



Financial Reporting Council

# **Feedback Statement and Impact Assessment**

## **Technical Actuarial Standard 300: Pensions**

July 2025

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# Executive Summary

1. The Financial Reporting Council (FRC) consulted in December 2024 on revisions to Technical Actuarial Standard 300: Pensions (TAS 300). The FRC received 21 written responses, which were supplemented by stakeholder outreach discussions. Submissions from consultancies formed the majority of responses. This executive summary draws out the key areas of feedback and highlights the main changes made to the exposure draft of TAS 300 version 2.1 (v2.1) in response.

## General observations

2. The proposed changes to TAS 300 were designed to reflect both the new defined benefit (DB) funding regime and the considerations arising from trustees and employers seeking actuarial advice on uses of surplus in DB pension schemes.
3. Most respondents were mainly supportive of the policy direction of the proposed changes. In particular, they welcomed the proposal to extend the scope to include actuarial advice arising from the improved funding levels of DB pension schemes, and the removal of provisions which are no longer needed. However, there were requests for changes to the timing of, and approach to, implementation of the revised standard and for greater clarity in drafting. Our outreach discussions confirmed that the wording of some proposed provisions had led stakeholders to interpret that practitioners were required to do more than we had intended. In finalising the standard, we have made amendments to address these points.

## Implementation

4. We proposed an implementation period of around one month with a view to minimising the period without appropriately revised actuarial standards which reflect the new funding regime which is already in place. Most respondents commented that, although there is little doubt that technical actuarial work carried out in respect of the new funding regime will comply with the revised TAS 300, this was a short period to make appropriate changes to processes and procedures and to check for compliance with the revised standard. We have therefore amended the implementation period from around one month to more than three months, which we consider is a proportionate approach to implementation which does not substantially increase risks to the quality of work.
5. Respondents also explained that, for technical actuarial work on valuations with an effective date before 22 September 2024, which are not subject to the new funding regime, although the work will likely comply with the revised TAS 300, there would be additional work checking for compliance with the revised standard for practitioners who had already carried out much of their work, including checking compliance, under TAS 300 version 2.0 (v2.0). To reduce the burden, we have finalised the standard such that practitioners may opt to apply TAS 300 v2.0 for technical actuarial work on funding valuations with an effective date before 22 September 2024.

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## Low dependency investment allocation and low dependency funding basis

6. Some respondents interpreted the proposed changes in Provisions P2.3 and P2.12 as bringing into scope of the standard certain work on investment which they considered not to be technical actuarial work, or as making them responsible for work which had been carried out by others.
7. In finalising the standard, we have amended the wording of these provisions to refer to the assessment of the resilience of the low dependency investment allocation, rather than to the resilience itself, to clarify our intention relating to the advice to which this provision applies.

## Information to be included in the scheme funding report

8. We proposed changes to Appendix A which some respondents interpreted as requiring the trustees' funding and investment strategy to be included in the scheme funding report, which must be provided to members on request, although it is not intended under the Occupational Pension Schemes (Funding and Investment Strategy and Amendment) Regulations 2024 (the FIS regulations)<sup>1</sup> that the funding and investment strategy be disclosed to members.
9. We intended that that the scheme funding report contains information to enable an informed reader to understand the approach taken to funding, but not that it includes the full funding and investment strategy. To clarify our intention, we have reverted to the wording used in TAS 300 version 2.0 in item b in Appendix A.
10. Several respondents commented that it is important for trustees to understand the expected future progression of the funding level on the technical provisions basis and how the funding level on the low dependency funding basis is expected to develop relative to this, but that often it is then not necessary for them to be provided with corresponding information on the solvency basis.
11. Since the new funding regime will lead to trustees and others generally having more information than previously about the expected future progression of the funding level, we agree that the scheme funding report does not need to include additional information relating to this on the solvency basis. To reduce the reporting burden, we have amended item e in Appendix A accordingly.

## Scheme modifications

12. We proposed changes to simplify the specification of scheme modification activities for which the associated technical actuarial work is in scope of Section 4 of TAS 300. Some respondents questioned whether certain activities fell within the proposed definition of scheme modification.
13. We intended that the scope of TAS 300 in relation to technical actuarial work on scheme modifications remains unchanged, and indeed the wording used was the same as in the

<sup>1</sup> <https://www.legislation.gov.uk/ukxi/2024/462/contents/made>

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Scope section of TAS 300 v2.0. However, in view of the comments made by respondents, we consider that there is a need for clarity in the definition of scheme modification and we have amended it accordingly.

### Communication of input from third parties

14. The FRC proposed introducing a provision relating to input from a third party. Several respondents questioned why there was then no corresponding provision relating to communication that third-party input had been used.
15. We agree that it would be appropriate for intended users to understand where third-party input has been used in preparing actuarial information and have inserted a new provision (Provision P2.14) into the standard accordingly.

### Uses of surplus

16. In light of recent improved funding levels of DB schemes, we proposed changes to TAS 300 which refer to activities being considered as use of surplus (such as a pension increase, or a refund to the employer). We included provisions relating to these activities in the same section of the standard as applies for technical actuarial work on incentive exercises and scheme modifications. Some respondents suggested that TAS 300 should refer explicitly to surplus, and that the provisions relating to uses of surplus should be placed in a separate section, to help practitioners identify when and how the standard applies.
17. These activities which use surplus may also be carried out when a scheme is not in surplus on a particular basis, and the relevant considerations for practitioners providing advice, and the information which their intended users need, would be the same. Further, these considerations, which concern potential material changes in risks to members' benefits, are similar to those for practitioners advising on incentive exercises and scheme modifications. We did not consider it appropriate to refer to surplus, or necessary to create a separate section of TAS 300 relating to these activities.

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# Introduction and Background

1. The FRC is the UK's independent regulator responsible for issuing and maintaining actuarial standards. The FRC keeps the Technical Actuarial Standards (TASs) and other actuarial standards under regular review.
2. TAS 300 v2.0<sup>2</sup> was published in December 2023 and applies to technical actuarial work in scope and completed on or after 1 April 2024. When TAS 300 v2.0 was published, changes to the DB pension funding regime were expected. Pending finalisation of the new funding regime, we did not make substantive changes to the provisions in TAS 300, published in December 2016, relating to scheme funding and financing.
3. In December 2024, we issued a consultation paper<sup>3</sup> titled 'Technical Actuarial Standards for Pensions', which included an exposure draft of the proposed revised standard TAS 300 v2.1. The consultation closed on 10 March 2025.
4. This paper provides a summary of the feedback received and sets out our response to this feedback, a summary of amendments to the exposure draft following the consultation, and the impact assessment.
5. The final version of TAS 300 v2.1 is issued alongside this paper.

<sup>2</sup> [Technical Actuarial Standard 300: Pensions](#)

<sup>3</sup> [Consultation on Technical Actuarial Standard 300: Pensions \(December 2024\)](#)

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# Explanation of Key Changes

1. The key changes to TAS 300, as set out in the consultation paper, were informed by:
  - areas in the new DB funding regime set out in the FIS regulations and the Pensions Regulator's (TPR) revised DB Funding Code of Practice (the revised Code)<sup>4</sup>, which have come into effect since the publication of TAS 300 v2.0, where actuarial judgement may be applied or actuarial advice may be given;
  - matters identified through responses to the call for feedback, outreach and consultation on proposed changes to TAS 300 v1.0;
  - actuarial considerations arising from improved funding levels of DB schemes; and
  - findings from the 2024 voluntary monitoring programme pilot, in which the FRC reviewed submissions of technical actuarial work on scheme funding, which enabled us to assess the effectiveness of the TASs in support of setting proportionate and targeted standards and guidance.
2. In addition, we revised the structure of Section 2 in line with the revisions made in the other sections of TAS 300 v2.0.
3. Following the consultation, in finalising the standard, we made a number of amendments to the exposure draft to address the feedback received. The key amendments include:
  - extension of the implementation period;
  - allowing practitioners to opt to apply TAS 300 v2.0 to technical actuarial work on funding valuations with an effective date before 22 September 2024; and
  - amendments to various provisions to provide clarity over our intentions.
4. A full list of the amendments is set out in Appendix 1.
5. TAS 300 v2.1 will be effective for all technical actuarial work in scope issued on or after 1 November 2025. However, for technical actuarial work on funding valuations with an effective date before 22 September 2024, practitioners may opt to apply TAS 300 v2.0 instead.

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<sup>4</sup> <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/db-funding-code-of-practice.ashx>



# Summary of Responses

## Responses to the public consultation

1. We received 21 written responses, 20 of which were not confidential and have been published on our website. The table below summarises the number of responses by respondent type and a list of respondents is set out in Appendix 2.

Category of Respondent	Number
Professional and industry bodies	3
Consultancies / professional services firms	13
Individuals	2
Pension schemes/providers	2
Government bodies	1
<b>Total</b>	<b>21</b>

2. In addition, we hosted a public webinar on 14 January 2025, and 18 outreach meetings were held with stakeholders during or after the consultation period.
3. In this section we summarise the main points made in written submissions and provide comment to explain our position.

### Question 1

What are your views on the proposed changes to provisions in relation to the level of prudence in assumptions?

Should TAS 300 include further requirements in relation to setting or communicating the level of prudence in assumptions? Should TAS 300 include additional provisions relating to the risk of excessively prudent assumptions being used in actuarial valuations? Please give reasons for your response.

4. 18 out of 21 respondents answered this question. A third of these were comfortable with the proposed changes relating to prudence and most of the others were supportive of the policy intention explained in the consultation paper but had comments on the wording set out in the exposure draft. In addition, the majority agreed that it would not be appropriate for TAS 300 to include additional provisions relating to the risk of excessively prudent assumptions being used for funding.

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5. More than a third of respondents commented that the words “level of prudence” in Provisions P2.1 and P2.5 may suggest that quantification of prudence would be required.
  6. Many of these same respondents noted that there is no unique and objective view of how prudent an actuarial basis is, and that there is not necessarily an objective link between prudence and exposure to risk, including risk relating to employer covenant. The basis used for funding is often the result of negotiations between the trustees and the employer.
  7. One respondent suggested that practitioners should be required to report on neutral assumptions.

## FRC response

8. There is broad support for Provisions P2.1 and P2.5 in the exposure draft.
9. In exercising judgement over prudence, the practitioner has to consider what level of prudence would be appropriate, even if this is not quantified. However, since practitioners will generally be familiar with the specific circumstances in each case, the FRC’s intention is to leave how best to communicate prudence in funding assumptions to their judgement. Practitioners may choose in their communications to express prudence in quantitative terms and/or to attribute elements of prudence to specific risks, but our intention is that the standard does not require them to do so. In finalising the standard, we have retained the words “level of” in Provision P2.1 but removed them from Provisions P2.5a and P2.5c to clarify our intention. In addition, and for the same reason, although Provision P2.6 was not mentioned in feedback to the consultation, in finalising the standard, we have removed these words from Provision P2.6.
10. In relation to the suggestion that practitioners should be required to report on neutral assumptions, there is no such requirement in the legislation on funding or the revised Code. There is strong consensus that TAS 300 ought to remain principles-based, so it would be inappropriate to prescribe how the level of prudence should be expressed.

### Question 2

Do you consider that the removal of part (a) of Provision P2.7 (P2.9 in the exposure draft) would result in information not being provided that would be important to the governing body’s understanding of the material risks in relation to funding and financing? If so, please explain your rationale.

11. 18 out of 21 respondents answered this question. Almost all respondents were supportive of removing from TAS 300 the requirement to provide information about future cash flows.
12. Two respondents suggested the requirement should be retained, one stating that it is key to the analysis needed for good decision-making, particularly for schemes considering run-on, and the other expressing the view that compliance with TAS 100 in relation to cash flows is currently poor.

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## FRC response

13. There is widespread support for removing this requirement from TAS 300. We have finalised the standard with no changes to the exposure draft on this point.

### Question 3

What are your views on the proposed Provisions P2.3 and P2.12? Do you expect there to be challenges to complying with the proposed Provision P2.12?

14. 18 out of 21 respondents answered this question. The majority of these were supportive of the policy intention explained in the consultation paper, but most made comments which suggested that they interpreted the wording in the exposure draft as requiring work that was beyond the policy intention.
15. Almost half of respondents raised a concern that the proposed wording of Provision P2.12 would bring into the scope of TAS 300 any work in relation to a low dependency investment allocation, including work which the practitioner considered not to be technical actuarial work. Some of these respondents suggested that, as a result, practitioners providing only investment advice would have to communicate information about the likelihood of further contributions being required after low dependency on the employer has been achieved. They were concerned further that, if the definition of technical actuarial work were being widened, the impact might differ between investment advisors who are actuaries and those who are not, with only the former required to comply with the TASs.
16. Around one third of respondents commented that the words “level of risk” in Provision P2.12 may suggest that quantification of risk would be required.
17. One third of respondents suggested removing the reference to prudence from Provision P2.3 because there is no legislative requirement for the low dependency funding basis to be prudent.
18. Two respondents noted that trustees and employers would need input from multiple advisors, including investment advisors, to assess the appropriateness of the likelihood of further contributions being required after reaching low dependency on the employer. They suggested that it may therefore not be possible in all cases for an actuarial practitioner alone to provide sufficient information for such an assessment to be made, which they interpreted as being required by the proposed Provision P2.12. This was extended to a suggestion that the wording in the exposure draft could make the actuarial practitioner liable for advice provided by other advisors in this area.
19. Three respondents queried the intention behind Provision P2.3, noting that practitioners would always be expected to consider how the circumstances of the pension scheme affect any advice which they give.

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## FRC response

20. We conducted further outreach with a representative sample of large consultancies which provide both actuarial and investment services to understand the activities expected to be undertaken in practice on low dependency investment allocations and low dependency funding bases. This included discussion of which activities are considered by actuaries who provide investment advice to fall within the definition of technical actuarial work<sup>5</sup>. Our discussions indicated that the majority of such practitioners are comfortable identifying which parts of investment work are technical actuarial work. Broadly, their view is that investment work which takes account of uncertainty attaching to a scheme's liabilities, such as asset liability modelling and hedging, is technical actuarial work, while investment work which is solely concerned with assets, such as manager selection, is not. The majority of practitioners providing investment advice confirmed that this distinction does not result in inconsistency between actuaries and non-actuaries in how work is carried out. However, some stakeholders suggested that how "low dependency investment allocation" is referred to in general terms in the exposure draft might bring into scope of TAS 300 some activities which they consider not to be technical actuarial work.
21. The FIS regulations state that a low dependency investment allocation means the assets of a scheme are invested in such a way that the value of the assets relative to the value of the scheme's liabilities is highly resilient to short-term adverse changes in market conditions so that further employer contributions are not expected to be required to make provision for the scheme's liabilities. The focus in Provisions P2.3 and P2.12 is on the advice which the intended user receives to support the assessment of the likelihood of further employer contributions being required after a position of low dependency on the employer has been achieved. A state of low dependency on the employer depends on the combination of the low dependency investment allocation and the low dependency funding basis. We consider that formulating advice on this is likely to involve work to which the use of principles and/or techniques of actuarial science is central and which involves the exercise of judgement, and which would therefore meet the definition of technical actuarial work.
22. In finalising the standard, we have amended Provisions P2.3 and P2.12 so that they refer to the assessment of the resilience of the low dependency investment allocation, rather than to the resilience itself, to clarify our intention relating to the advice to which this provision applies.
23. Since practitioners will generally be familiar with the specific circumstances in each case, our intention is to leave to their judgement how best to communicate about the expectation of further contributions being required after a position of low dependency on the employer has been achieved. Practitioners may in their communications choose to quantify the likelihood of this, but our intention is that the standard does not require them to do so. In finalising the standard, we have deleted the words "level of" from Provision P2.12 to clarify this intention.

<sup>5</sup> Work performed for the intended user: (i) where the use of principles and/or techniques of actuarial science is central to the work and which involves the exercise of judgement; or (ii) which the intended user could reasonably regard as technical actuarial work by virtue of the manner of its communication.

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24. We agree that there is no requirement in legislation for the low dependency funding basis to be prudent, although we note that the revised Code states that the trustees should ensure that the assumptions are chosen prudently. We have removed the reference to prudence from Provision P2.3 and inserted instead a reference to the assumptions to be used, and we have inserted a corresponding reference to assumptions in Provision P2.12.
  25. We agree that the information needed to assess the appropriateness of the likelihood of further contributions being required after reaching low dependency on the employer cannot generally be provided by the actuarial practitioner alone. In finalising the standard, we have replaced the words "sufficient information to enable the intended user to assess" in Provision P2.12 with the words "sufficient actuarial information to support the intended user in assessing" to clarify the scope of the communication required of the actuarial practitioner.
  26. As set out in paragraphs 3.22 to 3.24 of the consultation paper, the intention of Provision P2.3 is that an actuarial practitioner providing advice on setting a low dependency funding basis, or on the assessment of the resilience of a low dependency investment allocation, gives due consideration to how the circumstances of the scheme might affect what level of dependency on the employer would be appropriate. For example, a practitioner ought not to assume that the example test of resilience in the revised Code, or the parameters specified in TPR's regulatory approach for fast-track, are automatically appropriate.

#### **Question 4**

What are your views on the proposed Provisions P2.2 and P2.10? Are there further factors which you believe practitioners should consider or communicate? If you disagree with the proposed requirements, please suggest alternative approaches.

27. 17 out of 21 respondents answered this question. A significant majority of respondents were in agreement with the policy intention explained in the consultation paper, but around half of these made further comments, mostly suggesting that they interpreted the wording in the exposure draft as requiring work that would be beyond what we intended.
28. Three respondents expressed the view that investment work relating to the journey plan should be out of scope of TAS 300 and were concerned that the wording of Provisions P2.2 and P2.10 bring it within scope.
29. Similar to a comment made in relation to low dependency on the employer (see question 3), two respondents noted that trustees and employers need input from multiple advisors to assess the appropriateness of the level of risk taken during the journey plan, and therefore it is not possible for an actuarial practitioner alone to provide sufficient information for such an assessment to be made, which they interpreted as being required by Provision P2.10b.
30. Three respondents commented that the words "level of risk" in Provision P2.10b may suggest that quantification of risk would be required.

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31. Three respondents queried why Provisions P2.2 and P2.10 refer to funding and investment objectives when the Pensions Act 2004 and the FIS regulations refer to funding and investment strategy.
  32. Three respondents suggested that including Provision P2.2 is not necessary, either as it is covered by the requirements of TAS 100 or that the activity in P2.2 would always be carried out to meet the requirements of Provision P2.10.

## FRC response

33. The definition of technical actuarial work set out in the glossary remains unchanged, and the provisions of TAS 300 apply to the areas of technical actuarial work which are set out in the "Scope and compliance" section. We encourage practitioners to refer to section 3 of the guidance on [Technical Actuarial Work and Geographic Scope](#) when exercising judgement over whether a particular piece of work relating to a journey plan falls within the definition of technical actuarial work.
34. We agree that the information needed to assess the appropriateness of the level of risk taken during the journey plan cannot generally be provided by the actuarial practitioner alone. However, the requirement set out in Provision P2.10b refers to actuarial information, as opposed to all information. Further, the provision refers to such information being sufficient to support the intended user in making the assessment, as opposed to being sufficient to enable the intended user to make the assessment. We consider that the provision does not indicate that the information needed for the assessment can be provided by the actuarial practitioner alone, and have made no amendments for this point when finalising the standard.
35. The FIS regulations refer to the "level of risk" that can be taken during the journey plan. As Provision P2.10b relates to advice given in this area, it is appropriate to maintain consistent wording with the FIS regulations and we have made no amendments for this point when finalising the standard.
36. We have retained the reference to funding and investment objectives, rather than funding and investment strategy, in Provisions P2.2 and P2.10 to avoid excluding from the scope of these provisions technical actuarial work in relation to pension schemes, such as Local Government Pension Schemes (LGPS), to which the FIS regulations do not apply. We have made no amendments to these provisions for this point when finalising the standard.
37. We consider that Provision P2.2 is an important sector-specific application of TAS 100 because actuarial advice is critical to trustees following the risk principle in the FIS regulations. As set out in paragraph 2.2 in the consultation paper, in line with the revisions made in other sections of TAS 300 v2.0, we proposed making changes to the structure of Section 2 to bring out more clearly those provisions related to communications and, where a requirement for further analysis or consideration was embedded within a communications provision in TAS 300 v2.0, we proposed introducing a separate provision explicitly relating to that analysis or consideration. We have therefore retained this provision in the final standard.

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## Question 5

What are your views on the proposed Provision P2.11? If you disagree with the proposed provision, or believe there is additional information relating to liquidity that should be communicated, please explain your rationale.

- 38. 16 out of 21 respondents answered this question. Around one third of these supported the addition of P2.11 as set out in the exposure draft. Most of the other respondents agreed the intention of the provision to communicate liquidity risks but commented that the wording in the exposure draft might not achieve this.
- 39. Around a quarter of respondents wrote that, although the consultation paper indicates that Provision P2.11 is intended to relate to liquidity risk, this was not clear from the wording in the exposure draft.
- 40. A similar number of respondents interpreted the consultation paper as implying that the provision is intended to relate to the liquidity risk associated with leveraged liability driven investment (LDI), but noted that the provision as drafted related only to benefit cashflows and not to investment cashflows.
- 41. Around a quarter of respondents commented that, while liquidity is principally about short-term cashflows, the proposed wording appeared to require communication relating to uncertainty of cashflows in the longer term.
- 42. Around the same number of respondents commented that the words “level of uncertainty” in Provision P2.11 may suggest that quantification of uncertainty would be required.
- 43. Two respondents suggested that Provision P2.11 is unnecessary as the requirement is covered by TAS 100.
- 44. One respondent questioned why Provision P2.11 applies to advice to trustees but not to advice to employers.

## FRC response

- 45. As set out in paragraph 3.29 of the consultation paper, the intention behind Provision P2.11 is to address the liquidity risk arising from uncertain benefit cashflows. Unlike in the case of investment cashflows, those wanting advice on benefit cashflows are likely always to seek it from an actuarial practitioner. Paragraphs 3.31 and 3.32 of the consultation paper explain why the provision does not extend to liquidity risk relating specifically to leveraged LDI.
- 46. We acknowledge the comments which highlight the potential for misinterpretation of the intention behind Provision P2.11. To clarify our intention, we have amended the provision to refer to the impact on liquidity of the uncertainty of future benefit cashflow requirements.



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47. Our intention is that the standard does not require practitioners to quantify uncertainty in their communications, although they may choose to do so. To clarify this, we have amended the wording of Provision P2.11 by removing the words “level of”.
48. We consider that Provision P2.11 is an important sector-specific application of TAS 100 because actuarial advice is critical to trustees following the liquidity principle in the FIS regulations. We have therefore retained this provision in the final standard.
49. We intended that Provision P2.11 applies to advice to governing bodies but not to advice to employers, as we anticipate that the scope of advice provided to employers may often not cover liquidity. There is nothing to prevent practitioners who are advising employers from communicating information about liquidity where they judge that it would appropriate to do so in support of the reliability objective.

### Question 6

Is there any technical actuarial work undertaken by practitioners in relation to managing a funding and investment strategy which is not adequately covered by the proposed provisions? If so, please explain what this is.

If you provide advice in relation to an LGPS, do you anticipate any challenges in applying Provisions P2.2, P2.10 and P2.11 in relation to these arrangements?

50. 17 out of 21 respondents answered this question. None suggested that the proposed provisions do not adequately cover all technical actuarial work in relation to managing a funding and investment strategy. Similarly, no respondents anticipated significant challenges in applying the provisions to an LGPS.
51. The few comments made in response to this question were on specific isolated points which were not raised by any other respondent.

### FRC response

52. There is widespread agreement that the proposed provisions adequately cover technical actuarial work in relation to managing a funding and investment strategy and that they can be applied appropriately when advising on schemes which are not subject to the FIS regulations. We have finalised the standard without amendment in relation to this point.



### Question 7

Do you agree with the proposal to remove P2.6 of TAS 300 v2.0 from the standard? If not, please explain your rationale, including the matters which you believe a governing body needs to have communicated to them by actuarial practitioners to support them in fulfilling their statutory duties in relation to funding and financing.

53. 17 out of 21 respondents answered this question, with all supportive of removing Provision P2.6 of TAS 300 v2.0, other than one respondent who suggested that a provision relating to fiduciary duty would be more appropriate.

### FRC response

54. We have finalised the standard without amendment in relation to this point.

### Question 8

Do you envisage any challenges arising from the proposed introduction of Provision P2.4? If so, please explain what these are.

55. 16 out of 21 respondents answered this question. Almost all agreed with the policy intention explained in the consultation paper. The majority were supportive of the provision as set out in the exposure draft, but some suggested that the wording be changed to make the intention clear.
56. A quarter of respondents were concerned that compliance with Provision P2.4 would require the practitioner to consider, and possibly evaluate, how their output would have differed had there been a range of hypothetical third-party inputs. One suggested that this could be addressed by deleting the words "the output of" from the provision.
57. These respondents also referred to the use of the word "reliance" in relation to third-party input, making the points that:
- third-party input is data to which the data principle of TAS 100 applies;
  - it is the trustees or employer, not the practitioner, who rely on the third-party advice; and
  - it would be more appropriate to reframe Provision P2.4 in terms of the practitioner needing to understand the limitations of third-party input.
58. A quarter of respondents questioned why there was no provision relating to communication of reliance on third-party input, noting that Provision P5.6 of TAS 300 v2.0 requires such communication in relation to technical actuarial work on bulk transfers.

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## FRC response

59. It is not our intention to require practitioners to determine what the output of their technical actuarial work would have been under a range of hypothetical inputs. In finalising the standard, we have removed the words “the output of” from Provision P2.4 as we do not expect practitioners to evaluate output on alternative scenarios.
60. Provision P5.2 of TAS 300 includes the same wording relating to third-party input in the context of technical actuarial work on bulk transfers. In finalising TAS 300 v2.1, we have removed the words “the output of” from Provision P5.2 as well, for the same reason as we have done so in provision P2.4.
61. The legislation underpinning the new funding regime refers explicitly to investment and to the employer covenant. Trustees and employers will need input from multiple advisors, so actuarial practitioners will be working alongside other advisors and, as discussed in paragraphs 3.37 to 3.39 of the consultation paper, may make use of input from them. The FRC agrees that third-party input used in the practitioner’s technical actuarial work is data to which the data principle in TAS 100 applies. How to apply that principle is a matter for the practitioner’s judgement and we consider that there is no need to change the wording in the exposure draft for this point.
62. We agree that it would be appropriate for intended users to understand where third-party input has been used in preparing actuarial information. Accordingly, in finalising the standard, we have inserted a new provision (Provision P2.14) akin to Provision P5.6.

### Question 9

What are your views on the proposed Provision P2.13? Please explain your rationale.

63. 16 out of 21 respondents answered this question. The majority agreed with the policy intention explained in the consultation paper. Half of respondents were supportive of the provision as set out in the exposure draft, but others suggested that the wording be changed to align with the role of the actuarial practitioner.
64. Several respondents commented that that the wording of Provision P2.13 suggested that responsibility for setting the assumptions for the admission of new members and the future accrual of benefits rests with the actuarial practitioner rather than with the trustees. Some respondents expressed the view that the technical actuarial work involved in this context is advising on the assumptions to be used for calculating maturity, rather than on the calculation itself, and it was suggested that the role of the actuarial practitioner would be better reflected by referring in Provision P2.13 to the impact of the choice of assumptions.
65. Three respondents suggested removing Provision P2.13, either because they considered that it is not appropriate to focus on the assumptions which relate to future scheme membership, as these are just some of the overall demographic assumptions used in a funding valuation,

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or because the determination of the assumptions for future scheme membership is well covered in the revised Code.

## FRC response

66. We agree that it is the trustees' responsibility to set the assumptions for the admission of new members and the future accrual of benefits. Practitioners are expected to be asked by decision-makers to provide advice about setting these assumptions.
67. It is important that trustees understand the impact of the choice of assumptions about future membership, because this may ultimately affect the security of members' benefits. However, we consider that there is adequate guidance in the revised Code, and support through the assumptions, judgement and communications principles in TAS 100, for trustees in understanding the impact of the choice of assumptions about future membership and that there is therefore no need to refer explicitly in Provision P2.13 to the impact of the choice of assumptions.
68. We consider that the concept of maturity is significant in the context of the new funding regime, and that the assumptions in relation to admission of new members and the future accrual of benefits may be material in the case of open schemes. We therefore consider it appropriate to include a provision in TAS 300 relating to this.
69. In finalising Provision P2.13, we have amended the provision to make clear that it relates to providing advice on setting the assumptions for the admission of new members and the future accrual of benefits, in the context of the calculation of maturity.

### Question 10

Do you agree that the items listed in Appendix A are material for all schemes? If not, please explain which items may not be material in which circumstances.

Do you agree the proposed amendments to items b, d and e in Appendix A? If not, please explain why.

70. 18 out of 21 respondents answered this question, with more than one third of these comfortable with the proposed amendments as set out in the exposure draft.
71. Almost half of those responding noted that it is not intended under the FIS regulations that the trustees' funding and investment strategy is disclosed to members but commented that item b in Appendix A suggested that it would have to be set out in the scheme funding report, which must be provided to members on request.
72. One third of those responding commented on item e of Appendix A, suggesting that it is important for trustees to understand the expected future progression of the funding level on the technical provisions basis and how the funding level on the low dependency funding basis is expected to develop relative to this, but that often it is then not necessary for them

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to be provided with further information in relation to the expected future progression of the funding level on the solvency basis. In addition, two respondents noted that the funding levels on the technical provisions basis and the low dependency basis may not be expected to converge.

- 73. One respondent suggested that item d in Appendix A be amended to include best estimate values.
- 74. Two respondents commented that various of the items in Appendix A, such as items j, m, n, o and r, could be interpreted as applying to each of the technical provisions basis, the low dependency funding basis and the solvency basis, which could lead to the practitioner preparing and communicating an unnecessarily large volume of information.

## **FRC response**

- 75. Our intention is that the scheme funding report contains information to enable an informed reader to understand the approach taken to funding the pension scheme, but not that it includes the full funding and investment strategy. As such, item b in Appendix A in the exposure draft requires the practitioner to include “a description of the governing body’s funding and investment strategy” and not the full funding and investment strategy. To avoid potential misinterpretation, when finalising the standard, we have reverted to the wording used in item b in Appendix A of TAS 300 v2.0, which refers to “the governing body’s funding objectives and investment strategy”.
- 76. Under the new funding regime, trustees and others will generally have more information than previously about how the funding level of the scheme is expected to progress in future. We therefore agree that the required information in the scheme funding report can be limited to the expected development of the funding level on the technical provisions basis and how this relates to the funding level on the low dependency funding basis. We consider that the wording of item e in Appendix A incorporates sufficient flexibility to cater for cases where the technical provisions basis and the low dependency basis are not expected to converge. In finalising the standard, we have amended item e in Appendix A by removing the reference to the solvency basis.
- 77. In relation to the suggestion that practitioners should be required to report on best estimate values, there is no such requirement in the legislation on funding or the revised Code. The practitioner, who will be familiar with the needs of the intended user and the circumstances of the scheme, is best placed to decide whether communicating best estimate values will assist the intended user in making funding decisions. The FRC therefore considers that it would be inappropriate to prescribe how the level of prudence should be expressed. As a result, in finalising the standard, we have not inserted a requirement for best estimate values to be included in the scheme funding report.
- 78. In relation to the comments on items j, m, n, o and r, the level of detail provided for each required item of information in a scheme funding report is a matter for the practitioner’s judgement, as set out in the opening paragraph of Appendix A. We expect practitioners to take a proportionate approach and not to communicate information which they judge to be

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unnecessary. Our observation from submissions to the FRC's 2024 voluntary monitoring programme pilot is that practitioners understand and apply proportionality well in this area and, for example, typically provide an analysis of surplus on just one basis.

### Question 11

Do you agree that the risks associated with technical actuarial work in connection with buy-ins and capital-backed journey plans and other similar arrangements are adequately addressed by TAS 100 and the proposed provisions of TAS 300 as set out in the exposure draft? If not, what risks do you consider not to be adequately addressed and what different or additional provisions do you suggest be included in TAS 300?

79. 16 out of 21 respondents answered this question. All respondents indicated that TAS 100 and the exposure draft of TAS 300 v2.1 adequately address the risks associated with technical actuarial work in connection with buy-ins and capital-backed journey plans.

### FRC response

80. We have finalised the standard without further amendment in relation to this point.

### Question 12

Are there further areas of technical actuarial work in relation to funding and financing which you believe should be addressed in TAS 300? If so, please explain what these are and the risks involved.

81. 17 out of 21 respondents answered this question. Almost all of these commented that there are no further areas of technical actuarial work in relation to funding and financing which should be addressed by TAS 300. One respondent suggested some specific areas to consider relating to best estimates, the approach to calculation of duration and the treatment of risk.

### FRC response

82. We have finalised the standard without further amendment in relation to this point.

### Question 13

Do you agree that practitioners should communicate any material increase in risk from providing future accrual of benefits or future accumulation of money purchase benefits without equivalent funding, as set out in Provision P2.9c? If not, please give reasons for your response?

83. 18 out of 21 respondents answered this question. The majority of these agreed that practitioners should communicate any material increase in risk from providing future accrual

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of benefits or future accumulation of money purchase of benefits without equivalent funding.

- 84. Almost half of respondents queried why P2.9c is targeted only at future accrual when there are other uses of surplus which have similar impacts on funding. Half of these suggested in particular that using surplus to meet scheme expenses should be included within Provision P2.9c.
- 85. Almost a quarter of respondents commented that they saw Provision P2.9c as being unnecessary because communication of an increase in risk to members' benefits would be covered by Provisions P2.9a and P2.9b.
- 86. Two respondents argued for the provision to give greater flexibility for practitioners to judge how the risk to members' benefits is communicated, for example by requiring the information to be communicated to be an indication of the impact of any material increase in risk.

## FRC response

- 87. There is broad support for the introduction of Provision P2.9c.
- 88. Of the various potential uses of surplus set out in the consultation paper, only funding future accrual is expected always to be dealt with as part of a funding valuation and so should be addressed in Section 2 of TAS 300. We acknowledge that establishing an expense reserve is likely to be part of a funding valuation, but this is not the case for one-off payments of expenses from the scheme, and we therefore consider it appropriate to address uses of surplus other than funding future accrual in Section 4 of TAS 300.
- 89. We consider the requirement in Provision P2.9c concerning advice in relation to use of surplus to be distinct from the requirements in Provisions P2.9a and P2.9b, which are not specific to use of surplus.
- 90. We consider that the wording of P2.9c in the exposure draft allows the practitioner to exercise judgement over how to communicate any increase in risk to members' benefits and does not require quantification of the increase in risk.
- 91. We have finalised Provision P2.9c with no changes.

### Question 14

Do you agree with the application of the provisions in Section 4 to technical actuarial work as set out in "benefit alterations and other activities", beyond incentive exercises and scheme modifications which are already in scope in the current standard?

Does the proposed extension of scope in relation to the provisions in Section 4 capture technical actuarial work which you consider should not fall in scope of TAS 300, or where the proposed provisions in Section 4 are not applicable? If so, please explain what this is.

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92. 18 out of 21 respondents answered this question. None disagreed with bringing advice on uses of surplus into scope of TAS 300, but a number of respondents suggested changes to the exposure draft to make clear that the matters newly in scope are concerned with use of surplus.

### Structure and wording of provisions relating to use of surplus

93. Almost a third of respondents suggested that there should be a separate section in TAS 300 containing the provisions relating to advice on uses of surplus, with some of these respondents commenting that the relevant considerations are different from those for advice on incentive exercises and scheme modifications.
94. A few respondents suggested that TAS 300 should refer explicitly to surplus to support practitioners in identifying when there is a need to comply with the provisions in Section 4 of TAS 300.
95. One respondent questioned why Provision P4.3 appeared to apply only to advice to governing bodies whereas Provisions P4.1 and P4.2 apply to advice to governing bodies and to advice to employers.

### Definition of scheme modification

96. Almost a quarter of respondents queried the proposed definition of scheme modification in the glossary and whether certain activities fall within the definition. The responses identified a number of activities, such as a change in employer, a change in the structure of the governing body or a change in investment strategy, which could be interpreted as falling within the proposed definition of scheme modification but where the provisions of Section 4 are not expected to be relevant.

## FRC response

### Structure and wording of provisions relating to use of surplus

97. As explained in paragraph 4.8 of the consultation paper, the considerations relating to technical actuarial work on use of surplus are similar to those relating to technical actuarial work on incentive exercises and scheme modifications. To create a separate section of TAS 300 for the provisions relating to use of surplus would result in repetition of much of Section 4. We acknowledge that not all elements of Provision P4.2 are relevant to all activities, and indeed that none of them is likely to be relevant to a payment to the employer, but it is clear from responses to question 15 that practitioners are able to exercise judgement effectively to decide which elements are relevant in a particular set of circumstances.
98. The reason for our focus on activities which may be contemplated as uses of surplus, such as awarding discretionary pension increases, is that they may result in material changes in risks, value or cash flows relating to members' benefits. However, these activities may be contemplated also in the case of a scheme which is not in surplus on a particular basis and



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the relevant considerations for practitioners providing advice, and the information which their intended users need, would be the same. As a result, we consider that it is appropriate to refer to the activity being contemplated and not to the funding position of the scheme.

99. We agree that Provision P4.3 is relevant to advice to employers as well as to advice to governing bodies. In finalising the standard, we have amended the provision to refer to the intended user.

### Definition of scheme modification

100. As explained in paragraph 4.11 of the consultation paper, we intended that the scope of technical actuarial work concerning scheme modifications to which TAS 300 applies would be unchanged. We proposed changes to simplify the specification of scheme modification activities for which the associated technical actuarial work is in scope of Section 4 of TAS 300, and the proposed definition of scheme modification used the same wording as was used in the Scope section of TAS 300 v2.0. However, responses to the consultation have revealed that there is currently no consistent understanding across the industry of what constitutes a modification for the purpose of deciding whether TAS 300 v2.0 applies to technical actuarial work concerning certain activities. In particular, there is uncertainty over:
- whether “scheme modification” is restricted to changes to accrued benefits; and
  - whether “scheme modification” is restricted to changes which are brought into effect by means of an amendment to the scheme’s governing documents.
101. To clarify our intention about the types of technical actuarial work to which Section 4 of TAS 300 v2.1 applies, when finalising the standard, we have amended the definition of “scheme modification” to “A change to the accrued benefits of a pension scheme which is brought into effect by an amendment to the pension scheme’s governing documents”.
102. This definition of “scheme modification” excludes changes to accrued benefits brought into effect not by an amendment to the scheme’s governing documents but by means of the exercise of an existing power, such as a power of augmentation or a power to award discretionary benefit increases, in the scheme’s governing documents. These fall within the third item in the definition of “benefit alteration or other activity” if they are made without contributions to the scheme of at least equal value calculated using appropriate assumptions.
103. Technical actuarial work concerning a change to accrued benefits is therefore subject to Section 4 of TAS 300 v2.1 only if the change to accrued benefits involves amending the scheme’s governing documents (a scheme modification, being the second item in the definition of benefit alteration or other activity) or is made without contributions to the scheme of at least equal value calculated using appropriate assumptions (the third item in the definition of a benefit alteration or other activity) or both. This is in line with our intention for the scope of Section 4.
104. None of the various other activities, such as a change in employer, a change in the structure of the governing body or a change in investment strategy, to which respondents drew our



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attention as potentially being interpreted as falling into the proposed definition of “scheme modification” set out in the exposure draft would be expected to affect accrued benefits. Therefore, none of these activities would be expected to fall within the definition of “scheme modification” in the final standard and technical actuarial work relating to them is not in scope of TAS 300 v2.1.

105. In finalising the standard, we have removed any reference to changes which do not affect accrued benefits but might affect security of accrued benefits. This means that technical actuarial work concerning such an activity is not in scope of TAS 300 v2.1 although it was in scope of TAS 300 v2.0, albeit only Section 1. Section 4 did not apply since the activity did not fall within the definition of “scheme modification”. Hence, to the extent that the scope of TAS 300 has been reduced, the impact is limited to disapplying Section 1 of TAS 300 to technical actuarial work in relation to such activities. We consider that the approach which we have taken is an appropriate measure to improve clarity and will not lead to increased risk in the quality of work in practice.

### Question 15

Do you anticipate challenges in judging which elements of Provision P4.2a to c, as set out in the exposure draft, to apply in any given circumstances?

106. 17 out of 21 respondents answered this question. The majority did not anticipate challenges in judging which elements of Provision P4.2 to apply in particular circumstances.
107. One respondent noted that Provision P4.2 covers certain considerations but there are other considerations which may be relevant, and another respondent suggested that it would be helpful to refer to proportionality as well as relevance in Provision P4.2.

### FRC response

108. We do not intend Provision P4.2 to be exhaustive. Although we accept that there may be circumstances in which further considerations may be relevant, we consider that it is unnecessary to extend the requirements in Provision P4.2 beyond those included in TAS 300 v2.0, in line with the exposure draft.
109. We encourage practitioners applying Provision P4.2 to have regard to proportionality, as set out in paragraph 1.5 of the section of TAS 300 on Scope and compliance.
110. We have made no changes to Provision P4.2 as set out in the exposure draft.

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## Question 16

What are your views on the proposal that the standard would be effective around one month after publication? Please set out any practical difficulties which you believe this might cause.

Do you foresee challenges in connection with providing advice before the effective date of TAS 300 v2.1 on valuations with an effective date on or after 22 September 2024? Please set out any proposals for how these may be mitigated.

Do you foresee challenges in relation to applying the proposed TAS 300 v2.1 to valuations

111. 15 out of 21 respondents answered this question. All of these suggested that the proposals for the implementation of TAS 300 v2.1 could cause difficulties in practice.
112. Most respondents indicated that one month between publication of the standard and it becoming effective was a short period to make appropriate changes to processes and procedures, particularly for valuations which were approaching completion. Of these, the majority suggested that three months would be sufficient although a small number of respondents suggested a longer period.
113. Most respondents expressed a preference for technical actuarial work on funding valuations with an effective date before 22 September 2024 to be subject to TAS 300 v2.0, rather than TAS 300 v2.1. Although respondents acknowledged that there are no theoretical barriers to applying TAS 300 v2.1 to technical actuarial work on funding valuations with an effective date before 22 September 2024, they noted that there would nevertheless be extra work involved in checking and confirming compliance with TAS 300 v2.1, in particular as it is likely that the bulk of the work would have been carried out whilst TAS 300 v2.0 was in effect.
114. Some respondents suggested that, were there a longer implementation period, early adoption of TAS 300 v2.1 could be permitted.

## FRC response

115. To reduce the burden on practitioners, in finalising the standard:
  - we have amended paragraph 1.2 of the Scope and compliance section so that the new standard will become effective on 1 November 2025, more than three months after publication; and
  - we have updated the approach such that practitioners may opt to apply TAS 300 v2.0, rather than TAS 300 v2.1, to technical actuarial work on funding valuations with an effective date before 22 September 2024.

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116. Practitioners working on valuations with an effective date before 22 September 2024 are not prevented from providing advice concerning matters introduced by the new funding regime. A reference to early adoption of TAS 300 v2.1 is not needed to allow this.

### **Question 17**

Do you agree with our impact assessment? Please give reasons for your response.

117. 17 out of 21 respondents answered this question, with the majority of these in agreement with our impact assessment.
118. A few respondents warned against underestimating the cost of implementation. Some respondents indicated that the potential adverse impact on practitioners would be substantially mitigated by a longer implementation period and the application of TAS 300 v2.0 to technical actuarial work on pre-22 September 2024 funding valuations.
119. A small number of respondents reiterated their concern that there could be a significant impact were work performed by investment specialists, which they currently consider not to be technical actuarial work, to be brought into scope of TAS 300 (see questions 3 and 4).

### **FRC response**

120. There is broad support for the impact assessment published as part of the consultation.
121. We have increased the implementation period to more than three months and allowed practitioners to opt to apply TAS 300 v2.0 to technical actuarial work on funding valuations with an effective date before 22 September 2024 (see question 16).
122. Our position on investment work is discussed in our response to question 4 and we amended Provisions P2.3 and P2.12 to clarify our intention to address the concern of some respondents in relation to work on a low dependency investment allocation (see question 3).
123. With the changes to implementation and to Provisions P2.3 and P2.12, we consider that the impact assessment as set out in the consultation paper remains appropriate.

### **Additional matters raised**

124. Some respondents made comments which were not directly related to any of the consultation questions, as set out below:
- a small number of respondents questioned how practitioners would be able to demonstrate that they had complied with certain of the provisions, referring to Provisions P2.2, P2.3, P2.4 and P4.2;
  - one respondent, noting the Government's growth objectives, questioned why there was no reference to growth in TAS 300;

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- one respondent argued that, across a range of scenarios, actuarial advice ought to include a risk benefit analysis to inform intended users before they make important decisions; and
  - one respondent queried how in-house practitioners ought to apply proportionality in their compliance with the TASs in their roles both providing their own actuarial advice to internal intended users and as a recipient of TAS-compliant input from external actuarial practitioners.

## FRC response

125. We consider that it is for practitioners to determine how they would demonstrate compliance with the TASs. Through the pilot of the monitoring programme, we observed a range of practices and further information on this can be found in [Actuarial Monitoring Programme - observations from pilot phase](#).
126. As set out in our updated [3-Year strategy](#), our purpose is to serve the public interest and support UK economic growth by upholding high standards of corporate governance, corporate reporting, audit and actuarial work. The TASs do not refer directly to growth but, in setting proportionate and targeted actuarial standards, the FRC promotes high quality actuarial work which will support well-functioning insurance and pensions markets and public trust in these sectors, which have significant potential to support economic growth through greater investment in the productive economy.
127. We agree that there are occasions when a risk benefit analysis may be helpful to an intended user. However, we consider that this is adequately addressed by TAS 100, in particular through the risk identification, judgement and communications principles and the focus on the reliability objective, and that it is unnecessary to add further requirements in TAS 300.
128. Practitioners are encouraged to refer to the Technical Actuarial Guidance on Proportionality, Section 3 of which contains illustrative examples, and to exercise their judgement over how to apply it in their own circumstances.

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# Impact Assessment

## Benefits

1. The majority of the changes to TAS 300 are in light of:
  - the requirements of the new DB funding regime as set out in the FIS regulations and the revised Code which have come into effect since the publication of TAS 300 v2.0 (Section 2 of the standard); or
  - the actuarial considerations arising from improved funding levels of DB schemes (mainly in Section 4 of the standard with one proposed change in Section 2).
2. The benefits of these changes are from the maintenance of quality in technical actuarial work carried out in relation to scheme funding and financing and certain uses of assets of a pension scheme.
  - The changes in relation to funding and financing promote quality technical actuarial work which will support intended users, typically trustees/governing bodies and employers, to plan for the long term, promoting appropriate risk-taking where it is supportable.
  - The changes in relation to uses of surplus promote quality technical actuarial work which will support intended users to understand the risks in these uses of surplus and promote appropriate risk-taking to achieve better outcomes for both members and employers, whilst managing the risk of pension scheme members not receiving the benefits guaranteed under the scheme.
3. We have removed from TAS 300 some provisions/sub-provisions which we consider to be no longer necessary. A better alignment of TAS 300 with TAS 100 v2.0 and the removal of redundant provisions will benefit the users of the standard, namely the practitioners who are required to comply with it, through efficiency gains from applying a more streamlined and fit-for-purpose standard.

## Costs

4. The FIS regulations and the revised Code were subject to consultation and widely trailed before being introduced. Many large, well-resourced DB schemes had already developed and implemented plans for their long-term financial risk management which are broadly consistent with the FIS regulations and the revised Code, and the FRC understands that many smaller schemes were advised of the requirements of the new funding regime before it came into effect. Good practice in DB funding, in particular around long-term planning as envisaged under the new funding regime, is therefore already established for many schemes.
5. The changes to Section 2 of TAS 300 reflect good practice and align TAS 300 to the new funding regime. We consider that they will not create a significant burden for practitioners over and above that incurred as a result of the introduction of the FIS regulations and the revised Code themselves.

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6. The changes to Section 4 of TAS 300 codify good practice in risk identification and communication. The work involved is already in scope of TAS 100. We expect the burden of the additional work needed as a result of the extension of the circumstances in which Provisions P4.1, P4.2 and P4.3 apply, beyond that already required by TAS 100, to be minimal.
  7. There will be an element of one-off cost associated with reading the revised TAS 300 and updating processes and procedures. Responses to the consultation indicate that, with a period of more than three months from publication before the new version of the standard becomes effective, and the option to apply TAS 300 v2.0 to technical actuarial work on funding valuations with an effective date before 22 September 2024, the cost of updating processes and procedures will not be onerous.

# Appendix 1 – Amendments to the Exposure Draft

Section	Issue	Change
Scope and compliance	Technical actuarial work on actuarial valuations with an effective date before 22 September 2024	Paragraph 1.2 – inserted that practitioners may opt to apply TAS 300 v2.0 to technical actuarial work on valuations with an effective date before 22 September 2024
Section 2	Low dependency funding basis	P2.3 – in relation to low dependency funding basis replaced reference to prudence with reference to assumptions
Section 2	Low dependency investment allocation	P2.3 – inserted reference to assessment of resilience of low dependency investment allocation
Section 2	Third-party input	P2.4 – deleted “the output of”
Section 2	Communications relating to prudence	P2.5a, P2.5c and P2.6 - deleted “level of”
Section 2	Word missed from TAS 300 v2.0	P2.10 – inserted “and”
Section 2	Liquidity	P2.11 – inserted reference to impact of liquidity
Section 2	Communications relating to uncertainty	P2.11 - deleted “level of”
Section 2	Low dependency funding basis	P2.12 - inserted reference to assumptions used for low dependency funding basis
Section 2	Low dependency investment allocation	P2.12 - inserted reference to assessment of resilience of low dependency investment allocation
Section 2	Low dependency on the employer	P2.12 – replaced “information” with “actuarial information” and changed requirement from enabling to supporting the intended user
Section 2	Communications relating to risk	P2.12 – deleted “level of”

Section 2	Maturity	P2.13 – inserted reference to assumptions used for calculation
Section 2	Communications relating to third-party input	P2.14 – inserted new provision (and renumbered subsequent provisions)
Section 4	Scope of application of provision	P4.3 – replaced “governing body or other decision-making entity” with “intended user”
Section 5	Third-party input	P5.2 – deleted “the output of”
Appendix A	Funding objectives and investment strategy	Item b – reverted to TAS 300 v2.0 wording
Appendix A	Expected development of funding level	Item e – deleted reference to solvency basis
Glossary	Scheme modification	Clarified intention by restricting definition to changes in accrued benefits effected by amendment of scheme’s governing documents



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## Appendix 2 – List of Respondents

1. The FRC received 21 written responses to the consultation, 20 of which were not confidential and are published on the FRC website. The respondents not requesting confidentiality were:
  - Aon Solutions UK Limited
  - Association of Consulting Actuaries
  - Barnett Waddingham LLP
  - Broadstone Corporate Benefits Limited
  - C-Suite Pension Strategies Ltd
  - Derek Scott
  - First Actuarial LLP
  - Gallagher Benefit Services
  - George Kirrin
  - Government Actuary's Department
  - Hymans Robertson LLP
  - Institute and Faculty of Actuaries
  - Isio Pensions Limited
  - Lane Clark & Peacock LLP
  - Mercer Limited
  - PricewaterhouseCoopers LLP
  - Society of Pension Professionals
  - Universities Superannuation Scheme Limited
  - WTW GB Retirement Team
  - XPS Group



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