



Rising to the challenge

➤ Pensions Management Institute (PMI) director of policy and external affairs, Tim Middleton, looks back at the biggest issues of 2021 and how industry training can help pension providers tackle these challenges

➤ When you look back on 2021, what do you consider to be the biggest pension issues of the year?

The major issues are mostly associated with the Pension Schemes Act 2021.

Climate change reporting currently affects just the largest of the UK's pension schemes, but will ultimately be a duty for all trustee boards.

We await some clarification about the changes to the funding regulations for defined benefit schemes. However, during 2022 we can look forward to an improved regime governing funding and that will give confidence to sponsors and trustees.

Similarly, we await further clarification concerning the new sanctions regime for those who those who 'recklessly endanger' a scheme's funding. Whilst we have moved on from the uncertainty of the start of the year,

there is still much to be resolved.

Further progress has been achieved in the development of the pensions dashboards. However, there remains some distance between what the government wants to achieve and what the pensions industry regards as technically possible, and next year will have to be spectacularly productive if the intended deadline of 2023 is to be achieved.

The Royal Mail has now been given the clearance to develop the UK's first collective defined contribution (CDC) scheme. This has the potential to be a major watershed moment in the history of workplace pension provision.

➤ The PMI plays a vital role within the industry, helping it to be trained and ready to work effectively in an evolving sector. How can it help its members keep abreast of these developments you mentioned facing the industry?

Even through the obstacles presented by the pandemic, PMI has endeavoured to keep our members advised of developments within the workplace pensions sector. Our webinar programme provides regular

information about a range of topical and occasionally controversial topics. Finally, we have very recently recommenced providing traditional conferences and seminars.

➤ Following on from this, what areas of focus would you say pension professionals should maintain an interest in, for their own professional understanding and development?

Certainly, ESG is going to be a permanent focus for trustee boards. Another area of focus for 2022 and beyond is diversity and inclusion (D&I) on trustee boards as this will help in improving governance standards.

➤ Last year saw the PMI launch APTitude, an accreditation service for professional trustees, and this summer saw it move onto offering a lay trustee accreditation. Please tell us more about this lay trustee accreditation; why was this created?

APTitude was a service that PMI was committed to as a result of its work within the Professional Trustee Standards Working Group. The Pensions Regulator (TPR) had instigated this



journey in 2017, and we began the formal accreditation of professional trustees early in 2020. Once that service began, we were contacted by a number of lay trustees who were keen to demonstrate their own commitment to good governance. Recognising their good work – and encouraging others to follow suit – is part of our ongoing commitment to TPR's 21st Century Trusteeship objectives. Improving governance standards is in everyone's best interests.

➤ **This year also saw the PMI offer a range of educational products and services through its PMI academy and launch a Diploma in Pension Trusteeship in the autumn. Could you tell us more about each of these please, what they are, why they were created, and what take up has been like?**

We remain keen to help pensions professionals continue their career development. The Diploma in Pensions

Trusteeship (DPT) was developed for a number of reasons. One was that accreditation for lay trustees was based on the same qualifications as APTitude, and we believed it necessary to introduce a new trustee qualification to allow professional trustees to establish some 'blue water' between themselves and their lay counterparts. Additionally, we have been reviewing the routes open to members for achieving associateship and fellowship, and saw DPT as filling a gap that would enable those working as professional trustees to achieve that.

➤ **By regularly updating and expanding the accreditations and training products, what impact would you say this has on the industry? Can it help shape the nature of the sector for instance, by making the industry more accessible increasing the diversity of people working within pensions?**

Our range of qualifications is geared strongly towards improving standards

and helping professionals ensure that they are appropriately qualified for the ever-changing needs of the industry as a whole.

➤ **Finally, what areas within the industry do you think may need new educational services from you in the future – eg accreditation for the management of CDC schemes?**

Once CDC has become clearly established – which would realistically mean once it is no longer confined to single-employer private sector trusts – PMI would certainly consider the viability of a CDC qualification. It is also possible that there will be a requirement for greater understanding of the preparation of TCFD reports. PMI is continuously monitoring developments within the industry; if new educational requirements arise, PMI will be swift to respond.

➤ **Written by Laura Blows**