



2023 for the APPT

▶ As the new year starts, Tom Dunstan speaks to Association of Professional Pension Trustees (APPT) chair, Harus Rai, about the association's goals for 2023, the challenges they envision facing, the reforms they would like to see occur, and more

▶ What are your goals for the next year?

The association has a number of external and internal goals for the year ahead. On the external side, the priority of our members is to ensure scheme members' benefits are secure and that they are paid as they fall due.

In public policy terms as an association that means making representations to the Department for Work and Pensions (DWP), The Pensions Regulator (TPR) and other relevant bodies of the need to carry trustees with them in pursuing further reforms aimed at better securing and encouraging pension saving. The outcome of the new Defined Benefit (DB) Funding Code is one area where it is important reforms continue to allow scheme specific funding and investment to thrive in a flexible environment. Another key area is the outcome of the Single Code and the gradual implementation of pension dashboards.

▶ What reforms would you like to see in 2023?

The association is leading a study alongside the DWP, TPR, the Pensions Management Institute (PMI) and the Association of Member Nominated Trustees (AMNT) of how the accreditation of professional trustees,

which began in 2020, has provided benefits to sponsors, members, advisers and our sector. We hope the outcome of that study will give further impetus to changes whereby more schemes appoint accredited professional trustees to support their governance arrangements.

▶ Are there any challenges that you foresee in the future?

A major challenge in an era where both government and regulators are pushing ahead with reforms is the danger that schemes' governance and administration within available resources is compromised by an overload of new and changed requirements. We foresee that the expectations falling particularly on volunteer, lay trustees may place even further difficulties on retaining and recruiting members to this important role. We must also be concerned that the DWP and TPR will feel further regulatory requirements are placed upon all trustees to address perceived governance problems brought on by the liability-driven investment (LDI) crisis.

▶ Are there any issues from 2022 that you believe will need to be addressed in 2023?

Those legislative and regulatory reforms unfinished in 2022 are the most obvious ones to be addressed in 2023. The emerging signs of more members leaving pension arrangements because of the cost-of-living crisis might also prompt the need for the DWP to relax

auto-enrolment (AE) rules to allow members greater flexibility to reduce their contributions in difficult times. We also feel that the DWP will need to map out its next steps in AE and collective defined contribution (CDC) reforms so the impetus to widen pension coverage is kept going for the longer term.

▶ Is there anything in particular that you wish to achieve in the next year?

The successful adoption, through the leading role played by our members, of reforms arising from the Single Code, DB Funding Code and pensions dashboards initiative, whilst also making incremental improvements in schemes' environmental, social, and governance (ESG) and diversity priorities.

▶ Is there anything else you would like to mention about your plans for the coming year?

Internally we will be looking to represent an increasing number of accredited professional trustees, building on our 370 members, with us investing greater resource in furthering members' professional development across all areas of legislative and regulatory change, including more training guidelines.

We will also be developing the role of our Small Firms Forum that already helps over 50 small firms and sole practitioners to meet the challenges encountered by our sector and their clients.

▶ Written by Tom Dunstan