

Board for Actuarial Standards

Highlights from plenary 3: Our Changing World and a Pensions TAS update

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Financial Reporting Council

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Today's agenda

- Our changing world
 - BAS - the story to date
 - actuarial work in the new regime
 - BAS - the future
- Pensions TAS update
 - consultation responses
 - next steps



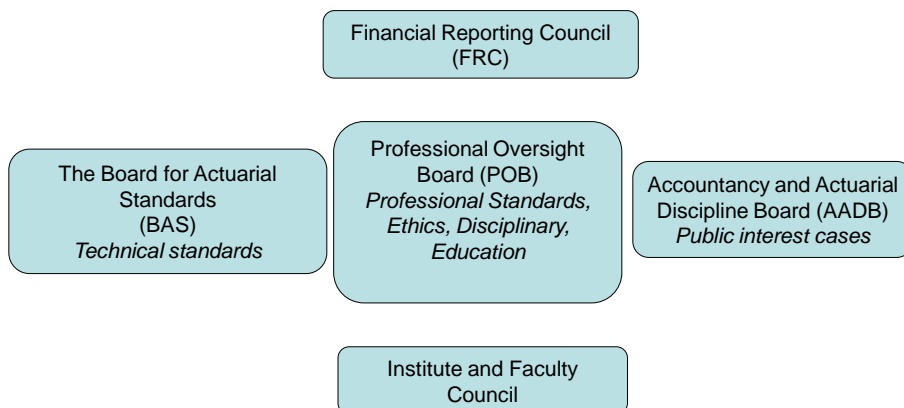
BAS - story to date

2005	March	Morris Review
2006	April	BAS established
	May	BAS adopts technical GNs
2008	July	Conceptual Framework Scope & Authority
2009	September	First Generic TAS (TAS R)
2010	April	Generic TASs completed
	Q3/4	First Specific TASs
2011	Q1	Initial set of TASs completed

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Regulation of the UK Profession



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BAS timeline

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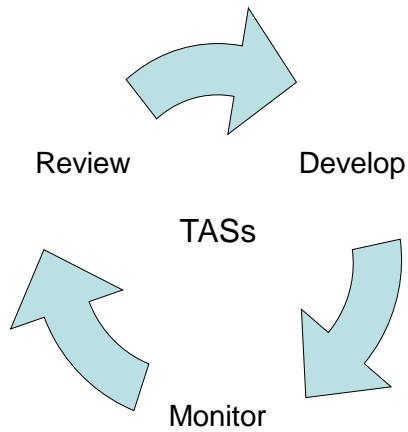
Working with new regulation – the TASs

- Experience to date
- Compliance with TASs
 - think user
 - communicate clearly
 - explain risk and uncertainty
 - be proportionate
 - use common sense

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BAS - the future



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Pensions TAS Update



Who responded?

- 19 firms of actuaries/insurance companies
- 6 professional organisations
- PPF, DWP
- 1 pensioner organisation
- 1 pensioner
- 1 individual actuary

Pensions ED

Part C	Scope
Part D	General principles
Part E	Schemes subject to Scheme Funding
Part F	Other funded schemes

Proposed scope

Reserved Work

Funding work for contribution decisions

Funding work for investment decisions

Scheme changes – trustee work

Bulk transfers/wind-ups - trustee work

Factor-related work

DC Projections

Sponsor scheme funding

Company accounts

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Part D – General principles

Assumptions	General considerations Changes Discount rates Mortality
Information	Matters affecting benefits
Member calculations	Instructions for administrators Information for trustees
Financial statements	Materiality

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E.4.2 –neutral estimates

Aggregate reports which include a prudent estimate of the value of the liabilities of a pension scheme shall include:

- a) an approximate **neutral** estimate of the value of the liabilities;
- b) an explanation of the relationship between the prudent and **neutral** estimates; and
- c) an explanation of a change to the relationship between the prudent and **neutral** estimates from the previous exercise, if any.

Scheme Funding report

Data and information used

Methodology and assumptions

Analysis of surplus

Projection of next SF exercise

Projected cash flows

Risk and uncertainty

Impact on benefits if wound up

Results and decisions

Understandable to **informed reader**

Other ED questions

- Commencement date
- GN transition
- Impact assessment

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Questions

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