

Scheme Administration

Member Data

On 7 September 2011 the Office for National Statistics (ONS) released Pension Trends Chapter 8 which provides detailed information on the levels and types of contributions made to private sector pension schemes. In 2009 there were 3.2m active members of private sector occupational schemes, down from 3.5m in 2008. Of the 3.2m figure, 2.4m were in a DB scheme and 0.8m in DC pension provision.

Benefit Calculations

In the year to August 2011 the RPI annual inflation measure was 5.2%, up from 5.0% in July 2011. The Government's preferred measure of inflation, CPI, was 4.5% over the same period, up 0.1% on the previous month.

Actuarial

Pension Protection Fund

The PPF announced that invoices for the 2011-12 scheme and risk based levies will start to be issued from 1 September 2011. Unfortunately, some early invoices had to be recalled as the levy calculation incorrectly used insolvency probabilities shown to four decimal places rather than to two decimal places as previously published. The PPF has updated its invoicing pages on its web site to provide full information on the calculation of the 2011-12 levies, the terms for payment and the appeals process.

Governance

Scheme Reporting

The Pensions Regulator has published a "6 minute bite sized learning course" on the completion of a Scheme Return for DC schemes. The online course explains why a Scheme Return is required for a DC scheme and how to complete it using the Regulator's Exchange facility.

On 22 August 2011 HMRC published a one page flow chart which explains how to wind up a pension scheme and a revised Pension Schemes Online User Guide which includes detailed guidance on how to notify HMRC that a pension scheme has wound up.

Legislation

The Department of Business, Innovation and Skills has clarified the obligation on employers to pay pensions contributions whilst an employee is absent on maternity leave. Revised guidance makes it clear that there is no statutory requirement for employers to pay contributions to a pension scheme during the 13 week period between weeks 39 and 52 of maternity leave.

Consultancy

Defined Contribution

On 1 September 2011 the Association of Consulting Actuaries (ACA) released its interim report on its 2011 Pension Trends Survey. The headline results from the survey included the statistics that 73% of employers are likely to auto-enrol employees into an existing pension scheme and the average contribution rate to a DC scheme (occupational and group personal pension) for employers with less than 250 employees is between 5% and 6% of earnings.

The Danish group ATP announced that it will launch its new low charge DC pension scheme in January 2012. Branded as NOW Pensions, the ATP scheme will compete with the National Employment Savings Trust (NEST) in the UK market.

TDC Pensions Conference, Spring 2012

Some of our readers have been asking us for details of our Autumn 2011 series of pension seminars. Rather than presenting our usual twice a year breakfast seminar next month, we have decided to host a more significant Pensions Conference in Spring 2012. The TDC Pensions Conference will provide the latest views on topical issues relevant to the management of both DB and DC pension schemes and will include guest presentations from some of the leading pensions practitioners in Scotland. Full details of our conference will be available in early 2012.

"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.