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**Response from the Pensions Management
Institute to DWP consultation:
'Automatic Enrolment: Alternative Quality
Requirements for Defined Benefit and
Hybrid schemes being used as a
workplace pension'**





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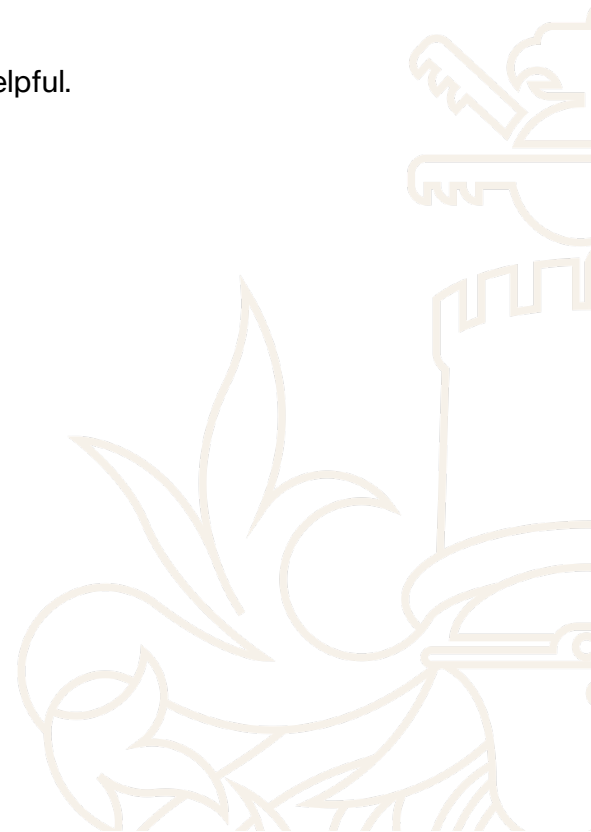
Response from the Pensions Management Institute to DWP consultation: ‘Automatic Enrolment: Alternative Quality Requirements for Defined Benefit and Hybrid schemes being used as a workplace pension’

Introduction

PMI is the professional body which supports and develops those who work in the pensions industry. PMI offers a range of qualifications designed to meet the requirements of those who manage workplace pension schemes or who provide professional services to them. Our members (currently some 7,000) include pensions managers, lawyers, actuaries, consultants, administrators and others. Their experience is therefore wide ranging and has contributed to the thinking expressed in this response. Due to the wide range of professional disciplines represented, our members represent a cross-section of the pensions industry as a whole.

PMI is focused on supporting its members to enable them to perform their jobs to the highest professional standards, and thereby benefit members of retirement benefit arrangements for which they are responsible.

We trust that the feedback in the following pages proves helpful.



1. Are the alternative quality requirements for defined benefit and hybrid schemes continuing to deliver the intended simplifications and flexibility for sponsoring employers and pension schemes that are unable to use the TSS?

We are satisfied that the alternative quality requirements remain adequate.

2. The legislation is not prescriptive about who should apply the alternative quality requirements. In practice, who is carrying out the tests: the employer (i.e. self-certification) or its professional advisers?

We are aware that both approaches are adopted in practice, with the preferred approach in a particular case usually determined by the specifics of each scheme.

3. Is there anything sponsoring employers or pension schemes want to bring to DWP's attention about the operation of the alternative quality requirements, in particular regarding previously unforeseen issues when compared to the TSS?

We are not aware of any specific issues that would need to be brought to the attention of DWP.

4. Does the alternative quality requirements for CDC schemes remain appropriate for single and connected employers, and does it remain appropriate for the new types of CDC schemes?

We are satisfied that the new quality requirements for CDC schemes remain appropriate for both single and connected employers and new types of CDC scheme. However, care needs to be exercised with regards to variations in scheme design. There has, for example, been some discussion of the development of [variable annuity CDC](#) schemes, and it may be appropriate to revisit the topic of AE quality tests as new designs emerge.