



## EXAMPLE - FULL RENEWAL PRACTISING CERTIFICATE (PC) APPLICATION FORM

### 3. Demonstration of competencies

#### 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

All of the work described in this application has been completed since my last full renewal.

I continue to advise the same four Trustee Boards, which consist of individuals with varying knowledge and expertise. My written advice always contains an executive summary setting out the most important information that needs to be considered at the meeting, as well as more detailed supporting information and sensitivity analysis to ensure the client can make effective and informed decisions. For example, when I advised a trustee board whether to secure all scheme benefits with an insurer, I highlighted the uncertainties in the balance sheet estimate. I often receive positive feedback from Board members on my papers and the way in which I deliver advice. In a recent meeting, a lay Trustee commented that the chart showing all expected future cashflows from the Scheme helped them to understand the prospects for the Scheme more clearly than they had previously seen.

I have supported three sets of Trustees in their funding negotiations with the sponsoring employer, 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.

One of my clients has been contacted this year by the Pensions Regulator over concerns about a possible weakening in the employer covenant. I have explained the reasons for the Regulator's concerns to the Trustees, and assisted them in responding to the Regulator's questions and information requests. The Regulator has confirmed that they are happy that they are being kept up to date, and with the actions taken by the Trustees.

#### 3.2 Leadership/Accountability

In addition to my four clients, I have taken on one new scheme this year with a new Trustee board. A valuation was due on this scheme and I was therefore required to build relationships quickly with the Trustees to understand their objectives and the sponsor's business. I did this by meeting with trustees, trustee chair, the pensions manager, key company contacts and other advisers to get to know the board which allows me to tailor my advice to meet the board's objectives.

As Scheme Actuary, I am ultimately responsible for the actuarial advice delivered to each of my clients and I am supported in delivering this advice by a client team of varying seniority. I encourage junior colleagues to take responsibility for individual pieces of work and projects with an understanding that I am ultimately responsible for the quality and timeliness of delivery. My long-term primary support on two of my schemes has built strong relationships with those clients and we are currently in the process of transitioning the appointments to them.

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.

### 3.3 Professionalism

I was recently challenged by one set of Trustees going through the valuation process 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 this 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.

When necessary, I am able to respond to challenges regarding my advice. Last year, I was discussing with a client and their legal adviser the amount of additional work required as a result of the new DB funding regime and held my ground that the scheme was very well positioned given its existing funding and investment strategy to meet the majority of the requirements without the need for significant extra advice despite the (more experienced) legal adviser claiming otherwise and pushing for regular all party meetings which I considered would not add value to the client. After discussions around this, the client was happy to go with my recommendations.

As part of a recent actuarial factor exercise for one client, I was required to remind one Trustee of a potential conflict in advance of the discussions. The Trustee appreciated my approach and that although they had not been put in a difficult position when it came to this subject, the Trustee excused themselves from this part of the discussion to avoid any perceived conflicts.

Since my last renewal, I advised a scheme where I was concerned that the method of equalising retirement ages as documented in the scheme rules may not be valid, such that the true date of equalisation may be later than set out in the rules. This was initially resisted by the Trustees, on the basis that it was everyone's understanding that equalisation was as set out in the rules. I persisted and recommended they take fresh legal advice on this matter. This advice confirmed that the earlier date may not be valid, and the Trustees and employer have now agreed to seek more detailed advice to ascertain the correct equalisation date and are putting in place a project to rectify members' benefits.

### 3.4 Knowledge, awareness and understanding

I have kept up to date with regulatory, legal and general topical issues in the pensions industry since my last renewal through a mixture of internal technical meetings, internal and external webinars, IFoA learning resources, in-person events and through reading various pensions media and bulletins. I also attend fortnightly internal meetings where we discuss relevant current topics, which I also sometimes present at.

As an experienced Scheme Actuary, advising clients for many years, I have acquired an excellent understanding of the current and developing legal and regulatory requirement relevant to UK pensions. Through CPD activities, both in house and external, and focusing on topics such as GMP equalisation, mortality updates, the new DB funding code I keep my knowledge up to date. Through attendance at these CPD events, this has enabled me to ensure my advice is up to date. For example, ensuring my advice includes indications of the schemes' funding position on the prospective low-dependency funding basis and discussions on the consequences for journey planning and investment strategy.

Given that I attend all of my trustee clients' meetings in full, I am exposed to advice issued by other advisors and service providers, which gives me a well-rounded level of knowledge and experience on all pensions related matters. For example, I have recently been involved in discussions with clients alongside the legal adviser about the potential implications of the Virgin Media Section 37 ruling.

### 3.5 Technical skills

I have advised four clients on their triennial valuations since my last renewal and completed the valuation reports for three of these. This work has involved:

- Providing training to the Trustees on the valuation process, including legislative changes and updates since the last valuation
- Advising on the actuarial method and assumptions
- Prepared initial valuation results and presenting these results at trustee meetings
- Presentation, illustrations and commentary on the sensitivities involved in the valuation results
- Prepared funding updates as part of the valuation process
- Supported the Trustees in their negotiations with the sponsor
- Completed the triennial actuarial valuation process in three cases including the Scheme Funding Report.

I have also completed actuarial factor reviews on the same four clients, which included the preparation and delivery of CETV advice where I responded to questions and challenge from the Trustees. In addition, I have prepared and delivered four section 179 valuations, provided advice in relation to PPF issues, advised on the funding impact of GMP equalisation and provided advice on the potential wind-up of one scheme.