

## Schemes 'panicky' over new contingent asset requirements

By Pippa Stephens | 04 March 2013 |

Schemes working to meet the new contingent asset certification requirements are under pressure to get their submissions in line before the deadline on March 28, according to legal practitioners.

The [revised requirements](#), put in place by the Pensions Protection Fund and introduced in December, put more responsibility on trustees to health-check their contingent assets before submission.

To reduce their PPF risk-based levy, schemes have to certify or re-certify [contingent assets](#) on the Pensions Regulator's Exchange system as well as submitting a hard copy of the documents by the March 28 deadline.

In the new approach, trustees have to check how contingent assets would be affected in the event of the sponsoring employer's insolvency. The organisation also stressed it would not give trustees the benefit of the doubt when assessing the value trustees put on the guarantee.

Rosalind Connor, partner at Taylor Wessing, said schemes were getting "very panicky" about the deadline and the big concern hitting trustees was that they have to give their own opinion that they were comfortable with the ability of the guarantor to pay.

Connor said: "The reason it is stressful and worrying for trustees is that it is a new request and that the PPF deadlines are so inflexible."

A spokesperson for the PPF said it informed trustees of possible issues in September, and offered them "an opportunity to tell us where they wanted additional guidance" on the process.

"Our updated guidance for putting contingent assets in place was then published along with our determination and confirmed levy estimate in December," the spokesperson added.

Dickon Best, director at PwC, said: "We are seeing greater concern from trustees and corporate about what the additional requirements are."

He said trustees were having to "think carefully" about seeking "invaluable" external advice to deal with the new requirements.

Jennie Kreser, partner at Silverman Sherliker, said: "There may be some slightly rude awakenings for those that are re-certifying. The smaller schemes may have left things too late to do this."