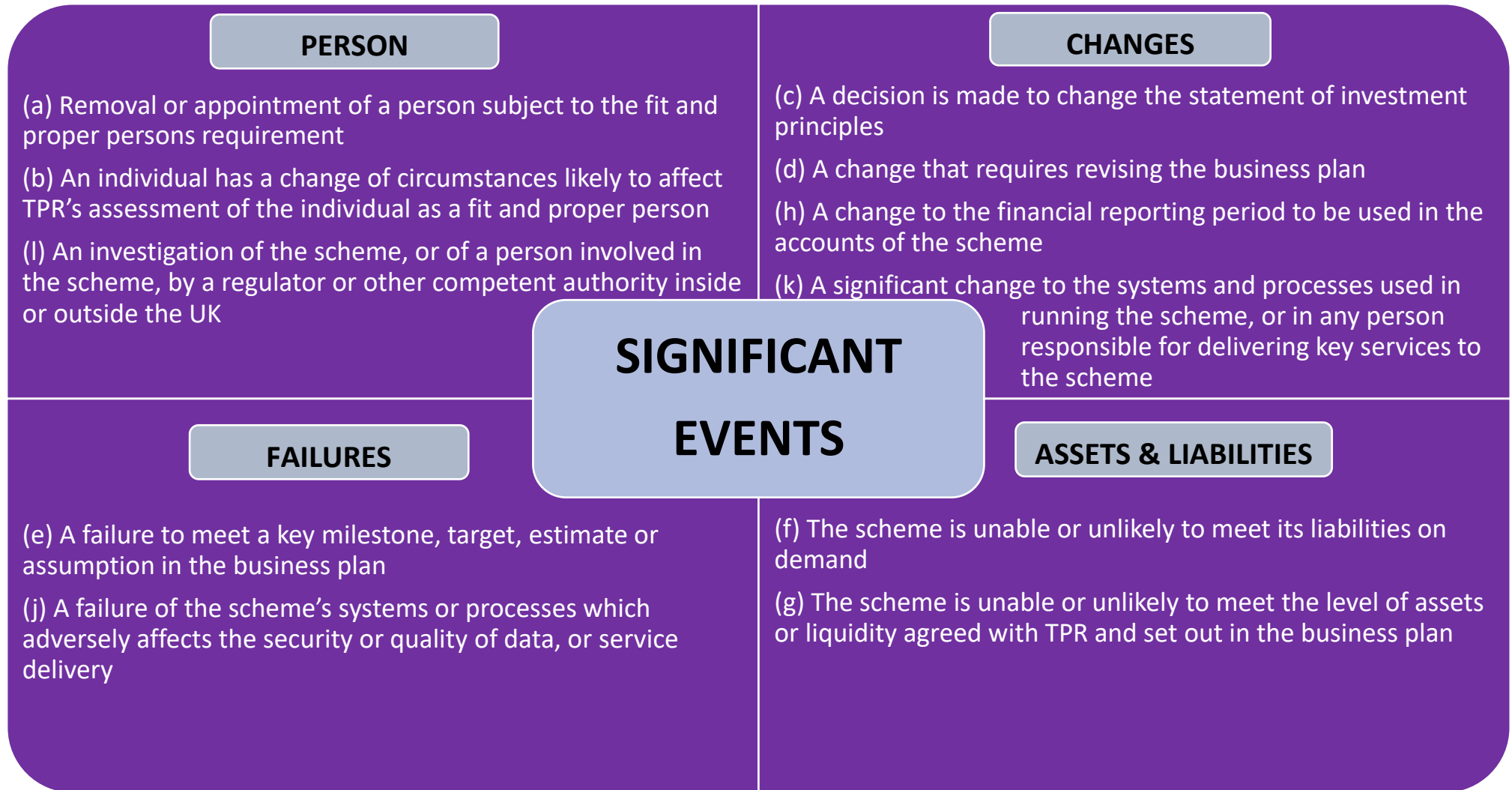


SIGNIFICANT EVENT TYPES



Note:
Significant event (i) a change to the financial information the scheme funder has supplied to TPR. Not applicable to SAUL, as there is no Scheme Funder

SIGNIFICANT EVENTS – EXAMPLES/FURTHER INFORMATION

Significant event type	Examples/further information
(a) Removal or appointment of a person subject to the fit and proper persons requirement	A change or addition to the fit and proper persons involved with the master trust scheme i.e. need to notify TPR of new appointments, changes to existing appointments and termination of appointments along with the rationale for the change.
(b) An individual has a change of circumstances likely to affect TPR's assessment of the individual as a fit and proper person	<p>An individual who is involved with the scheme or has been suspended while their appointment is being considered:</p> <ul style="list-style-type: none"> • is convicted of an offence • enters bankruptcy • has a County Court judgment registered • is sanctioned by a regulator other than The Pensions Regulator (TPR) • is disqualified as a company director • has been the subject of an adverse judgment or has reached a settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate • has contravened any of the requirements or standards of a regulator, including TPR • has a change of circumstances, through ill health or otherwise, which materially impairs the individual's ability to operate in a capacity listed in section 7(2) or (3) of the Pension Schemes Act 2017 • has any other change of circumstances which the person required to give notice considers likely to affect TPR's assessment under section 7 of the Act of whether the individual is a fit and proper person.
(c) A decision is made to change the statement of investment principles	<p>TPR expect to be notified of significant changes in the statement of investment principles:</p> <ul style="list-style-type: none"> • The kinds of investments to be held, e.g. the introduction of derivatives. • The balance between different kinds of investments, e.g. changes to the asset allocation framework or strategy applicable to default funds. • Risks, including the ways in which risks are to be measured and managed, e.g. changes to the fund risk budget profile. • The expected return on investments, e.g. changes to any fund target or benchmark. • The realisation of investments, e.g. the restriction or withdrawal of access for members to any of the funds in which they are invested. • The extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments. • Such other matters as may be prescribed, e.g. as specified in section 2 of the Occupational Pension Schemes (Investment) Regulations 2005.

(d)	A change that requires revising the business plan	<p>The business plan sets out the tolerance levels and trigger points for notifying TPR of any changes that the Scheme Strategist considers to be prudent for the master trust. TPR expects to be notified of significant changes that require revision of the business plan outside of the annual cycle for reviewing the business plan, for example:</p> <ul style="list-style-type: none"> changing the forecast of business performance (revenue, cost, profitability or member number) that constitutes changes to the tolerance levels: you should include those tolerance levels in your business plan change in business strategy, e.g. new product or services, significant re-pricing significant business developments, e.g. mergers and acquisitions, or a large new client or employer
(e)	A failure to meet a key milestone, target, estimate or assumption in the business plan	<p>The business plan outlines what the Scheme Strategist considers to be a significant failure for the master trust in relation to this significant event, including setting out the tolerance levels and trigger points for notifying TPR.</p> <ul style="list-style-type: none"> If the key milestone or target is binary (i.e. yes or no) TPR should be notified when the scheme fails to meet the target. If the key milestone or target is quantifiable, TPR should be notified of incidents where the milestone or target is missed significantly. The significance level should already be defined in the business plan.
(f)	The scheme is unable or unlikely to meet its liabilities on demand	<p>The Trustee should prioritise notifying TPR even if complete information about the event is currently unavailable. If the Trustee decides that the master trust is at risk of failure or there has been an insolvency event, TPR must be notified separately of a 'triggering event'.</p>
(g)	The scheme is unable or unlikely to meet the level of assets or liquidity agreed with TPR and set out in the business plan	<p>The Trustee should notify TPR when the scheme's financial reserves fall to less than 98% of the level agreed in the costs, assets and liquidity plan (CALP) for at least two consecutive working days. TPR expects the Trustee to formulate a plan to increase reserves to the required level within a reasonable timeframe or submit a triggering event form if appropriate.</p> <p>If the Trustee has decided that the master trust is at risk of failure or there has been an insolvency event, TPR must be notified separately of a 'triggering event'.</p>
(h)	A change to the financial reporting period to be used in the accounts of the scheme	<p>TPR expects to be notified when the Trustee board makes a decision to change the financial reporting period (before the change takes place). TPR expects the decision to be made in the minutes of a formal Trustee meeting and the date that the event occurs is the date that the Trustee meeting is held.</p>
(j)	A failure of the scheme's systems or processes which adversely affects the security or quality of data, or service delivery	<p>Examples of a failure of the systems that TPR expects to be notified of include the following:</p> <ul style="list-style-type: none"> Failure to process payments or transactions into and out of the scheme correctly. This should not be restricted to major failures but also to a series of less significant failures that may be indicative of systematic failures in processes. Material adverse effect on member outcomes or the business plan as indicated by performance against any service level agreements or key performance indicators. Corruption of member records or other incidents causing member data loss or Data Protection Act breaches. Material breaches of cyber security or a pattern of repeated breaches, for example: <ul style="list-style-type: none"> an incident that results in significant loss of data, or the availability or control of IT systems

		<ul style="list-style-type: none"> ○ an incident that affects a large number of scheme members ○ an incident that results in unauthorised access to, or malicious software present on the information and communication systems <ul style="list-style-type: none"> • Incorrect member communications that cause detriment to a material number of members or a pattern of repeated communication failures. • Indications of material control failures identified by assurance reports from any source, e.g. internal audit reports, assurance framework reports, compliance reviews or external audits. • Systems or processes for managing the risks and issues associated with investment decisions for both within the master trust and external service providers: <ul style="list-style-type: none"> ○ Failures in controls resulting in members funds being invested outside of the range of permitted investments. ○ Failures in systems and processes requiring an investment fund to recalculate its unit price, restate/calculate its net asset value or recalculate restate its performance. • The Trustee should prioritise notifying TPR even if the complete information of the event is currently unavailable. • If there is any uncertainty of whether to submit a notification, the scheme supervisor at TPR should be contacted.
(k)	A significant change to the systems and processes used in running the scheme, or in any person responsible for delivering key services to the scheme	<p>Examples of the significant changes that TPR expects to be notified of include the following:</p> <ul style="list-style-type: none"> • Change of scheme service provider such as scheme administrator or investment manager. • Key changes affecting any committee members or delegated authorities, e.g. investment governance committee changes or an individual investment / disinvestment authority limit changes from £100,000 to £10 million. • Introduction of any disinvestment terms which impose some form of cost- or time-related restriction on the unit holders impacting a member's ability to access their fund investment when required. • Any changes made to the systems or processes in response to any failures notified under significant event (j).
(l)	An investigation of the scheme, or of a person involved in the scheme, by a regulator or other competent authority inside or outside the UK	A competent authority is a person or organisation with powers to carry out an investigation and take regulatory action, for example the Financial Conduct Authority, the Prudential Regulation Authority, and investigative agencies such as the Police and the Serious Fraud Office.

Note:
Significant event (i) a change to the financial information the scheme funder has supplied to TPR. Not applicable to SAUL, as there is no Scheme Funder