

The Society of Pension Professionals Newsletter

October 2024

Message from Fred

Welcome to October's SPP News.

We are adding a section to the newsletter updating on our latest early career professionals' activity. SPP has a range of engagement opportunities for those earlier in their careers – we roughly envisage that as 6 years or fewer in pensions, but without gatekeeping. This includes a regular hybrid events programme, allowing attendees to hear, at a high level, about a range of technical topics and for those who can attend in-person, to meet others afterwards and expand their connections with a diverse range of industry professionals. We have a more formal networking programme, where we connect small groups of individuals with geographical proximity but professional diversity. We produce a range of recorded resources, to help develop understanding of key technical matters, of the main institutions on the industry landscape and of the varying careers one can have in pensions.

More information can be found [here](#). Do please encourage your early career colleagues to sign up!

Have a good month ahead and thanks, as always, for your continued support.



SPP Event Recordings

[View All Event Recordings](#)



SPP/APL Event: Key Considerations for DB Run-on

[View Recording](#)



The Future of ESG in Pensions

[View Recording](#)



Event for Early Career Professionals: Enhancing Inclusivity and Engagement in Pensions

[View Recording](#)



Pension Priorities for the New Government

[View Recording](#)

Upcoming SPP Events

View All Events

SPP/O:Pen Event: Inclusion in Pensions with TPR Chair, Sarah Smart, in Conversation with Daniel Gerring, followed by an expert panel

Hogan Lovells LLP, London, EC1A 2FG and Online
11 November 2024

[Register](#)



Join us for an evening with Sarah Smart, Chair of The Pensions Regulator, to discuss inclusion and diversity within the pensions industry.

The session will begin with a 'fireside chat' between Sarah and Daniel Gerring (Partner, Travers Smith). They will then be joined by Atul del Tasso-Dhupelia (Partner, PwC) and Shayala McRae (Principal, LCP) to share their own perspectives on EDI in the industry. Attendees will also have the opportunity to ask questions of Sarah and the rest of the panel.

SPP Event: Industry Solutions for the Capacity Challenges within Pensions Administration

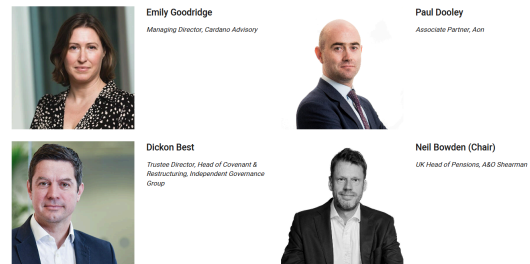
Online Event
26 November 2024

SPP Event: Practical Implications of the Funding Code

Online Event
14 November 2024

[Register](#)

Speakers



Join us for an informative session on the practical implications of the funding code, now that it is in force. We will explore how the code impacts funding valuations, regulatory compliance, and long-term strategy. Our panel brings wide perspectives on this topic, including actuarial, covenant and trustee.

SPP Event LDI's Role in Pensions

Online
04 December 2024

Register

Speakers



Lorraine Harper
Senior Client Director, Artis



Jo Fellowes
Director, M&A Advisory



Stuart Heatley
Managing Director, Capita Pension Solutions



Jane Beverley (Chair)
Head of Trusteeship, Law Debenture Pension Trustees

Register

Speakers



Callum Duffy
Senior Solution Designer, Client Solutions Group, Insight Investment



Simon Bentley
Managing Director, Head of Solutions CPM, Columbia Threadneedle Investments



Hemal Popat
Partner, Investments, Mercer



Rosalind Scott-Douglas (Chair)
Investment Director, Broadstone Corporate Benefits

In this session, we will:

- Hear how administration capacity challenges will impact all pension professionals
- Consider how trustees and consultants can help drive solutions
- Explore future operating models for more sustainable administration

Join our expert panel to explore where Liability-Driven Investment (LDI) is now and where it is going as a pension investment tool. In the context of the current DB funding and policy environment, and now, a few years after the gilts crisis, we will examine LDI as a tool in DB run-on and from a buy-out perspective. Our diverse panel brings together asset managers, a senior investment consultant and an actuary, to consider the future of LDI.



Early Career Professionals Update

The past couple of months have been a busy one for Early Career Professionals, with the launch of the latest phase of the networking initiative, as well as addition of more recorded resources and ongoing events programme.

In September, over 100 Early Career Professionals with a range of roles and experience levels were introduced to their first networking groups as part of the latest iteration of our networking initiative. As well as introducing themselves to their networking group, we also held an in-person networking meetup to allow all participants in the initiative the opportunity to introduce themselves to everyone else over some complementary drinks.

We have also been steadily adding to our library of short recordings, with an introduction to HM Treasury now part of our '[Meet the Institutions](#)' series, and an introduction to different pension types now forming part of our '[Beginner's Guide](#)' series. Further additions to our Beginner's Guide' series are planned, including Beginner's Guides to Pensions Tax Relief, DB valuations and DC default funds.

Our Early Career events programme has continued apace, with last week seeing us hold a session focusing on '[Enhancing Engagement and Inclusivity in Pensions](#)' and announcing the return of 'The Debates' in December, featuring two informative and lively debates on hot topics in the pensions industry – productive finance and DB strategy. Registrations for this hybrid event are now open [on our website](#).



Committee News

[View All Committee Minutes](#)

1 / Richard Stone, Chief Executive of the Association of Investment Companies, gave an engaging talk to the **DC**

2 / David Otudeko (Assistant Director, Head of Prudential Regulation, ABI) spoke at the last **Investment Committee** meeting

Committee on DC asset allocation. Our Value for Money consultation was also discussed, as was our recent Pensions Tax Relief paper.

on the ABI's perspective on investing within the UK solvency regime. This was followed by a wider discussion on the Government's ongoing pensions investment review. The DWP's recently launched consultation on CDC was briefly referenced, noting it was being led by the CDC Group but that IC would like to contribute.

3 / The **Legislation Committee** discussed our Value for Money consultation response, as well as the ongoing implications of the Virgin Media court case and the TPR's Statement of Strategy.

4 / David Taylor of the Pension Protection Fund joined the last **DB Committee** meeting for a lively discussion on their levy consultation, to which [we have now responded](#). Other topics of conversation included Budget speculation on pensions tax relief and similar, the IFoA DEI guidance consultation and the TPR's Statement of Strategy.

5 / The **Covenant Committee** discussed the TPR interim update on Statement of Strategy and speculation around forthcoming Covenant Guidance. The next Covenant paper on the opportunities, risks and pitfalls of the new funding regime was discussed, with a draft expected in time for the next Covenant Committee meeting.



Consultation Responses & Papers

[View All Responses](#)

The [SPP responded to the Pension Protection Fund \(PPF\) 2025/6 Levy Consultation](#), setting out how the PPF continues to levy £100m annually from the pensions industry which it readily admits it does not expect to ever need given it has a multi-billion pound surplus. Existing legislation prevents any future increases beyond 25% but the levy could be immediately reduced to zero whilst legislative change is sought (either now or in the future).

We also [responded to the FCA Value for Money Framework consultation](#) explaining that we support many of the proposals being put forward within this consultation and the overarching objective of improving Value for Money but are concerned about the volume of data that the proposed framework will require providers to collect and communicate, which in some cases appears disproportionate. There are many improvements that could be made to these proposals, as we have sought to constructively explain in this response.

The SPP published its latest thought leadership paper, [Pensions Tax Relief: separating fact from fiction](#) in early October. The report acknowledges the rationale for reducing pensions tax relief to make savings for the Treasury; highlights that the true cost of pensions tax relief is considerably smaller than headline figures; details some of the consequences of shifting to a single rate of pensions tax relief; and examines various alternatives.



Parliamentary Engagement

We have engaged with trustees of the Parliamentary Pension Scheme, Sarah Champion MP (Labour), Lord Thurso (Liberal Democrat) and Lord Naseby (Conservative) in relation to our [Productive Finance paper](#) and the policy objective of securing greater investment in UK productive assets.

In addition, we received positive comments in relation to [our Pensions Tax Relief paper](#) from Mims Davies MP (Conservative), Baroness Ros Altmann (Conservative) and the Secretary of State for Business, Jonathan Reynolds MP (Labour).

A briefing note on our position on the PPF Levy was sent to all 650 MPs as was a copy of our response to the recent FCA consultation on their proposed Value for Money framework.

We also wrote to the Pensions Minister setting out members three main immediate concerns – Virgin Media, Transfer Regs and the PPF levy – together with an offer to help and proposed solutions.

Congratulations were sent to all the newly elected members of both the Work & Pensions Select Committee and the Treasury Select Committee, and again, a short note setting out members three main immediate concerns was included.



SPP in the News

SPP Tax Group Chair, Steve Hitchiner, [wrote about pensions tax relief in Professional Pensions](#) a few days before SPP's Pensions Tax Relief paper was published and made the front page story of the City AM newspaper as well as [City AM online](#), [Bloomberg](#), [MSN](#), [Pensions Expert](#), [Yahoo Finance](#), and [Why Media](#). This was followed a few weeks later with further coverage in [Professional Pensions](#), [Corporate Adviser](#) and [Benefits Expert](#).

The October hard copy edition of Pensions Age contained the usual "View from the SPP" article, our response to the Government Pensions Review, Comments from DB Chair, Chris Ramsey on the PPF levy and some news in brief on tax relief.

Jos Vermeulen's article, [Empowering the £1.5trn in private sector DB pensions](#), featured in Pensions Expert and also attracted considerable attention [on SPP's LinkedIn page](#), as did Paul McGlone's [pensions dashboard article in Professional Pensions](#) referencing Taylor Swift and Oasis!

Our response to the FCA Value for Money consultation featured in [Corporate Adviser](#), [Actuarial Post](#), [Professional Pensions](#), [Pensions Age](#) and [Investment & Pensions Europe](#).

Media coverage of the polling we undertook at our event on DB run-on was secured in [Pensions & Investment Europe](#), [Professional Pensions](#) and [Corporate Adviser](#).

Following more than half a dozen pieces of September coverage on the SPP's desire to see the annual PPF levy reduced, further coverage was secured in October. This included [Law360](#), [Professional Pensions](#) (twice) and [Pensions Age](#).

Our October event on the future of Environmental, Social and Governance (ESG) issues in the UK pensions market attracted attention as far afield as Canada, with their [Benefits & Pensions Monitor](#) publication covering the story.

Finally, Steve Hitchiner's comments on the Budget announcement that unused pension pots will be subject to inheritance tax from April 2027 were immediately covered by [The Scotsman](#), [IFA Magazine](#), [Professional Pensions](#), [Pensions Age](#), [Pensions Expert](#), [Actuarial Post](#), [Law360](#), [mallowstreet](#), [GB News](#) and [MSN](#).



Our People

Matthew Giles

Council Member

What firm do you work for and in what role?

I am Head of Pensions at global law firm Squire Patton Boggs.

If you could make one change to current pensions policy, what would it be?

I would expand auto-enrolment pension saving to cover all work at any age, with contributions auto-escalating as you get older.

What 3 things can you not live without?

Treating family and friends as a given, my other life essentials are:

- (1) Pen and paper - I live my life by old-school "to do" lists!
- (2) Spectator sport - this is my great escape from the stresses and strains of everyday life
- (3) Peace and quiet – this is a challenge given my three children, but noise reduction headphones are a great help!

What are you passionate about outside of work?

Fulfilling potential (professionally and personally). We all have a different mix of talents and character traits. If we can build self-awareness and actively explore our skills and interests, we have a much better chance of finding a fulfilling path through life that brings us happiness and contentment.



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