



Financial Reporting Council

Technical Actuarial Standard 310: Collective Money Purchase Pensions

**Version 1.1 –
Exposure Draft**

February 2026

The FRC does not accept any liability to any party for any loss, damage or costs howsoever arising, whether directly or indirectly, whether in contract, tort or otherwise from any action or decision taken (or not taken) as a result of any person relying on or otherwise using this document or arising from any omission from it.

© The Financial Reporting Council Limited 2026

The Financial Reporting Council Limited is a company limited by guarantee.
Registered in England number 2486368. Registered Office:
13th Floor, 1 Harbour Exchange Square, London, E14 9GE

Contents

	Page
Introduction	3
Provisions	5
Appendix A: Information to be included in the collective money purchase scheme actuarial valuation report	13
Glossary of defined terms used in TAS 310	14

Introduction

- 1.1. TAS 310 v1.1 applies to **technical actuarial work** in scope and completed on or after 31 July 2026.
- 1.2. Terms in bold are defined in the Glossary of defined terms used in Technical Actuarial Standard 310, appended to this standard.

Purpose

- 1.3. Technical Actuarial Standard 310: *Collective Money Purchase Pensions* (TAS 310) promotes high quality **technical actuarial work** in relation to collective money purchase pension schemes, supporting the **reliability objective**:

To allow the **intended user** to place a high degree of reliance on **actuarial information**, practitioners must ensure the **actuarial information**, including the communication of any inherent uncertainty, is relevant, based on transparent assumptions, complete and comprehensible.

Scope and compliance

TAS 310 is applicable to **technical actuarial work** in the **geographic scope** of FRC technical actuarial standards in relation to **Collective Money Purchase pension schemes**.

- 1.4. Work in the scope of TAS 310 is also in the scope of TAS 100. This Standard should be read in conjunction with Technical Actuarial Standard 100: *General Actuarial Standards* (TAS 100). Each of the provisions in TAS 310 must be followed where they are relevant to the work.
- 1.5. In applying judgement to the application of this Standard, it is important to be guided by the **reliability objective**.
- 1.6. Practitioners are encouraged to have regard to the relevant guidance that accompanies the TASs and, in particular, the guidance on proportionality, to inform how they will comply with this Standard.
- 1.7. TAS 310 must be applied by all members of the Institute and Faculty of Actuaries (IFoA) carrying out work under its scope. Wider adoption is encouraged and other relevant regulators and contracting parties may require entities and individuals who are not members of the IFoA to comply with this Standard.
- 1.8. **Actuarial information** that is **material** must include a statement by the practitioner confirming compliance with TAS 100 and TAS 310. Any **material** caveat, qualification or

limitation in that statement must be justified to the **intended user**. The evidence demonstrating compliance must be available to the **intended user**, if requested.

General Provisions

- 1.9. This Standard consists of provisions which use defined terms 'must' and 'should'. The provisions which use the term 'must' set out mandatory requirements. The provisions which use the term 'should' set out regulatory expectations. Practitioners must have regard to these regulatory expectations; divergence may be acceptable but **material** deviations must be justified. The justification must demonstrate how compliance with the relevant provisions has been achieved despite not meeting regulatory expectations.

Provisions

1 Data

- P1.1. If there is any uncertainty, arising from legislation or scheme documentation, in how the benefits are calculated, practitioners must ensure the data sought for any exercise include any known relevant legal opinions in the possession of the client in relation to the **pension scheme**.

Communications

- P1.2. Practitioners' **communications** must include an explanation of any known **material** uncertainty, arising from legislation or the scheme documentation, in how benefits are to be calculated and how this uncertainty has been treated in the work.

2 Assumptions

- P2.1. Practitioners should use **material** assumptions which reflect the membership, benefit structure and financial features of the **pension scheme**.
- P2.2. In setting or advising on **central estimate** discount rate assumptions, practitioners must ensure that, of the relevant information used, any that relates to past asset returns is appropriate, considering:
- a. that it covers a time period that is of appropriate length;
 - b. the relevance of past economic conditions to future projections.
- P2.3. In setting or advising on **central estimate** assumptions, practitioners should consider how to make allowance for the **term structure** of each assumption.
- P2.4. Practitioners must derive **central estimate** assumptions using as much relevant information as is sufficient, and must make use of support from third parties where the practitioner judges it necessary in order to obtain sufficient relevant information.
- P2.5. Where the practitioner relies on the opinion of, or information from, a third party for any assumptions, they should consider the reasonableness and supporting evidence for the third-party opinion or information.

3 Modelling

- P3.1. Practitioners must ensure the models used to support **viability assessments** and scheme design reflect the scheme benefits and are sufficient to demonstrate the level of uncertainty

in relation to future **benefit adjustments, accrual rates** and the future meeting of live running tests¹.

- P3.2. Practitioners providing advice in relation to scheme design and **viability assessments** should use models which are able to i) demonstrate the impact of assumptions not being borne out in practice; and ii) estimate the probability of, and indicate typical scenarios under which:
- a. **benefit adjustments** lead to negative nominal increases to accrued benefits (benefit adjustments are negative);
 - b. **benefit adjustments** lead to negative real increases to accrued benefits.
- P3.3. Practitioners should use **stochastic modelling** when carrying out analysis as part of scheme design or for a scheme's initial **viability assessments** either to support their own view of whether a scheme design is sound or to advise trustees in coming to a view on soundness.
- P3.4. Practitioners should consider how results and recommendations from their modelling could change under key credible alternative modelling methodologies or modelling assumptions.

Communications

- P3.5. Practitioners' **communications** of modelling in relation to scheme design and **viability assessments** should include probabilities of, and indicate typical scenarios under which:
- a. **benefit adjustments** lead to negative nominal increases to accrued benefits (benefit adjustments are negative);
 - b. **benefit adjustments** lead to negative real increases to accrued benefits.
- P3.6. Practitioners' **communications** should explain how recommendations and decisions could be **materially** different under key credible alternative modelling methodologies or modelling assumptions.
- P3.7. Practitioners' **communications** should include:
- a. An explanation of which modelling assumptions have a **material** impact on the recommendations;
 - b. which **material** variables have and have not been modelled in a stochastic manner (including any **material statistical measures** where relevant) including reasons why this approach was taken and the impact this will have on the model results; and
 - c. the impact on results if the items in a) above had been set at **materially** different, but reasonable levels.

¹ 11(2),11(7) and 11(8) of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022.

-
- P3.8. Practitioners' **communications** should explain judgements made in selecting the modelling methodology which may have **material** impact on the model output.
- P3.9. Practitioners' **communications** should set out the assumptions within the modelling of the basis upon which future valuations of the scheme for **benefit adjustment** purposes would be carried out.
- P3.10. Practitioners' **communications** should explain any **material** assumptions made:
- regarding future management decisions that may be made in relation to the scheme; or
 - regarding expected changes in the scheme membership.

4 Scheme design

- P4.1. When carrying out work in relation to a CMP scheme which has not yet gained, and is not in the process of applying for, authorisation from the Pensions Regulator, practitioners should:
- use data, in relation to future scheme membership or any other area which is expected to have a **material** impact on their advice, which the practitioner considers to be sufficient for the stage in the design process and decisions to be made; and
 - identify the investment strategy that is expected to be put in place once the scheme is established and use such information to inform assumption setting and modelling.

Communications

- P4.2. In respect of work carried out in relation to a CMP scheme which has not yet gained, and is not in the process of applying for, authorisation from the Pensions Regulator, practitioners should communicate:
- any limitation in data in relation to future scheme membership, the investment strategy that would be put in place once the scheme is established, or any other area which is expected to have a **material** impact on their advice;
 - how these limitations have been addressed; and
 - the possible impact of these limitations on their advice.

5 Viability assessment

- P5.1. When considering soundness of a scheme design in relation to advice on a viability report, practitioners must consider all relevant matters that they consider to represent soundness of a CMP scheme, including those required by legislation. In doing so practitioners must consider whether any of the following factors are relevant to their view on soundness of the scheme:

-
- a. any risks of **material** intergenerational cross-subsidies;
 - b. any observed experience in the level of **benefit adjustments** compared to expectation set out to members;
 - c. whether a scheme, after initial authorisation, is still expected to provide **benefit adjustments** at least in line with price inflation;
 - d. whether the level and uncertainty of future **benefit adjustments** in the scheme is expected to be **materially** different if the scheme closed to new members or accrual of benefits.
- P5.2. When considering the adequacy of member communications as part of providing a viability certificate and considering whether a scheme design is sound as required by legislation, practitioners must:
- a. review the member communications that they consider are relevant for the purpose of determining a scheme's soundness;
 - b. at each annual certification of soundness, consider whether the **accrual rates** or their view on potential future **benefit adjustments** have changed to an extent that may require a review of existing communications.
- P5.3. When certifying or considering soundness of a scheme design in relation to a **viability assessment**, if updated **stochastic modelling** has not been carried out, practitioners must consider whether the modelling on which their assessment is based continues to be reliable under current conditions.
- P5.4. Practitioners providing advice in relation to initial **viability assessments** should use models which are able to estimate the probability of and indicate typical scenarios under which, live running tests are failed.

Communications

- P5.5. Practitioners' **communications** in respect of **viability assessments** must include information required by statute and should include the following:

Modelling

- a. a summary of the modelling underlying the **viability assessment** and, where reliance is placed on modelling carried out for previous **viability assessments**, the practitioners' opinion on whether modelling used sufficiently reflects current conditions.

Assessment of current soundness

- b. a description of all factors the practitioner has considered in their assessment of soundness;

-
- c. a list of all member communications the practitioner has reviewed in their assessment of soundness;
 - d. an explanation of how the results of any live running or gateway tests support the practitioner's opinion on the soundness of the scheme;

Risks to future soundness

- e. a description of likely scenarios where the scheme would no longer be sound, and, where relevant, why the practitioner considers the scheme sound in spite of these risks;
 - f. in support of P5.5(e) above, details on the likelihood of **material** upside or downside risks to the scheme remaining sound and/or a description of scenarios that could result in the live running tests being failed or **benefit adjustments** which lead to negative real or nominal increases to accrued benefits.
- P5.6. Practitioners' **communications** of modelling in relation to initial **viability assessments** should include probabilities of and indicate typical scenarios under which, live running tests are failed.
- P5.7. Practitioners' **communications** in relation to **viability assessments** must explain any **material** impact the scheme closing to new members or accrual of benefits, would have on the level and uncertainty of future **benefit adjustments**.

6 Valuation

- P6.1. When carrying out **actuarial valuations** for CMP schemes, practitioners must consider:
- a. what the **benefit adjustment** would be on key credible alternatives to **material central estimate** assumptions; and
 - b. whether post valuation date experience means that a **benefit adjustment** calculated based on conditions at the valuation date would be inappropriate.

Communications

- P6.2. Practitioners' communications in respect of **actuarial valuations** of CMP schemes should include details on what the **benefit adjustment** would be:
- a. on key credible alternatives to **material central estimate** assumptions; and
 - b. if any post valuation date experience meeting the level described in provision P6.1b, had been allowed for.
- P6.3. Practitioners producing CMP actuarial valuation reports must include the information in Appendix A in their reports.

7 Actuarial Equivalence

- P7.1. When advising on **rating factors** to be included in the actuarial basis for determining **actuarial equivalence**, practitioners must consider:
- all material **rating factors**; and
 - the expected cross-subsidies between different members or groups of members resulting from the proposed choice of **rating factors**.
- P7.2. When advising on the choice of between a member-level or employer-level method for determining **actuarial equivalence**, practitioners must consider the expected cross-subsidies between different members or groups of members.
- P7.3. When advising on the **relevant period** to be adopted for determining **actuarial equivalence**, practitioners must consider:
- the impact on the stability of the **accrual rate** over time;
 - expected cross-subsidies between members or groups of members where the **relevant period** is longer than one year; and
 - the circumstances under which the **accrual rate** may need to change during the relevant period.
- P7.4. When advising on the assumptions to be adopted for determining **actuarial equivalence**, practitioners must use assumptions which are the same as those that would be expected to be used for an actuarial valuation if carried out at that date with the following exceptions:
- demographic assumptions may differ from those expected to be used in the actuarial valuation so long as the average assumption across the scheme membership is consistent with the average assumptions adopted for the valuation; and
 - allowing for the different effective date by considering any **material** market movements; and the progression of any term-dependent assumptions.

Communications

- P7.5. Practitioners' communications in relation to advice on **rating factors** to be included in determining **actuarial equivalence** must explain:
- what **rating factors** were allowed for and any material **rating factors** not allowed for; and
 - the expected cross-subsidies between different members or groups of members resulting from that choice of **rating factors**.
- P7.6. Practitioners' communications on the choice between a member-level or employer-level method for determining **actuarial equivalence** must explain the decisions made and the

implications of this in terms of expected **material** cross-subsidies between different members or groups of members.

- P7.7. Practitioners' communications on the choice of **relevant period** for determining **actuarial equivalence** must include sufficient information to allow the **intended user** to understand:
- a. the impact on the stability of the **accrual rate** over time;
 - b. the expected cross-subsidies between members or groups of members where the **relevant period** is longer than one year; and
 - c. The circumstances under which the **accrual rate** of benefits may need to change during the relevant period.
- P7.8. Where assumptions differ **materially** between those used in determining **actuarial equivalence** and those used for the most recent actuarial valuation, the practitioner's communications must include an explanation of the reason for the differences and the expected resulting cross-subsidies between different members or groups of members.

8 Factors for individual calculations

- P8.1. When advising on or setting **actuarial factors** to be adopted for individual calculations for a CMP scheme, practitioners must provide advice on the circumstances in which the factors should be reviewed again and how the time until the subsequent review should be decided.
- P8.2. Where a practitioner is advising on or directly setting **actuarial factors** to be adopted for individual calculations for a CMP scheme, the factors should be broadly cost neutral on a **central estimate** basis.
- P8.3. Practitioners must consider the rationale for differences between assumptions used in determining rights to benefits where **actuarial equivalence** is required and assumptions used for determining other **actuarial factors**.
- P8.4. When advising on or setting cash equivalent transfer values, practitioners should consider the appropriate frequency of updating calculations to allow for changes in the scheme assets, or any other changes in conditions that may **materially** alter the results of the calculation.
- P8.5. When advising on or setting **actuarial factors**, practitioners should consider whether to make allowance for **material** selection risks, such as **material** differences between the demographics of the population expected to exercise the option and the scheme membership as a whole.

Communications

- P8.6. Where a cost neutral basis is not applied for individual **actuarial factors**, practitioners' communications must explain the reason for this and the potential impact on different classes of members of the scheme.

-
- P8.7. Practitioners' communications in relation to setting **actuarial factors** must:
- a. explain any material difference between different types of **actuarial factors**; and
 - b. explain any material cross-subsidies between different members or groups of members expected to arise as a result of these **actuarial factors**.

Appendix A: Information to be included in the collective money purchase scheme actuarial valuation report

The CMP actuarial valuation report must include the following **material** information:

- a. information required by statute.

Data and information

- b. a summary of the benefit provisions or a reference to a summary of benefit provisions which has already been provided to members; and
- c. a description of the CMP Scheme's investment strategy.

Experience

- d. details of benefit adjustments applied at each of the last five CMP actuarial valuations (or shorter number of actual valuation exercises since scheme commencement);
- e. a summary of experience since the previous CMP actuarial valuation including investment returns, contributions, benefit payments and membership movements;
- f. an explanation of how the experience has led to the benefit adjustment being required including a description of why this adjustment differs from that applied in the previous year, and any adjustments for post valuation events where relevant; and
- g. a summary of significant events, including changes to benefits, that have taken place since the effective date of the previous CMP actuarial valuation report.

Risk and uncertainty

- h. a description of the **material** risks to the expected future benefit adjustments of the CMP scheme and any actions taken to mitigate them; and
- i. an analysis of the sensitivity of the results of the calculations to changes in key assumptions.

Glossary of defined terms used in TAS 310

must	Statements using the word 'must' set out mandatory requirements.
should	<p>Statements using the word 'should' set out regulatory expectations and are intended to assist in compliance with mandatory requirements.</p> <p>Deviation may be acceptable but material deviations will need to be justified. The justification must demonstrate how compliance with mandatory requirements has been achieved despite not meeting regulatory expectations.</p>

Terms in **bold** in the text of this TAS 310 are used with the definitions set out below. These terms may also be used in the other TASs with the same meaning.

accrual rate The rate at which active members of a **collective money purchase (CMP) scheme's** benefits build up.

This may be expressed as a fraction or percentage of a member's salary or as a rate at which contributions are converted into pension.

actuarial equivalence The concept of equating the expected value of rights to benefits accruing and the value of expected contributions into a **collective money purchase (CMP) scheme** in line with paragraphs 40(5) (a) or (b) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.

actuarial factor A number calculated using actuarial techniques and used to place a value on a benefit or to convert a benefit from one form to another.

actuarial information The output of **technical actuarial work**, including output from a **model** designed for direct use by the **intended user**.

actuarial valuation report The report required by section 20(1) and defined as an "actuarial valuation" in section 20(2) of the Pension Schemes Act 2021.

benefit adjustment	The adjustment set at each actuarial valuation, applied to the rate or amount of collective money purchase benefits which is to be applied by way of an increase to pensions accrued or in payment.
central estimate	An estimate satisfying the conditions of a 'central estimate' as defined in paragraph 2(1) of Part 1 of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022 .
collective money purchase (CMP) scheme	A pension scheme meeting the criteria set out in paragraph 1(2) of Part 1 the Pension Schemes Act 2021.
communications	Actuarial information which meets the reliability objective and is provided to an intended user to assist the intended user in making informed decisions.
data	Facts or information usually collected from records or from experience or from observation. Examples include membership or policyholder data , claims data , asset and investment data , operating data (such as administrative or running costs), benefit definitions, and policy terms and conditions.
geographic scope	The intended geographic scope of the TASs is limited to technical actuarial work done in relation to the UK operations of entities , as well as to any overseas operations which report into the UK, within the context of UK law or regulation. This definition of scope applies regardless of the location or domicile of the person carrying out the work.
intended user	A person or group of persons whose decisions communications are intended (at the time they are provided) to assist.
material	Matters are material if they could, individually or collectively, influence the significant or relevant decisions that could be taken by an intended user . Assessing whether a matter is material is a matter for judgement and therefore subjective, requiring consideration of the objectives underpinning the technical actuarial work , the expectations and experience of the intended user and other considerations, such as the significance of resulting commercial or practical implications.
model	A simplified representation of some aspect of the world.

The **model** produces a set of outputs from inputs in the form of **data**, assumptions and parameters. Inputs and outputs may be qualitative or quantitative.

The **model** is defined by a specification that describes the matters that should be represented, the inputs, and the relationships between the inputs and the resulting outputs.

The **model** is implemented through a set of mathematical formulae and algorithms (e.g. a computer program).

pension scheme

An occupational scheme established under UK legislation or other arrangement to pay pensions established under UK pensions legislation.

rating factor

An attribute of an individual or group of individuals that may lead to a different actuarial value being placed on pension benefits building up for that individual or group of individuals.

relevant period

A period satisfying the conditions of a 'relevant period' as defined in 40(6) of the [Occupational Pension Schemes \(Collective Money Purchase Schemes\) \(Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions\) Regulations 2025](#).

reliability objective

To allow the **intended user** to place a high degree of reliance on **actuarial information**, practitioners must ensure the **actuarial information**, including the **communication** of any inherent uncertainty, is relevant, based on transparent assumptions, complete and comprehensible.

statistical measure

One of a set of measures which can be used to describe the characteristics of a probability distribution or **data** set. For example, mean, variance, correlation coefficient or skewness.

stochastic modelling

A modelling methodology which estimates probability distributions of potential outcomes by allowing random variation in one or more inputs over time.

technical actuarial work

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**.

term structure

The relationship between a particular value or assumption and a defined time-based property (e.g. period from current date, duration or maturity for financial instruments). This can be represented by a yield curve for interest rates for example.

viability assessment

The combined assessment carried out by a practitioner for the purposes of:

- producing a viability certificate
- preparing a document to inform trustees of a **collective money purchase pension scheme** in forming a view of whether the design of the scheme is sound. This may be provided for the purposes of preparing or reviewing the viability report.



Financial Reporting Council

**Financial
Reporting Council**

London office:

13th Floor, 1 Harbour
Exchange Square,
London, E14 9GE

Birmingham office:

5th Floor, 3 Arena
Central, Bridge Street,
Birmingham, B1 2AX

+44 (0)20 7492 2300

www.frc.org.uk

Follow us on

Linked  **in**.