

Scheme Administration

Reporting and Controls

The deadline for submission of a pension scheme's self assessment tax return (SA970) for the tax year ending 5 April 2008 is 31 January 2009. If a scheme has to submit a return, the trustees should have received their SA970 form from HMRC.

Trustees are required to complete and submit their annual Scheme Return in January and February 2009, via the Regulator's online Exchange system. All trustees should receive a letter from the Regulator stating the required by date for submission of the 2008-09 Scheme Return.

Actuarial

The Actuarial Profession

On 8 January 2009, the Financial Reporting Council (FRC) published its Actuarial Quality Framework document. The aim of this Framework is to promote best practice in the actuarial field by providing an effective set of criteria by which actuaries, clients, regulators and other stakeholders can evaluate the services provided. The framework is the result of the discussion paper, Promoting Actuarial Quality, issued in May last year.

On 9 January 2009, the Professional Oversight Board of the FRC published a summary of responses to its discussion paper Monitoring and Scrutiny of Actuarial Work and announced that it will consult on additional quality assurance requirements for individual actuaries and actuarial firms.

Consultancy

Defined Contribution

On 15 January 2009, the Government announced that compensation will be paid to those policyholders of Equitable Life who were 'hardest hit' by the collapse of the insurer. This announcement comes six months after the Parliamentary Ombudsman published her report which called on the Government to establish and fund a policyholder compensation scheme. The Government is to take advice on which policyholders will receive compensation and to what extent.

Investments

BNY Mellon Asset Servicing has calculated that the average UK pension fund achieved an estimated weighted average return of -9.8% over 2008. The annualised return over the three years and five years to 31 December 2008 was 1.7% and 6.6% respectively.

Pensions Provision

On 16 December 2008, the Department for Work and Pensions (DWP) launched a consultation on the impact of age discrimination on employers' flexible retirement policies. The consultation is proposing draft regulations that would allow employers to avoid providing pension accrual and death in service benefits for older workers.

The Association of Consulting Actuaries (ACA) released its 2008 Smaller Firms Pension Survey on 5 January 2009. This annual survey analyses pension provision in companies with up to 250 employees. The headline findings were that 91% of defined benefit schemes were closed to new members and 48% are also closed to future accruals.

The Pensions Regulator

The Regulator published a draft Code of Practice on Material Detriment on 15 December 2008. The Code, number 12, sets out the circumstances in which the Regulator expects to use its new power to issue a contribution notice when an employer's actions or failures have a materially detrimental effect on the likelihood of members receiving their benefits. Alongside this draft Code, the DWP published a consultation document that sets out a number of changes to the notifiable events framework and the use of financial support directions.

On 19 December 2008, the Regulator issued a press release reminding employers of their duty to consult scheme members before making certain specified changes to future pension arrangements.

On 22 December 2008, the Regulator and the Pension Protection Fund (PPF) jointly published the third version of the Purple Book, a comprehensive analysis of data and information for defined benefits schemes eligible for the PPF. Data for the Purple Book was collected from the 2007-08 Scheme Returns over the year to March 2008 for 6,900 schemes.

The Regulator published its final guidance on record keeping on 9 January 2009, with the aim of helping scheme administrators apply best practice for the management of member data. The guidance distinguishes between 'common data' applicable to all schemes and 'conditional data' which is scheme specific.

Spring 2009 Pensions Seminars

Registration for Thomson Dickson Consulting's Spring 2009 seminars on current issues impacting on the management of occupational pension schemes is now available on our web site, www.tdcllp.com. The breakfast seminars are being held on the following dates:

Edinburgh: Tuesday 28 April 2009, The Bonham Hotel
Aberdeen: Thursday 30 April 2009, The Marcliffe Hotel & Spa
Glasgow: Tuesday 5 May 2009, The Radisson SAS Hotel
Inverness: Thursday 7 May 2009, The Kingsmills Hotel

"Budget: a mathematical confirmation of your suspicions"

A.A. Latimer

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



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