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Submission guidance

1. Published scope

Advice given to sponsors (as opposed to trustees) in reaching an agreement on actuarial valuations and other strategic advice.

Actuarial advice to sponsors is critical to the financing of UK DB pension schemes, which affects the long-term security of member benefits. Advice to sponsors may also affect the benefits payable to members.

The range of advice in this area is potentially wider than the advice given to trustees and may involve other professionals. The review will look at current practices adopted by actuaries in scheme funding, and strategy (including settlement options). It will also cover the treatment of potential conflicts of interest.

Given the breadth of corporate advice, this review is focussing on advice to pension scheme sponsors on funding and/or strategy which led to material changes being considered/agreed/adopted.

2. Public interest

Although the actuary is advising the sponsor, their advice implies a direct or indirect public interest impact:

- actuarial valuations drive sponsor contributions, which assist with increasing member security; and
- there is a greater chance of loss to members if a scheme enters the Pension Protection Fund.

3. Types of advice you should submit

The review is focussed on advice to UK DB pension scheme sponsors. Given the breadth of such advice, and to ensure the review allows for reasonable comparison across a range of examples, it is necessary to concentrate on specific types of advice. As indicated in the table below, the review will be looking at advice on funding and/or strategy which led to material changes being considered/agreed/adopted.

Valuation advice	Strategy advice
<ul style="list-style-type: none"> • Assumptions where material changes agreed following corporate advice • Recovery plans, where new non-cash options or contingencies agreed • Cases involving The Pensions Regulator 	<ul style="list-style-type: none"> • Investment strategy, including de-risking, journey plans and/or climate risk considerations • Corporate re-structuring affecting pension rights • Implications of M&A transactions on rights • Settlement options, including super funds and DB master trusts

4. Advice format

We appreciate that corporate pensions advice will be provided in a range of formats including emails, papers and presentations. The advice may also have been provided over a period of time, and as part of our review we will aim to understand the context around the examples provided. It may be appropriate to share more than one item of advice delivered around the same time if they rely on one another, for example a report and a follow-up email, or a presentation and technical appendix.

Non-exhaustive list of potential examples

- Paper to sponsor critiquing initial results of actuarial valuation and setting out potential proposals to put forward to trustees, e.g., contingent contributions, or an asset-backed contribution
- Email discussing one specific assumption in valuation, setting out case for a material change
- Letter drafted by actuary for sponsor to send to trustees with new recovery plan options
- Presentation setting out different approaches to long-term funding target, including proposals to buy-in a proportion of scheme liabilities or consider a super fund
- Advice on options for financing the pension scheme sponsored by a target company in M&A situation
- Paper setting out implications of merging two or more schemes within same corporate group

5. Advice context

Please provide high level background to the advice being submitted by answering question “2.6 Advice context” on the [submission form](#). This will provide the review team with details of the client situation and will assist with the review. The specific items requested are:

- Reason advice was given (e.g., response to trustees)
- Addressee and their role (e.g., pensions manager, finance team, working group)
- Outcome of the advice (e.g., sponsor decision on aspect of the valuation).

For cases where the example is part of a more substantial project, please answer this question for the specific advice being submitted. Please provide further information on the overall project by answering question “2.8 Other relevant information” on the [submission form](#).

6. Review of work

When reviewing an example of actuarial work, we will be considering:

- presentation and context of advice, and the role of the actuary
- the [Actuaries' Code](#) and [TASs 100/300](#) (including clear communication, rationale, and risks and uncertainties)
- how [Actuarial Profession Standard \(APS\) X2](#) is followed
- how conflicts of interest are addressed, including client or actuary conflicts, and specific corporate/scheme actuary conflicts ([APS P1](#))

7. Follow-up discussions

We will hold discussions with a subset of participating actuaries. These voluntary discussions, will cover:

- the background to the advice,
- the context in which it was given,
- how the advice was reviewed, and
- how potential conflicts were treated.

Although these points are included in the [submission form](#), a direct conversation will provide an opportunity for us to understand more about the advice. We will also raise any points of clarification and provide interim feedback.

8. Review outputs

Once the review has been completed we will provide both individual private feedback and publish the formal report, including generalised feedback.

We will write to each participating organisation with specific feedback on each of the examples of advice submitted, whether or not a follow-up discussion (see 6 above) has been held.

We will also publish a formal report on the IFoA website. This will include findings relating to the examples reviewed. The report will not, of course, identify any specific examples but will make general observations about areas where the quality of work could be improved. It will also highlight areas of good practice, including anonymised quotations from submitted examples. Finally, the report will include a list of organisations that took part in the review, where they have agreed to be named. The report is likely to be published in early 2023 with the private feedback being provided around a month before publication.

9. Questions

The Review Team wishes to thank all organisations for considering taking part in this review and would be happy to address any questions and concerns about the review. These should be raised by contacting the Review Team at reviews@actuaries.org.uk.

How to take part

Step 1: Read this submission guidance

Step 2: Select examples

We are aiming to review actuarial advice provided to the sponsors of UK DB pension schemes. We are asking organisations to provide recent examples of advice in the following areas:

Valuation advice	Strategy advice
<ul style="list-style-type: none"> Assumptions where material changes agreed following corporate advice, Recovery plans, where new non-cash options or contingencies agreed Cases involving Pensions Regulator 	<ul style="list-style-type: none"> Investment strategy, including de-risking, journey plans and/or climate risk considerations Corporate re-structuring affecting pension rights Implications of M&A transactions on rights Settlement options, including super funds and DB master trusts

If you are unsure whether to submit a certain document, please contact us (reviews@actuaries.org.uk).

We are asking organisations to provide from 1 to 6 examples of advice, according to the number of actuaries leading on providing the above types of advice in your organisation:

Corporate actuaries	Examples	
< 5	1	Organisations should exercise their own judgement to select examples, but please consider the need to be representative, (<i>i.e.</i> , those submitting more than one example should try to ensure variety). This may include:
5 - 19	2	<ul style="list-style-type: none"> different types of advice according to the categories above, and broadly based on the amount of such work carried out by the organisation;
20 - 49	4	<ul style="list-style-type: none"> advice from different signing actuaries; and
> 50	6	<ul style="list-style-type: none"> advice relating to schemes of different sizes.

Step 3: Redact and rename examples

To maintain client confidentiality, organisations should redact advice to remove information which could lead to the identification of the client, (*i.e.*, the sponsor and scheme names, as well as any other client-specific information) or the identification of any individual other than the signing actuary (or co-signing actuary).

Each document being submitted – both the advice itself and the submission form – should be named clearly to distinguish the various examples an organisation is submitting. Please include “Example A”, “Example B” *etc.*, in the filenames to achieve this.

Step 4: Complete submission form(s)

Please complete one copy of the submission form for each example being submitted.

Step 5: Set-up secure data transfer

Before you submit, we will set up a secure data transfer folder for your organisation on Egress. This will allow you to upload files to a secure location which is only accessible by your selected employees and the Review Team within the IFoA. Egress is secure and easy to use. If you want to take part, you can request an Egress folder from the Review Team (reviews@actuaries.org.uk).

Step 6: Sign Confidentiality Undertaking

The IFoA will put in place a Confidentiality Undertaking for each organisation taking part in a Thematic Review. For organisations which have taken part in a previous thematic review, for example the pensions actuarial factors review in 2020, the undertaking signed at that time will continue to apply.

If you are taking part in your first thematic review and you have not already received a pre-signed Confidentiality Undertaking, please get in touch (reviews@actuaries.org.uk).

Step 7: Upload documents

Once the above steps have been completed, the organisation will be ready to upload the following to Egress:

- redacted example(s), clearly named
- a completed submission form for each example, also clearly named
- a countersigned Confidentiality Undertaking, if this is your organisation’s first review

The IFoA Review Team will automatically be notified of the upload, so there is no need to contact us separately.

Questions and answers

1 Can we submit reports without redactions?

The IFoA has taken special measures to store securely all materials received for the Thematic Review Programme. Materials are only accessible by members of the Review Team. Organisations can choose at their own risk to submit reports without redactions. However, we would prefer that all personally identifiable information (apart from the names of signing actuaries) is redacted before submission.

We also understand that some actuaries will seek authority from their client to submit information to us.

2 Can we submit reports without disclosing the signing actuary's name?

Yes, if you wish to do this, please simply redact the actuary's name from the advice being submitted and leave blank sections 2.1 (and 2.2, if relevant) of the [submission form](#). Please, however, complete the remainder of the submission form.

We will not attempt to hold a discussion with the signing actuary, although we will still provide feedback to the organisation in relation to the advice, in line with all other submissions.

3 My latest in-scope advice was completed some time ago. Should this still be submitted?

We are looking for recent in-scope advice prepared in the last 12/18 months. If the only relevant advice is slightly older then we would be happy to accept it if no other examples are available.

4 We prepared a presentation for the scheme sponsor in advance of a more formal report to summarise the results. What should we submit to the review?

It would be helpful if both documents could be submitted to help us understand the advice as a whole. These would be treated as a single example. Both documents should have "Example A", say, included in the filenames to ensure we can identify them, along with the relevant [submission form](#), once uploaded to Egress.

5 The actuarial advice refers to separate documents in relation to one or more key assumptions. Should this be submitted too?

Yes, these may be submitted as they are relevant to the overall advice to the sponsor.

6 The project spanned several months with multiple pieces of advice. What should we submit?

Please submit one or two key pieces of material advice. Please complete "2.8 Other relevant information" on the [submission form](#) to explain how the submitted advice fitted into the overall project.

7 The actuarial advice formed part of a report which included substantial content prepared by non-actuaries (e.g., covenant advice). What should we submit to the review?

We would be happy if you submit only an extract of the report, or redact content prepared by non-actuaries. Please indicate the nature of redacted advice in "2.8 Other relevant information" on the [submission form](#).

8 Should I submit any follow-up advice?

If there was follow-up communication to clarify points made in the main actuarial advice, or, for example, to comment on the treatment of a surplus or deficit, this should also be submitted.

9 The advice we wish to submit was provided in response to advice from the scheme actuary to the trustees. Should we share the trustee advice?

No. We are just looking at advice to the sponsor. Sharing trustee advice is likely to raise confidentiality issues.

If you believe there is some important background in the trustee advice, please set this out in answering the free-form questions in the [submission form](#). You will also be given the opportunity to describe the context of the advice in more detail if we have a follow-up discussion.

10 I am unable to access Egress from my organisation. How do I take submit examples?

If your organisation is unwilling or unable to use Egress, we would be happy to receive submissions by email (reviews@actuaries.org.uk). You may wish to password-protect emailed files for additional security.