



USS' response to FRC's consultation on TAS 300 & TAS 310

We are responding to the consultation both from the perspective of a trustee who receives advice from our scheme actuary that is covered by TAS 300 and also as an employer of in-house actuaries.

Overall approach to the revision of TAS 300

As employers of in-house actuaries, our key concern is the apparent amendment to the scope of TAS 300 under Scheme funding and financing as, if introduced, it could significantly increase the level of work required or even curtail their ability to carry out such work in this area. In either case, this would significantly increase our costs for pieces of work that previously were not in scope for TAS 300. It would also have the potential to bring more work undertaken externally within the scope of TAS 300 with increased costs in compliance.

The existing TAS 300 has a definition of Technical Actuarial Work for scheme actuaries and another for actuaries advising employers. The definition applicable for scheme actuary work maintains the stance taken in previous professional requirements by including the words "required by legislation" within the definition. The proposed new TAS 300 no longer differentiates between advice to a trustee and to an employer but in making this change has removed any reference to "required by legislation".

In paragraph 2.5 you state that this change to the definition is a simplification of the statement of the scope of work to clarify that the technical actuarial standards apply to all technical actuarial work in relation to funding and financing, whether for pension scheme trustees or for a sponsoring employer. As drafted, the removal of the words "required by legislation" is, in our view a change to the detail of the provisions and a significant one at that unless clarified that it shouldn't be read as such.

Scheme funding and financing

The deferral of any further changes to TAS 300 requirements under scheme funding and finance until there is greater legislative certainty seems to us a reasonable stance to take.

Factors for individual calculations

We understand the issue around the timing of a full factor review relative to a valuation for commutation factors, in particular, but, in our situation where tax free cash lump sum is built up in addition to the pension, the link between a factor review and the valuation outcome is not material. Rather than require a statement in all situations it would be sensible, and more cost effective, to only require this where a factor would materially affect the outcome of a valuation.

Paragraph 3.4 has been added but it is not clear who determines "all relevant bases". The second sentence states "relevant bases include .." which reads as an FRC minimum requirement. We would expect our scheme actuary, with his knowledge of our scheme, is best place to determine the relevant bases and advise us appropriately. This would be more cost effective and the advice would be more targeted to a particular scheme's situation at the time.



The introduction of paragraph 3.5 is a sensible addition to the advice we receive on CETV factors.

Bulk transfers and superfund capital adequacy

We have no comments on this section.

TAS 310: Collective Money Purchase Pensions

Section 4: scheme design discusses TAS 310 requirements in relation to a CMP scheme which has not gained, nor is in the process of applying for authorisation from the Pensions Regulator. Our reading of this would imply all work undertaken on a potential CMP scheme is subject to TAS 310 including any exploratory work our in-house actuaries may undertake in looking at the viability of such a scheme in the future, perhaps part of an overall scheme design project. Is this the intention of this section or should further clarification be added?

Head of Funding Strategy
4 August 2023

