

Scheme Administration

Reporting and Controls

Following the use of the online scheme return system earlier in 2008, the Pensions Regulator has launched the Exchange scheme maintenance system to enable easier updating of scheme information and improve communication between trustees and the Regulator.

State Benefits

On 6 May 2008, the Department for Work and Pensions (DWP) announced a review of NI records for a group of around 73,000 women who may be able to buy back State Pension benefits at a reduced rate for periods between April 1996 and April 2002.

HM Revenue & Customs

The National Association of Pension Funds announced on 12 May 2008 that it will bring a legal challenge against HMRC on the application of VAT on investment management services supplied to occupational pension schemes. The legal challenge is expected to last for a number of years.

Defined Contribution

On 9 May 2008, the Pensions Regulator published the first in a series of good practice guides for trustees and employers managing occupational defined contribution schemes. This first guidance note covers members' retirement options and the availability of the open market option and applies to additional voluntary contribution (AVC) funds as well as money purchase benefits.

Pension Payroll

The high yields on corporate bonds have pushed annuity rates to a five year high. Annuity rates in excess of 7.7% are available for a male aged 65 with a £100,000 pension fund. The availability of such high rates encourages members to use their open market option to secure the best annuity terms. The Financial Services Authority has recently warned insurance companies for failing to provide clear options to retirees when they are choosing an annuity at retirement.

Actuarial

The Actuarial Profession

On the 22 April 2008, the Actuarial Profession announced that the President of the Faculty of Actuaries, Stewart Ritchie, has been invited by the Scottish Government to head an inquiry into a pensions dispute between the oil refinery operator INEOS and the Unite union.

Consultancy

The Pensions Regulator

On 25 April 2008, the DWP published a consultation on the powers of the Pensions Regulator. This related to the announcement on 14 April 2008 which proposes an increase to the Regulator's powers to require employers to contribute to a pension scheme, if their actions could threaten the security of member's benefits.

The Pensions Regulator published its Corporate Plan for 2008-2011 on 24 April 2008. The document emphasises the Regulator's continued focus on strengthening defined benefit scheme funding, improving governance of work-based pensions, reducing risks to members of defined contribution schemes and delivering effective risk-based regulation.

Trustees

The deadline for Independent Trustees to register with HMRC for money laundering requirements has been extended to 31 May 2008.

The Pension Protection Fund

On 28 April 2008, the PPF published a consultation on the method of paying equal compensation to men and women. The PPF's proposal for 'Guaranteed Minimum Pension (GMP) equalisation' is specific to schemes being assessed by the PPF and schemes that have already transferred to the PPF.

The PPF published its management and business plans for the next three years on 30 April 2008. The main areas of PPF work include developing the levy to better represent long-term risk, developing a long-term investment strategy for PPF funds and introducing new technologies to streamline PPF work.

On 2 May 2008, the PPF published a consultation on revised guidance for trustees to help them understand their responsibilities during the assessment period. The 'Trustee Good Practice Guide' explains how the assessment period works and sets out the principles the PPF expects trustees and advisers to adhere to throughout the process.

"By the time I have money to burn, my fire will have burnt out"

Anonymous

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