



ASSOCIATION OF PROFESSIONAL PENSION TRUSTEES

PRESS RELEASE: POTS FOR LIFE

APPT says a constructive and member-focused approach should be adopted to find a solution to the explosion of deferred pots.

23 January 2024: The Association of Professional Pension Trustees (APPT) has issued a statement in response to the DWP consultation *Looking to the future: greater member security and rebalancing risk* expressing the hope that a constructive and member-focused approach should be adopted to find a solution to the explosion of deferred pots.

A key aspect of successful UK pension provision has been the support from employers for their employees' pension arrangements. A renaissance in company pension provision occurred after the report of the Pensions Commission when the Government introduced AE pensions – supported by a cross-party consensus and the industry. By having the employer choose the appropriateness of a scheme, millions of employees have been able to contribute to a pension without having to make complex financial decisions regarding their futures. Whilst there are weaknesses in the current regime, the Government has a wide-range of initiatives mid-stream that look to set right some of those weaknesses.

APPT Chair, Harus Rai, added:

“APPT’s view is that a constructive and member-focused approach should be adopted to find a solution to the explosion of deferred pots. Amongst all the players, trustees are the party that focuses explicitly on member interests.

“As trustees, we believe that members are better off with fewer pots as they move from job to job during their careers. The continued proliferation of multiple pots under the current system undermines the retirement savings outcomes of auto enrolment.

“Solutions need to be evidence-based, built on new infrastructure which enables a secure pension transfer network. We’d like to work with the DWP and other bodies to develop new voluntary and automated pension transfer rules, using a technology-based solution to the rapid creation of new deferred pots each time employees change jobs.”

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Notes to editors:

The **Association for Professional Pension Trustees (APPT)** is the industry body for professional trustees of occupational pension schemes, working to encourage best practice within the sector and promote the interests of its members. Our members work as professional trustees at over 2,000 schemes of all types, including a large number of trustee boards for defined benefit and defined contribution schemes including DC master trusts. Our members each typically work on multiple appointments and in total are responsible for managing schemes with assets of over £1,200 bn.

The APPT is one of the two recognised accreditation bodies for professional trustees, responsible for promoting and maintaining high standards amongst practitioners. Every year, members have to renew their accreditation, confirming they are working to the standards required and evidencing they have pursued their professional development over the preceding 12-months.

Association of Professional Pension Trustees

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Registered number 08203400