
Scheme Administration**Benefit Calculations**

HMRC has confirmed that the notional earnings cap for 2010-11 will be £123,600, unchanged from the figure for tax year 2009-10.

Data

On 2 February 2010, the Pensions Regulator published a consultation setting out standards for member records for workplace pension schemes and requiring schemes that fall short of these standards to take steps to improve their performance. The Regulator proposes to set targets for the accuracy of the common data which schemes must hold and will also publish a record keeping e-learning module.

Actuarial**Pension Protection Fund**

On 29 January 2010, the PPF published its final policy statement on the measurement of insolvency risk for the 2011-12 risk based levy. A new table of assumed probabilities of insolvency for each of the D&B failure scores of 1 to 100 is available to accompany the statement.

On 11 February 2010, the PPF published the first issue of Technical News, a newsletter aiming to provide practical guidance on topical and key issues that may affect schemes going through the PPF assessment process. Issue 1 included articles on benefit equalisation for Guaranteed Minimum Pensions (GMPs) and the rise of the minimum pension age to 55.

Scheme Funding

The Pensions Regulator has updated its technical queries relating to scheme funding for schemes with valuation dates around the end of March 2009. Given the extreme conditions at this time, the Regulator considers it may be reasonable for trustees to take some of the subsequent increase in asset values into account in the recovery plan.

Governance**Legislation**

On 29 January 2010, the Pensions Minister, Angela Eagle, stated that legislation will be introduced that will require pension schemes to equalise GMP benefits. The implication of the statement is that all schemes will be required to equalise GMPs, not just those schemes in the Financial Assistance Scheme (FAS) or PPF.

With effect from 6 April 2010, the minimum pension age rises from 50 to 55. Trustees are advised to communicate this change to the non-pensioner members of their schemes, particularly those members who are between ages 50 and 55 and who may be considering the early uplift of their pension benefits.

Scheme Reporting

On 19 January 2010, the Regulator and the Pension Protection Fund (PPF) jointly published the fourth version of the Purple Book (Pensions Universe Risk Profile), a comprehensive analysis of data and information for defined benefits schemes eligible for the PPF. Data for the Purple Book was collected from the 2008-09 Scheme Returns over the year to March 2009 for 6,885 schemes.

On 5 February 2010, the Pensions Regulator issued a consultation on an update to its guidance on avoiding delays when winding up a pension scheme. The revised guidance now includes key activities for DC schemes and an updated list of unavoidable delays.

Consultancy

Defined Contribution

On 10 February 2010, the Investment Governance Group (IGG), an industry forum with the remit to raise standards of pension schemes' investment governance, published its consultation paper on investment governance principles and best practice guidance for defined contribution (DC) pension schemes. The proposed principles address the key areas of accountability and delegation, fund choices and default strategy and communication with members of DC schemes.

Pensions Provision

On 2 February 2010, the Conservative party outlined its policies for pensions in a policy document on economic growth. The document re-affirmed the commitments to raise the state pension age to 66 and end compulsory annuitisation at age 75.

Spring 2010 Pensions Seminars

Registration for Thomson Dickson Consulting's Spring 2010 seminars on risk reduction for final salary pension schemes will shortly be available on our web site, www.tdcllp.com. This series of seminars will consider the options and exercises available for sponsoring employers who are looking to reduce or remove pension scheme liabilities.

The breakfast seminars are being held on the following dates:

Inverness: Tuesday 20 April 2010, The Kingsmills Hotel
Edinburgh: Thursday 22 April 2010, The Radisson Blu Hotel
Aberdeen: Tuesday 27 April 2010, The Marcliffe Hotel & Spa
Glasgow: Thursday 29 April 2010, The Radisson Blu Hotel

"If all the economists were laid end to end, they'd never reach a conclusion"
George Bernard Shaw

The information in this note should not be relied upon or taken as an authoritative statement of the law.