THE NETWORK BUILDING PENSIONS AND LIFETIME SAVINGS ASSOCIATION

LOCAL AUTHORITY UPDATE 2020

INTRODUCTION: A YEAR IN REVIEW

As we near the end of 2020, it is crucial to reflect on the successes of the LGPS and how well it has coped in this last year with such seismic shifts in global economic stability, as well as to steel ourselves for the new suite of challenges and changes still to come, including:

- The effects of Covid-19
- Implementing the McCloud Judgement
- Administering the £95K cap on exit payments
- Responsible Investment
- Employer contribution rates and employer exit payments
- The Good Governance Project

Covid-19 and the LGPS: the overall picture

The global pandemic has – among other things – wreaked havoc on employers across all industries, stitching itself into all aspects of life. While the effects of the virus will vary for administering authorities across the country, the overall financial and operational picture on how the LGPS is faring under such difficult global and domestic financial circumstances – is encouraging and to be celebrated:

- The PLSA's Spring survey results gave us a snapshot view of how well the LGPS is doing. There was confidence about employer strength as well as in the ability to continue paying pension benefits to members – both optimistic views that have been proven to be well judged.
- Overall, the England and Wales Scheme Advisory Board's (SAB's) annual report confirmed that the LGPS entered into the global pandemic in a strong financial footing, which undoubtedly helped to hold the scheme in good stead during the initial hit of Covid-19. LGPS deficits were down to £6bn in 2019 from £37bn in 2016, with the LGPS remarkably trimming its funding deficit by over £31bn in just three years. Total assets also increased 6% from the previous year, reaching £291bn.

Any risks from the continuing uncertainty around the impact of Covid-19 on fund employers should hopefully be mitigated by the new regulatory amendments that the Ministry of Housing, Communities and Local Government (MHCLG) put in place in September 2020, to allow for greater flexibilities in employer contribution rates and employer exit payments. Though, this remains to be seen, as there are still implementation hurdles to get over.

At the start of the lockdown in March, PLSA produced a "Top Tips for DB Schemes and LGPS Funds", to help navigate through the actions governance bodies should consider during significant economic disruptions. The PLSA will continue to monitor the landscape and will provide the requisite support to our membership as the needs arise.

6 November 2020

The importance of administration

In the economic downturn, difficult decisions will likely have to be made about cuts to public services. The PLSA would urge that pensions teams within all administrating authorities be given the resources needed to continue to effectively deliver member benefits, especially as there are important administrative changes not far down the track. This includes data assessment work for implementing the McCloud Judgment, GMP Equalisation and the Dashboard. These policy areas will affect millions of savers and there are billions of benefits at stake. As such, the LGPS will need its best and brightest leading the charge with properly resourced teams behind them.

Key developments to watch

While most of us anticipated the difficulties in administration to implement the McCloud Judgement, as well as potential challenges from Covid-19's impact on fund employers, the legal complexities of the £95K cap on exit payments is this year's LGPS dark horse, which is explored here.

A common theme amongst much of the emerging regulatory and policy work this year is how important official guidance from MHCLG and the Scheme Advisory Boards will be to ensure seamless adoption of much of the new regulation from 2020.

This bi-annual newsletter offers detailed insights and updates on the PLSA's work in all these areas mentioned, as well as provides updates on important cross-cutting PLSA projects, including the Pension Schemes Bill, Future Trends of the UK Pensions Industry, The Pensions Dashboard, The Retirement Living Standards, the Cost Transparency Initiative and Decumulation.

Tiffany Tsang
Senior Policy Lead

THE MCCLOUD JUDGEMENT

In October, the PLSA submitted responses to the consultations – of both MHCLG and the Scottish Public Pensions Agency (SPPA) – seeking views on the changes to the LGPS resulting from the McCloud Judgement. The proposals would change the LGPS statutory underpin protection to remove unlawful age discrimination.

- The PLSA supports the Government's proposal to address the discrimination found in the McCloud and Sargeant cases by extending the underpin to younger scheme members.
- Our submission supported the governments' plans to implement a two-stage underpin process to include information in members' annual benefit statements and we welcomed plans to ask the Scheme Advisory Board (SAB) for England and Wales, and the SPPA and the SAB for Scotland, to develop a standardised

approach to how this information will be communicated.

- Our submission emphasised that implementing these changes will present a significant challenge to funds and their administrators, as a substantial number of pension records will need to be updated. This will be a very large undertaking, particularly at a time where pension administrators are already stretched due to the impact of Covid-19. Gathering the necessary data in order to calculate the underpin will also add significant burdens for both administrators and employers. It is therefore crucial that administrating authorities are given sufficient time to implement the final proposals.

- While the PLSA understands the reasons why the Government has proposed an additional 12-month period for members – to decide whether to elect to aggregate previous periods of LGPS membership – we are concerned that this period may not be sufficient for all members to undertake the actions needed to come to the appropriate decisions. Rather, we recommend administrative authorities should be given the discretion to extend this 12- month period.

Standardised guidance will also be vital to ensure consistency in how the changes are implemented. We urge MHCLG and SPPA, as well as the SAB for England and Wales, and the SAB for Scotland, to develop guidance for administrators on: how they should approach case prioritisation; how to treat member queries; on standard communications to members; and on what should be done in the event that administrators cannot collect all of the data needed to do the calculations.

At the time of this newsletter's publication, the consultation for Northern Ireland had not yet been published, but we are keeping a close watch for this and for how the situation develops for England, Wales and Scotland.

For further information, please contact Tiffany.Tsang@plsa.co.uk.

OTHER KEY REGULATORY AND POLICY DEVELOPMENTS IN 2020

Covid-19 and McCloud are not the only big ticket items the LGPS has to keep its eye on. The £95k cap on exit payments; Responsible Investment; Employer Contribution Rates and Employer Exit Payments; and Good Governance are key areas to watch as well.

(1) £95k cap on exit payments

In many respects, the £95K cap on exit payments has pushed McCloud

Judgement implementation concerns aside, which is no small feat. The reasons for this come from two separate documents released by HM Treasury (HMT) and MHCLG over the summer.

First, in July, HMT issued its response to its consultation on public sector exit payments, associated with the termination of employment, including redundancy. The consultation, published in April 2019, sought views on proposals to restrict exit payments in the public sector. In its response, the Government has concluded the following:

- a £95,000 cap will apply to the aggregate sum of payments made following the termination of employment;
- the aggregate sum will include employer funded early access to pensions;
- the cap will apply where two or more relevant exits occur in respect of the same person within any period of 28 consecutive days; and
- the cap will be implemented by the whole public sector at the same time, with few exceptions.

The Government has stated that public sector pension schemes, employment contracts and compensation schemes are to be amended to reflect the introduction of this cap. However, relevant employers and authorities will be allowed to pay the pension scheme member an equivalent sum, if the pension scheme has not been amended to reflect the introduction of the cap.

LGPS member individuals most affected will be those over the age of 55 who qualify for an unreduced pension because of redundancy or efficiency retirement, as well as a severance payment; some may have to take a reduced pension.

Second, MHCLG then launched a consultation in September on changes to the LGPS regulations, to bring the scheme in line with the HMT £95K cap, and to introduce further reform of exit payments.

Administrating authorities of course now find themselves in difficult legal uncertainty, as there is a current regulatory requirement to pay an unreduced pension, which is in effect separate to any cap on the cost of early payment. The cap regulations come into force before amendments of LGPS reductions to provide for partially reduced pensions do; this timing issue is causing one of the biggest complications with the £95K cap. MHCLG's consultation closes on November 9th, so it will likely be some time before this issue is resolved.

Administering HMT's cap will be extraordinarily complex for pay and pensions teams within the LGPS. Communicating these changes to members will also be a very difficult task, and the LGPS will need to consider in advance how to safeguard members from any potential scams resulting from the cap administration.

(2) Responsible Investment

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The LGPS has been leading the charge on Responsible Investment, long before the private sector began working on Environment, Social, and Governance (ESG) investment issues, and the LGPS work continues with projects on guidance in this policy area.

In November 2019, the Scheme Advisory Board for England & Wales announced that it would be consulting on the first part of its Responsible Investment Guidance. However, following the Supreme Court case involving the Palestine Solidarity Campaign and MHCLG - which relates to how the fiduciary duty test applies to investment decision makers in the LGPS - the SAB has decided to defer the publication of this guidance until the position on fiduciary duty and the Supreme Court judgement in the Palestine Solidarity Campaign Ltd has been resolved.

In February 2020, the Board made the decision to progress with the drafting of the Part 2 draft guidance – even while Part 1 is on hold – to exclude reference to fiduciary duty and instead develop an A-Z Responsible Investment guide which would provide more clarity around terminology and provide more information, case studies and tools to help investment decision makers with the challenges of responsible investment.

Further detail on the guide and the next stages were outlined at the Board meeting in August 2020, which included:[1]

- An outline of how the website will be designed, including its extensive search facilities;
- Detail on how administering authorities will be able to update listings with relevant case studies; and
- The establishment of a Responsible Investment Advisory Group (RIAG), representing all scheme stakeholders, to act as an editorial board for future additions to the guidance and as advisers to SAB on responsible investment and related matters.
- The investment committee met on the 12th October and agreed the terms of reference and membership profile of the RIAG.

The PLSA also launched [“A Changing Climate: How Pension Funds Can Invest for the Future”] at its October Annual Conference. This report was based on research gathered from eight climate roundtables held over the summer, which included participants from the LGPS. The intent behind the roundtables was to explore the day-to-day structural barriers schemes are facing, as well as finding solutions.

Some barriers identified included the following:

[1] Scheme Advisory Board (2020) Online A – Z Responsible Investment Guidance – see here: http://www.lgpsboard.org/images/PDF/BoardAug2020/Item6PaperD-ResponsibleInvestmentAtoZGuidance-Draft.pdf

- Poor quality and inconsistent reporting;
- Too many definitions and standards;
- Lack of resource or expertise on climate change;
- Unclear expectations of service providers;
- Challenges in exercising scheme influence through voting;
- A lack of choice around ESG Assets; and
- Challenges communicating climate investment issues.

The report's recommendations were focused on dissolving some of these barriers, and include suggestions such as:

- A joint-industry/ government review to examine the wide range of competing standards and definitions. The review should be established with the goal of delivering a common framework ahead of COP26.
- The PLSA will encourage the government and regulators to move towards more widespread adoption of the TCFD recommendations, applying them not just to premium-listed companies, but to all issuers of debt and equity, and to all major banks, asset managers and insurers.
- The PLSA will support measures to increase recognition of climate reporting and regulatory obligations from the top to the bottom of the investment chain.
- Encourage more industry-led ESG training and education, and encourage schemes to consider adding trustees with climate change expertise.
- The PLSA will work with the International Corporate Governance Network (ICGN) in revising and renewing its Model Mandate. Ensuring that the new version continues to reflect the long-term investment expectations of pension asset owners.
- Develop guidance for members on good practice expectations with regard to stewardship services.
- Continue to make the case to Government for the issuance of a Green Gilt by the UK Government.
- Explore the feasibility of creating a Pension Quality Mark for ESG.

(3) Employer Exit Payments and Employer Contributions – New Flexibilities

In February 2020 and then in August 2020 MHCLG released two separate partial responses to its 2019 consultation on valuation cycles and exit payments. The Government's decisions on many of the consultation's questions around employer contributions and exit payment flexibilities will have direct relevance to the risks administering authorities and employers face from Covid-19.

In the August 2020 response, Government also confirmed it was introducing new powers and subsequently amended the LGPS Regulations 2013, which came into force in September 2020.

The original LGPS Regulations 2013 required the payment of a lump sum exit payment when the last active member of a fund employer left the Scheme, or, when an employer left the LGPS. Introducing deferred employer status gives administering authorities the ability to defer an exit payment trigger for those with a strong covenant. Additionally, if an administrating authority does not feel it is appropriate to grant deferred employer status, there is a new power to allow an administrative authority to spread an exit payment flexibly over a period of time.

The new powers also broaden the circumstances in which an administering authority may change an employer's contribution rate between valuations to cover a variety of scenarios, including where it is likely a fund employer's liabilities have changed significantly since the last valuation, and where it is clear there is significant change in the fund employer's ability to meet statutory obligations.

Both sets of regulatory amendments will help the LGPS cope with ongoing economic uncertainties from Covid-19.

MHCLG is developing statutory guidance for administering authorities, which will likely be of particular interest to scheme employers; the PLSA will be feeding into this piece of work.

(4) Good Governance Project

In recognition of the challenges emerging from the intricate and myriad structures in place to run the LGPS, the Scheme Advisory Board (SAB) for England and Wales (E&W) commissioned Hymans Robertson in 2019 to examine the effectiveness of current LGPS governance models and to consider alternatives or enhancements to existing models.

An interim report proposed that an outcomes-based approach would be the most effective method of improving governance, rather than mandating a single governance structure for all. This allows funds to continue doing what currently works well while still ensuring the highest governance standards across the scheme.

At the start of 2020, the Good Governance project was scheduled to enter its third and final stages of work. As of August 2020, the project is still on hold – since March 2020 – because of the impacts of Covid-19, but Hymans Robertson is continuing to draft papers for the project. These papers should be able to help inform the work for the single implementation group – of which the PLSA is a part of – once the group is able to resume its work together. Outputs for the group will include the following:

- Recommend changes to the scheme's regulatory provisions on Governance Compliance Statements;
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- Prepare revised statutory guidance on Governance Compliance Statements;
- Establish a process for the independent assessment of Governance Compliance Statements, and;
- Establish 10 to 15 KPIs.

For further information any of these four regulatory developments discussed here, please contact Tiffany.Tsang@plsa.co.uk.

PENSION SCHEMES BILL

The Pension Schemes Bill is a major piece of legislation that will legislate for a number of key areas around pensions, including establish a legal framework for the Pensions Dashboard, the funding of DB Schemes, new powers for the Pensions Regulator and Collective DC Pension Schemes.

The Pension Schemes Bill was originally published and introduced in to Parliament in October 2019 but the announcement of a general election in December 2020 meant the Bill, and other Bills before Parliament, were dropped. The Bill was subsequently re-introduced into Parliament in the House of Lords in January of this year and passed through its stages in the House of Lords at the end of June. The Bill moved to the House of Commons after summer recess and had its 2nd Reading (a debate on the proncipiles of the Bill) in the House of Commons on Wednesday 7th October. PLSA briefed key MPs ahead of the debate.

Following the 2nd reading, the Bill was now moved to Committee Stage, where every clause in the Bill is agreed to, changed or removed from the Bill by a cross-party Committee of MPs. In preparation for this, the Public Bill Committee called for written evidence on the Bill to help inform their scrutiny ahead of their first session on 3rd November. PLSA has submitted a written response to the Committee with our views on the Bill and we are in discussion with Government on key aspects of the Bill.

One of PLSA's major concerns with the Bill is the potential unintended consequences of TPR powers in Clause 107, which would criminalise minor actions and ordinary business activities and could have unintended negative consequences for pension schemes and pension savers. It gives TPR powers to target a much broader range of behaviour and responsibilities than previously envisaged. We understand this part of the Bill will likely not cover LGPS, however it will ultimately depend on how the Department for Work and Pensions (DWP) decides to define "prescribed schemes".

A further significant issue where PLSA are seeking to amend the Bill is on Clause 123 around the issue of DB Funding. Clause 123 of the original Government Bill did not recognise the different funding and investment requirements of open and closed schemes. A new amendment to the Bill introduced in the House of Lords sought to do this, but Government has since tabled an amendment to revoke this. PLSA has argued that it is important that schemes that are expected to remain open to new members are treated differently from schemes that are not and this is reflected in primary legislation. If they are not given more flexibility, we believe this will lead to substantial additional costs for employers and lead to the closure of some DB schemes. We held a meeting with the Minister for Pensions in early October to disucss this issue and have briefed Parliamentarians on our concerns. We will continue to engage Government and Parliamentarians on the issue.

The Minister for Pensions, Guy Opperman, indicated at PLSA's annual conference in October that he expected the Bill to achieve Royal Assent and become an Act of Parliament by the end of 2020 – this was however before the further November lockdown was announcd, so we could expect potential delays to the Bill's progress.

For further information about the progress of the Bill or PLSA's work in this area, please contact: Lawrence.vousden@plsa.co.uk

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FACING THE FUTURE: UK WORKPLACE PENSION SCHEMES SURVEY

129 Senior pension executives and fund trustees say consolidation, climate change, the use of technology and saver engagement are the most significant future trends the pension industry will face over the next five years, according to a new report, ["Facing the Future: UK Workplace Pension Schemes Survey"](). The results are based on an independent survey published by the PLSA, with results launched at our Annual Conference in October.

Trend 1 - Consolidation: This was the most anticipated trend in the pensions industry over the next five years. It is widely expected that as assets under management continue to grow and as funds undergo value for money assessments, they will seek out greater economies of scale. This will lead to fewer but larger pension funds in the future.

The PLSA seeks to increase the quality and performance of workplace pension schemes; large schemes tend to score highly on these tests. The PLSA welcomes the current trend towards consolidation. However, smaller schemes may also deliver some or all of these benefits, so scale should not be pursued as an end itself.

Trend 2 - Addressing climate change: Climate change and ESG was identified as the second major key trend over the next five years, with over a third (36%) of survey respondents saying this was the most anticipated trend overall for the UK pensions industry.

The most common reason given for why pension schemes should be used to help combat climate change and other ESG issues, is that it was felt to be an important cause for society and because such investment can offer high returns.

Trend 3 - Technology: Just as technology is transforming other industries, technology has the potential to revolutionise the way pensions work, how the industry works, and, crucially, how to better engage with and communicate with savers. Big data, better collaboration, opaque investment, investment analytical tools, cost transparency and personalised retirement planning journeys all have the potential to transform the industry and customer experience for the better.

Over half of members surveyed were currently investing in technology for pension schemes or were planning to do so over the next 12 months. Improving saver engagement was the most anticipated impact of technology on the sector over the next five years and the top reason for investing in technology, while improving understanding of pensions was the second most anticipated impact.

More than a quarter (26%) of PLSA members think improving member communications will be a major trend. This is likely to be accelerated by the creation of a Pensions Dashboard.

Trend 4 - Saver engagement: One of the biggest issues facing the UK is how to better engage individuals to save for and plan their future. Savers' engagement with their retirement savings is too low: workers do not know how much they have saved, nor do they know how much they need to save to get the lifestyle they want in retirement.

Over half (53%) of respondents identified the pensions dashboard as being the most important initiative to improve member engagement over the next five years. The mid-life MOT (26%) and PLSA's Retirement Living Standards (24%) were identified as the next two most effective initiatives.
For further information, please be in touch with Lawrence.Vousden@plsa.co.uk.

PENSIONS DASHBOARDS

Pensions dashboards remain a key priority for the PLSA. We are seeking to support schemes to prepare for onboarding by keeping them fully up to date on developments with the Pensions Dashboards Programme (PDP). We also continue to represent the views of PLSA members at a working and steering group level on the PDP.

The PDP published a *Call for Evidence* (CFE) in July 2020, which focused on the development of a set of data standards schemes and providers will have to comply with when submitting data to dashboards. The PLSA responded to the CFE, highlighting:

- The importance of initial dashboards displaying all or very nearly all of the pension entitlements savers have accrued;
- The main data items that schemes use to match individuals to their entitlements;
- The need to provide consistent data on entitlements to savers; and
- The importance of ensuring savers are aware of any special features linked to their entitlements.

Alongside the development of the data standards, the PDP has started the process of sourcing the digital architecture that will provide underpin to the dashboard ecosystem and operationalise it (e.g. the Pension Finder Service). The PDP is seeking 'pioneers' to submit data on a voluntary basis to the digital architecture starting in early 2020. We encourage PLSA members to volunteer to be pioneers.

To help protect savers, the PLSA has started to consider the categories of risk dashboards could expose people to. We have identified several risks, including data, display, functionality, conduct, and fraud/scams risks, as well as risks associated with data security, data matching, and data accuracy. We have started conversations with TPR on these issues.

For more information on the PLSA's work in this area or the progress of the PDP, please contact George Currie.

RETIREMENT LIVING STANDARDS

Over 14 million savers now have access to the PLSA's Retirement Living Standards (RLS), which help them to picture their retirement futures.

Pitched at three levels: minimum, moderate and comfortable, the Standards have been designed to fill the gaps in current approaches and act as a practical and meaningful starting point on a saver's engagement journey.

Like the 5-a-day healthy eating initiative, the PLSA's ambition is for the Retirement Living Standards to become a widely adopted industry standard. For example, some schemes will use them in general information for their members, in annual benefit statements, or to develop personalised targets for their members' pension planning.

In total, some 14.4 million savers – including more than 10 million active savers – have access to the Standards, following their adoption by 53 organisations. These organisations include 30 pension schemes and (of which a number are LGPS), 17 businesses that service schemes and providers, and six other bodies that influence the pensions sector (e.g. the Pensions Policy Institute).

The PLSA has stated that its ambition is for 90% of active savers to have access to the Standards via their scheme or provider by 2025.

For more information on the PLSA's work in this area or to adopt the Standards, please contact George Currie.

COST TRANSPARENCY

The Cost Transparency Initiative (CTI) is the industry standard for reporting institutional investment costs data. The CTI framework consists of a set of costs reporting templates and other tools and guidance – all of which are free to download and use, from the CTI website:

https://www.plsa.co.uk/Policy-and-Research-Investment-Cost-Transparency-Initiative

CTI is run by the PLSA, in partnership with the Investment Association (IA) and the LGPS Scheme Advisory Board (SAB) – reflecting different perspectives and experience across the pensions industry. The CTI framework was first launched online in May 2019 and has been adopted into the LGPS Code of Transparency (launched in 2017).

On 1 April, a new cost transparency compliance and validation system was launched for LGPS pension funds and pools – (provided by third party information provider Byhiras). This system incorporates the CTI framework and is now used by the large majority of asset managers.

What's in the CTI framework?

As well as the main costs reporting template, the CTI framework contains bespoke tools for particular areas, including the Private Markets Sub-template for private equity investments; the Fiduciary Management Sub-template, for reporting the costs associated with fiduciary management services; and the Liability Driven Investments Template (LDI). The CTI framework is intended to be responsive to users' needs and will be considering possible new templates, across different asset classes and services.

The CTI framework is intended to empower asset owners to be able to interrogate costs and charges effectively, making effective comparisons across investments (and across mandates). The 'User Summary' is an illustration of how asset owners can ask for the categories of costs and charges information from their asset managers, but asset owners (and their advisers) should discuss their needs with their managers – including their preferred format for information.

Please be in touch with Sam.Condry@plsa.co.uk for further information.

EVOLVING THE PENSION FREEDOMS - PLSA'S DC DECUMULATION RECOMMENDATIONS

In 2018 we originally set out a vision for guided at-retirement decisions in *Hitting the Target* and over recent months have set out our recommendations to operationalise our widely supported vision.

For those that aren't lucky enough to accure benefits solely within the LGPS over a lifetime, reliance on DC saving is increasing and there needs to be a bridge between the interia approach to get people into saving for their retirement and the complex deicisons they are required to make at retirement.

A consultation we held over the summer, which was marked by dynamic discussions and debate, cumlinated in the publication of our final DC decumulation recommendations. Our framework represents an evolution of the Pension Freedoms – by facilitating freedom and choice whilst also providing the support savers need at retirement. We will be calling on Government and Regulators to deliver the new framework to help evolve the freedoms and meet the needs of savers.

Our final recommendations include establishment of a new regulatory framework to help savers with the complex decisions they face when choosing how to access their pension at retirement.

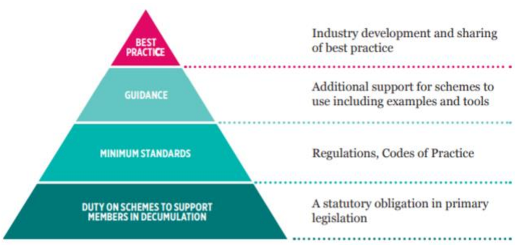
A key element of the framework is that schemes will support members by signposting them to a preferred product or solution, either in-scheme or in another scheme, to help savers navigate a way through the risks they face taking decumulation decisions.

We believe that a new regulatory framework is the best way to mitigate the litigation risk that schemes currently face acting in this space, as well as delivering appropriate product design and governance standards. These will facilitate and positively influence product development and innovation as DC pots grow in size and dependency on DC-derived incomes in retirement increases.

The framework will also deliver a set of minimum standards for the saver communication and engagement journey. This will support savers by delivering similar saver experiences across the market.

We have learned lessons from the experience of DB provision, such as the LGPS, where the three elements - good governance, clear communications and excellent reitrement solutions reflecting what retirees need - work in harmony to deliver excellent outcomes for members.

We recommend that all these components be supported by guidance and additional support for schemes and sharing of best practice within industry.



Stakeholders were particularly enthused by our approach to improve member engagement and communication by starting early, building over time and continuing after retirement. Our approach ensures that schemes, who are best placed to deliver assistance to savers regarding the decision-making risks they face, will be able to do so effectively. Evidence suggests that people are not well-equipped to trade off the numerious and complex risks they face in taking a decumulation decision. We see our recommended consumer journey as working in concert with other communications members will receive as part of any other entitlements they have, including LGPS benefits. We want savers to be provided with the information they need, at the time they would find most helpful and in such a way as to minimise the risk they end up with the worst outcomes.

Alongside our work with Government and Regulators we are calling on industry to embrace and support the framework, and working with industry to develop detailed guidance and explore the potential for best in class standards. Some schemes already have impressive decumulation options and we hope to encourage a more consistent saver experience across the numerous schemes they may be a part of.

For further information on our next steps please contact Alyshia Harrington-Clark.