



The Occupational and Personal Pension Schemes (General Levy) Regulations review 2020

The Institute and Faculty of Actuaries (IFoA) is a royal chartered, not-for-profit, professional body. We represent and regulate over 32,000 actuaries worldwide, and oversee their education at all stages of qualification and development throughout their careers.

The Institute and Faculty of Actuaries (IFoA) welcomes the opportunity to respond to the Government's consultation on the General Levy Regulations Review. As the IFoA's members advise a wide variety of individual schemes, many of the questions in the consultation are not applicable, so we have simply set out our points below.

Key Points

- The proposals involve significant increases for occupational schemes, some of which will ultimately be borne by members, whether directly or indirectly through their impact on an employer's ability to contribute.
- The IFoA agrees there is logic for applying a higher levy for DB schemes than DC schemes, and also for applying separate levies for personal pensions and Master Trusts. Therefore, on balance, we favour the principles of option 1. We also believe the Government should consider whether separate levies would be appropriate for CDC schemes and superfund 'consolidator' schemes.
- The Government discounts the option of reducing or limiting the funding for the funded bodies, but we note that there is no information on the extent or detail of the 'rigorous monitoring and challenge' to their performance. Given the Government also appears to accept that levies will continue to increase for the rest of the decade, we think it important for the Government to closely monitor performance and for it to have close regard to an appropriate balance between the amount and cost of regulation and the increased protection it affords for members.
- In conclusion, the IFoA feels it would be more appropriate to apply a modest temporary levy increase at this time. This would allow the Government to closely monitor increasing regulatory budgets and 'value for money' in the meantime, before consulting more widely on a fair and sustainable way forward.

Should you wish to discuss any of the points raised in this submission in more detail please contact Caolan Ward, Policy Manager, (caolan.ward@actuaries.org.uk) in the first instance.

Yours Sincerely,

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