SPC

THE ANNUAL REPORT OF THE SOCIETY OF PENSION CONSULTANTS 2010

contents

Introduction to SPC

SPC is the representative body for a wide range of providers of advice and services to work-based pension schemes and to their sponsors. SPC's Members' profile is a key strength and includes accounting firms, solicitors, insurance companies, investment houses, investment performance measurers, consultants and actuaries, independent trustees and external pension administrators. SPC is the only body to focus on the whole range of pension related services across the private pensions sector, and through such a wide spread of providers of advice and services. We do not represent any particular type of provision or any one interest - body or group.

Many thousands of individuals and pension funds use the services of one or more of SPC's Members, including the overwhelming majority of the 500 largest UK pension funds. SPC's growing membership collectively employs some 15,000 people providing pension-related advice and services.

Pension Priorities for a New Government

Following the General Election, SPC prepared an updated version of its paper "Pension Priorities for a New Government", setting out what SPC considered should be the high level priorities on pensions for a new government.

We were pleased that some of the suggestions in the paper were acted upon, in the form of the new government's decision to remove the absolute requirement to annuitise at age 75 and its consultation on early access to pension saving.

Ministerial Contact

Building on the links we established with him while he was Liberal Democrat front bench spokesman on Work and Pensions, we established early contact with Steve Webb, in his new role as Pensions Minister, both face to face and in correspondence.

The main subjects addressed were the then pressing need for an amendment to section 251 of the Pensions Act, 2004; the practical implications of the government's announcement that the basis for statutory indexation and revaluation would change from RPI to CPI; and the need for co-ordinated action between government departments, given the number of early initiatives, which it had taken.

Auto-Enrolment: Employer Duties

The Minister for Pensions made a statement to Parliament in October, that the government would proceed with implementing the findings of an independent review of auto-enrolment and the National Employment Savings Trust (NEST).

The review was on the scope and the delivery mechanism of automatic enrolment.

NEST would go ahead as planned and all employers remain within the scope for auto-enrolment, but some of the changes recommended were as follows:

- The thresholds would be different:
    - The earnings threshold, above which automatic enrolment applies, would be aligned with the personal allowance for income tax and raised to £7,336 p.a. in 2010 terms, £7,475 p.a. in 2011 terms (from £5,035 p.a. in 2006/07 earnings terms).
    - Contributions would be based on earnings in excess of the National Insurance earnings threshold (£5,715 p.a. in terms of 2010 prices).
- Rather than auto-enrolling eligible employees from the day they start work, employers would have the option of waiting for up to three months before doing so. However, employers would have to make contributions for eligible employees, who chose to sign up before the end of the three months period.
- The time of re-enrolment would be more flexible. Employers will be able choose a date within a window of three months before and after the required re-enrolment date.
- Legislation would make it clear that NEST's "contribution cap" (£3,600 p.a. in 2005 earnings terms) will be removed in 2017.
- The system by which employers can certify that their defined contribution schemes meet the test for the required contribution levels, would be simplified. This is an area to which SPC devoted particular attention.

The review team also suggested that the government should review other areas, such as the ability for NEST to receive transfers in and pay transfers out, and whether the existing regulatory regime for defined contribution schemes is still appropriate under the auto-enrolment regime.

Many of the changes announced by the Minister matched proposals SPC had made for operating auto-enrolment more smoothly.

Qualifying Earnings Test: Employer Certification

SPC continued to work intensively with DWP and other interested bodies, to identify workable requirements for certification of qualifying earnings for the purposes of meeting the scheme quality test under the employer duties associated with the new pension regime planned for 2012.

At the year-end there was still significant ground to cover, but we were optimistic that work to identify an acceptable alternative to the regulations and guidance, which were withdrawn by the government in 2009, was heading in the right direction.

Abolition of Defined Contribution Contracting-Out

We had been waiting for some time for firm confirmation from Ministers that the date for the abolition of defined contribution contracting out would be April 2012.

While significant contingent preparation could be done, on the working assumption that this would be the date, there was a growing need for planning purposes to have the certainty of Ministerial confirmation. We pressed DWP for confirmation, which was finally given.

Communicating the Abolition of Defined Contribution Contracting-Out

We continued contact with DWP officials, originating in 2008/2009, concerning DWP's plans for communicating the abolition in 2012 of defined contribution contracting out, in the light of ministerial confirmation that defined contribution contracting out would be abolished in April 2012.

Abolition of Defined Contribution Contracting-Out: Practical Issues

We had a response from DWP to our letter of July 2009 on abolition of defined contribution contracting-out/protected rights.

The correspondence covered a range of subjects, principally the interaction of protected rights with the lifetime allowance, serious ill health commutation and inconsistencies between protected and non-protected rights.

DWP's views were shared with SPC's Members.

GMP Equalisation

The then Minister for Pensions and the Ageing Society issued a ministerial statement to Parliament, stating that "the Government has concluded that, where a scheme member has accrued entitlement to a Guaranteed Minimum Pension after May 1990, European law requires that any inequality in scheme rules, which results from the legislative provisions governing GMPs, should be removed, whether or not a person can show that a comparator exists."

The then Government also stated that it intended to bring forward amending legislation when Parliamentary time allowed. However, in the meantime, it was the Government's opinion that, in order to ensure full compliance with European law, trustees and others should act as if existing domestic legislation required equalisation in respect of differences resulting from GMPs, whether or not real comparators exist.

The new Government reviewed the previous Government's legal advice, which as a result was effectively confirmed.

However, by the end of the year no substantial progress had been made in addressing the complex questions on how equalisation should be implemented.

Section 251 Pensions Act 2004

We wrote to DWP, raising concerns on the Pensions Act, 2004, section 251.

Section 251 was introduced as a transitional provision, in order to help schemes deal with the A-Day tax changes and the associated deletion of the on-going surplus rules in Schedule 22 of ICTA 1988. However, the drafting of the section appeared to have a far wider application.

Whilst employers were not expecting the funding positions of their schemes to improve dramatically in the near future, they were concerned about the potential adverse accounting treatment, if action was not taken before April 2011 to preserve their potential ability to recover surpluses from their defined benefit schemes (either ongoing or on a winding up).

Prudence therefore required action to be taken, to avoid any adverse accounting treatment. This action would require scheme trustees to pass resolutions, retaining their power to repay

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Section 251 Pensions Act 2004

surpluses in the future (even if no repayment was actually foreseeable). All members must be given three months notice of the trustees' intention to pass such resolutions.

It was the member notice requirement, which was causing practical difficulties for employers and trustees. Not only would a significant expense be incurred (especially if there was not to be a general mailing to all members before January 2011) but also, at a time when most schemes were significantly underfunded and in deficit, there was a concern that members would be confused and alarmed at any notice, which talked about surpluses being paid to employers.

We asked DWP to issue an announcement, confirming that the Pensions Bill would include a provision, which would repeal Section 251 of the Pensions Act 2004 with effect from April 6th 2011 (i.e. from the end of the transitional period, which applied to that Section). Alternatively, the transitional period could be extended. Either approach would prevent the need to issue unnecessary announcements to scheme members.

DWP confirmed that section 251 should only apply to the operation of a power to refund surplus from an ongoing scheme (under section 37 of the Pensions Act 1995). The government's intention was that the prohibition (and the making of a resolution under section 251 in order to retain the power to refund surplus) should not apply to:

- schemes which are winding up;
- money purchase schemes (with a narrow exception); or
- any of the payments (including, for example, routine administrative payments) which are specifically exempted from section 37 of the 1995 Act

DWP acknowledged that there was some uncertainty about the scope and application of section 251. It confirmed that it intended to pass primary legislation to amend the provision, in order to ensure that it operated in a sensible and proportionate way.

In particular, the government intended to make it clear that the provision does not apply to payments, which would not themselves be subject to the overriding provision of section 37 of the Pensions Act 1995. The government also proposed to extend the deadline for passing a resolution by trustees by five years, to April 6th 2016.

We welcomed the announcement, while regretting that the delay in making it had diminished its practical value.

DWP's Authorised Payments Regulations

In 2009 we identified a defect in DWP's regulations designed to bring its requirements into line with HMRC's authorised payments regulations.

DWP acknowledged the defect, but we sought clarification that the necessary amendment to regulations would be retrospective to the entry into force of the original regulations.

DWP confirmed that the amendment to regulation 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 took effect from April 2010 and would not be backdated to December 1st 2009. However, in cases where commutation of GMPs had already taken place (on, or after, December 1st 2009) these payments should have been treated by HMRC as authorised payments and would not have incurred any additional tax charge. Therefore, provided that any payments met the requirements within Part 2 of the Registered Pension Schemes Regulations, they would have been treated, from HMRC's perspective, as authorised payments. As there was a mistake in the drafting of the DWP regulations, and the policy intention was for these commuted sums to be treated as authorised payments, DWP confirmed that it did not expect HMRC or the Pensions Regulator to take any action.

Definition of an Employer under Employers' Duties Regulations

We corresponded with DWP on the definition of an employer under the Employers' Duties (Implementation) Regulations 2010.

Our question related to staging dates for group companies with a number of subsidiary employers and PAYE schemes.

As an example, take a group company with 20,000 employees. Potentially, therefore, February 1st 2013 would be the staging date under the regulations. However, if the group had ten different PAYE schemes, would the largest PAYE scheme trigger auto-enrolment? For example, if the largest PAYE scheme had 7,000 employees, would this mean a staging date of April 1st 2013 for the whole group or for that single subsidiary?

The same question applied in principle to members of public sector schemes, where employees are employed by different local authorities. Would auto-enrolment apply by local authority or would the employees be grouped by profession?

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Definition of an Employer under Employers' Duties Regulations

DWP agreed that staging commencement dates would depend on the set up of the group company and its PAYE scheme. It indicated that:

- If the company had just one PAYE scheme for all of the organisations, there would be just one staging date based on the 20,000 employees within that one scheme.
- If the group company acted as one employer, the largest PAYE scheme within the group would act as the trigger for all the other PAYE schemes within the organisation. In our example, if the largest PAYE scheme in the organisation had 7,000 employees, this would trigger auto enrolment for the whole group.
- If companies in the group were separate employers with separate PAYE codes, each company's individual auto-enrolment date would fall according to the size of the individual PAYE schemes within those organisations.

Pensions Regulator's Consultation Document: Guidance on Transfer Incentives

We responded to the Pensions Regulator on its consultation document on Guidance on Transfer Incentives.

We readily accepted that transfer incentive exercises need to be undertaken with care. However, although we recognise that the Pensions Regulator is likely to be aware of cases of bad practice, which are not known to us, and that this colours the Regulator's approach, in our view the approach in parts of the draft was too negative.

We suggested that it was inappropriate to propose that trustees should start from a presumption that transfer incentive exercises are not in the interests of members. Often, conducting an incentive exercise is not in itself undesirable, but what is undesirable is that such an exercise is conducted without members fully understanding the risks involved before they agree to a transfer. We therefore considered that it would instead be appropriate to include a statement to the effect that trustees should require the employer to convince them that a transfer incentive exercise was being conducted in an appropriate manner.

We were concerned that the draft guidance could be taken as implying that trustees are in a stronger position, than they actually are, to prevent a transfer incentive exercise going ahead.

We did not think it was helpful for the guidance to contain statements effectively encouraging in some circumstances claims by members against trustees.

The draft guidance made little mention of the need to have regard to the funding position of the scheme, the impact if benefits were actually provided under the Pension Protection Fund, rather than by the scheme, and the covenant of the sponsoring employer. We view all three elements as important in considering whether an incentive exercise is in the interests of members, i.e. what are the risks of *staying in* the scheme?

The draft was entitled "Guidance on Transfer Incentives", but in fact extended to scheme modification and benefit modification exercises. Some aspects of the guidance are relevant to these modification exercises, as well as to incentive exercises, but not all are. On the other hand there are factors which ought to be considered when undertaking modification exercises, which are not relevant to incentive exercises.

We strongly suggested that the finalised guidance should make clear that it did not just cover incentive exercises and should spell out separately the Regulator's expectations in each area.

Pensions Regulator's Consultation Document on Revised Guidance on Internal Controls

We responded to the Pensions Regulator's consultation on revised guidance on internal controls.

Our perception of the revised text was that, in fact, it represented a move away from guidance in the real sense of the word towards a more detailed and prescriptive exposition of the Pensions Regulator's expectations on internal controls.

We could envisage as a consequence that the Pensions Ombudsman would consider it justified to set higher standards in cases which it considered, leading to a greater likelihood of findings of maladministration.

It was not clear why the guidance was viewed by the Regulator as being particularly relevant to smaller schemes. Much of the material was relevant to schemes of any size, or perhaps more specifically to advisers to schemes, given some of the detail which it contained.

We noted that the document was intended primarily to be web based. It was helpful to have well thought out web based material, but it was also important to keep in mind that it was still very common, and likely to remain so for some time, for readers to print off parts of web based documents and read them as hard copy, and to design documents to cater for this.

Pensions Regulator's Proposals for Regulation of Record Keeping

We responded to the Pensions Regulator's proposals on regulation of record keeping: measuring member data.

We agreed that more work needed to be done to improve record-keeping standards.

Although it should have come as a surprise to nobody, the challenges in the past year's economic climate had been such that it would have been unrealistic to have supposed that improving record keeping standards would have been one of trustees' priorities. A more realistic picture of how much longer-term progress was being made in improving standards might have been obtained by delaying an assessment for a further year.

Pensions Regulator's Review of Retirement Information for DC Members

We wrote to the Pensions Regulator on its review of retirement information for dc members.

We considered that some of the public comment arising from the review had a disappointingly negative slant, particularly given the small sample size for the review and the relative lack of granularity in the data.

While there is room for improvement, the percentage of trustees complying in the three areas considered was generally very high, particularly in the area of offering the open market option. As the review noted, while significant non compliance with the retirement disclosure regulations is regrettable, only 6% of schemes were non compliant to such a degree as to need to be passed to case work teams for further investigation.

However, we found that the most striking area was that concerned with the large percentage of members, who did not exercise the open market option. The review highlighted this as a disappointing area. There are likely to be the three main reasonable explanations for non exercise of the open market option.

- An accumulated fund too small to be commercially attractive to other annuity providers.
- Use of defined contribution additional voluntary contributions for commutation within a defined benefit scheme.
- Guaranteed annuity rates offered by a scheme provider, which could not be improved upon, through exercise of the open market option.

While all three were referred to in the report, they were not, apparently, recognised as potentially quite significant.

We had a useful meeting with the Pensions Regulator, to follow up our comments.

Pensions Regulator's Consultation on Monitoring Employer Support: Covenant, Contingency Assets and other Security

We responded to the Pensions Regulator on its consultation document on Monitoring Employer Support: Covenant, Contingency Assets and other Security.

We viewed this as a generally helpful document, drawing together some useful material.

Other Pensions Regulator Consultations

We also responded to the Pensions Regulator on its consultation documents on Defined Benefit Multi-employer Schemes and Employer Departures; Guidance for Trustees on Avoiding Delays on Wind up; and on its Trustee Register.

PPF Work on Adjustment for the Effect of Unequal GMPs

Throughout 2010 we maintained contact with PPF, in submitting comments at various stages of its work in developing its approach to adjusting for the effects of unequal Guaranteed Minimum Pensions.

Although PPF's work was formally related only to the schemes, for which it had taken on direct responsibility, we saw wider value in participating in this exercise, on the basis that PPF's approach might influence any wider exercise by the government on adjustment for the effects of unequal GMPs.

PPF Consultation on a New Levy Framework from 2012/13

The Pension Protection Fund published revised proposals for the long term future of the Pension Protection Levy.

SPC considered these to be generally acceptable.

Implementing the Restriction of Pensions Tax Relief

We wrote to the previous Exchequer Secretary to the Treasury, on the outgoing government's proposals for implementing the restriction of higher rate tax relief.

Our consideration of the consultation questions in the government's consultation on implementing the restriction and our participation in a number of stakeholder workshops led us to conclude that the approach set out in the consultation document was an inappropriate means of addressing the government's policy aim of ensuring that pensions tax relief remains affordable.

It also ran counter to the simplified, "single regime" approach introduced by the government through the Finance Act, 2004

The approach was potentially unfair to individuals (for example in its effect on people with fluctuating earnings) and would cause considerable extra administrative complexity for schemes (for example possible changes to pension input periods, the proposed scheme pays arrangements and the annual valuation process for defined benefit schemes).

We therefore suggested that urgent consideration should be given to adopting a more straightforward approach to achieving the policy aim.

The government's response to its consultation, published on Budget Day, indicated that it intended to proceed with its proposals largely as originally presented.

We wrote to the Exchequer Secretary, strongly suggesting that the legislation implementing the proposals was not rushed through before the General Election, given the extreme complexity of parts of them.

We also observed that the restriction on higher rate tax relief further significantly undermined confidence in the government's willingness to support funded pension provision, because it further undermined the EET treatment of pensions, by taxing some employer contributions as effectively benefits in kind. Indeed, where there was a Lifetime Allowance charge at retirement, the tax-free investment returns, which apply during the accumulation phase, would effectively be clawed back, so that high-earners faced the real prospect of a TTT pension saving system.

The proposals also incorporated a significant "cliff edge", in that, for example, an individual with "relevant income" of £129,999 could be considerably better off, after tax, than someone with a marginally higher "relevant income" figure. It would be preferable and fairer to instead restrict pensions tax relief by reducing the annual allowance.

There was a general lack of clarity around how this charge would interact with other pensions legislation, such as the annual allowance, the lifetime allowance, taxation of income from pension savings and pension sharing on divorce. The interactions of these elements was vital to the long term fairness of these proposals, the level of additional complexity they would cause and, ultimately, the impact they would have on pension scheme members.

We also wrote to the new Chancellor of the Exchequer in the run up to the Budget following the General Election on June 22nd.

We focussed on by the statement in the Coalition's Programme for Government that:

> *We will simplify the rules and regulations relating to pensions to help reinvigorate occupational pensions, encouraging companies to offer high-quality pensions to all employees, and we will work with business and the industry to support auto enrolment.*

We argued that tax changes introduced in haste by the previous government in the Finance Act 2010 would have the opposite effect to the new Government's stated aim, because employees would be penalised for retirement savings provided by their employers. There was a substantial risk that many affected employees would opt out of their pension schemes, rather than pay tax on a benefit, which would not be paid for many years to come (if ever).

While the provisions only applied directly to high earners, the implications were potentially much greater. The Treasury would require pension schemes to undertake the necessary

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Implementing the Restriction of Pensions Tax Relief

calculations to determine whether a tax charge was payable - a further complex administrative burden which would increase schemes' costs. Additionally, if high earners (typically the more senior employees in an organisation) became distanced from the final salary scheme their company provided, it considerably increased the risk that their company would follow the example of many others and cease the future provision of final salary benefits. As a result, a measure intended to apply only to high earners could well affect a far greater number of people.

We recognised that the government might wish to maintain the political aim of the legislation, namely that high earners should not receive full tax relief on their pension contributions. There should, however, be a fairer and easier method of achieving this aim. There was a need for a method which was simpler and more transparent, to allow affected individuals to assess in advance the tax they would have to pay on the accrual of pension benefits (ensuring that they made adequate advance provision).

We urged the new Government to take swift action to correct the provisions of the Finance Act 2010, which had such unfair and disproportionate consequences.

We also wrote to the Exchequer Secretary to The Treasury, raising concerns at the extremely wide drafting, and therefore uncertainty on the impact of, anti-avoidance provisions in the Finance Act 2010, enacted under the previous government.

Following its discussion document on restricting pensions tax relief, the new Government published an outline of the approach it would take and, as expected, it rejected the previous government's approach in favour of a simpler process, which we generally welcomed.

This involved the Annual Allowance being reduced to £50,000. This amount would be fixed until the tax year 2015-16 but the government would consider some element of indexing thereafter, tax relief would continue to apply at an individual's marginal rate.

Where the Annual Allowance was exceeded in any given year, the unused element of the allowance from up to three previous years would be available to offset against the excess.

- There was no change to the provisions regarding pension input periods; in particular, they would not have to be aligned with the tax year.
- The Lifetime Allowance would be reduced from £1.8 million to £1.5 million.

HMRC Anti-Forestalling Legistlation

HMRC responded to our letter of 2009 on the anti-forestalling legislation associated with the forthcoming restriction of higher rate tax relief.

It provided useful clarification on the operation of the legislation, which was distributed to SPC Members.

HMRC Update on Transfers for Members Age 50 to 55

Following representative by SPC and others, the government announced its intention to regulate to remove the unauthorised payments tax charge, where an individual aged 50 and over, but under 55, transfers their pension in payment to another pension provider with the regulations back dated to cover transfers made on or after April 6th 2010.

The normal minimum pension age increased from age 50 to 55 from April 6th 2010. Since then, people could normally start receiving their pension payments without paying the unauthorised payment charge only once they had reached 55. Someone aged 50 and over, but under 55, who started drawing their pension before April 6th 2010, could normally continue to draw it without paying the charge, even when they were not yet 55. However, unintentionally, the legislation imposed the charge if such an individual transfers their pension before age 55 to a new provider.

HMRC Consultation: Improving the Operation of PAYE

HMRC published a consultation paper "Improving the Operation of PAYE".

In our response, we expressed some major concerns about the practicality of these proposals in a pension context.

We followed up these concerns in a meeting with HMRC, and agreed to maintain contact, so that the pensions aspects of this exercise are properly considered.

Delivering the Retail Distribution Review

We responded to FSA discussion paper 10/2: Delivering the RDR and Other Issues for discussion.

FSA sought views on its analysis of the issues related to platform remuneration and on its preference to stop payments from product providers to platforms.

In general, we agreed with the analysis. However, we drew FSA's attention to the issue raised by the use of platforms within Self-Invested Personal Pensions (SIPPs).

Before changes in regulation, a pension policy could typically only be provided by an insurer (i.e. a 'product provider'). When the rules were relaxed in 2007, this opened up the SIPP market to non-insurer 'operators'. These operators are providers of the SIPP wrapper, but are not 'product providers' in the true sense of the word, as they do not issue underlying investment products themselves.

We questioned whether the scope of the proposals in this part of the consultation should include SIPP operators within the definition of 'product provider'.

A SIPP provider typically uses the facilities of the platform just as an adviser would – but the platform is not used to sell a provider's products.

As SIPP operators are not providers in their own right, they charge separate fees for dealing separately with each fund manager or product provider. Costs to the SIPP member can be reduced (and a wide choice of funds offered) through the use of a funds supermarket.

Many SIPP providers do not require SIPP members to use a specific platform, but offer a choice. Hence, SIPP members can either use a platform (at one cost) or the SIPP provider can deal with the specified fund manager (at a different cost).

The provision of an electronic dealing platform enables SIPP members to execute deals quickly and this is usually the cheaper option for SIPP members. This brings a benefit to consumers.

In establishing a platform, the SIPP operator incurs both set-up and ongoing costs and undertakes initial and ongoing due diligence on the funds included within the platform (to ensure that there are no funds which could lead to unauthorised charges for members). These costs are recouped through the charges made for use of the platform and SIPP operators have transparent charging structures. Therefore consumers can easily compare the costs of using the platform against those of dealing directly with each fund manager.

The set-up and ongoing costs for SIPP operators include a payment made to the platform provider for the supply of services (e.g. software for use by the SIPP member and links to the operator's systems for valuation purposes). The costs incurred by the SIPP provider are covered by the charges made for use of the platform and hence are transparent to the consumer.

We therefore saw no reason to ban payments from SIPP operators to platform providers, as there is already transparency of costs. Furthermore, the service offered by a platform to one SIPP operator might differ from that offered to another. The service might include additional administration or valuation tools and the costs are negotiated between the operator and the platform provider, depending on the target market for the operator and its own system functionality. Banning payments would simply shift the costs from the SIPP operator to the platform, which would increase its charges, but there would be no real benefit to the consumer.

We highlighted that some platform providers make a payment to SIPP operators, which is 'commission' (typically based on funds under management or as a percentage of each trade), and this is not in line with RDR proposals. The removal of commission would typically see the direct costs to consumers increase as SIPP operators lose income from these arrangements, but we appreciated that this is an effect of the banning of commission generally.

In summary, we would prefer requiring any payments between the platform and the provider to be disclosed where this specifically results in payments linked to a transaction or volumes of business. However, we do not believe it is necessary to require the disclosure of a commercial arrangement between a SIPP provider, and a platform provider, where the arrangement is not linked to transactions or volumes of business.

FSA also sought views on its analysis of what would be required to facilitate Adviser Charging through platforms.

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Delivering the Retail Distribution Review

We had some concerns about Adviser Charging within pensions products generally. Where an investor uses a platform for both pension and non-pension investments, there is the opportunity to set up the payment of the adviser's fees through the pension product. This would be a tax efficient way of paying adviser fees, but would represent an unauthorised payment under pension taxation laws. This results in charges being levied against both the investor and the scheme operator. However, at present, commission is linked to the transaction. This means that it is not possible to manipulate payments to the adviser. The removal of commission will mean that this manipulation is possible and it will be out of the hands of the pension provider.

From a practical viewpoint, either the platform would need to operate separate SIPP cash accounts, or the SIPP provider would simply not be able to use that platform, thus limiting customer choice. In the absence of this solution, SIPP providers would be faced with excessive work in monitoring and reporting the unauthorised payment position, probably leading to increased fees for the client.

We therefore considered that Adviser Charging in relation to platforms has drawbacks and HMRC guidance would be needed before pension providers would be satisfied that they would not incur unauthorised payment charges. The law, at present, does not allow for this, hence what may be suitable for the general customer may not be allowable for a pension customer.

We also responded to FSA consultation paper 09/31 on the Retail Distribution Review. This covered two elements relevant to SPC – professionalism and corporate pensions.

While we recognised that the operation of any market is capable of improvement, we do not believe that the analysis in the consultation paper provided a compelling description of market failure in this area.

FSA Consultation Paper 10/19: Revising the Remuneration Code

We responded to FSA on its consultation paper on Revising the Remuneration Code.

Our interest was in Principle 9, on enhanced discretionary pension benefits.

We considered that much more clarity was required. For example, suggestions that the benefits should be held for five years in the form of shares was, on the face of it, in conflict with the restrictions on employer related investments imposed by DWP and with the inalienability provisions on pensions required by the same Department and by HMRC.

It was also unclear what impact the proposals would have on early retirement, including early retirement on ill health, where normally applicable early retirement factors might be waived, and on augmentation of rights on redundancy.

Treasury Call for Evidence on Money Laundering

We responded to the Treasury's call for evidence on its review of the Money Laundering Regulations, reported.

Our Financial Services Regulation Sub-Committee had very little first-hand knowledge of pension schemes of any description having been used for money laundering. It was aware of at most a handful of cases.

We suggested that large schemes, whether occupational or contract based, represented a low risk of being used for money laundering.

We also suggested that there was an increased risk, but in our view still a relatively low one, of personal pension schemes (including Self Invested Personal Pension Schemes) and small self administered pension schemes being used.

In our view, the regulations and their application to business activity were broadly appropriately risk based for pensions business.

Financial Services Compensation Scheme

The SPC Financial Services Regulation Sub-Committee met representatives of the Financial Services Compensation Scheme to seek clarification of the treatment of various types of pension provision under the scheme.

We provided a comprehensive note of the questions we asked and the responses we received, agreed with FSCS, for SPC Members.

BIS Call for Evidence on the Default Retirement Age

We responded to the Department for Business, Innovation and Skills call for evidence on the default retirement age.

On the face of it one might view this call for evidence as only of peripheral interest in the pensions field, with the key significance being in the employment area.

There were, however, some significant implications in the pensions field.

It seemed inevitable that there would be implications for the pensions exemptions in the anti-age discrimination legislation. The removal of the default age would, for example, make it more difficult to justify setting an age of, say, 65, when employees could be required to retire.

It was also relevant that the benefit statements and statutory money purchase illustrations, which pension schemes produce, are founded on target retirement dates, the concept of which would perhaps be less tenable in an environment without a default age.

Funding of defined benefit schemes similarly places reliance on the existence of target dates.

On a more general level, it would not be helpful if the ending of the default retirement age created an impression among employees that they could retire when they liked and that processes would exist for providing benefit statements at essentially random ages and intervals.

Review of Contracted-Out Rebates for 2012 to 2017

The Government Actuary's Department published a consultation document on the review of contracted-out rebates for 2012 to 2017.

While we considered that some of the detailed assumptions proposed were open to question, we did not consider the overall approach taken to be unreasonable in a context within which ultimate decisions on the rebate are taken at ministerial level and to some extent politically influenced.

IASB Exposure Draft Defined Benefit Plans – Proposed Amendments to IAS19

We responded to IASB exposure draft ED/2010/3: Defined Benefit Plans – Proposed Amendments to IAS19.

Our response was generally supportive.

Treasury Consultation Document: Removing the Requirement to Annuitise by Age 75

The Treasury published a consultation document on removing the requirement to annuitise by age 75.

We suggested that the practicalities of introducing greater flexibility in the intended time period might prove to be more demanding than expected. The timescale was very short in comparison with the introduction of the Finance Act 2004 Pension Taxation Regime.

We suggested that it might be worthwhile exploring greater flexibility within capped drawdown, so as to allow access to funds in a more flexible way, which would help to encourage long term saving. Examples would be a one off option to take an additional 25% taxed lump sum and a lower rate of death tax if funds are transferred to another person's pension fund, i.e. other than a spouse or dependant. Other options to consider could be a more generous tax rate if using pension savings to secure a long term care package.

Insolvency Service Consultation on Debt Relief Orders and Pensions

We responded to the Insolvency Service consultation on debt relief orders and pensions.

We viewed this as a sensible initiative and agreed that the eligibility criteria for debt relief orders should be changed to address the position of people with small pension rights.

We agreed that the present pension limit does exclude people, who would otherwise qualify for a debt relief order, and we expected that auto-enrolment into pension schemes would lead to more people having small pension funds, which would bring them up against the limit for debt relief orders.

Rather than adopt one of the approaches suggested in the consultation, we suggested that, where the pension arose from a scheme with a normal pension age, pension rights should not

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Insolvency Service Consultation on Debt Relief Orders and Pensions

be taken into account unless the person was at or over the normal pension age. If the rights arose under a personal pension scheme, which would not have a normal pension age, we suggested that the limit should be age 50, i.e. five years before the minimum age at which a tax approved pension may be drawn.

European Commission Green Paper on Pensions

The European Commission published its Green Paper "Towards Adequate, Sustainable and Safe European Pension Systems".

In our response we suggested that there would be enormous practical difficulties in the EU seeking to define better what an adequate retirement income might entail.

One source of difficulty is the range in pension systems across the EU and, in particular, the variance in the design of, and the relative importance of, first, second and third pillar provision. Another factor is that Member States have different living costs, lifestyles and definitions of poverty, which would make adequacy difficult to define.

We did suggest that the EU should encourage Member States to make long term sustainable plans for pensions, which are appropriate to their particular circumstances. The Commission could usefully collate information across all three pillars of provision and make this available to Member States. This would assist them in assessing the adequacy of their domestic policies.

A rebalancing of the time spent in retirement and that spent in work is desirable. However, this is not achieved through simply increasing the retirement age; there need to be political and practical measures to encourage prolonged economic activity. Otherwise, all that is achieved is a shift from one form of social benefit (pension) to another (unemployment benefit/income support). Specific policies are most appropriately kept within the remit of individual Member States.

It would be completely inappropriate to simply take Solvency II as the funding standard for defined benefit IORPs across the EU. The UK's regulatory structure, for example, makes funding on the discontinuance basis implicit in Solvency II, unnecessary and inappropriate.

BAS Consultation on TM1: Statutory Illustration of Money Purchase Benefits

We submitted a detailed response to the consultation by the Board for Actuarial Standards on the review of TM1, which governs the preparation of statutory illustrations of money purchase benefits.

We considered that, overall, TM1 had met the aim of producing illustrations of pension benefits on a broadly consistent basis across various types of money purchase pension provision.

BAS Exposure Draft on Pensions

We responded to the Board for Actuarial Standards exposure draft of a Technical Actuarial Standard on pensions.

Our main comment was that it might be appropriate to spell out within the scope requirements what "actuarial work" includes.

We also suggested that the work required in producing "neutral estimates" might have been under-estimated.

We commented that the purpose did not appear to fit well with actuarial information provided for accounting purposes. In particular, it did not make clear which decisions by users required sufficient information within the area of accounting, as the definition mentioned only financing and benefits payable. It was also not clear who the users of actuarial information for accounting purposes were.

Other BAS Consultation Papers

We also responded to BAS consultation papers on actuarial information used for accounts and other financial documents; and on modelling and transformations.

SPC Contacts

SPC had a range of meetings across government on a wide variety of subjects, summarised below:-

- SPC was represented at the first meeting of the new HMRC Pension Industry Stakeholder Forum.
- The SPC Administration Committee met officials from the Pensions Regulator to discuss its plans for employer compliance, as the starting date for auto-enrolment in 2012 drew closer.
- The Committee also met HMRC to initiate contact on the pensions impact of the government's plans for improving the operation of PAYE.
- SPC hosted a meeting with FSA, to discuss the potential impact of the EU Payment Services Directive on SPC Members providing pensioner payroll services.
- SPC met representatives of PPF, to discuss the overall outlook for PPF in a time of government austerity, PPF's Assess and Pay Initiative and expenses in supplying information to the Financial Assistance Scheme. This was followed up by a roundtable with PPF for SPC Members with a specific interest in the last two subjects.
- SPC met representatives of the Treasury, to discuss its consultation document on a new approach to making tax policy. From a pensions perspective we emphasised the problems caused by changes introduced at short notice without consultation.
- The SPC Investment Committee met a senior representative of the government's Debt Management Office for a discussion of developments in the pensions field relevant to the government's gilt issuance policy.
- SPC, through its Investment Committee, also participated in the Debt Management Office quarterly consultation meetings.
- SPC was represented at Treasury meetings, to discuss information requirements in connection with the restriction of higher rate pension taxation relief.
- SPC was represented at the first meeting of the Pensions Regulator's Communications Forum. The aim of the Forum is to assist the Regulator in fulfilling its new role under the Employer Duties regulations associated with the 2012 pension changes.
- SPC was represented at FSA Practitioner Panel and Smaller Business Practitioner Panel meetings.
- Members of the SPC Administration Committee met DWP officials to discuss DWP's plans for communicating the abolition of defined contribution contracting-out.
- SPC had an informal meeting with officials from the Pensions Regulator, focusing on enhanced transfer values.
- SPC participated in the Conservative party's pension advisory group, set up before the General Election, to provide it with a sounding board on the main pension issues
- Members of the SPC Council and the Chairman of the Financial Services Regulation Sub-Committee met FSA. Subjects discussed included the outlook for the Retail Distribution Review, defined contribution default funds, enhanced transfer values and transfers to SIPPs.

SPC Roundtable: Focussing on DC – Challenges for Investment and Governance

SPC held another in its successful and well attended series of Roundtables for members.

The theme of high level discussion among senior policy makers within SPC members was "Focussing on DC: Challenges for Investment and Governance".

Our guest facilitator was Steve Folkard (then Chairman of the ABI Pensions & Savings Strategy Committee and Head of Pensions and Savings Policy at AXA Life).

New SPC President

With effect from June 1st, Kevin LeGrand (Principal and Head of Technical Services at Buck Consultants) succeeded Duncan Howorth as SPC President.

We are very grateful to Duncan Howorth for his wholehearted and effective commitment to the role of President.

Honorary Treasurer

Council re-elected Lindsay Davies, a partner in Hymans Robertson, as SPC Honorary Treasurer for a further year.

Council and Committees

During the year the following Council and committee meetings took place

Actuarial 10

Administration 11

Council 6

Financial Services 5

Legislation 11

Money Purchase 8

Public Relations 7

Other standing committees 7

Other committees 2

We are very grateful for the time devoted to the work of SPC by all these bodies, both in meetings and outside them. Their commitment makes possible the broad range of activities summarised elsewhere in this report.

The membership of Council and committees is listed in Appendix I.

At December 31st SPC had 115 members

They are listed in Appendix II to this report.

Co-operation

SPC liaised with the Association of British Insurers, The Association of Consulting Actuaries, The Association of Pension Lawyers, The Institute of Chartered Accountants in England and Wales, The Investment Managers Association, The National Association of Pension Funds and the Pensions Management Institute through the Occupational Pension Schemes Joint Working Group. The Group is also a channel for liaison with DWP, The Treasury, HMRC, The Pensions Regulator and the Pension Protection Fund.

The main areas of liaison were the restriction of higher rate pension taxation relief, the move from RPI to CPI as the basis of pension indexation and revaluation and implications of the parliamentary statement by the then Minister for Pensions and the Ageing Society, in January, on equalisation of GMPs.

For one year, with effect from July 1st, SPC assumed the chair of the Joint Working Group, through its President, Kevin LeGrand. The SPC secretariat acted as secretariat to the Group.

External and Internal Relations

We continued our regular contributions to the Association Forum of Pensions World Magazine and the panel of contributors from the Legislation Committee continued to write Pensions World Tax and Benefits Notes. We also had regular features in the Actuary Magazine, Financial Regulatory Briefing and Professional Pensions Magazine.

We contributed articles and comments to a wide range of other publications and to the broadcast media, backed up by regular face to face contact with journalists.

The SPC website attracted 11,744 visits (11,335 in 2009)

We continued to sponsor the prize for the best performance in the Scheme Arrangements paper of the PMI Associateship examination.

SPC News was produced on a monthly basis and was supplemented by the issue of frequent general circulars on matters of importance to members. The SPC Document Service again operated, as did the SPC Pension Ombudsman's Determination Service.

We continued to invite members to supply details of their offices in the UK, for inclusion in lists of members providing independent individual pension advice.

SPC On-line Polls

We continued to conduct on-line polls of SPC members throughout the year.

SPC Evening Meetings

A programme of evening meetings was provided throughout the winter, spring and autumn, with meetings taking place in Leeds, London, Manchester and Scotland. The programme for Scotland was arranged in collaboration with NAPF and PMI. The programme of meetings was as follows:-

Month	Subject	Speakers
January	Dealing with the Downturn: Issues for Employers and Trustees	Peter Esam (APL and Travers Smith) and Jason Coates (SPC and Wragge & Co.)
February	Developments and Problems in Pensions during my Time at TPAS	Malcolm McLean (then The Pensions Advisory Service)
	Longevity Risk Transfer	Tristan Walker-Buckton and Ioannis Ioannu (Pensions Corporation)
March	Pensions in the Current Financial Environment	Malcolm Small (Institute of Directors)
	Equalisation and Discrimination Issues	Kate Sheehan (Eversheds)
	Risk Considerations for Pension Advisers	Giles Orton and Claire Carroll (Eversheds)
April	Enhanced Transfer Values	Philippa Aaronson and Terry Ritchie (Capita Hartshead)
May	An Update on Annuities and At-Retirement Processes	Nigel Barlow and Mandy Basham (then Just Retirement)
	Pensions High Risk Areas	Giles Orton and Claire Carroll (Eversheds)
September	Moving Towards 2012: Engaging Individuals and Employers	Tom Berry (DWP)
	Current Issues Facing Pension Schemes	Louisa Knox (Shepherd and Wedderburn) and Andrew Simpson (KPMG)
October	Medium Term Asset Allocation	Simon Hill (Buck Consultants)
	Communicating with Members	Matthew Baker (JLT)
November	Update on the Retail Distribution Review	Joanne Hull (Xafinity)
December	Current Issues for the Ombudsman	Tony King (Pensions Ombudsman)

We are grateful to all the speakers for giving their time to address SPC.

We are also grateful to the following organisations, which hosted meetings, or sponsored them:-

Allen and Overy, DLA Piper, Eversheds, Hogan Lovells, JLT, Laurence Graham, Prudential and Shepherd and Wedderburn.

SPC Conference 2010

SPC held a Conference at the Waldorf Hilton, London WC2 in October.

The theme of the conference was Re-Engaging Employers on Saving for the Future and we assembled a high level panel of speakers from business, political, academic and pensions backgrounds.

Our main speaker was Steve Webb, the Pensions Minister.

SPC Dinner and Press Awards

SPC held another successful Dinner on November 3rd. The venue was again The Dorchester. The principal guest was Tim Jones, Chief Executive of The NEST Corporation, who proposed the toast to SPC. The response was by Kevin LeGrand, the SPC President. The Dinner marked the presentation of the SPC Pensions Journalists of the Year Awards. The recipient in the National Category was Alex Brummer (Daily Mail) and in the Trade Category Bob Campion (Pensions Insight).

SPC COUNCIL AND COMMITTEE MEMBERSHIP AS AT DECEMBER 31ST 2010

Council

Kevin	LeGrand (President)	Buck Consultants Limited
Sir James	Hodge (Chairman)	
Natalie	WinterFrost	Aberdeen Asset Management Ltd
John	Quinlivan	AEGON
Paul	McGlone	Aon Hewitt
Ian	Long	Aviva
Jennifer	Batty	Capita Hartshead
Robert	Noble	Heath Lambert Consulting Limited
Ian	Gault	Herbert Smith
Duncan	Buchanan	Hogan Lovells LLP
Lindsay	Davies (Honorary Treasurer)	Hymans Robertson LLP
Roger	Mattingly	Jardine Lloyd Thompson Benefit Solutions
Duncan	Howorth (Co-opted)	Jardine Lloyd Thompson Benefit Solutions
David	Fairs	KPMG LLP
Tim	Kehoe	Legal & General
Edwin	Topper	Mercer
Rachel	Low	MNPA Ltd
David	Collinson	Pension Insurance Corporation
Liz	Hinchliffe	Pinsent Masons LLP
Deborah	Wilson	PricewaterhouseCoopers LLP
Beverley	Morris	Prudential PLC
Claire	Carey	Sacker & Partners
Tony	Escreet	Scottish Widows
Malcolm	Winter	Standard Life Assurance
Mark	Ashworth	The Law Debenture Pension Trust Corporation p.l.c.
Sanjay	Gupta	Towers Watson
Robert	Birmingham	Xafinity Consulting

Actuarial

Matthew	Collins	Aon Hewitt
Steve	Hitchiner (Chairman)	Barnett Waddingham LLP
Mike	Bartlet	Buck Consultants Limited
Jonathan	Isted (Deputy Chairman)	Capita Hartshead
Paul	Yates	Deloitte Total Reward and Benefits Limited
Bill	Barnes	Hymans Robertson LLP
David	Hamilton	Jardine Lloyd Thompson Benefit Solutions
Chris	Bunford	LCP
Dina	McDonald	Mercer
Lindsay	Heeley	Punter Southall Limited
David	Berenbaum	Towers Watson

Administration

Caspar	Hancock	Aon Hewitt
Conrad	Jones	Aviva
David	Connell	Barnett Waddingham LLP
David	Barnes	Bluefin
Andrew	Short (Deputy Chairman)	Capita Hartshead
Rachel	Harris	Excellerate HRO
Bob	Burse	FIL Pensions Management
Jason	Ardern	HS Admin
Michelle	Mattingley	Hymans Robertson LLP
Jane	Garton	JLT Benefit Solutions Ltd
Andrew	MacDougall	LCP
Rosie	Kwok	Mercer
Paul	Fearon	Metlife Assurance Limited
Rachel	Low	MNPA Ltd
Deborah	Wilson	PricewaterhouseCoopers LLP
Phil	Tilley	Prudential
Kathy	Turpin	Punter Southall Limited
Malcolm	Winter	Standard Life Assurance
Nigel	Howarth (Chairman)	Xafinity Paymaster

European

Maria	Stimpson	Allen & Overy LLP
Alex	Tottle	Aon Hewitt
Edmund	Downes	Aviva
Ian	Walker	Buck Consultants Limited
Caoimhe	O'Neill	Charles Russell LLP
Liz	Fallon	Eversheds LLP
Charles	Magoffin	Freshfields Bruckhaus Deringer
Laura	Sayer	Hammonds LLP
Tim	Box	LCP
Jayne	Hidderley	Linklaters
Isabel	Coles	Mercer
Matthew	de Ferrars	Pinsent Masons LLP
Martine	Bach	PricewaterhouseCoopers
Peter	Cottingham	Prudential Corporate Pensions
Jane	Beverley	Punter Southall Limited
Tony	Escreet	Scottish Widows
Michael	Wyman	Simmons & Simmons
Gordon	Harkes (Chairman)	Standard Life Assurance
Mark	Dowsey (Deputy Chairman)	Towers Watson
Paul	Burt	Xafinity Consulting

Financial Services Regulation

Kate	Smith	AEGON
Chris	Goodeve-Ballard	Aon Hewitt
Simon	Grey	Aviva
Laura	Cooke	Barlow Lyde & Gilbert
Duncan	Loyd	Buck Consultants Limited
Anne	Jones	Capita Hartshead
Ian	Cass	Compliant Solutions Ltd
Chris	Halewood (Chairman)	CS Financial Solutions

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Financial Services Regulation

Richard	Houston	FIL International
Andy	Nibloe	Heath Lambert Consulting Limited
Mark	Wicks	Jardine Lloyd Thompson Benefit Solutions
Steve	Wright	MNPA Ltd
Malcolm	Lamb	PricewaterhouseCoopers
Beverley	Morris	Prudential PLC

Investment

Natalie	WinterFrost	Aberdeen Asset Management Ltd
Nigel	Loweth	AEGON Asset Management UK plc
John	Benfield	Aon Hewitt
Alex	Pocock	Barnett Waddingham LLP
Neil	Morgan	Bluefin
Alan	Wilcock	BNY Mellon Performance & Risk Analytics Europe Limited
David	Hepplewhite	Capita Hartshead
Steven	Catchpole	Cardano Risk Management BV
Hugh	Gittins	Eversheds LLP
Judith	Donnelly	Greenberg Traurig Maher LLP
Anne	Fairchild	GSAM
Clifford	Sims (Chairman)	Hammonds LLP
Andrew	Elliott	Hymans Robertson LLP
David	Clare	Jardine Lloyd Thompson Benefit Solutions
Mark	Latimour	Linklaters
Tony	English (Deputy Chairman)	Mercer
Ralph	McClelland	Sacker & Partners
Peter	Dorward	Scottish Widows Investment Partnership Limited
Robin	Penfold	Towers Watson
John	Nestor	UBS Global Asset Management

Legislation

Helen-Mary	Finney	Aon Hewitt
Charles	Bradley	Aviva
Arron	Slocombe	Baker & McKenzie LLP
Martin	Hooper	Barnett Waddingham LLP
Wendy	Hunter	Hammonds LLP
Duncan	Buchanan (Chairman)	Hogan Lovells LLP
John	Wilson	Jardine Lloyd Thompson Benefit Solutions
Andrew	Scrimshaw	KPMG LLP
Kevin	Gude	Lawrence Graham LLP
Tony	Bacon (Deputy Chairman)	LCP
Lorna	Buckland	Linklaters LLP
Eleanor	Dowling	Mercer
Andrew	Hoddinott	PricewaterhouseCoopers
Paul	Marshall	Prudential
Andy	Wells	Punter Southall Limited
Janet	Brown	Sacker & Partners
Andrew	Patten	SNR Denton UK LLP
Averil	Logan	Towers Watson
Peter	Esam	Travers Smith LLP
Peter	Sayers	Xafinity Consulting

Money Purchase

Adam	Potter	AEGON
Ian	Neale	Aries Pension & Insurance Systems Ltd
Martin	Smith	Aviva
Gavin	Moffatt (Deputy Chairman)	Bluefin
Tony	Barnard	Capita Hartshead
Bob	Burse	FIL Pensions Management
Barbara	Cole	Heath Lambert Consulting Limited
Penny	Pilzer	Hogan Lovells LLP
Lee	Hollingworth	Hymans Robertson LLP
Alistair	Wadsworth	Jardine Lloyd Thompson Benefit Solutions
Simon	Mayho	KPMG LLP
Carol	Jones	Linklaters
Warren	Williamson	Mercer
Rachel	Low	MNPA Ltd
Jennifer	Bell	Nabarro
Simon	Tyler	Pinsent Masons LLP
Navneet	Bassan	PricewaterhouseCoopers LLP
Heidi	Anderson	Prudential
Robin	Nimmo	Scottish Life
Malcolm	Winter (Chairman)	Standard Life Assurance
Ken	Anderson	Xafinity Consulting

Public Relations

Gareth	Soanes	Allen & Overy LLP
Robin	Hames	Bluefin
Jeremy	Goodwin	Eversheds LLP
Jill	Clucas	Hogan Lovells LLP
Lindsay	Davies (Deputy Chairman)	Hymans Robertson LLP
Duncan	Howorth	Jardine Lloyd Thompson Benefit Solutions
Roger	Mattingly (Chairman)	Jardine Lloyd Thompson Benefit Solutions
Nicholas	Laird	Linklaters LLP
Edwin	Topper	Mercer
Jason	Coates	Wragge & Co LLP
Ken	Anderson	Xafinity Consulting

North West

Damien	Garrould	DLA Piper UK LLP
Charlanne	Hodgkinson	Eversheds LLP
Craig	Edmondson (Chairman)	Mercer
Liam	Fitzgerald	Pinsent Masons LLP

Scottish

Paul	Hamilton	Barnett Waddingham LLP
Irene	Campbell	Buck Consultants Limited
Bob	Purves	Buck Consultants Limited
Graham	Hanna	Mercer
Liz	Hinchliffe (Chairman)	Pinsent Masons LLP
Ronnie	Morgan	Scottish Life
Louisa	Knox	Shepherd & Wedderburn

Yorkshire

Edward	Spencer (Chairman)	Barnett Waddingham LLP
Richard	Hardy	Capita Hartshead
Max	Ballad	DLA Piper UK LLP
Matthew	Ambler	Eversheds LLP
Anthea	Whitton	Pinsent Masons LLP
Carl	Fletcher	Towers Watson

SPC MEMBERS
AS AT DECEMBER 31ST 2010

- Aberdeen Asset Management Ltd
- Addleshaw Goddard
- AEGON
- AEGON Asset Management UK plc
- Allen & Overy LLP
- Aon Hewitt
- ARC Benefits Limited
- Argyle Consulting Limited
- Aries Pension & Insurance Systems Ltd
- Ashurst LLP
- Aviva
- Baker & McKenzie LLP
- Barlow Lyde & Gilbert
- Barnett Waddingham LLP
- BBS Consultants & Actuaries Limited
- Blake Lapthorn
- Bluefin
- BNY Mellon Performance & Risk Analytics Europe Limited
- Buck Consultants Limited
- Capita Hartshead
- Capita Trust Company Limited
- Capital Cranfield Trustees Limited
- Capital Plans Limited
- Cartwright Group Limited
- Charles Russell LLP
- Compliant Solutions Ltd
- Crowe Clark Whitehill LLP
- CS Financial Solutions
- Deloitte Total Reward and Benefits Limited
- DLA Piper UK LLP
- Entrust Pension Limited
- European Financial Planning Group Limited
- Eversheds LLP
- ExactVal
- FIL Pensions Management
- Freshfields Bruckhaus Deringer
- Gazelle Corporate Finance Limited
- Grant Thornton
- Greenberg Traurig Maher LLP
- GSAM
- HamishWilson & Co LLP
- Hammonds LLP
- Harvey & Clamp LLP
- Heath Lambert Consulting Limited

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SPC Members as at 31st December 2010

Herbert Smith
Hogan Lovells LLP
Hymans Robertson LLP
Investec Asset Management
Irwin Mitchell
Jardine Lloyd Thompson Benefit Solutions
Jones Hill Limited
Just Retirement Limited
KPMG LLP
Lawrence Graham LLP
LCP
Legal & General
Legal & General Investment Management Ltd
Linklaters LLP
Maclay Murray & Spens LLP
Mercer
Metlife Assurance Limited
Mitchell Consulting Actuaries Limited
Mn Services
MNPA Ltd
Nabarro
Norfolk & Suffolk Pension Consultants
One Pension Consultancy LLP
Optima Financial Services Limited
Osborne Clarke Pension Trustees Limited
Paternoster UK Ltd
Pension Insurance Corporation
Pi Consulting (UK) Ltd
Pinsent Masons LLP
Pope Anderson LLP
Practical Law Company Limited
PricewaterhouseCoopers LLP
Professional Pensions and Investments Ltd
Prudential PLC
PS4D Ltd.
Punter Southall Limited
Regent Pensions Ltd
Royal London
Royal London Asset Management
Sacker & Partners
Scottish Life
Scottish Widows
Scottish Widows Investment Partnership Limited
SEI Investments (Europe) Ltd
Shepherd & Wedderburn
Simmons & Simmons
SNR Denton UK LLP
Stamford Associates Limited
Standard Life Assurance

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SPC Members as at 31st December 2010

Sterling Pension Management Limited
T J Green (Pension Consultants) Ltd
Technical Connection Ltd
The Law Debenture Pension Trust Corporation p.l.c.
Towers Watson
Travers Smith LLP
UBS Global Asset Management
Wedlake Bell
Winterbourne Trustee Services Ltd
Wragge & Co LLP
Xafinity Consulting
YiG Consulting Limited