



### Scheme Administration

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#### Reporting and Controls

The Department for Work and Pensions (DWP) has proposed changes that will allow occupational pension schemes to simplify their Internal Dispute Resolution Procedures (IDRPs). The current two stage procedure with defined time limits can be replaced by a more flexible approach. The change will allow trustees to issue decisions under the IDRPs within a reasonable time. In tandem with the DWP's consultation, the Pensions Regulator has issued a draft Code of Practice on reasonable periods for dispute resolution, proposing a four month period for the decision and notification of disputes.

#### State Benefits

On 18 October 2007, HM Treasury and the DWP published the 2008-09 rates and allowances for tax, national insurance contributions and state pension benefits. The basic state pension will be set at £90.70 per week for an individual and £145.05 for a couple. With regard to taxation of pension scheme benefits and contributions, the Lifetime Allowance will rise to £1,650,000 and the Annual Allowance will be £235,000.

#### HM Revenue & Customs

HMRC highlighted the requirement for all registered pension schemes to submit certain information electronically from 16 October 2007. The required information includes Accounting for Tax Returns, Event Reports and Notification of Scheme Wind Up. HMRC has produced a guide for using the Pensions Schemes Online service.

### Actuarial

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#### PPF Levies

The Pension Protection Fund (PPF) issued a reminder to all schemes which are eligible for entry to the PPF (and were registered schemes prior to 6 April 2007) that they must submit a Section 179 valuation by the deadline of 31 March 2008.

#### Transfer Values

The Minister for Pensions Reform announced on 25 October 2007 that new regulations on the calculation of pensions transfer values will come into effect on 1 October 2008. The intended introduction date of April 2008 has been pushed back to allow trustees more time to prepare for their new responsibility for the calculation of transfer values.

## Consultancy

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### The Pensions Regulator

On 24 October 2007, the Regulator published a report on the responses received to its pension scheme governance discussion paper, issued in April 2007. Key responses included preferences for the Regulator to set out governance principles rather than more detailed prescription, recognising that controls and processes for governance need to be proportionate to the related risks and that governance tends to be more problematic for smaller schemes. The Regulator remains of the view that the responses do not require a change to its fundamental approach.

### Legislation affecting Scheme Benefits

On 22 October 2007, the DWP published proposals for easing the burden of regulation on employers providing pension schemes. The proposals include a reduction in the cap from 5.0% to 2.5% per annum on the revaluation of deferred pensions between leaving and retirement (affecting only future service) and the introduction of a 'statutory override' to make it easier for scheme rules to be amended. The consultation period on these proposals ends on 15 November 2007. The DWP will consider further areas of deregulation in the future, including employer debt for multi-employer schemes, principles based legislation and return of surplus to employers.

### Investments

The National Association of Pension Funds (NAPF) published its review of the 2001 Myners Principles on 8 November 2007. The review recommended that the Principles are in need of refreshing to ensure they continue to reflect best practice and that the current ten Principles should be replaced by six high level Principles. The NAPF believes that the Principles should continue to be based on a voluntary approach but with additional comply or explain reporting for large schemes.

### Pensions Provision

The Queen's Speech to Parliament on 6 November 2007 included "A Bill will place a duty on every employer to contribute to good quality workplace pensions for their employees". This next Pensions Bill, possibly to be published before 2008, will establish the system for Personal Accounts, expected to be in place by 2012.

The interim report of the Thoresen Review of Generic Financial Advice (GFA) was published on 22 October 2007. The report shows that the provision of a national GFA service is an essential and feasible element in improving financial capability across the UK. A GFA service, to be delivered through a mix of channels, should offer a range of information and guidance including jargon busting, managing debt, budgeting and understanding tax and benefits. Otto Thoresen will provide final recommendations to the Government in early 2008.

*"When men reach their sixties and retire, they go to pieces. Women go right on cooking."*

**Gail Sheehy**

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