

## **MORTALITY ASSUMPTION METHODOLOGIES IN PENSIONS WORKING PARTY**

### **Terms of Reference**

#### **Purpose**

To identify and investigate any relevant issues relating to mortality assumption setting methodologies that are or could be used in defined benefit pension schemes.

To review the existing range of assumptions, including 'postcode' and Medically Underwritten Mortality Studies (MUMS) techniques.

#### **Key responsibilities:**

1. To identify any public interest risks that arise or may arise from the current use of different mortality assumption setting methodologies.
2. To consider and provide recommendations to the Regulation Board as to what appropriate steps, if any, might be taken by the Regulation Board to (1) support members; (2) mitigate such risks and (3) promote the public interest in this area.
3. To consider, in particular:
  - a. The benefits and limitations of different approaches.
  - b. The extent to which the use of MUMS techniques in insurance are transferrable to a pensions context.
  - c. Whether or not there are any specific risks associated with the use of different approaches in combination.
4. To make recommendations to Regulation Board on the appropriateness of producing guidance, educational material etc for the purposes of raising awareness of the issues considered by the working party.
5. To take account of appropriately diverse perspectives and experience on these issues, including from practitioners experienced in the use of different approaches, relevant industry and academic knowledge and expertise, and other regulators.

#### **Membership**

Chair: TBC

Executive Support: TBC

Members: Up to approximately six members, including at least one representative from Regulation Board and one additional lay (non-actuary) member.