

## **Scheme Administration**

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### **Reporting and Controls**

A determination by the Pensions Ombudsman criticised the trustees of a scheme for failing to record the reasons for refusing incapacity benefits to a member and suggested that this failing amounted to maladministration. The outcome of this case encourages trustees to fully document their decisions when exercising discretionary powers.

### **Member Data**

On 2 July 2008, the Office for National Statistics published data from its most recent Occupational Pensions Schemes Survey. The headline figures included total membership of occupational pensions schemes in 2007 of 26.7 million (split 14.7m private sector and 12.0m public sector) and 3.6 million active members in private sector schemes, down 10% on 2006 (and compared to 5.2m active members of public sector schemes in 2007).

## **Consultancy**

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### **The Pensions Regulator**

On 30 June 2008, the Regulator published guidance to help trustees speed up the process of winding up occupational schemes. The guidance highlights the key activities that should be completed within two years from commencement of wind up and outlines suggestions of good practice on scheme administration, project management and the buying out of annuities. The guidance applies to schemes being wound up with a solvent employer and to schemes being assessed by the Pension Protection Fund or Financial Assistance Scheme.

### **Trustees**

With regard to money laundering regulations that apply to Trust or Company Service Providers (TCSPs), HMRC are now advising no-one to register as a TCSP until updated guidance is issued, expected to be in September 2008. There will then be a minimum four week window for registration.

On 24 June 2008, the Chartered Financial Analyst Institute, a global not-for-profit association of investment professionals, launched its Code of Conduct for Members of a Pension Scheme Governing Body. The Code sets out 10 high level, ethical responsibilities for trustees to follow and are applicable for all types of pension schemes.

### **Legislation affecting Scheme Benefits**

The Department for Work and Pensions (DWP) announced on 27 June 2008 that Self Invested Personal Pensions will be able to hold protected rights benefits with effect from 1 October 2008. This will make it easier for individuals to transfer funds between different types of pension scheme and to consolidate pension rights in one place. Protected rights are rights that derive mainly from the rebate of NI contributions payable when someone contracts out of the State Second Pension (formerly SERPS).

### **Pensions Provision**

Paternoster, one of the leading players in the buy-out market, has updated the Frequently Asked Questions section of its web site with the following answer to the question 'What size of scheme does Paternoster take on?' 'We are able to assess and take on pension schemes ranging in size from £20 million to £1.5 billion.' This increase in the minimum figure of liabilities from £1 million to £20 million reflects Paternoster's focus on larger deals at a time of great demand for buy out quotations.

The DWP announced on 24 June 2008 that the Pensions Bill 2007 will include a ban on employers encouraging or forcing workers not to save in a workplace pension. The legislation will prohibit employers from offering inducements, e.g. higher salaries or one-off bonuses, which encourage workers to opt out. The ban would come into effect with the introduction of auto-enrolment from 2012.

### **Investments**

On 20 June 2008, the National Association of Pension Funds launched a new title, Private Equity Made Simple, in its series of guides aimed at making pensions investment easier to understand.

## **Autumn 2008 Seminars**

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Registration for Thomson Dickson Consulting's Autumn 2008 series of seminars on current issues impacting on the management of occupational pension schemes is now available on our web site, [www.tdcllp.com](http://www.tdcllp.com). The breakfast seminars, entitled Risk Management for Final Salary Pension Schemes, are being held on the following dates:

Edinburgh: Tuesday 23 September 2008, The Bonham Hotel  
Aberdeen: Thursday 25 September 2008, The Marcliffe Hotel & Spa  
Inverness: Tuesday 30 September 2008, The Kingsmills Hotel  
Glasgow: Thursday 2 October 2008, The Radisson SAS Hotel

*"If inflation continues to soar, you're going to have to work like a dog just to live like one"*  
**George Gobel**

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