THE ANNUAL REPORT OF THE SOCIETY OF PENSION CONSULTANTS 2012

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.

SPC White Paper Vision 2020

In July SPC launched its White Paper "Vision 2020", examining the implications of the shift of defined benefit pension fund investment from equities to less volatile investments, and calling on the government to take specific action to deal with them.

The White Paper featured prominently in the national and trade press and attracted large numbers of visits to the SPC website.

House of Commons Work and Pensions Select Committee: Governance and Best Practice

We made a comprehensive submission to the House of Commons Work and Pensions Select Committee, for its inquiry into governance and best practice in workplace pension provision.

This covered transparency of charges and costs, communication to scheme members, managing small pots, investment decision making by scheme members and the changing balance between defined benefit and defined contribution provision.

House of Commons Treasury Select Committee: Quantitative Easing

We made a submission, in response to the House of Commons Treasury Select Committee's call for written evidence on the distributional effects of Quantitative Easing.

At his request, we also forwarded a copy to the Pensions Minister.

Our submission set out possible responses in cases where the Bank of England's paper "The Distributional Effects of Asset Purchases" acknowledged that pension schemes have been adversely affected by the direct effects of quantitative easing. That is to say defined benefit pension schemes in substantial deficit.

SPC contacts

SPC had a range of meetings across and outside government, on a wide variety of subjects, some of which are summarised below.

- SPC met the Pensions Minister. Subjects discussed were small pots and transfers; reinvigorating pensions, including Defined Ambition; the review of the IORP Directive; adjusting for the effects of unequal GMPs; and funding in the current economic climate.
- SPC had a series of meetings with the Chief Executive of the Pension Protection Fund - Alan Rubenstein – and colleagues. Subjects discussed were PPF's GMP equalisation pilot study; PPF's report and accounts and the levy for 2013-2014; D&B failure scoring; the review of the IORP Directive; and infrastructure investment.
- The SPC Administration Committee met officials from the Pensions Regulator, to assist the Regulator's development of its principles for defined contribution workplace schemes.
- SPC met with Gregg McClymont, the Shadow Pensions Minister. Topics covered included auto-enrolment, levels of understanding and engagement among employees in relation to pension provision, whether auto-enrolment would eventually lead to compulsory scheme membership and the regulation of pensions.

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SPC contacts

- SPC met Marta Phillips (Chief Executive of The Pensions Advisory Service). The main focus was on preparation by TPAS for enquiries arising from auto-enrolment.
- SPC had meetings with representatives of the Investment Management Association. Subjects discussed include the proposed NAPF code of conduct on defined contribution charging disclosure, the review of the IMA discretionary fund management agreement, key issues arising in the defined contribution reform process and broader implications of a changing institutional market.
- The SPC Defined Contribution Committee met representatives of NAPF to discuss SPC's response to NAPF's consultation document "Making Pension Charges Clearer"
- The SPC Investment Committee had a meeting with John Cartwright (Chief Executive of the Association of Real Estate Funds), mainly to provide an opportunity for him to brief the Committee on his Association's interests and current concerns.

Auto enrolment earnings thresholds

We responded to DWP's consultation document on the auto-enrolment earnings thresholds review and revision 2012/2013.

Our main comment related to the proposal that for 2012/2013 the upper limit of the qualifying earnings band should be capped below the National Insurance Contributions Upper Earnings Limit (UEL).

We suggested that not to align the upper limit of the qualifying earnings band with the UEL would create additional complexity and expense for payroll providers and thus for pension providers too. It would also reduce initial savings levels below the government's intended outcome.

The upper limit should therefore be £42,475. The government accepted this proposal.

DWP: Revised implementation proposals for workplace pension reform

We responded to DWP on its consultation document on revised implementation proposals for workplace pension reform and on its consultation response on the auto-enrolment earnings trigger and the qualifying earnings band.

Our only major comment was on the consultation response. This was that confirmation of the automatic enrolment trigger amounts and the qualifying earnings band had come very late for setting up the systems to operate them.

Provided that planning for future years could be done on the basis that the PAYE threshold and the National Insurance contributions lower and upper limits could be relied upon as providing the amounts for the trigger and the earnings band respectively, this need not be a problem, but, if there was any suggestion of a move away from this basis, the confirmed amounts would need to be available considerably sooner.

SPC co-hosts workshop with Pensions Regulator

In cooperation with the Pensions Regulator, SPC arranged a workshop, aimed specifically at scheme administrators, to address certain key aspects of preparing for auto-enrolment.

The workshop, which included participants from the Regulator, addressed process issues, eligibility for automatic enrolment, qualifying scheme issues and the role of the administrator.

Automatic enrolment and consultancy charging

SPC met DWP officials, to discuss the interaction between auto-enrolment and consultancy charging. The background was an announcement towards the end of 2012, by the Pensions Minister, of an urgent review, centred on his concern that individuals should receive a tangible benefit when they paid a consultancy charge out of their pension pot.

SPC joined DWP's new Intermediaries Forum, to discuss experience of auto-enrolment.

DWP workplace communications and information forum

SPC participated in the DWP Workplace Communications and Information Forum, in which DWP and the Pensions Regulator met with employers and their representatives to discuss communication issues related to auto enrolment, and at which both sides shared progress in their respective areas.

Definition of money purchase benefits

In the light of expected DWP consultation on regulations on the definition of money purchase benefits, following the amended definition introduced in Part 4 of the Pensions Act 2011 (in reaction to the Houldsworth judgment), we wrote to DWP on some of the detailed implications.

We were invited to join discussions with DWP to discuss its planned regulations. These discussions continued into 2013.

DWP proposals for risk-sharing and reinvigorating workplace pensions

DWP published proposals for rebuilding confidence and trust in workplace pensions, for sharing the risks more equally between employers and employees, and for helping people get the most out of what they save in a pension. Whilst offering no concrete proposals, DWP floated a range of possible ideas and hopes to stimulate debate and assess employers' appetite for new scheme designs and pensions products.

Earlier in 2012, the Pensions Minister announced that one of the methods, by which he hopes to encourage workplace pension provision, is through "defined ambition" pension provision.

DWP worked with a Defined Ambition Industry Working Group, with SPC representation, focussing on some well-established and some new models.

DWP consultation: Draft regulations on, and possible equalisation method of, GMPs

We responded to DWP's consultation document on the above subject.

The following were among our general points:-

- The draft regulations went far further than the stated intention of DWP.

  As drafted, the Regulations would impose a separate and additional obligation on trustees of occupational pension schemes to operate their schemes, so as to equalise the effects of unequal GMPs.

  If, as stated, DWP's intention was solely to remove the need for a comparator, when considering the effects of GMPs, the draft Regulations should be rewritten to make this clear.

- There was a perception that the challenges posed by adjustment for the effect of unequal GMPs, in essence, did not apply to public sector schemes. In our view, this perception is mistaken.

- The Regulations sought to amend primary legislation where the primary legislation itself did not provide a power for modification by regulation.

  This raised the following issues with the proposed changes:

  a) Did the Minister have the necessary power to pass the Regulations under section 2(2) of the European Communities Act 1972? In particular was the European Court's decision in Allonby a "European obligation" for the purposes of the 1972 Act?

  b) Did the changes take effect from an earlier date? Recognising that GMPs relate to historic benefits already accrued under occupational pension schemes?

We asked DWP to consider these jurisdictional points and cover them as part of its response to the consultation. In our view, amendments to primary legislation of the type proposed should themselves only be made by primary legislation.

An alternative approach, and our preference, would be to proceed on the basis that English law should be interpreted in accordance with European law and that the English Courts would have to interpret the current provisions of both the Equality Act and the Pensions Act as if there was no need to identify a comparator when considering the unequal effects of GMPs (so as to satisfy the decision in Allonby).

DWP Red Tape challenge

Initiatives to revoke or simplify legislation, and to ease burdens on employers and business, are welcome and we therefore suggested some broad areas, which could be addressed as part of DWP's contribution to meeting the government's Red Tape Challenge.

It was nevertheless disappointing that the State pension, and in particular any associated contracting out legislation, was outside the scope of the challenge, given that simplification of certain areas of the contracting out legislation could potentially assist with the process of adjusting for the effects of unequal GMPs.

Two other areas, which could usefully have been addressed, appeared to be excluded by virtue of not being wholly owned by DWP. These are pension sharing on divorce, where some of the legislation fell under the Ministry of Justice, and inconsistencies between DWP and HMRC requirements.

Furthermore, it would be helpful to have greater consistency between pension illustrations given in various contexts, although this would also require action by bodies other than DWP, which owns only the Statutory Money Purchase Illustration requirements.

As always with exercises like the Red Tape Challenge, one needs to be careful that helpful changes in legislation are not accompanied by transitional safeguards, which leaves legislation at least as complicated as it was before the changes were made.

Against this background, we suggested that the following areas should be considered:-

- Disclosure: work had been in hand in this area for some time, although with as yet limited tangible progress.

  There is scope to reduce the disclosure requirements, but harmonisation and consolidation of these requirements would represent progress, even if no regulations were actually removed.

  DWP later indicated that a full review of the regulations would be carried out under the Red Tape Challenge and we supported this.
- Transfers of members, including "bulk transfers" without consent, as part of scheme reorganisations.
- The 1991 Preservation requirements.
- Employer related investment regulations: the rationale for these regulations is sound, but the regulations are complicated and unwitting non-compliance is a real risk. Consequently, the imposition of criminal penalties for non-compliance should, in particular, be reviewed.
- Indexation: reconsider the need for compulsory indication of pensions in payment, where it still exists in respect of future accrual.

Small pots and automatic transfers

SPC participated in meetings of DWP's policy group on small pots and automatic transfers.

Pensions Regulator consultation: Maintaining Contributions

The Pensions Regulator published a consultation document on Maintaining Contributions.

We met Pensions Regulator officials to discuss our initial reactions, and followed up with a formal response.

As the consultation document rightly noted, auto-enrolment is a major change to pension provision in the UK. The number of employers becoming involved in pension provision will greatly increase, as will the number of active members of schemes.

This brings major challenges for the Pensions Regulator. Not least of these is that until now the Regulator's involvement has been with a relatively small number of trustees, associated with employers participating voluntarily in pension provision. The challenges posed by the requirement to regulate a much greater number of participating employers, a significant number of which will be unwilling or apathetic, would inevitably change the nature of the Regulator's role and made it appropriate to review codes of practice 5 and 6.

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Pensions Regulator consultation: Maintaining Contributions

We recognised that the Regulator must meet these new challenges with strictly limited resources. However, we considered that the proposals in the consultation document struck the wrong balance between the role and responsibilities envisaged for employers, trustees and providers and scheme members, and would add significantly to costs, with very limited practical value to members.

We provided the Pensions Regulator with specific examples of, the problems posed by the proposals.

It was also a concern that the Regulator appeared to envisage that trustees and providers would in effect take on its role in recovering missing payments. Providers and trustees can, and do, where necessary remind employers of their obligations to pay contributions, but this is different to actually seeking to recoup the missing contributions, as the consultation document seemed to envisage.

It was unacceptable that this major new imposition on trustees and providers, with its associated cost implications, had been proposed without any apparent attempt by the Regulator to quantify the costs, which, in a defined contribution context, would ultimately be borne by scheme members. There was no recognition that benefits to members would be limited, because, in many cases of payment failure, the underlying cause is financial difficulties for the employer. A contribution reconciliation of the type envisaged in the consultation document would not, in practice, improve the likelihood of obtaining the outstanding payments if a company is close to collapse.

It was also of concern that the Regulator was contemplating the possibility of adding to costs by requiring nil returns.

We suggested that it should be clearly recognised that the responsibility for calculating and paying contributions lies with the employer, and that it is not practical for any third party, whether the Regulator, trustees or providers, to carry out a detailed reconciliation of their calculation.

It would however, be reasonable to expect trustees and providers to monitor the level of contributions received from the employer, and to raise the position with the employer if contributions fall, or cease entirely in respect of specific members, on what appears to be a continuing basis, and if there is no readily apparent explanation.

More could be done to enable scheme members themselves to recognise when there is a shortfall in contributions, so that they can take steps to seek a resolution to any problems.

To this end, employers could be required to include information in payslips on their own contributions. Codes of practice and guidance could also indicate as best practice the provision of online access for members to current scheme and payment information, so that employees could keep themselves up to date on the status of contributions.

It is not realistic to expect scheme members to check in detail the contribution calculations, but there are approaches, which would enable them to have an understanding of the amount of contributions expected to be paid and of whether they have been received by their scheme.

At the year end the outcome of the consultation was unresolved.

Pensions Regulator's guidance on winding up: Reconciling Contracted Out Liabilities

We sought clarification of an aspect of the Pensions Regulator guidance on winding up, relating to reconciling contracting out liabilities.

The guidance suggests that consideration should be given to deciding upon a tolerance level, which is appropriate for both the size of scheme membership and the calculation of GMP. The guidance goes on to suggest that, where a discrepancy is identified below the set tolerance level, the GMP figure held by HMRC should be used and proposes that a tolerance level of £2 per week is reasonable when reconciling GMP calculations.

This does not match the underlying principle of aligning the reconciliation method with that used for entry to PPF, which allows schemes to stand by their figure if it does not vary from the HMRC figure by more than £2 a week.

In our view, following the PPF guidelines/approach was reasonable and did not involve altering the scheme figure where the tolerance is within £2. We asked whether the Regulator would agree that it is acceptable to follow that principle and only seek further reconciliation, as suggested, when the difference is more than £2.

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Pensions Regulator's guidance on winding up: Reconciling Contracted Out Liabilities

The Regulator indicated that the approach outlined in its guidance was developed in consultation with PPF and that it is in agreement that it fits with its approach. The Regulator commented that the guidance is not prescriptive and supports a proportionate approach to reconciliation. If, therefore, trustees believe that an appropriate approach in relation to the membership of their scheme is the one which we outlined, that is acceptable to the Regulator.

PPF policy on trustee indemnity insurance

We obtained clarification from PPF of a number of aspects of its policy on trustee indemnity insurance, following the PPF Board's statement in 2011 on the appropriateness of trustees of eligible schemes entering into missing beneficiary insurance.

The Chancellor's Autumn Statement

Widespread speculation about a reduction in the annual allowance proved to be broadly correct. What was not anticipated was that the change would apply with effect from 6 April 2014 and that the lifetime allowance would be further reduced at the same time. The main changes in the pensions arena were as follows:

- With effect from 6 April 2014, the annual allowance would be reduced to £40,000 (from the current £50,000).
- At the same time, the lifetime allowance will reduce from £1,500,000 to £1,250,000. A new form of fixed protection will be introduced. A further type of protection, known as 'personalised protection', was suggested. This would be similar to primary protection.
- The limit on capped drawdown was to be increased from 100% to 120% of the value of an equivalent annuity.

Real Time Information

SPC hosted a briefing from HMRC on its planning for the introduction of Real Time Information, relevant to pension payments.

HMRC consultation on authorised employer payments made by NEST

Our consideration of this consultation document gave rise to correspondence with HMRC, relevant to providers.of and advisers on master trusts more generally, which we shared with SPC Members.

Transfers to Qualifying Registered Overseas Pension Schemes

We obtained clarification from HMRC on a number of questions raised about processes for transferring to QROPS.

These mainly related to queries on HMRC forms APSS262 and 263.

HMRC Consultation: Guidance on Overseas Transfers on Pension Savings

We responded to HMRC on its consultation on guidance on overseas transfers of pension savings.

We asked for more certainty on what constitutes a transfer request, and for clarification of whether the absence of an online reporting facility was intended to be temporary. We also asked HMRC whether it had any plans to provide any guidance on transfers for QROPs back to the UK, a few of which we were beginning to become aware.

HMRC Pensions Industry Stakeholder Forum

SPC participated in meetings of the HMRC Pensions Industry Stakeholder Forum.

Subjects covered included the continuing need for clarification of aspects of the new annual allowance/lifetime allowance requirements, focusing on Scheme Pays and Fixed Protection; changes to the QROPS regime; Real Time Information; easing difficulties with taxation of trivial commutation payments and HMRC concerns over so-called Pension Early Release Schemes.

Scottish taxation

SPC continued its participation in the pensions technical group set up by HMRC, to consider the implementation of the Scottish rate of income tax, provided for in the Scotland Act.

Scheme Pays and the Annual Allowance Charge

We corresponded with HMRC on Scheme Pays and the Annual Allowance Charge.

One of the most favoured options emerging for defined benefit schemes to operate Scheme Pays involved the member electing to have his or her Annual Allowance Charge paid by the scheme and then, when he or she retires, the amount of the Charge, plus interest, is deducted from the benefits.

We sought clarification, on whether this deferred adjustment may be deducted from the member's tax free cash, or whether, instead, the scheme must commute pension to cover the liability, before calculating the maximum tax free cash.

We were disappointed at HMRC's view that a deduction from the member's tax fee cash would not be consistent with legislation.

HMRC: Short service refund lump sums, former protected rights and "member contributions"

We wrote to HMRC on short service refund lump sums, former protected rights and "Member Contributions".

The letter related to the abolition of protected rights and short service refunds, namely a failure in the legislation as drafted to deal with the refund of those elements of former protected rights, which are not classed as 'member contributions' for the purposes of the short service refund lump sum legislation. The issue arose out of consideration of the draft Registered Pension Schemes (Authorised Payments) (Amendment No. 2) Regulations 2012.

The starting point for the letter was that it is not possible, under current legislation, to refund a member's protected rights in full because, under the short service refund legislation former protected rights derived from employer minimum payments (to the extent not deducted from the employee's pay) and HMRC's age-related rebate were not classed as member contributions. On this analysis, a scheme must choose whether to (1) refund a member's protected rights in full (in which case the element of the refund which is not a member contribution will be an unauthorised payment), (2) refund a member's protected rights in part (in which case a small proportion of the protected rights will be retained in the scheme and will have to continue to be administered) or, (3) retain a member's protected rights in the scheme (in which case the scheme will have to continue to administer very small pots of former protected rights). Under option 2 the scheme will also have made an unauthorised payment if the part refund would not fall within draft regulation 20 of the Regulations, because the rules of the scheme do not contain rules removing protected rights provision.

Our concerns have yet to be satisfactorily resolved.

Restructuring and rewriting of HMRC Registered Pension Schemes Manual

We raised concerns with HMRC over its plans to restructure and rewrite the Registered Pension Schemes Manual.

We welcomed the attention, which has been given to keeping RPSM up to date, but we had concerns about plans to merge the four elements of RPSM into one.

We did recognise that the intention is to produce a version, which will properly support the tax pension professional constituency, which will embrace the pension practitioners within SPC, but we do foresee considerable practical difficulties in combining the aims of simple language with accurate, comprehensive and practical guidance. The latter is what pension practitioners need. We see a major risk that the need to use simple language would inevitably over-simplify the underlying content, which would be a particular step backwards, given the progress, which

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Restructuring and rewriting of HMRC Registered Pension Schemes Manual

we view HMRC and practitioners having jointly made over the years to strengthen the content of RPSM, thus reducing the need for queries to HMRC.

We remain committed to seeking to assist in the revision of RPSM, and we recognise the resource constraints, with which HMRC is having to deal, but we raised the possibility of having an RPSM, which accommodates the technical needs of practitioners (without the risk of over-simplification), and building on a planned set of articles for the HMRC website, to provide simplified content for other users.

In its response, HMRC indicated that it fully appreciated our concerns and stated that it was a critical element of the re-write project that there was no dilution or change to the technical content in terms of meaning/interpretation. HMRC intends to express material in a way, which meets the needs of all users, but in particular those in the pensions industry, who rely upon it most, to inform their understanding and decisions without prejudicing the quality of existing guidance, particularly for the more complex issues. All the new material will be subject to scrutiny and revision, where necessary, by the HMRC Technical team within Pension Schemes Services as well as to external consultation.

HMRC intends there to be the opportunity for volunteer industry representatives to contribute, to ensure the final product meets industry needs and addresses the concerns SPC has expressed.

Implementing the UK-USA FATCA Agreement

HMRC published a consultation document on implementing the UK-USA FATCA agreement.

In our response we commented that the intention appeared to be to establish a very wide ranging, and welcome, exemption for pension schemes under the FATCA agreement, but, taking the text of the agreement in isolation, we requested confirmation of the extent of the exemption regarding the position of pension schemes.

Firstly, were schemes governed by trustees automatically outside the reporting scope of FATCA, on the basis that, presumably, trustees fall outside the definition of a "Financial Institution" in the UK-US Agreement? Or would this depend on none of the trustees being a corporate entity?

Secondly, as regards the exemption for "certain [retirement] accounts or products maintained by a United Kingdom Financial Institution", it was not clear at all from the draft wording whether this would apply:

a) Only to registered schemes, provided that both (i) annual contributions are limited to £50,000 and (ii) funds cannot be accessed before age 55 except on serious ill-health grounds.

b) To (i) all registered pension schemes, regardless of contribution amounts etc., and (ii) those non-registered schemes, where annual contributions are limited to £50,000 and funds cannot be accessed before age 55, except on serious ill-health grounds.

c) To registered and non-registered pension schemes, provided that both (i) annual contributions are limited to £50,000 and (ii) funds cannot be accessed before age 55 except on serious ill-health grounds.

We were of the impression that the intention was that all registered pension schemes were to be exempt, but on our reading the wording would need to be amended to achieve this.

We also asked for express confirmation of the position as regards:

- Employer Financed Retirement Benefit Schemes, as defined in section 393A of the Income Tax (Earnings and Pensions) Act 2003
- 'Section 615' schemes (under that section of the Income and Corporation Taxes Act 1988)

Finally, we turned to the position of annuities. The exemption could have been phrased in terms of applying to any annuity purchased in relation to a registered pension scheme and this would have left no doubt that all annuities were covered. The actual specification of non-investment linked, non-transferable immediate annuities raised doubts as to whether there were some annuities, which were not intended to be covered.

Among annuities, we specifically requested confirmation that the following fell within the exemption:-

- Investment linked annuities
- Purchased life annuities

Treasury consultation: Gender Neutral Insurance Benefits and Premiums

We responded to The Treasury on its consultation document on the UK's response to the ECJ ruling that insurance benefits and premiums should be gender neutral.

We had two general comments:-

- There was uncertainty, arising from the subsequent Communication from the European Commission, published in December, 2011.

This stated that, where occupational pension schemes provide for the payment of a benefit under a specific form, such as an annuity, even if it relies on an insurer to pay out the benefit, it will fall under Directive 2006/54/EC, which allows for the setting of different levels of benefits between men and women, when justified by actuarial calculation factors.

It was not clear, however, whether the Commission viewed its comments as extending to all annuities purchased from occupational pension scheme funds or whether the situation differed, depending on whether the trustees are (a) buying an annuity in their own name or (b) in the member's name, for example as a result of the member exercising an open market option.

It was important that, in its response to its current consultation, the government left no doubt on the position in UK law.

- Confirmation that group personal pension arrangements (GPPs) also fell within the definition of an "occupational pension scheme" from the perspective of Directive 2006/54/EC would be welcome, although. the Communication referred to above seemed to support this.

Indeed, as regards UK legislation, GPPs seemed to be covered by the exemption in paragraph 20 of Schedule 3 to the Equality Act 2010.

FSA consultation: Regulatory Fees and Levies – Policy Proposals for 2012/2013

We responded to FSA's consultation paper on regulatory fees and levies: policy proposals for 2012/13, focussing in particular on the treatment of pension administration firms.

FSA consultation: Abolition of Defined Contribution Contracting Out

We submitted a response to FSA's consultation paper, covering changes to its rules, arising from the abolition of defined contribution contracting out.

We viewed the proposals as reasonable.

FSA consultation paper 12/28: Regulatory Fees and Levies – Policy Proposals for 2013-14

We responded to FSA's consultation paper on its regulatory fees and levies for 2013.

We noted that the proposal was to levy fees on the basis of regulated income, rather than on the basis of approved persons.

This, in our view, was a fairer approach in principle, but we assumed that FCA rules would accommodate best estimates of regulated income, which would be needed to make the approach fully workable.

The consultation paper sought comments on the proposed method for allocating the FSA defined pension deficit costs under the FCA.

As a general principle, we suggested that the correct approach should be to apportion the deficit in proportion to the number of people with accrued rights remaining with FCA and those moving to PRA.

There needed to be recognition that the stimulus for the regulatory change underway was the crisis in the banking sector. Banks would now be regulated by the Prudential Regulatory Authority and it was therefore unreasonable that the main burden of the deficit was proposed to remain with FCA.

FSA reviewed it policy in the light of this view.

FSA and FRC consultation on product projections, transfer value analysis and SMPIS

FSA and the Financial Reporting Council published a consultation document on product projections, transfers value analysis and Statutory Money Purchase Illustrations.

We responded to chapter 2 of the consultation document, on product projections.

FSA consultation: Pension Disclosures

We responded to FSA on its quarterly consultation (CP12/05), in so far as it concerned pension disclosures.

One question concerned whether the pension scheme disclosure rules should be amended at the end of 2012, to remove exceptions applying to SIPPs.

We found this question quite interesting, as it seemed to suggest that the purpose of illustrations is to allow consumers and advisers to make comparisons (presumably of charges) of personal pension schemes investing in the same assets. This being the case, the current structure for personal pensions (which was being proposed for SIPPs) did not actually facilitate this anyway. Companies were encouraged to reduce their growth rate assumptions below the standard 5%; 7% and 9%, figures where it was felt that these overshot the likely returns. As this "suggestion" was not enforced, these were situations where some providers had not embraced the spirit of this at all and still projected at 5%; 7% and 9% on cash funds and with-profit funds, which had paid little or no returns for many years, whilst other firms had fully embraced the spirit of the guidance and reduced their illustrated returns on a wide range of funds using quite sophisticated investment return projection modelling to determine likely returns.

This lack of consistency across the industry already made comparisons very difficult, and virtually impossible in some situations. If the current proposals were implemented for SIPPs, this was likely to increase the difficulty in making comparisons, as there seems to be a high degree of provider autonomy in determining the likely growth rates of underlying assets, such as shares or property, as well as the associated transaction costs determined by, for example, frequency of trades.

It was hard to see a situation where sensible comparisons could be made without all companies being required to use the same standard projection rates.

Having said this, the use of standard projection rates would distort the likely returns and could mislead an investor into thinking that he or she would receive more than is realistically possible.

This was where the difficulty lay. How could an illustration serve both the purpose of meaningful comparisons, whilst also producing estimates of realistic returns?

FSA consultation: Distribution of Retail Investments: RDR Adviser Charging – Treatment of Legacy Assets

We responded to FSA's consultation paper on distribution of retail investments: RDR adviser charging – treatment of legacy assets.

We agreed that it would be helpful to have guidance on when the ban on new commission did and did not apply, to ensure consistency of approach across the industry, although, since a product provider might well not know when advice was actually given, it is not clear how well it will operate in practice.

We also noted that there was potential for sales to be treated as non-advised, so that a legacy commission could continue to be paid.

We suggested that it might be helpful for guidance to set out FSA's views on such arrangements, which it would definitely view as merely devices to facilitate the continuation of legacy commission.

FSA consultation: Distribution of Retail Investments: RDR Adviser Charging – and Solvency II Disclosures

We responded to FSA's consultation paper on distribution of retail investments: RDR adviser charging and Solvency II disclosures.

On the FSA's proposed guidance on facilitation of payment of adviser and consultancy charges, we agreed that particular care would be needed in communicating the facilitation method chosen clearly to clients.

On a practical level, consideration would need to be given to which method of facilitation worked best for products, such as in the pensions field, where there were contribution limits or where tax relief was given at source.

FOS consultation: "Charging for Our Work – Modernising Our Case Fee Arrangements from 2013"

We responded to FOS on its consultation document on its case fee arrangements from 2013.

We considered that, overall, the proposals would move FOS charges onto a fairer footing. Having said this, the new proposals did not seem to address the fact that those firms, which have no cases referred to FOS, collectively contribute 6% of FOS's total income.

BIS consultation: Reporting of Directors' Pay

We responded to the Department for Business, Innovation and Skills on its consultation document on reporting of directors' pay.

We strongly challenged the proposal to move away from the current cash equivalent approach to disclosure. The proposed new policy of using the HMRC method was developed in isolation from the pensions industry (on the basis of just one Financial Reporting Council research paper), but it seemed fundamentally misplaced if one is concerned to disclose the value of directors' pensions in an accurate and transparent way.

The matter remained unresolved at the year end.

UK Debt Management Office

The UK Debt Management Office published a consultation document on super-long and perpetual gilts.

In response we indicated that we expected occupational pension schemes to constitute a significant source of demand for super-long index-linked gilts and we would expect the scale of the demand to translate into more cost effective financing for the government relative to existing instruments.

Given the duration of pension scheme liabilities and the maturity dates of existing long-dated gilt issues, we would not expect the issue of super-long gilts to displace existing demand.

Pension schemes have long term, but finite, liabilities, so we would not expect them to be a significant source of demand for perpetual issues, particularly bearing in mind that portfolios will not be set up to administer gilts with an indeterminate redemption date.

The SPC Investment Committee met Tim Riddington (Co-Head of Policy at the UK Debt Management Office). The principal subjects covered were the general remit to DMO from the Treasury and the then impending consultation on super-long and perpetual gilts.

We also participated in DMO's quarterly consultations and its annual Treasury Minister meeting.

Department for Communities and Local Government consultation: Local Government Pension Scheme: Investment in Partnerships

The Department for Communities and Local Government published a consultation document on the Local Government Pension Scheme's investment in partnerships.

In our response we suggested that a more appropriate approach, and one more consistent with pension fund investment generally, would be to pursue neither of the options set out in the consultation, but to remove limits of the types contained in the current regulations and redraw the regulations completely, in line with a prudent person approach, as applies to pension fund investment generally.

However, of the two options set out in the consultation document, our very strong preference was to increase the limit on investments in partnership from 15% of a local authority pension fund to 30%.

FRC consultation paper: Pension Scheme Incentive Exercises

The Financial Reporting Council published a consultation paper on pension scheme incentive exercises and associated changes to the Pensions Technical Actuarial Standard.

In our response we suggested that there had been no fundamental changes since the initial setting of the scope of the Pensions TAS, which, from an actuarial point of view, required a change to the scope of the TAS.

However, we recognised that the increased prominence given to the way in which incentive exercises are conducted meant that in practice it was now necessary to include them within the scope.

It is important to keep in view that the actuary is very unlikely to report directly to members during the course of these exercises, notwithstanding the importance which attaches to safeguarding members' interests when the exercises are carried out.

FRC consultation: Assumptions for Statutory Money Purchase Illustrations

We responded to FRC's consultation document on assumptions for Statutory Money Purchase Illustrations

We would favour an approach, which would permit a maximum accumulation rate of more than 5% per annum, if justified by the expected returns from the member's current and anticipated investment strategy.

We also suggested that the effective dates for versions 2.0 and 2.1 TM1 should be merged, and that a single effective date of April 6th 2013 should be specified.

Code of Good Practice on incentive exercises for pensions

Work on a voluntary Code of Good Practice on incentive exercise continued, with SPC represented on the industry working group, which drew it up by, Chris Halewood, the Chairman of its Financial Services Regulation Sub-Committee.

Kevin LeGrand, then the SPC President, sat on the steering group overseeing the production of the code.

SPC expressed its support for the principles, which the code set out, and hosted a copy on its website.

The code was accompanied by practitioners' notes, which provided examples of current good practice in some areas and commentary on the thinking behind some of the principles in the code.

Roger Mattingly, who succeeded Kevin LeGrand as President, became Chairman of the Incentive Exercise Forum, set up to facilitate the exchange of views on, and experience of, operation of the code.

Kevin LeGrand joined the Incentive Exercises Monitoring and Evaluation Board, which took ownership of the code and is responsible for monitoring its application.

EIOPA consultation document on IORP Directive

We responded to EIOPA on its consultation document on the review of the IORP Directive.

EIOPA (The European Insurance and Occupational Pensions Authority) is the umbrella body in the EU for pension and insurance regulators and this consultation was part of its work in preparing its response to a request for advice from the European Commission on possible changes to the EU Directive on Institutions for Occupational Retirement Provision (The IORP Directive).

We questioned the basic premises, which the European Commission had cited as necessitating the review of the IORP Directive – namely (i) to facilitate cross-border provision and (ii) to 'level the playing field between insurers and pension funds'.

On the first of these, we supported the Commission's ambition to help the development of cross-border pension provision. However, we suggested that this could be achieved by confining the review to those matters relating directly to cross-border provision – for example the definition of cross-border activity and what does or does not constitute 'prudential regulation'.

We went on to question in some detail whether or not there is a 'playing field' on which insurers and pension funds compete and, if so, whether that playing field is, needs to be, or can be level.

EIOPA: Draft Technical Specification of QIS for IORP review

We responded to the European Insurance and Occupational Pensions Authority (EIOPA) on its draft technical specification for a quantitative impact survey (QIS) of its advice to the European Commission on the review of the IORP (occupational pension scheme) Directive.

The aims of the QIS were:

- To provide all stakeholders with detailed information on the quantitative impact of EIOPA's advice on the prudential balance sheets of IORPs.
- To collect quantitative and qualitative data to support the analysis of different policy options in the impact assessment of the Commission.

In our response to EIOPA, we expressed disappointment that its consultation was so complex and conducted over too short a timescale for us to be able to make a more meaningful response. We failed to understand why an issue that was of such great importance was being rushed. We also noted EIOPA's stated intention to review and reconsider its advice given in February 2012 in the light of the QIS. We saw little scope for it being able to do so in the face of the Commission's complete lack of regard to the concerns often expressed by the social partners that too little time was allowed to consider all the issues fully. We were sorry to observe that it appeared that the Commission was determined to press on with its proposal despite almost universal concern that this was to the potential cost of millions of EU citizens

We welcomed the fact that the UK Regulator intended to carry out the QIS based on aggregate data it held, rather than placing the burden on IORPs. However, this raised several important points, including

- The fact that this approach was necessary was evidence that a regulatory system built on these proposals would not be workable in practice (if IORPs could not carry out the QIS themselves, why should they be any better placed to implement a risk-based supervisory/ solvency regime built on that QIS?)
- How would the cost of adopting a new regime be assessed? It was evident that some of the approaches (such as the method of assessing best estimate cash flows) and some of the data (eg look through to underlying assets) would be difficult for many IORPs – it was unclear how this cost could be captured by a supervisory authority's aggregate assessment. Without knowing this, how could an accurate impact assessment be made? We considered that there was a significant risk that implementation costs would be underestimated

We questioned the relevance of a proposed Solvency Capital Ratio (SCR) for UK IORPs at all. Most UK defined benefit IORPs are 'closed' to new members and many closed to new accrual. Sponsors are currently seeking to make contributions as quickly as is reasonably affordable, with a view to being able to buy out all remaining liabilities through an insurer as soon as possible. Whilst on this 'journey to settlement', the SCR would appear to have no value (it adds no greater security for members than is already afforded by the sponsor support) and is a complicated and expensive set of values to calculate

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EIOPA: Draft Technical Specification QIS IORP

We saw no likelihood that the revised solvency regime would lead to a proliferation of cross-border arrangements (one of the Commission's stated aims in carrying out its review).

We argued that the Commission's proposals would do nothing to promote the provision of defined benefit pensions. Quite the contrary, this would further accelerate the shift from defined benefit to defined contribution offerings. Sponsors have finite resources. Where these are diverted to further bolster the existing security of defined benefit liabilities (for generally older employees and ex-employees), it follows that less is available to provide for the adequate retirement provision of younger and future generations.

European Commission consultation: The Regulation of Indices

We responded to the European Commission's consultation document on the regulation of indices.

Our view was that, to be effective, any regulatory response, whether at EU level or at national level, to the alleged manipulation of LIBOR, EURIBOR and TIBOR should be appropriately focused and proportionate.

The consultation document appeared to open up the possibility of regulation of virtually all aspects the preparation and presentation of indices, for whatever purpose. We acknowledged the need for a broad definition of "benchmark" in the context of insider dealing and market manipulation, but we believed that the extension of a fixed definition to a wider commercial context, where customers/users of financial products are not required to use benchmarks by regulation, could have unintended consequences. If there is no statutory or regulatory requirement to use a particular index in pricing a financial obligation, we saw no need for regulatory intervention.

We suggested that any regulatory action on benchmarks should be sharply focused and should concentrate on key factors underlying conflicts of interest, on the basis of principles, rather than detailed prescription. The Commission should not seek to create a framework, within which the construction and operation of all kinds of benchmarks, of whatever kind, is a regulated activity.

President

Council elected Roger Mattingly as successor to Kevin LeGrand as SPC President, with effect from June 1st.

We are very grateful to Kevin LeGrand for his very effective contribution to the work of SPC during his time as 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	5
Administration	9
Council	6
Defined Contribution	10
Legislation Committee	11
Public Relations	6
Other Standing Committees	11
Other Committees	3

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

The membership of Council and the Committees is listed in Appendix I.

Membership

At December 31st SPC had 98 members.

They are listed in Appendix II to this report.

Cooperation

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 & Wales, The Investment Management Association, The National Association of Pension Funds and The Pensions Management Institute through the Occupational Pension Schemes Joint Working Group. The Group was also a channel for liaison with DWP, The Treasury, HMRC, The Pensions Regulator and The Pension Protection Fund.

The main subjects addressed were adjusting for the effects of unequal GMPs, preparation for auto-enrolment and the European Commission's review of the IORPS Directive.

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 and Financial Regulatory Briefing.

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

The SPC website attracted 18,366 visits (20,071 in 2011).

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 near 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.

SPC on line polls

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

SPC Evening and Breakfast Meetings

A programme of breakfast and evening meetings was provided throughout the winter, spring and autumn, with meetings taking place in London, Manchester and Scotland.

The programme for Scotland was arranged in collaboration with NAPF and PMI.

The programme of meetings was as follows:-

Month	Speakers	Subject
January	Glyn Ryland (Wragge & Co) and Kelvin King (Valuation Consulting)	Special Purpose Vehicles and Intellectual Property Valuation for Alternative Financing
	Graeme White (Mercer)	Hot Topics in Pensions Administration in 2012
February	Dr. Deborah Cooper and Darren Masters (Mercer)	Factoring the Employer's Covenant into Technical Provisions
	Susan Andrews (President, PMI)	DG Governance Committees
March	Maggie Anderson and Dave Dally (HMRC)	Improving the operation of PAYE: Real Time Information
	Charles Cowling (JLT Capital Strategies)	Where now for Enhanced Transfer Values?
May	Janice Lambert (Pensions Regulator)	EU issues
	Susan Anyan (Capital Cranfield)	Pension Potholes from the Perspective of an Independent Trustee

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SPC Evening and Breakfast Meetings

September	Kim Redding (Brookfield Investment Management)	The Outlook for Global Listed Infrastructure Investment by Pension Funds
October	Simon Hill (Buck Global Investment Advisers (UK))	Post-Traumatic Stress Disorder: Economic Sclerosis, Inflation and Gilt Yields
November	Dominic Scriven (Dragon Capital)	The Final Frontier: Will 2013 be the Year Pension Funds Wake up to Frontier Markets?
	Ray Martin (Royal Bank of Scotland)	How RBS implemented auto-enrolment for 1st July 2012
December	Peter Shave and Ian Gordon (Wragge & Co.)	"When the going gets tough …" What support should trustees expect from the Pensions Regulator when the employer is uncooperative?"
	Ray Martin (Royal Bank of Scotland)	How RBS implemented auto-enrolment for 1st July 2012

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:-

Aon Hewitt, Barnett Waddingham, DLA Piper, Eversheds, Hogan Lovells, Hymans Robertson, JLT Benefit Solutions, Mercer, Pinsent Masons, Squire Sanders and Wragge & Co.

SPC Conference

SPC held a conference at the Bloomsbury Hotel, London WC1 in October.

The theme was "Pensions Regulation and Reinvigoration: a Marriage of (In)Convenience?".

The speakers were Kevin LeGrand (Immediate Past President and Buck Consultants), Sheenagh Gordon-Hart (JP Morgan Worldwide Securities Services), Edward Whitehouse (OECD), Bill Galvin (Pensions Regulator), Julie Parker-Welch (Marks & Spencer), Alan Pickering (BESTrustees and Life Academy), Jim Bligh (CBI), Nigel Stanley (TUC), Shelia Nicoll (FSA), Roger Mattingly (President SPC).

SPC Dinner and Press Awards

SPC held another successful dinner on November 7th. The venue was again the Dorchester. The principal guest was Gregg McClymont (the Shadow Pensions Minister), who proposed a toast to SPC. The response was by Roger Mattingly, the SPC President. The Dinner marked the presentation of the SPC Pensions Journalists of the Year Awards. The recipient in the national category was Philip Coggan (The Economist) and in the trade category Jack Jones (Professional Pensions).

SPC COUNCIL AND COMMITTEE MEMBERSHIP AS AT DECEMBER 31ST 2012

Council

Roger Mattingly (President)	JLT Benefit Solutions
Sir James Hodge (Chairman)	
Natalie WinterFrost	Aberdeen Asset Management Ltd
John Quinlivan	AEGON
Paul McGlone	Aon Hewitt
Ian Long	Aviva
Steve Hitchiner	Barnett Waddingham LLP
Kevin LeGrand	Buck Consultants Limited
Paul Sturgess	Capita Employee Benefits LLP
Mark Shimmons	Deloitte Total Reward and Benefits Limited
Robert Noble	Gallagher Benefits Consulting Ltd
Ian Gault	Herbert Smith Freehills LLP
Duncan Buchanan	Hogan Lovells International LLP
Lindsay Davies (Honorary Treasurer)	Hymans Robertson LLP
David Fairs	KPMG LLP
Edwin Topper	Mercer
Terry Blackmore	MNTES Ltd
Matthew de Ferrars	Pinsent Masons LLP
Deborah Wilson	PricewaterhouseCoopers LLP
Beverley Morris	Prudential
Claire Carey	Sacker & Partners
Tony Escreet	Scottish Widows
Clifford Sims	Squire Sanders (UK) LLP
Malcolm Winter	Standard Life Assurance
Mark Ashworth	The Law Debenture Pension Trust Corporation p.l.c.
Sanjay Gupta	Towers Watson
Robert Birmingham	Xafinity Consulting
Duncan Howorth (Co-opted)	
Nigel Waterson (Co-opted)	

Actuarial Committee

Bill Barnes	Hymans Robertson
Mike Bartlet	Buck Consultants
David Berenbaum	Towers Watson
Glyn Bradley	Mercer
Chris Bunford (Deputy Chairman)	LCP
Matthew Collins	Aon Hewitt
William Fitchew	Punter Southall
David Hamilton	JLT Benefit Solutions
Jonathan Isted (Chairman)	Capita Employee Benefits
Helen Turner	Barnett Waddingham LLP
Zaheer Zahoor	Deloitte Total Reward and Benefits Limited

Administration Committee

Terry Blackmore	MNTES
Ruth Burrell	Aon Hewitt
Bob Burse	FIL Pensions Management
David Connell	Barnett Waddingham
Sara Cook	Mercer
Paul Fearon	Metlife Assurance
Rachel Harris	ACS
Nigel Howarth	Xafinity Paymaster
Conrad Jones	Aviva
Adrian Kennett	JLT Benefit Solutions
Rosie Kwok (Deputy Chairman)	Punter Southall
Andrew McDougall	LCP
Jonathan Papier	Hymans Robertson
Andrew Short (Chairman)	Capita Employee Benefits
Phil Tilley	Prudential
Deborah Wilson	PricewaterhouseCoopers
Malcolm Winter	Standard Life Assurance

European Sub-committee

Martine Bach	PricewaterhouseCoopers
Tony Bacon	LCP
Isabel Coles	Mercer
Peter Cottingham	Prudential
Matthew de Ferrars	Pinsent Masons
Edmund Downes	Aviva
Mark Dowsey (Chairman)	Towers Watson
Tony Escreet	Scottish Widows
Liz Fallon	Eversheds
Jayne Hidderley	Linklaters
Charles Magoffin	Freshfields Bruckhaus Deringer
Caoimhe O'Neill	Charles Russell
James Saunders	Punter Southall
Laura Sayer	Squire Sanders (UK) LLP
Maria Stimpson	Allen & Overy
Alex Tottle	Aon Hewitt
Michael Wyman	Simmons & Simmons

Financial Services Regulation Sub-committee

Martine Boogaerts	Aon Hewitt
Pedro Calatayud	Gallagher Employee Benefits
Simon Grey	Aviva
Chris Halewood (Chairman)	CS Financial Solutions
Richard Houston	FIL International
Anne Jones	Capita Employee Benefits
Malcolm Lamb	PricewaterhouseCoopers LLP
Beverley Morris	Prudential
Kate Smith	AEGON
Mark Wicks	JLT Benefit Solutions
Steve Wright	MNTES Ltd
Mike Young	Buck Consultants

Legislation Committee

Tony Bacon (Chairman)	LCP
Mark Bondi	Bluefin
Duncan Buchanan	Hogan Lovells
Lorna Buckland	Linklaters
Peter Cottingham	Prudential
Daniel Gerring	Travers Smith
Jane Higgins	Allen & Overy
Martin Hooper	Barnett Waddingham
Wendy Hunter	Squire Sanders (UK) LLP
Nicholas Laird	Linklaters
Caroline Legg	Sacker & Partners
Averil Logan (Deputy Chairman)	Towers Watson
Iain McClay	Aviva
Andrew Patten	SNR Denton UK
Peter Sayers	Xafinity Consulting
Rosslyn Scott	Mercer
Andrew Scrimshaw	KPMG
Arron Slocombe	Baker & McKenzie
Andy Wells	Punter Southall Limited
John Wilson	JLT Benefit Solutions

Money Purchase Committee

Ken Anderson	Xafinity Consulting
Jennifer Bell	Nabarro
Terry Blackmore	MNTES
Bob Burse	FIL Pensions Management
Gordon Campbell	PricewaterhouseCoopers LLP
Barbara Cole	Gallagher Employee Benefits
Carol Jones	Linklaters
Lynda Martin	Prudential
Simon Mayho	KPMG
Dina McDonald	Mercer
Gavin Moffatt (Chairman)	Bluefin
Ian Neale	Aries Pension & Insurance Systems
Robin Nimmo	Scottish Life
Alison O'Brien	Aviva
Mark Riordan	Capita Employee Benefits
Nicola Rondel	Hogan Lovells
Richard Roper	JLT Benefit Solutions
David Spilsbury	Barnett Waddington
Simon Tyler (Deputy Chairman)	Pinsent Masons
Anthea Whitton	Squire Sanders (UK) LLP
Malcolm Winter	Standard Life Assurance

North West Committee

Craig Edmondson	Mercer
Liam Fitzgerald (Chairman)	Pinsent Masons LLP
Damien Garrould	DLA Piper UK LLP
Lindsay O'Farrell	Eversheds LLP
David Piltz	Buck Consultants Limited

Public Relations Committee

Jill Clucas	Hogan Lovells
Andy Cork	Allen & Overy
Lindsay Davies (Chairman)	Hymans Robertson
Robin Hames	Bluefin
Jane Higgins	Allen & Overy
Simon Hazeldine	JLT Benefit Solutions
Nicholas Laird	Linklaters
Kevin LeGrand	Buck Consultants
Suzanne Mortimer	Wragge & Co.
Gareth Roberts	Berkeley Burke & Co.
Edwin Topper	Mercer
Vanessa Wells	Eversheds

SPC MEMBERS AS AT DECEMBER 31ST 2012

Aberdeen Asset Management Ltd
Addleshaw Goddard
AEGON
Allen & Overy LLP
Aon Hewitt
ARC Benefits Limited
Argyle Consulting Limited
Aries Pension & Insurance Systems Ltd
Ashurst LLP
Aviva
Baker & McKenzie LLP
Barnett Waddingham LLP
BBS Consultants & Actuaries Limited
Berkeley Burke & Co.
Blake Lapthorn
BNY Mellon Performance & Risk Analytics Europe Limited
Brookfield Investment Management (UK) Limited
Buck Consultants Limited
Capita Employee Benefits Ltd
Capita Trust Company Limited
Capital Cranfield Trustees Limited
Cardano Risk Management BV
Cartwright Group Ltd.
Charles Russell LLP
Clyde & Co LLP
Crowe Clark Whitehill LLP
CS Financial Solutions
Deloitte Total Reward and Benefits Limited
DLA Piper UK LLP
European Financial Planning Group Limited
Evercore Pan-Asset Management Ltd
Eversheds LLP
FIL Pensions Management
Freshfields Bruckhaus Deringer
Gallagher Benefits Consulting Limited
Gazelle Corporate Finance Limited
Grant Thornton
GSAM
Harvey & Clamp LLP
Helm Godfrey Partners Ltd.
Herbert Smith Freehills LLP

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SPC Members as at 31st December 2012

Hogan Lovells International LLP
Hymans Robertson LLP
Irwin Mitchell
JLT Benefit Solutions
Kames Capital
KKW Pensions Management Ltd.
KPMG LLP
Lawrence Graham LLP
LCP
Legal & General Assurance Society
Legal & General Investment Management Ltd
Linklaters LLP
Maclay Murray & Spens LLP
Mercer
Mercury Pensions Management Ltd
Metlife Assurance Limited
Mitchell Consulting Actuaries Limited
MN
MNTES Ltd
Muse Advisory
Nabarro LLP
Norfolk & Suffolk Pension Consultants
Now:Pensions Ltd
One Pension Consultancy LLP
Open Trustees Limited
Optima Financial Services Limited
Pi Consulting (UK) Ltd
Pinsent Masons LLP
Pope Anderson LLP
Practical Law Company Limited
PricewaterhouseCoopers LLP
Prudential
PS4D Ltd.
Punter Southall Limited
Royal London
Royal London Asset Management
Sacker & Partners LLP
Scottish Life
Scottish Widows
Scottish Widows Investment Partnership Limited
SEI Investments (Europe) Ltd
Shepherd & Wedderburn
Simmons & Simmons LLP
SNR Denton UK LLP
Squire Sanders (UK) LLP
Stamford Associates Limited

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SPC Members as at 31st December 2012

Standard Life Assurance
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
UKWM Corporate Solutions
Wedlake Bell
Wragge & Co LLP
Xafinity Consulting