

The Actuarial Profession

making financial sense of the future

reporting to Opra

Rachel Low
Senior Policy Executive

reporting to Opra

▪ why now

▪ new regulator will build on foundations;

▪ reporting provisions will be similar; but

▪ trustees will have a legal duty to report

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▪ reasonable cause to believe

▪ any enactment or rule of law

▪ duty relevant to administration

▪ materially significant to Opra

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guidance

- ON1 – scheme actuaries and auditors
- ON6 – trustees, administrators and other advisers
 - benchmarks to judge against
- Codes of Practice and supporting guidance
 - consultation
- additional guidance: eg trust law breaches

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Opra's focus

- breaches delaying, preventing access to or reducing benefits
- potential dishonesty or misuse of assets or contributions
- poor standards of stewardship
- concentrating on breaches posing risks

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current issues

- schemes winding up
- ongoing schemes
- pre-requisites – skills, knowledge, time
- Opra's concerns
 - conflicts of interest
 - advice
 - members' interests
- report to Opra
 - if in doubt
 - compromise proposed for ongoing scheme

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reporting to the regulator

- changing concerns in a changing environment
 - time to review
 - breaches to report
 - identifying breaches
 - reporting procedures
- before 2005

reporting to Opra
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Senior Policy Executive

OPRA
Study Case A

David Unsworth

Case Study A

Outline

SSF Rate 12% plus 25% for 15 Years
MFR Rate 11% plus 56% for 3 Years and 24% for 7 Years
Annually in arrears schedule certified
Employer actually pays 37% monthly
You become aware of employer payments

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Case Study A

Question 1

- Have you come across this situation yourself?

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Case Study A

Question 2

- Would you report anything to Opra at this point?

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Case Study A

Eleven months have now passed and you are asked to prepare figures for a revised schedule, again showing annually in arrears employer contributions but omitting that soon to be due.

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Case Study A

Question 3

- Do you report to Opra at this stage (assuming you have not done so already)?

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OPRA Study Case B

Wallace Law

Case Study B

Outline

Frozen Scheme 105% MFR Funded.
£22 M buy-out deficit.
£ 5 M compromise offered by Employer.
Trustees inclined to accept.

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Case Study B

Question 1

- Have any of your clients negotiated a compromise deal between trustees and employer?

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Case Study B

Question 2

- Would you report to Opra at this point?

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Case Study B

In fact.....

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Case Study B

Question 3

- Is there any need to report to Opra now?

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