

Why might you need to know the birthdays of your pension plan actuary and investment manager?

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..... The answer is not so you don't forget to send them a card!

If you don't know, please read on.

We recently issued a communication in relation to the new anti-money laundering requirements affecting pension plan trustees, along with an earlier [blog](#), which set out the steps that trustees should be taking in order to be compliant. One of those steps is to identify the “beneficial owners” of the pension plan.

“Beneficial owner” is widely defined in the money laundering regulations and captures some unlikely candidates. Whilst, as would be anticipated, the definition captures employers, trustees and plan beneficiaries, it also captures any other individual who could exercise “control” over the pension plan. For example, “control” would include a power (whether exercisable alone or jointly) to apply trust property, appoint trustees or add beneficiaries, amend a pension plan or consent to or veto any plan amendment.

The definition casts the net widely. It is going to capture the trustee directors of a corporate trustee, but it could also capture other professionals involved with the running of a pension plan. The definition might capture pension plan actuaries (for example, if their input is required before a pension plan amendment could be validly made). The definition might also capture an investment manager to whom discretionary powers have been delegated, as being someone who has the power to apply trust property. These examples are not exhaustive.

Trustees must keep a written record of certain information about individuals who are “beneficial owners” of the plan. In some circumstances, they might be also required to report this information to HMRC. Our earlier [blog](#) provides more detail in relation to the information that must be collated but, in brief, it will usually comprise full name, date of birth and national insurance number.

Given that, for some plans, the actuary, in particular, will constitute a “beneficial owner” for anti-money laundering purposes, we recommend that trustees take one of the following actions:

- Undertake a review of their plan rules to identify exactly who might constitute a beneficial

owner. Interpretation of plan powers can be a complex legal issue, so we would be happy to assist with this process; or

- Ask the plan actuary (and anyone else whom the trustees think might be caught by the definition of “beneficial owner”) to provide the requisite information on a precautionary basis, whether or not it is strictly required.

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