



EXAMPLE - FULL RENEWAL PRACTISING CERTIFICATE (PC) APPLICATION FORM

PLEASE NOTE

Read the [PC Handbook](#) and the relevant Competency Framework for the PC(s) which you are renewing before completing this section.

Under each of the competencies, you should provide details to explain how you continue to meet each of the competencies set out in the relevant Competency Framework.

If you are applying for more than one PC, please ensure you provide information relevant to each PC type by indicating which PC the information relates to.

This section of your application may be shared with the Practising Certificates Committee. It would therefore be helpful if you could try to avoid providing details that could allow you, your employer or the entity/syndicate/scheme you are describing to be identified.

3.1 Communication

The Trustee boards that I advise, as well as the sponsor representatives, consist of people of varying knowledge and expertise ranging from long serving and independent trustees to newly appointed trustees with little pensions knowledge. The recipients of my advice need to be able to make informed decisions on complex technical actuarial issues. Therefore, in addition to providing the technical information to support my advice, I always provide an executive summary to help the reader understand the key objectives and recommendations.

Since my last renewal, I have carried out four actuarial factor reviews for my trustee clients. As part of my advice and for each Trustee Board, I provided simple member examples, using pictures and charts, so that the Trustees could understand how the potential change to factors could affect member benefits. A recently appointed lay Trustee on one of the Boards complimented me on the way I had made the content accessible and understandable to a lay person.

I have supported three sets of Trustees in their funding negotiations with the sponsoring employer since my last renewal, which involved helping the Trustees to articulate the reasons for their position and which aspects they may be willing to compromise on and which were non-negotiable. In one case, the Company was pushing for a weakening of the mortality assumptions. The Trustees were minded to agree, but I explained why I felt that such a change would be inappropriate. In light of my advice, the Trustees insisted on retaining the original assumptions and the Company ultimately agreed this.

I have recent experience of supporting Trustees in notifying the Pensions Regulator of the late submission of a triennial valuation. This involved explaining the issues which led to the delay, responding to the Regulator's questions and challenges, and explaining the steps the Trustees would take to reach a resolution to complete the valuation. The valuation was then completed to the satisfaction of the Regulator.

There is very rarely one correct answer when advising Trustees and it is important to show the range of possible options and outcomes. As part of my advice for three valuations, I have shown the sensitivity of the answer to key assumptions to help with the decision-making process, highlighting the range of acceptable outcomes and making it clear that the decision is ultimately with Trustees, but also providing my own opinion of what is acceptable, where appropriate.

I am also involved in delivering presentations to colleagues within my organisation on recent developments in the pensions industry and our annual Professional Skills Training. This includes preparing presentations and presenting to over 100 colleagues since my last renewal. This is an area I have actively participated in over recent years and is well received by my colleagues. This not only demonstrates my communication skills, but also the need to be able to research and present on the latest

industry thinking to a wide group of peers.

3.2 Leadership/Accountability

After working with the same five Trustee clients for several years, I am considered to be their trusted advisor. I have achieved this by spending time getting to know the Trustee Board, understanding their objectives and the sponsor's business, working with the board to find solutions to their issues and delivering work on time and to budget. I am the main point of contact for my clients and attend full trustee meetings for three of my schemes, allowing me to see the full picture. On one of my clients, the company often attends part of the Trustee meeting to provide an update, which helps maintain my direct knowledge of the company. I regularly request feedback from my clients to ensure they are happy with my approach and whether any changes are required. Recent feedback suggests that my clients are confident in my work and that should there be any issues, they feel comfortable to come to me directly to discuss.

I lead a technical team of varying seniority who support me in formulating and delivering the advice to the Trustee board. This allows the work to be carried out, checked and reviewed at the appropriate level for the specific task. I encourage the team members to build a relationship with the Trustee board allowing colleagues to develop and ensuring the client has alternative contacts within the team even though the responsibility for providing the advice sits with myself. This is demonstrated by two of my appointments transitioning to my long-term primary support on those cases, who has been able to build such strong relationships with those clients that they feel confident in their appointments being handed over.

We recently discovered that, due to an error on our part, incorrect information had been submitted to the PPF with regard to one of the schemes for which I am Scheme Actuary. As a result, the Trustees had paid a larger PPF levy than necessary. Having identified this error, I immediately notified the head of department at my employer, and also our legal department. I then immediately notified the client, accepted responsibility for the error and worked with all parties to agree a resolution that satisfied the client. At the end of the process, the client complimented me for the way in which I had taken responsibility and resolved the matter

When I discuss my advice with Trustee Boards, I encourage questions and welcome challenges because there is often not a single correct answer. Since my last renewal, I have been challenged by Trustees and sponsors on two separate occasions on the amount of prudence contained in the technical provision discount rate. I explained the justification for the level of prudence reflecting the strength of covenant and current investment strategy and listened to the rationale for an alternative assumption. In one case, further information was made available to support a stronger covenant, which was verified by the covenant adviser allowing me to recommend to the Trustee board that a smaller allowance for prudence in the discount rate could be supported by the covenant. In another case, no new information was provided, and I robustly defended my justification to retain the prudence in the discount rate assumption.

Outside of work, I have recently been appointed to act as a volunteer chair of a charity and was selected for this role by a sub-group of the Charity's Board. This role involves leading the Board, promoting good governance and maintaining good relationships with external parties. I believe this role adds to demonstrating my wider leadership abilities.

3.3 Professionalism

I work on a collaborative basis with all schemes stakeholders so if and when new information is made available, I can take this into account in my advice. Since my last renewal, new information on the strength of the employer's covenant emerged during the 15-month valuation project for one of my schemes. This led me to revisit advice I gave earlier in the project on the amount of prudence allowed for in the technical provisions and to discuss this change with the Trustees to agree whether it was appropriate to make a change in the basis. We agreed not to make the change on this occasion due to the volatility in the market, but to continue to monitor the situation.

I am comfortable to challenge Trustees' decisions where I think they may not have considered all the relevant issues before making a decision. Since my last renewal, when a trustee board was negotiating with the sponsor on funding contributions, they wanted to propose a level of contributions which exceeded the amount the sponsor had verbally indicated were affordable, without further investigation or advice. I challenged this decision and recommended the Trustees firstly seek independent covenant advice to establish the true level of affordability before making their proposal so there was justifiable evidence available to support their proposal. This identified that there was more affordability than the

sponsor had indicated but not as much to support the Trustees' proposal. The Trustees were then able to amend their proposal and put this to the sponsor with the supporting evidence and the proposal was accepted.

Over the last year I have illustrated buy-out costs to the Trustees, but have had to explain that as insurers will not disclose their pricing bases due to commercial considerations, the actual cost will only be known by obtaining actual quotes from insurers. It was important that I made the Trustees aware of this area of uncertainty and the limitations in my estimate of the buy-out price. Both the Trustees and the sponsor appreciated the cost uncertainties and the impact this may have on other decisions.

Conflicts of interest are always front of mind, whether that is my own potential conflicts or those of the Trustees, particularly during funding discussions for those trustees who may hold a senior decision-making role at the sponsor. It is the first item I recommend is included on Trustee meeting agendas to ensure everyone considers this issue in the context of all the items due to be discussed at the meeting. I recently reminded one Trustee of a potential conflict in advance of factor discussions. The Trustee appreciated my approach and that they had not been put in a difficult position when it came to this subject.

Since my last renewal, I advised a Scheme where the Company had an episode of late payment of contributions due to changes in personnel in the Company's accounting team. The Trustees raised their concerns, the late contributions were duly paid, and the Company advised this would not happen again. When this did happen again, I advised the Trustees to take a stronger position on this and escalate this to the FD to ensure that the internal control issues within the accounting team were reviewed and changes made to prevent this happening again. This resolved the issue.

3.4 Knowledge, awareness and understanding

I have been a scheme actuary for over seven years, advising clients throughout and have a good understanding of the legal and regulatory requirements relevant to UK pensions. I keep abreast of those requirements and general market factors and incorporate this into my advice to the Trustees. I have worked with all my clients to prepare for the Regulator's new funding code and where appropriate have incorporated some of the key themes in advance of the publication of the code. For instance, I have helped Trustees in preparing for the adoption of a long-term funding objective and aligning shorter term funding and investment strategies with longer term strategies into their technical provisions. This has involved working with investment advisers to ensure they have full information to inform their advice.

I have attended a number of CPD sessions over the period, both in-house and external sessions, allowing me to hear views from wider sources. I have particularly focused on sessions related to GMP equalisation, as I am required to provide very detailed advice on this complex matter, it is therefore imperative that I build my knowledge in this area to allow me to provide the required advice. I particularly enjoy attending external sessions, as this allows the opportunity to discuss recent developments and hear views from the wider sector.

I appreciate when it is appropriate to consult other advisors and work collaboratively with other professional advisers e.g., covenant, investment, legal on all aspects of the running of the Scheme. One of my schemes is currently in the process of purchasing a pensioner buy-in, I am therefore working closely with the Scheme's other advisers, particularly investment and legal advisers, to ensure the success of the project. As part of this project, I am responsible for bringing together the different advisors and the required advice from each to allow the Trustees to have easily accessible, but full information to ensure they can make informed decisions.

3.5 Technical skills

Since my last renewal I have continued to work with other members of the client team in formulating and delivering advice to Trustees. I have continued to build on my technical skills to have a sound understanding of the technical areas relevant to the role of Scheme Actuary. In particular, since my last renewal, I have advised three clients on their triennial valuations, which has involved:

- Providing training on the valuation process and legislative changes since the last valuation;
- Advising on the actuarial method and assumptions, having regard to the sponsoring employer's covenant and investment strategy;
- Preparing valuation results and presenting them at a meeting;

**Supporting the Trustees in their negotiations with the employer;
Preparing drafts of the statement of funding principles, recovery plan, schedule of contributions and certification; and
Drafting and signing the scheme funding report**

I have also:

Drafted and presented annual actuarial reports for four schemes and have provided regular funding updates;

Formulated and delivered advice on the CETV assumptions and setting actuarial factors for the four schemes that have completed their valuations, which included a separate annual review of cash commutation factors for one scheme;

Prepared and delivered four section 179 valuations;

Completed work and delivered the advice in relation to PPF issues (PPF levy estimates, mitigation strategies)

Other examples of work that could be outlined here are:

Advice on the value of insured assets

Advice on including an allowance for GMP equalisation in the transfer value basis

Advice on the methodology for GMP equalisation of past and future service for current members and for historic transfer values

Advice on the funding impact of GMP equalisation of historic transfer values

Advice on the rectification of GMPs

Advice on IRM framework in conjunction with other professional advisers (covenant and investment)

Advice in relation to the methodology and assumptions for Statutory Money Purchase Illustrations

Advice on s67 issues associated with a benefit change

Advice on scheme mergers

Advice on scheme closure

Advice on liability management exercises

Advice on buy-in

Advice on winding-up