



# Doing it by the Cook

**► Tom Dunstan talks to new Pensions Management Institute (PMI) president, Sara Cook, about her appointment, her ambitions for the position, and her opinions on the cost-of-living crisis and its effect on the pensions industry**

**► How do you feel about your appointment?**

It means an enormous amount to me; it's something I have aspired to for probably around 30 years. When I first got involved in the PMI in the 1990s, I thought: "One day, I'd like to be the first lady president of the PMI"; that was my big ambition. I didn't make it, Penny Green had that honour, but it was quite a cheeky aspiration at the time given I was a very junior pensions administrator with literally almost no experience and I thought: "One day I'm going to be the president of the PMI," so I'm extremely proud to represent the institute and its members for the next year.

Hopefully I can bring the passion that I have for the benefits that the PMI can bring to its members, the value that it adds in helping people develop through training and qualifications to achieve their career aspirations.

**► What are you looking forward to in your appointment?**

I'm really looking forward to getting back to meeting people face-to-face. I feel very sorry that Lesley Alexander's presidency fell during the lockdown so most meetings were held virtually.

I think we've all got virtual meeting fatigue and I'm really looking forward

to getting out there and being able to experience the buzz of being in a face-to-face environment. I am looking forward to the fact that I think my period of tenure will be getting back to the new normal.

**► What goals or objectives do you have for your tenure?**

I know it would be much more exciting if I said I was going to come in and shake everything up and that I have really big plans for the next year, but the reality is that we already have a plan in place. The PMI's board have been through a process of review of our existing five-year plan and have thought about what we need to do in that time period.

We've sought input from the PMI's advisory council and, as with most strategic plans, if you've got the plan right it's more a case of tinkering around the edges rather than completely reinventing what your strategy is.

**► Is there anything you're hoping the PMI will achieve or do during your tenure?**

You may or may not be aware that we have recently launched a new qualification structure, which was approved at our July AGM, the purpose of which is to make sure that we can be more inclusive. We have designed five routes to fellowship of the PMI in order

to make the senior membership more diverse and representative of the whole industry.

It can take a long time to get to the senior positions within the PMI's organisation and I think we really benefit from diversity of thought.

The regulators have been talking about diversity within trustee boards, but I think any organisation or forum benefits from having greater diversity of thought, so that's what I'd like to see. We've had really good feedback for that from our stakeholders. I would really like to see the early fruits from this change during my presidency.

I would also like to see more people taking advantage of the PMI's membership by experience (EPMI).

The PMI launched EPMI back in March, and it is open to senior practitioners within the industry as an alternative route to membership, which doesn't require them to complete the institute's qualifications.

They need to be able to successfully demonstrate that they are professionally competent and have a minimum of 10 years specialist pensions knowledge to get this EPMI membership.

We've had the first handful of people come through that process, but it would be good if that could gather pace because bringing in diversity of thought is where the strength in our industry is.

### ➤ How will the cost-of-living crisis affect the pensions landscape?

That's something that I've been thinking about over the past few days. We've all seen the news saying that inflation's reaching 10 per cent, that the fuel cap will rise further, and that there is an expectation that increasing number of people will seek the assistance of food banks.

From a pensions perspective, I am concerned this will all lead to people opting out of their pensions schemes or, for those that are in defined contribution (DC) schemes, not paying the levels of contributions that we all think you need to get a good pension. The knock-on consequence for that for DC members is that it could contribute to retirement poverty in the future. It could also result in people having to stay longer in employment so that will obviously impact employers in terms of their succession planning.

Additionally, I think it's tough out there for companies, especially those with defined benefit (DB) schemes. One of the things that DB schemes have to worry about is the strength of their employer covenant and, in these challenging economic times, members need to pay much more attention to it because it's a possibility that their employer could be affected by what we're

seeing now.

It is possible that we are currently in a perfect storm. We are seeing increased regulatory pressure on pensions schemes, as they are having to look at things like GMP equalisation, they're having to think about funding and covenant, and we've got the regulators' new governance code of practice, which we had all expected to be enforced by now, still expected to be implemented at some point in the future.

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What this means is, there's going to be increased levels of regulatory burden on trustees at a time when, potentially, it's going to be more challenging for them to seek funding from their employers.

Trustees are in a situation where their employers are dealing with the cost-of-living crisis as well, they're dealing with inflationary pressures, and the fact that people might not be buying their products, at a time where there might be more regulatory challenges coming down the line.

The trustees, in many cases, are going to be required to comply with this, and yet it could potentially result in an

increase in advisers spend [*due to the cost of bringing advisers on board*].

### ➤ What are some of the other issues facing the pensions industry today?

One of the things I've been thinking about recently as well is the increase in regulatory and policy pressures that we are seeing and, as a result of this, I think the role of becoming a trustee is becoming more onerous.

I think it's right and proper that trustees should know enough about pension schemes to be able to challenge their advisers and complete the trustee toolkit, I think it's right and proper that they have enough time to do the job properly because they're looking after a great deal of money.

However, when you look at it on the flipside, individuals might look at the role and think it's very challenging, they might not feel comfortable with the level of responsibility that comes with it. Therefore, I think we will continue to see challenges for schemes filling their member-nominated trustee roles. We have already seen a number of closed DB schemes with no members, basically just deferred pensioner members, that find it a challenge, but I think, potentially, it will become increasingly challenging to get people who are interested in stepping forward into those roles.

➤ **Written by Tom Dunstan**

