

Pensions Convention 2006

St Andrews Bay, Scotland
4 - 6 June 2005

Harvie Brown - Faculty President
Michael Pomery - Institute President

Two "Big" Topics



Background

Morris Review

- Published March 2005
- Recommended Financial Reporting Council
- Establish New Regime

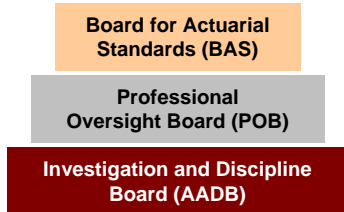
Set Actuarial Technical Standards

Oversee the Regulation of the Actuarial Profession

Accepted by Government

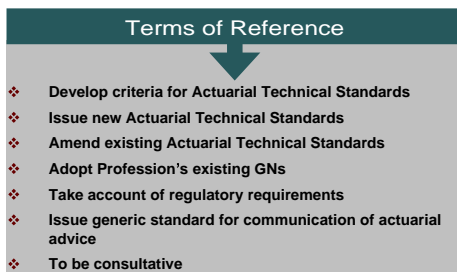
Accepted by the Actuarial Profession

Financial Reporting Council (FRC)



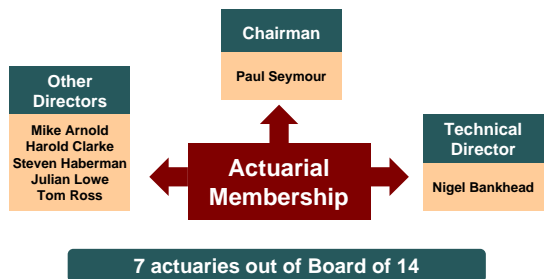
The Actuarial Profession
Taking the Act into the Main

Board for Actuarial Standards (BAS)



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Board for Actuarial Standards (BAS)

Arrangements with BAS

- Profession voluntarily transferred responsibility
- Profession not surrendered legal power to set standards
- Profession requires its members to comply with BAS standards
- Enforcement power with Profession
- Legislation unlikely to be brought forward in the near future

Board for Actuarial Standards (BAS)

Independence

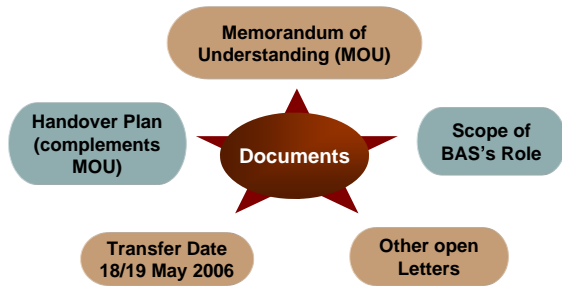
- Profession publicly stated we value the independence of BAS
- Not something Profession's own plans could have achieved
- BAS will protect fiercely
- Promote confidence in users of actuarial advice
- Undertake wide and formal consultation on technical standards

Board for Actuarial Standards (BAS)

Not for BAS

- ❖ Ethical standards remain with Profession
- ❖ PCS
- ❖ New form of "MAP"
- ❖ Educational matters (including CPD)
- ❖ Disciplinary procedures (but see AADB)

Board for Actuarial Standards (BAS)



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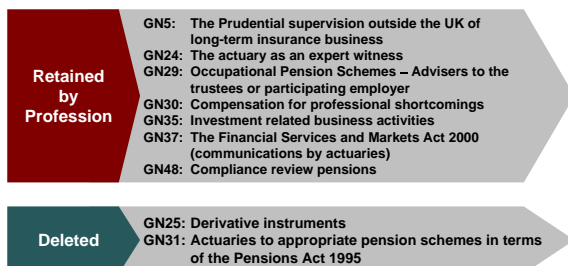
Board for Actuarial Standards (BAS)

Definition of Technical Actuarial Standard

- No agreed definition
- Morris - Profession's existing GNs
- Undesirable to depart from Morris at handover stage
- Need clarity
- Agreed BAS adopt all complete GNs
- Some exceptions
- Develop definition of technical standard
 - Open and consultative way
 - Both BAS and Profession

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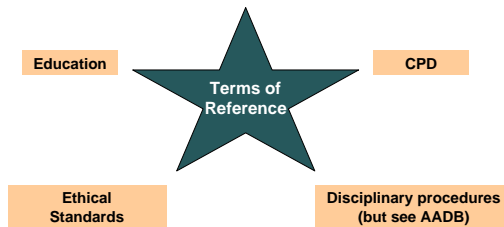
Board for Actuarial Standards (BAS)

DWP Legislation Change

- GN11: Retirement Benefit Schemes (RBS) - transfer values
- GN19: RBS - winding up and scheme asset deficiency
- GN27: RBS - Minimum funding requirement
- GN28: RBS - Adequacy of benefits for contracting-out
- GN49: Occupational Pension schemes - Scheme funding matters on which advice of actuary must be obtained
- GN51: RBS - Modification of subsisting rights without consent
- TM1: Statutory money purchase illustrations

Professional Oversight Board (POB)

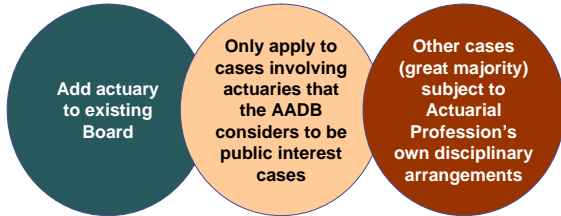
Oversee the regulatory and other activities of the Actuarial Profession



Professional Oversight Board (POB)

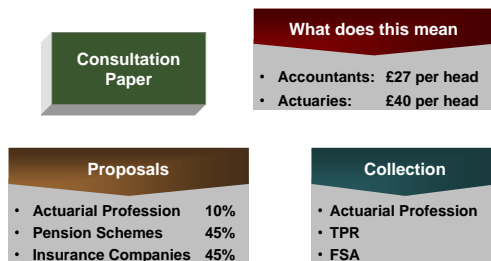


AADB



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Funding



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