
Scheme Administration**Reporting and Controls**

The Pensions Regulator (tPR) announced on 11 December 2007 that its online scheme return system is now live, making it easier for schemes to provide and update the correct information to tPR. The new system, called Exchange, has pre-populated scheme returns with information already held and has introduced online scheme maintenance. Schemes will be informed about access to their scheme return via the scheme return notice which will be issued directly to a scheme's registered address from December 2007.

On the 12 December 2007, HM Revenue and Customs (HMRC) reminded pension scheme administrators that the Pension Scheme Return and Event Reports (if applicable) for the tax year ending 5 April 2007 must be filed online by 31 January 2008. (Note that the HMRC's Pension Scheme Return is different from the Scheme Return required by tPR.)

Calculation of Benefits

The revaluation percentages for the purpose of the revaluation on or after 1 January 2008 of benefits under occupational pension schemes have been published. The one year rate is 3.9% and is calculated as the year on year increase in the September Retail Price Index.

Actuarial**PPF Levies**

On 29 November 2007, the Pension Protection Fund (PPF) published its response to the August 2007 PPF Levy Consultation. The PPF has now established a framework for the calculation of levies for 2008-09, 2009-10 and 2010-11, has provided a preliminary scaling factor and multiplier for 2008-09 levies and has published a revised set of dates for measurement of underfunding and insolvency risks. Please refer to our Technical Note for more details on the calculation of PPF levies.

Transfer Values

A recent European Court of Justice ruling found that using different male and female actuarial factors for calculating service credits for transfers in breaches sex discrimination legislation. Schemes which accept transfers in may wish to obtain legal advice before accepting new transfers.

Mortality

On 23 November 2007, the Actuarial Profession published its library of mortality projections, allowing the assumptions used by actuaries regarding future changes in mortality to be obtained from a single source and in a standard form. The library brings together projections produced by the Profession's Continuous Mortality Investigation and the Office for National Statistics.

Consultancy

The Pensions Regulator

The Minister for Pensions Reform announced on 16 November 2007 that tPR will monitor the new system of Personal Accounts from 2012. As the regulator for all work based pension schemes, tPR will ensure employers meet their obligation to automatically enrol staff into an appropriate workplace pension scheme.

Trustees

On 20 November 2007, tPR released an additional e-learning module that enables Trustees to understand the scheme winding up process. This new module sits alongside the existing trustee training modules in the Trustees Toolkit.

Pensions Provision

The Pensions Bill 2007, published on 5 December 2007, primarily relates to the establishment of the framework for Personal Accounts which are to be introduced from 2012. The Bill introduces requirements for employers on auto-enrolment and sets out the framework determining if existing schemes are qualifying (or exempt). In general, an existing money purchase scheme with an employer contribution of at least 3% of earnings and total contributions (from the employer and member) of at least 8% of earnings is considered to be a qualifying scheme. The Bill also proposes a reduction in the cap on revaluation of deferred pensions from 5% to 2.5% for future accruals only.

"You cannot decide at the end of this life that you need to save more in the next one."

Professor Joseph Stiglitz

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



Thomson Dickson Consulting LLP

45 West Nile Street, Glasgow, G1 2PT | t: 0141 285 1585 | f: 0141 285 1586 | enquiry@tdcllp.com | www.tdcllp.com