
Scheme Administration

Reporting and Controls

On 26 May 2009, the Confederation of British Industry (CBI) published an eight point action plan of proposed changes to the framework for regulating and accounting for pensions. The CBI proposals aim to ease the burden on managing defined benefit pension schemes during the recessionary period.

Actuarial

Pension Protection Fund

The PPF has updated its insolvency guidance for insolvency practitioners and official receivers. This guide provides information on how insolvency professionals should interact with the PPF in the event that a sponsoring employer of an eligible occupational pension scheme suffers an insolvency event.

The Actuarial Profession

On 19 May 2009, the Professional Oversight Board (POB), an operating body of the Financial Reporting Council (FRC) providing independent oversight of the regulation of actuaries, published recommendations for the actuarial profession to consider stricter independence requirements for pension scheme actuaries and professional quality assurance requirements for consulting actuaries.

On 28 May 2009, the Board for Actuarial Standards published drafts of its proposed standards on data and modelling. These standards are expected to come into force in April 2010 along with the proposed standard on actuarial reporting published earlier this year. The aim of these generic standards is to promote the provision of actuarial information that is complete, transparent, relevant and comprehensible.

The FRC has set its pension sector levy for 2009-10 at £3.00 per 100 members, with the levy payable only by schemes with 1,000 or more members. The 2008-09 levy was £2.90 per 100 members.

Consultancy

Defined Contribution

On 27 May 2009, the Personal Accounts Delivery Authority (PADA) published a summary of the responses to its consultation 'Building personal accounts: Securing a retirement income'. The key points to emerge from the responses included the acknowledgement that a lifetime annuity (or trivial commutation) is likely to be the most appropriate option for members and that a panel of

providers could be the most appropriate route for members not wishing to exercise the open market option.

Legislation

Following the latest Cabinet reshuffle, Yvette Cooper is now the Secretary of State for Work and Pensions and Angela Eagle is appointed as Minister of State for Pensions and the Ageing Society.

Pensions Provision

On 26 May 2009, the Association of British Insurers (ABI) produced a consumer leaflet entitled 'People need pensions', to answer key questions about pensions and annuities in the context of the current economic environment. The leaflet is available for use in any relevant customer or pension scheme member communication exercise.

Paternoster, one of the most high profile insurance companies operating in the buy-out market over the last two years, has confirmed that it is not writing any new business at present and will be unable to do so until market conditions improve. Negotiations on a possible merger with its rival Pension Corporation broke down at the end of May 2009.

"In the old days a man who saved money was a miser; nowadays he's a wonder"

Anonymous

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



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