THE SOCIETY OF PENSION PROFESSIONALS
making pensions work

By email only: caxtonhouse.dbcfe@dwp.gov.uk

4 September 2023

Dear Department for Work and Pensions

SPP response to a call for evidence on Options for Defined Benefit schemes

We welcome the opportunity to respond to this consultation.

<u>Opening comments</u>

This call for evidence considers a significant set of policy proposals. We welcome big conversations regarding the concepts raised. Given this, we ask that the DWP consults widely and takes time to consider any proposals in detail, taking care to balance the needs and outcomes of all stakeholders, particularly pension scheme members.

In our view, the security of member benefits is critical. It is important to recognise that some of the proposals have the potential to reduce member security to some extent, and the benefit of any proposal needs to be viewed in this context.

We would challenge the view that greater investment in 'productive assets' by UK DB Schemes is appropriate. In a survey* of our member firms, 19% of respondents agreed with the premise that UK DB Schemes should, in general, be investing more in UK 'productive assets'. The remaining 71% responded to say that this premise is incorrect, or that this is appropriate only in specific circumstances.

The UK DB market is maturing, and most schemes are now well-funded. Alongside a desire for member security, there is little need (or incentive) for incurring additional risk.

There may be some schemes – for example, large open schemes – for whom higher allocations to productive finance could be appropriate, and the regulatory regime should support such schemes. However, these schemes are in the minority, and ultimately, it should be left to trustees and sponsors to determine the appropriate strategy. This is likely to include a wider range of growth assets, including productive assets outside the UK.

The Society of Pension Professionals
124 City Road, London, EC1V 2NX T: 020 7353 1688
E: info@the-spp.co.uk www.the-spp.co.uk

We would strongly support reforms that provide greater flexibility in utilising DB surplus. 72% of respondents to our survey* said that regulations should make it easier for sponsors to extract value from DB surplus assets, even where such a right does not currently exist.

However, this would need to be balanced with appropriate safeguards, including sufficient funding tests to ensure member security, as well as checks and balances to protect against conflicts of interest.

We are not convinced of the merits of a public consolidator at this stage. 19% of respondents to our survey* supported the creation of a public consolidator, with 48% being against this, and a further 33% undecided.

Depending on how a public consolidator were structured, it could adversely affect the existing bulk annuity market and disrupt the creation of a viable market for commercial consolidators. Significant care would therefore be needed to design a public consolidator that does not compete with these markets. We also suggest that the commercial consolidator market should first be allowed to evolve naturally, so that any gaps and problems can be identified and resolved, with a public consolidator to follow only if there is strong justification for this.

*Survey of SPP membership firms carried out in August 2023, results based on 21 respondents

Response to individual questions

1. **Do you agree with the assessment of the position? Is there evidence to the contrary?**

It is difficult to compare the level of investment in productive assets by DB schemes in the UK with other countries due to the different legislative and supervisory regimes that apply. We also understand that DB schemes in countries that have well developed DB markets (e.g. the US, Canada and Australia) are typically much larger than UK schemes, enabling them to access productive finance more easily. We therefore don't believe that a fair or useful comparison can be made.

We also note there are good reasons as to why UK DB schemes invest as they currently do – fiduciary duty means benefit security is paramount, and higher returning assets are associated with higher risks of deficits emerging and the potential for benefit security to be compromised. On the other hand, there is little benefit from the higher returns achieved in many cases in the current regulatory regime.

When comparing the level of investment in productive assets, it is important to note the current environment - most UK DB schemes today are in a very strong position to ensure their members' benefits are paid in full. For the majority, we believe there is no need (and currently no incentive) for trustees to allocate to productive finance as it would incur unnecessary additional risk

Given this current position and the existing safeguards mentioned in this paper regarding DB schemes, it could be argued that UK insurers (whose asset base is set to rise substantially) and immature and growing DC schemes are perhaps more appropriate homes for increased allocations to productive finance. And, therefore, the role of DB schemes might be best suited to permitting transfers of surplus indirectly into UK productive finance (either by subsidising DC contributions or allowing return of surplus to sponsor for subsequent investment within UK-based DB sponsors).

It is also worth noting the non-homogenous make-up of the UK DB market. These range from very large unfunded DB schemes (appearing in the public sector) to very small insured solutions covering just a handful of members. The appropriateness of direct investment in productive finance for these schemes will vary significantly, but we note there are clearly some DB schemes where higher allocations to productive finance could be appropriate, subject to the aforementioned consideration of risk/reward.

2. **What changes might incentivise more trustees and sponsors of DB schemes to consider investing in productive assets while maintaining appropriate security of the benefits promised and meeting their other duties?**

The current funding regime encourages trustees and sponsors of DB schemes to reduce levels of investment risk over time in order to protect member benefits, with little upside to be gained from retaining risk once a scheme is in a well-funded position. The requirements detailed within the DWP's draft funding and investment strategy regimes as well as the Regulator's draft funding code of practice, are expected to encourage this further, with all schemes being required to target a low-dependency basis and agree low-risk investment strategies as they approach significant maturity. Any surpluses that may arise cannot be easily accessed, typically only being available at the point of wind-up, with high tax charges applying where refunds are payable to the sponsor.

We are, therefore, of the view that in order to incentivise trustees and sponsors to take materially more risk within their investment strategies, so that investment in productive assets is encouraged, wholesale changes would be needed to the current regulatory environment, which may take some time to implement if primary legislation is required. Such changes could include the revision of surplus regulations to enable easier access to surplus at a lower funding level, a lower rate of tax to apply on refunds, and a change in direction on the draft funding code of practice to provide a balance between maximising member outcomes and benefit security, rather than just focussing on the latter. A combination of such changes could encourage sponsors to support more investment risk in order to benefit from the upside, whether that be via a return of surplus to the sponsor or to enhance member benefits.

However, we agree that any incentives introduced to encourage investment in productive assets need to also maintain appropriate levels of security of the benefits promised, and note that many of the incentives we've described above would, to varying extents, reduce security for members. The appropriateness of any of these options needs to be viewed in this context.

In practice, our view is that Trustees' fiduciary duties should be the driving factor to ensure that appropriate benefit security is maintained (or enhanced) even if investment risk is increased. This could be through increased covenant support (e.g. an increased formalised commitment from sponsors to underwrite risk in the scheme such as guarantees from other group companies or pledging of security to the scheme) and/or some other form of benefit security, e.g. a stronger PPF underpin. Many Trustees are only likely to be able to support a riskier investment strategy if changes are made that result in overall benefit security being no lower than the alternative (i.e. of a low-risk investment strategy being followed with the benefits then secured through buyout with a third-party insurer).

Some ways of allowing schemes to take a much more long-term view could also help. For example, not requiring schemes to buyout on sponsor insolvency but instead allowing them to run indefinitely on PPF+ benefits with a meaningful proportion of return-seeking assets and the potential for the award of discretionary pension increases. Or more flexibility on recovery plans noting that typically investment in return-seeking assets leads to more volatile funding positions and hence greater risk of a recovery plan being needed in future.

We note that, whilst the focus of this call for evidence is on investment in UK productive assets, the types of changes that may incentivise trustees and sponsors to invest in productive assets are likely only to encourage schemes to invest in riskier assets more widely. It would be difficult, without mandating that schemes **must** invest in UK productive assets (which we wouldn't support as it may not always be appropriate to do so) to ensure that this objective would be met. In addition, liquidity is important to well-funded schemes who are intending to buyout, which could make certain types of productive assets unattractive unless changes were to be made to the insurance regime to make these assets more readily transferrable.

3. How many DB schemes' rules permit a return of surplus other than at wind up?

It is very difficult to say how many schemes' rules would allow this. While we suspect that the majority of DB schemes may not allow surplus to be returned other than on a winding-up, we cannot be certain. It is very much a rules lottery.

For some schemes, it may be possible to amend the rules if they do not currently allow for surplus to be paid out other than on winding-up - whether it is possible will depend on: (i) the scope of the scheme's power of amendment; and (ii) for schemes set up before 6 April 2006, how section 251 of the Pensions Act 2004 is interpreted. For other schemes, the power of amendment will explicitly prohibit any amendments that allow monies to be paid to the employer, meaning the scheme's rules could not be amended to allow for a return of surplus.

We also note that section 37 of the Pensions Act 1995 provides additional restrictions on allowing a return of surplus, effectively requiring actuarial certification that a scheme is funded to buyout levels.

However, we note that it is currently possible to use DB surplus on an ongoing basis (if scheme rules allow) to fund DC contributions where the DB and DC scheme sit under the same trust.

4. What should be the conditions, including level of surplus that a scheme should have, be before extended criteria for extracting surplus might apply?

Our view is that surplus extraction should only be available once a scheme is well-funded, supported by an appropriately resilient sponsor covenant and substantially hedged against major risks, including investment risks and other risks such as inflation and perhaps longevity. Conditions should be around minimum criteria for surplus extraction, and schemes should not be required to distribute surplus if certain criteria are met. If incentives and appropriate safeguards were in place to invest for surplus creation, then a low-dependency target such as that detailed under the "Fast-Track" requirements in the draft funding code of practice may be appropriate as a criteria for extracting surplus, perhaps with an additional margin, e.g. a requirement to be 105% funded on this basis. Ultimately, trustees should have the freedom/discretion to determine what is suitable for their scheme. We would again note that in the current regime, it is hard to see an incentive for trustees to allow return of surplus at any level of funding below full buyout (or higher), as doing so could reduce benefit security.

It will also be important to manage conflicts or interests throughout any process.

5. **Would enabling trustees and employers to extract surplus at a point before wind-up encourage more risk to be taken in DB investment strategies and enable greater investment in UK assets, including productive finance assets? What would the risks be?**

Potentially, yes, but as we have noted in our responses to earlier questions, there would need to be safeguards on benefit security for trustees to consider this. Even with this, many may feel they are too close to buy-out now to contemplate re-risking their investments.

In addition, we note that sponsors may separately be concerned with the impact of taking more investment risk, both because of the potential need to fund future deficits and also because of the additional volatility of the company accounting position.

The key risk is that the surplus is extracted too soon, and a subsequent funding gap (which may be more likely to occur with a higher risk investment strategy) cannot be underwritten by the employer covenant, and ultimately if the covenant fails, benefit security could then be compromised.

Also, as considered in our response to Q2, the risk is that trustees opt to invest elsewhere – whether this be in other UK assets such as equities or overseas. The government also needs to be aware of the potential implications of re-risking on the UK gilt market, particularly index-linked gilts which are predominantly held by pension schemes. Although, noting that there are large systemic risks within the gilt market regardless of changes in surplus rules and consolidation options (see Q10).

6. **Would having greater PPF guarantees of benefits result in greater investment in productive finance? What would the risks be?**

Unless full benefits are guaranteed by the PPF, under the current regime, we don't believe that much would change for the reasons we have outlined. However, if full benefits were guaranteed by the PPF, then this could offer a route to trustees having more incentive to adopt higher-risk investment strategies in some circumstances. Of course, trustees would need to be able to take into account the existence of this underpin for it to incentivise such behaviour (in the current regime, the existence of the PPF cannot be allowed in making funding and investment decisions). Also, a greater PPF guarantee would not necessarily incentivise an employer to encourage the scheme to invest in more productive finance.

The risks of the PPF guaranteeing higher benefits would be similar in nature to the risks currently borne by the PPF (e.g. how to fund for the greater level of benefits). However, an important distinction is that whilst many schemes' funding target is comfortably above Section 179/143 levels, if full benefits were guaranteed this wouldn't necessarily be the case. This means that the insolvency risk the PPF would be exposed to would be both greater and more long-term.

There would also be significant points of detail to work through in the PPF offering such a guarantee, for example:

- Care would be needed on pricing the additional guarantee – i.e. if the guarantee was priced "fairly", would the additional return (net of additional levy) be sufficient to warrant the additional risk the investment strategy? Also, would the additional levy be higher for schemes with higher allocations to growth assets?

- Would any scheme be allowed to enter, or would this be restricted to those that meet certain conditions? If the restrictions were too tight, would it then achieve the policy goal?

Also, the PPF would be required to take on a significant level of additional administrative complexity (e.g. if full, un-harmonised benefits were guaranteed). However, ultimately benefits must be administered by someone (e.g. insurance companies administer un-harmonised benefits) so this would not be impossible for the PPF to achieve.

Moral hazard amongst trustees and sponsors is also a key risk if it were felt that PPF-guaranteed benefits were sufficient for members. For example, if the PPF were to guarantee 100% of scheme benefits, this could lead to poor decision making and create a risky regime. We note that this was debated at length when the PPF was set up, this being a key reason for not providing 100% compensation.

Finally, any proposal to use the PPF's existing surplus to fund this new PPF+ arrangement would be controversial, and we would caution against going down this route.

7. What tax changes might be needed to make paying a surplus to the sponsoring employer attractive to employers and scheme trustees, whilst ensuring returned surpluses are taxed appropriately?

A reduction in the tax rate applied would clearly make paying surplus to a sponsoring employer more attractive, and in our view (though we are not tax experts), it would be reasonable to reduce it to levels that are akin to the tax relief received on contributions into the scheme – albeit possibly with some adjustment for the beneficial tax treatment of investment growth.

8. In cases where an employer sponsors a DB scheme and contributes to a defined contribution (DC) pensions scheme, would it be appropriate for additional surplus generated by the DB scheme to be used to provide additional contributions over and above statutory minimum contributions for auto enrolment for DC members?

Yes. We believe that it may also be reasonable for the surplus to be used to provide contributions towards the statutory minimum – we are not sure of the reason for the reference to this minimum in the question. We note that this is already an option for a DC scheme that sits within the same trust as a DB scheme as long as the DB section remains fully funded on a Technical Provision basis (and if scheme rules allow).

Intergenerational fairness is also a consideration. For example, some may feel that "legacy" workers pension assets should not be used to fund the pensions of younger workers. We would, however, note that the opposite has arguably effectively been true for many years, and as such, we would be supportive of a solution that enabled or indeed encouraged improved pension benefits for DC members, who are typically younger and expect materially worse pension outcomes.

It should also be noted that not all sponsors with a DB scheme also have a DC scheme and vice versa, not to mention differences in scales, and so outcomes of any changes here would have different impacts on different companies depending on their circumstances.

If DB surpluses were used to fund additional contributions over and above the statutory minimum only, then there may need to be consideration of the competitive advantage this gives to employers for labour recruitment over those who do not have DB schemes to generate these additional contributions (albeit we acknowledge that employers with DB deficits are/were at a disadvantage relative to those who do not have DB schemes). Even amongst employers with DB schemes, there may be inequalities where the DC scheme is in the same Trust as the DB scheme or a separate arrangement. These incentives to employers could have implications for the current drive to consolidate smaller DC schemes.

9. Could options to allow easier access to scheme surpluses lead to misuse of scheme funds?

Yes. Conflicts of interest within a trustee board (and indeed within the sponsor) would need to be carefully managed when discussing the return of any surplus.

10. What impact would higher levels of consolidation in the DB market have on scheme's asset allocations? What forms of consolidation should Government consider?

<u>Impact on asset allocations</u>

The impact on asset allocation ultimately depends on the type of consolidation and the popularity of each. The implications of each should be considered, not only to help avoid creating any new systemic risks but also to help the government meet its (potentially conflicting) objectives.

For example:

- Insurers typically hold significantly fewer gilts than DB schemes (typically in favour of UK and overseas corporate bonds), but normally invest more in things that could be broadly described as productive finance, albeit not exclusively in the UK. As more schemes move to insure, this adds to the downward pressure on gilts demand.
- Encouraging or incentivising DB schemes to run-on in some form of consolidator would maintain the status quo / current direction of travel. Schemes would continue to invest high allocations in gilts (especially index-linked) and continue the de-risking trend away from growth assets into contractual income assets. These receiving investments would very likely include high-quality credit such as investment grade bonds and equivalents (e.g. infrastructure) but could also include higher-yielding private markets. The limited supply and lack of diversification with sterling corporate debt markets mean many UK pension schemes will look globally for these allocations.
- Other consolidation vehicles exist (such as capital-backed journey plans and potential superfunds), but given their infancy it is too early to infer any material asset allocation implications.

<u>Government focus</u>

At a high level, any consolidator or consolidation policy should be designed to provide a positive outcome for key stakeholders and members (e.g. better administration, benefit security, value for money, the potential for discretionary pension increases). In practice, the forms of consolidation that the Government should consider will depend upon its ultimate goals. For example, if the motive for setting up a public consolidator is purely to increase DB scheme investments in productive assets, the Government may only wish to consolidate investment strategies (e.g. via publicly-run pooled investment vehicles, or perhaps by setting up a master-trust in some form).

From a pension scheme and employer's perspective, the more choice available, the better, and so we would encourage the government to consider a wide range of options.

The government should also be mindful of the systemic risks in the pensions industry, and how the breadth of consolidation options available can affect this.

For example, concerns have already been raised by some within the industry about the ability of insurers to prudently manage the new flow of money if capital transfers to UK insurers continue to increase significantly, including comments made by the Bank of England and the Prudential Regulation Authority. These comments reflect a potential concentration of risks within a small number of insurers currently open for new business. Some of these systemic risks include: high exposure to corporate debt default; risks within overseas funding / reinsurance arrangements and the impact of significant sales in gilts. Whilst unlikely due to the significant reserves held by insurers, an insurer default could put huge pressure on the Financial Services Compensation Scheme, which is unfunded, dependent on political will and subject to change.

Introducing different consolidation options could help to diversify some of these systemic risks. However, it should be noted that some of these risks are difficult to avoid and are present in many forms of consolidation. Also, encouraging the use of more options with lower levels of reserves than the insurance regime could result in greater levels of risk overall.

We would also support further government encouragement of non-consolidation options such as DB run-off and potential policies to encourage the accumulation of DB surpluses (in the right circumstances).

11. **To what extent are existing private sector buy-out/consolidator markets providing sufficient access to schemes that are below scale but fully funded?**

In our experience, the buyout market is currently accessible to smaller pension schemes. However, due to limited capacity in the buyout market, these schemes typically receive quotations from very few insurers and may need to be prepared to work exclusively with one insurer, and/or wait until sufficient insurer appetite is available.

The Superfund market is currently only available for larger pension schemes, and is not well developed due, in our view, to the high bar that has to be cleared before superfunds and trustees/sponsors can start progressing transactions. We were pleased to see recently updated TPR guidance to some extent addressing some of the issues here (e.g. in relation to the gateway test); however, in our view, there are still issues, including a lack of clarity surrounding the process required to obtain clearance from the Pensions Regulator for a superfund transaction. If the various challenges were to be addressed and formalised in primary legislation, we see an opportunity for this market to develop, and over time become more accessible to smaller schemes.

Other consolidators (e.g. DB mastertrusts) are accessible too and sometimes aimed at smaller schemes. However, to date these have struggled to take-off due to existing barriers to entry (e.g. bulk transfer costs), therefore, changes may be required to help incentivise these options.

12. What are the potential risks and benefits of establishing a public consolidator to operate alongside commercial consolidators?

A public consolidator would need to be subject to the same requirements as private consolidators (e.g. to hold a capital buffer) in order for the market to be competitive and avoid price distortions, and this may be difficult to achieve unless the public consolidator intends to make a profit. There is, therefore, a risk that an effective market is destabilised.

There is potentially scope for a public consolidator to be structured to make the consolidator market more available to smaller pension schemes, which has the potential to bring significant benefits. However, this could come at the expense of letting the market naturally evolve to fill gaps/solve problems that currently exist (noting our comments in relation to this under question 11). On balance, we believe that the market should be given this opportunity to evolve and grow in the first instance.

A further risk relates to the potential for significant cost outlay for limited benefit. There will be huge practical challenges with consolidating hundreds or even thousands of schemes, noting the current timescales of around two years for PPF entry for a single scheme, and that being on standardised benefits. The benefits of a consolidator could therefore take a number of years to come through. Even then, achieving scale could be a challenge, noting the smallest 2,000 schemes may only have the same £ amount to potentially invest in UK productive finance as one giant well-funded scheme.

An obvious benefit for the Government would be that it could influence (or even dictate, in part or fully) the investment strategy to help achieve its wider strategic goals (such as investment in UK productive finance assets).

A public consolidator could also provide a catalyst for growth in the consolidation market by providing an off-the-shelf viable solution.

A key risk would be concentration risk, and indeed consideration should be given as to how any risk in the public consolidator will be underwritten (eg by the UK taxpayer?).

13. Would the inception of a public consolidator adversely affect the existing bulk purchase annuity market to the overall detriment of the pension provision landscape?

This depends upon the details of how the public consolidator would be designed. For example, if member benefits within the consolidator were to be guaranteed by Government then the bulk purchase annuity market and the wider pension provision landscape would be adversely affected; whereas if it were to operate much like a private sector consolidator, then this may not be the case. This would therefore need careful consideration, and we would strongly encourage a more detailed consultation on the specifics before such a change went ahead.

14. Could a public consolidator result in wider investment in "UK productive finance" and benefit the UK economy?

Our response to this question is limited to the impact on levels of investment in UK productive finance; we will not comment on the extent to which this would benefit the UK economy.

As noted in our response to questions 12 and 13, this will depend upon the detail of how the consolidator would be designed, and we can envisage a scenario where the Government could mandate that the public consolidator invests directly in UK productive finance. However, it does not follow that other pension schemes (including consolidators) would follow suit.

There are a number of systemic risks within the private bulk annuity markets that are now being discussed as the market reaches record levels. Non-insurance consolidation options could have a wider benefit to the UK economy by helping to reduce systemic risks and diversifying exposures. The government remains exposed to the Financial Services Compensation Scheme.

15. What are the options for underwriting the risk of a public consolidator?

The consolidator could be required to have an initial capital buffer, much like the current regime for private superfunds, financed either by the state or private investors. A State guarantee could be provided, albeit this comes with a number of risks for the taxpayer that may not be desirable. Some form of reinsurance could also be considered. We note that if it were to sit under the superfund regime, entry to the PPF would not be available if the wind-up trigger is met.

16. To what extent can we learn from international experience of consolidation and how risk is underwritten?

We are not best placed to comment on specific situations – we would simply note that whilst some international comparisons can be useful, they must be viewed in the context of the prevailing regulatory regime, political objectives of governing parties, and other factors.

17. What are the potential risks and benefits of the PPF acting as a consolidator for some schemes?

The PPF has scale, processes and expertise that could be readily utilised if acting as a consolidator. It also currently has a large surplus which could be used to provide additional capital protection, although arguably first calls on this surplus might be improving existing member benefits or partial (or full) refunds of PPF levies.

The risks of a public consolidator considered under questions 12 and 13 continue to be relevant, and we note that – depending upon how this would be designed – some of the features that currently enable the PPF to operate efficiently may not be available (e.g. would benefit structures be harmonised, and if not, is the PPF able to take on and then manage the additional administrative complexity of multiple benefit structures at scale without significant investment in personnel and process updates).

18. Would the Board of the PPF be an appropriate choice to operate a public consolidator?

In principle, yes, but we note that the objectives of the PPF and a public consolidator may differ, which may put pressure on the resources of the Board.

19. How could a PPF consolidator be designed so as to complement and not compete with other consolidation models, including the existing bulk purchase annuity market?

The PPF consolidator would need to either directly compete by operating within the same regime as private consolidators with no advantage, or sit outside the market, for example:

a) by operating solely in a market that private consolidators can't currently access e.g. small schemes only (albeit if the superfund regime were to change and the market to evolve, as described in our response to question 11, this may not be appropriate),
b) acting as an alternative to buyout for schemes that exit a PPF assessment period,
c) only being available on sponsor insolvency/via a Regulated Apportionment Arrangement,
d) as (b) but on an opt-in-only basis.

20. What options might be considered for the structure and entry requirements of a PPF-run public consolidator for example:

The structure and entry requirements could mirror the requirements for private consolidators.

- **Are there options that could allow schemes in deficit to join the consolidator?** "Deficit" of course, depends on the measure against which full funding is being judged. We would expect some form of funding hurdle which is below the buyout liability.

- **What principles should there be to govern the relationship between the consolidator and the Pension Protection Fund?** Whilst both schemes may operate within the same vehicle, we would expect the funds to be segregated given the differing objectives.

- **Should entry be limited to schemes of particular size and / or should the overall size of the consolidator be capped?** As noted under our response to question 19, if entry is limited to smaller pension schemes, this would help it not compete against commercial consolidators, at least in the short term, depending on how this market evolves. The capital requirements are likely to determine any cap on size.

- **How could the fund be structured and run to ensure wider investment in UK productive finance?** At one extreme, the Government could mandate that the fund invests in UK productive finance. Otherwise, many of the points made in our previous responses hold.

- **How to support continued effective functioning of the gilt market?** No comment.

Response ends.

Yours faithfully,

Chris Ramsey
Defined Benefit Committee, SPP

Chris Ramsey
Chair, Defined Benefit Committee, SPP

Fred Emden
Chief Executive, SPP

THE SOCIETY OF PENSION PROFESSIONALS (SPP)

SPP is the representative body for the wide range of providers of advice and services to pension schemes, trustees and employers. The breadth of our membership profile is a unique strength for the SPP and includes actuaries, lawyers, investment managers, administrators, professional trustees, covenant assessors, consultants and specialists providing a very wide range of services relating to pension arrangements.

We do not represent any particular type of pension provision nor any one interest-body or group. Our ethos is that better outcomes are achieved for all our stakeholders and pension scheme members when the regulatory framework is clear, practical to operate, and promotes value and trust.

Many thousands of individuals and pension funds use the services of one or more of the SPP's members, including the overwhelming majority of the 500 largest UK pension funds. The SPP's membership collectively employs some 15,000 people providing pension-related advice and services.