference is open to ACA members and non members and invited guests. Your booking will be acknowledged and a VAT receipt provided. Final registration details will be issued in August 2013.

Accommodation Included — day package also available

There is no need to make your own hotel accommodation reservation. This will be handled by the conference organisers on receipt of your registration form. The cost of your hotel room for the night of Thursday 19th September is included in the main conference fee. Any extras (telephones, laundry, room service etc) are the responsibility of the delegate. The Radisson Blu Hotel is within the Manchester Airport complex and is convenient for air, rail and road access. Ample car parking space is available in the adjoining hotel and airport car parks.

Please note there are places for those who do not wish to stay at the hotel and/or attend the Thursday night dinner. If this is your choice, please reserve a place by indicating this choice and returning the completed registration form, as soon as possible. The Friday only fee for members (no overnight accommodation or Thursday dinner) is £385 + VAT.

Friday Seminar Selections

There are three sessions on the Friday where delegates can choose one from a number of seminars in each series. **A summary of each seminar's content is featured on the back pages of this Programme. Please ensure you indicate on the Registration Form which seminars you wish to attend (by marking one seminar number in each series)**. This information is needed to allocate suitable rooms. Seminar attendance is on a first come, first served basis. The seminar programme may change due to demand for individual seminars.

Please note that most of the seminars for this conference are those that generally were best attended at the Gatwick 2013 conference, duly updated where appropriate, so if you did attend the Gatwick conference you need to be careful which seminars you select if you want a 'new experience'.

Cancellations

In order to offset fixed expenses, there will be a deduction from the registration fee if a place/places are cancelled for any reason after 15th July. There will be no refunds for cancellations received after 14th August 2013, but, of course, firms can transfer a paid place to another member if they so wish after this date.

CPD

Members should note that the conference can count for CPD. Certificates of attendance will be issued after the conference.

Your Conference Contact

If you have any queries, contact **Tracey Gleed** on **020 3102 6761** or at **tracey.gleed@aca.org.uk**

Main Conference Programme

Thursday 19th September

17.00 Hrs **Registration in Lobby of the Radisson Blu Hotel, Manchester Airport**
19.30 Hrs **Champagne reception followed by dinner (20.00 Hrs)**
Guest after-dinner speaker: to be advised

Friday 20th September

07.00 Hrs **Breakfast**

09.00 Hrs **Introduction and welcome by Andrew Vaughan,** Chairman

09.10 Hrs **Plenary Session:**
The DB Regulatory Scene
Presentation by **Stephen Soper, Executive Director for DB regulation at The Pensions Regulator**.
Plenary Chairman: Andrew Vaughan

10.00 Hrs **Seminars—Series A**
Select one seminar to attend from Series A and mark the seminar number on your registration form.
More details about each seminar can be found on the back pages of this programme.

1. **CMI and new tables/trends**
2. **Effectively using technology to advise smaller pension schemes**
3. **Discount rates — a year on**
4. **Current issues in company accounting**
5. **Defined Ambition – brave new world or back to the future?**

11.10 Hrs **Coffee and biscuits**

11.30 Hrs **Seminars—Series B**
Select one seminar to attend from Series B and mark the seminar number on your registration form.

6. **ETV/TPIE/PIE: Member choice projects after the Code of Good Practice**
7. **Managing the risk of reputational damage, negligence litigation and misconduct complaints**
8. **Investment strategy for pension funds, where next?**
9. **Pensions issues on M&A and group restructurings**
10. **Avoiding a scandal: ensuring better outcomes for a new generation of pension savers**

12.40 Hrs **Lunch**

13.50 Hrs **Seminars—Series C**
Select one seminar to attend from Series C and mark the seminar number on your registration form.

11. **Talent management for a new era**
12. **European pension and benefit trends**
13. **Update on UK pensions tax rules (with a DB focus)**
14. **Longevity de-risking**
15. **Buy-ins/buy-outs**

15.00 Hrs **Coffee and biscuits**

15.15 Hrs **Plenary Session:**
2016 and all that: preparing for change
We will examine the challenges presented by the *Pensions Bill,* including an early appraisal of how the end of DB contracting-out might unfold and benefit designs change as we approach 2016
Plenary Chairman: Andrew Vaughan

16.15 Hrs **Concluding remarks by Andrew Vaughan**

The organisers reserve the right to change the programme in the event of speakers becoming unavailable or in response to demand for certain sessions

Friday 20th September Seminar Summaries

Series A Seminars (10.00 Hrs—11.10 Hrs)

A1. CMI and new tables/trends

Speaker: Deborah Cooper (Mercer)

The session will provide background to the development of the proposed new S2 tables and an update on the work of the CMI Projections committee.

A2. Effectively using technology to advise smaller pension schemes

Speakers: Matthew Furniss (PensionsFirst) & Toby Baldwin (Legal & General Investment Management)

- The desire for pension plans to increase funding positions and reduce/eliminate funding volatility has never been stronger.
- Achieving this for smaller schemes often requires a shift in traditional approaches to management and advice. For example:
  - Consideration of different and often unknown investment strategies and asset classes
  - Requirement for more investment focused or de-risking advice
  - More frequent information and dynamic decision making
  - New governance regimes.
- The challenge for these pension plans and their advisors is then how best to achieve all of this in an efficient and cost effective framework.
- The answer is better reporting and analytical tools that empower advisors to guide their clients to a successful end game.
- Case study: How LGIM is embracing technology to the benefit of smaller schemes and their advisers.

A3. Discount rates — a year on

Speaker: Charles Cowling (Jardine Lloyd Thompson)

The Actuarial Profession has proposed a framework for the use of discount rates in actuarial work. Charles Cowling, who chaired the Profession's discount rate steering committee, will discuss what this means for pensions actuaries, particularly in the current economic environment and Government comments on discount rates and the role of the Pensions Regulator.

A4. Current issues in company accounting

Speaker: Sarah Abraham (Aon Hewitt)

This session will consider issues arising under the revised IAS19 regarding how they are affecting corporate reporting. We will also be looking at differences in interpretation and practice that are arising from the implementation of IAS19. In addition, the session will cover the future of financial reporting under UK GAAP.

A5. Defined Ambition – brave new world or back to the future?

Speaker: Kevin Wesbroom (Aon Hewitt)

The publication of the government paper on Defined Ambition scheme in the summer should bring greater clarity to just what this phrase means, and which of the multiple potential designs are likely to be given further consideration for incorporation into legislation. Kevin Wesbroom looks at the potential options and gives his views on which are likely to find favour with employers and the government alike.

Friday 20th September: Series B Seminars (11.30 Hrs—12.40 Hrs)

B6. ETV/TPIE/PIE: Member choice projects after the Code of Good Practice

Speaker: Jonathon Webb (Jardine Lloyd Thompson)

Jonathon Webb (JLT WM – who act as Member Advisers) will be providing comments and anecdotal references in respect of liability reduction projects – ETV, PIE and TPIEs since the DWP Code of Good Practice issued in June 2012. Jonathon has been involved in a number of significant projects delivering advice to members and will share the experiences learnt in the last year. The session will focus on some of the practical issues associated with delivery.

B7. Managing the risk of reputational damage, negligence litigation and misconduct complaints

Speaker: Tony Hewitt (Professionalism Awareness Committee – Actuarial Profession)

Real-life case studies will illustrate professional dilemmas to help you make decisions on professional issues such as conflicts, speaking up and reporting. The aim is to help you handle tough professional issues – to protect the reputation of the Actuarial Profession and your own professional reputation.

B8. Investment strategy for pension funds, where next?

Speaker: Richard Slater (Deloitte)

UK pension schemes despite moving from the balanced fund approach still have a herd mentality with the desire to increase diversification coupled with interest rate/inflation hedging. Are there areas that UK schemes are neglecting and why is there fear of doing something new?

B9. Pensions issues on M&A and group restructurings

Speaker: Glyn Ryland (Wragge & Co)

This is an old subject, but the sands are forever shifting! Glyn Ryland looks at recent points of interest including: legitimate s75 mitigation techniques; where are we on WULS; relevant transfer deductions; the possible trend for "acquisition by debt"; and conflict management protocols (for lawyers and actuaries).

B10. Avoiding a scandal: ensuring better outcomes for a new generation of pension savers

Speaker: Rachel Brougham (Mercer)

More and more people are becoming increasingly reliant on defined contribution arrangements for their retirement income and this trend will be significantly accelerated as auto-enrolment gets into full swing. What can be done to make sure people get the most out of their retirement savings, that employer risks are minimised and that the next pension scandal is avoided?

Friday 20th September: Series C Seminars (13.50 Hrs—15.00 Hrs)

C11. Talent management for a new era

Speaker: Stuart McAdam (New Futures Consulting)

- In the current economic environment, identifying the high potential individuals needed for the organisation to fulfil its strategic objectives and the processes and practices needed to attract, develop, engage and retain these people is a key challenge.
- There is a clear imperative in today's competitive market to ensure a return on talent management and development. Our own experience indicates that the use of Return on Investment (ROI) measures by themselves tell only part of the story.
- Performance management systems do not, of themselves, deliver superior performance: people do that.
- A key issue is providing the means for people to understand the importance of their "ROY" – Return on Yourself.

C12. European pension and benefit trends

Speaker: Paul Kelly (Towers Watson)

Paul Kelly will deal with recent European pension developments including:

- IORP II/Solvency II for pensions
- recent reforms including the Netherlands Pension Deal
- the reaction of governments, consequences and risks related to the European economic crisis.

C13. Update on UK pensions tax rules (with a DB focus)

Speaker: Karen Goldschmidt (Lane Clark & Peacock)

In Autumn 2012, the Government announced new reductions in the Annual and Lifetime Allowances, with new transitional protections – even while working on corrections where the law put in place with the 2011/12 reductions gives rise to unintended consequences. How to deal with the new Allowance levels? What pitfalls remain in the regime?

A focus for actuaries advising defined benefit pension schemes – including closed and closing ones.

C14. Longevity de-risking

Speakers: Richard Wellard (Hymans Robertson) & Eva-Maria Keller (Deutsche Boerse) & Andrew Reid (Deutsche Bank)

The past four years have witnessed the rise of bespoke longevity swaps from theory, to a mainstream mechanism for pension schemes to transfer risk. Several multi-billion pound transactions have been completed, yet over 95% of longevity risk still remains within pension schemes. This session will explore the speakers' visions of how longevity de-risking will evolve.

C15. Buy-ins/buy-outs

Speaker: Colin Parnell (Capita)

With particular focus on small schemes, we will consider the bulk annuity market. Topics covered will be recent deals seen, market innovations, current pricing, mortality risk and discussion of the most common question, "is this a good time to buy a bulk annuity?"