



**THE NEWSLETTER OF  
THE SOCIETY OF  
PENSION CONSULTANTS**

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BIS/FRC consultation: Proposals to Reform the Financial Reporting Council

## SPC London Evening Meetings

Details of forthcoming SPC London evening meetings are as follows:

Date	Speakers	Subject	Venue
9 February 2012	Deborah Cooper and Darren Masters (Mercer)	<a href="#">Factoring the Employer's Covenant into Technical Provisions</a>	Mercer, Tower Place West, London EC3R 5BU (Ground Floor Seminar Room)
29 March 2012	Maggie Anderson (HMRC)	Moving the Tax system to Real Time Information: What it Means for Pensions	Aon Hewitt, 10 Devonshire Square, London EC2M 4YP

To obtain a booking form for the February meeting, please click on the link in the subject.


Hand outs for the following London evening meetings are available and can be obtained by clicking on the link in the subject.

Date	Speakers	Subject
22 November 2011	Robert Gardner (Redington)	<a href="#">The Evolving Governance Models for Pension Investment and Risk Management - Fiduciary Management to In-House Professionalism</a>
13 December 2011	Raymonde Nathan (JLT Benefit Solutions)	<a href="#">Practical Experience of Operating without a Default Retirement Age</a>

## SPC Contacts


SPC is a supporter of the UK Investment Performance Committee, which is the main consultation body in the UK for Global Investment Performance Standards (GIPS), part of a global initiative to standardise the way in which investment information is presented.

SPC was represented at the Committee's most recent meeting by Alan Wilcock, BNY Mellon Performance & Risk Analytics Europe Limited.

For more about GIPS, please [CLICK HERE](#) .

Andrew Short (Chairman, SPC Administration Committee) represented SPC at the most recent HMRC Pensions Industry Stakeholder Forum, in October, 2011.

Among the matters addressed were the government's plans for introducing Real Time Information into the PAYE system, HMRC's plans for restructuring the Registered Pension Schemes Manual and various outstanding matters related to the new annual allowance and lifetime allowance requirements.

At the request of HMRC, SPC provided detailed comments on the September release of Registered Pension Scheme Manual pages. For a copy, please [CLICK HERE](#) .

# SPC Committees

The membership of SPC's technical Committees has been reviewed and the updated memberships are as follows:-

## ACTUARIAL COMMITTEE

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

## ADMINISTRATION COMMITTEE

Jason Ardern	HS Admin
David Barnes	Bluefin
Geraldine Brassett	Aon Hewitt
Bob Burse	FIL Pensions Management
David Connell	Barnett Waddingham
Sara Cook	Mercer
Paul Fearon	Metlife Assurance
Jane Garton	JLT Benefit Solutions
Rachel Harris	ACS
Nigel Howarth	Xafinity Paymaster
Conrad Jones	Aviva
Rosie Kwok (Deputy Chairman)	Punter Southall
Terry Blackmore	MNPA
Andrew McDougall	LCP
Jonathan Papier	Hymans Robertson
Andrew Short (Chairman)	Capita Hartshead
Phil Tilley	Prudential
Deborah Wilson	PricewaterhouseCoopers
Malcolm Winter	Standard Life Assurance

## EUROPEAN SUB-COMMITTEE

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

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## SPC Committees

**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
Peter James	Buck Consultants
Anne Jones	Capita Hartshead
Malcolm Lamb	PricewaterhouseCoopers
Beverley Morris	Prudential
Kate Smith	AEGON
Mark Wicks	Jardine Lloyd Thompson Benefit Solutions
Steve Wright	MNPA

**LEGISLATION COMMITTEE**

Tony Bacon (Deputy Chairman)	LCP
Mark Bondi	Bluefin
Janet Brown	Sacker & Partners
Duncan Buchanan (Chairman)	Hogan Lovells
Lorna Buckland	Linklaters
Peter Cottingham	Prudential Corporate Pensions
Peter Esam	Travers Smith
Helen-Mary Finney	Aon Hewitt
Martin Hooper	Barnett Waddingham
Wendy Hunter	Squire Sanders
Averil Logan	Towers Watson
Iain McClay	Aviva
Andrew Pattern	SNR Denton UK
Peter Sayers	Xafinity Consulting
Rosslyn Scott	Mercer
Andrew Scrimshaw	KPMG
Arron Slocombe	Baker & McKenzie
Gareth Soanes	Allen & Overy
Andy Wells	Punter Southall Limited
John Wilson	JLT Benefit Solutions

**MONEY PURCHASE COMMITTEE**

Ken Anderson	Xafinity Consulting
Navneet Bassan	PricewaterhouseCoopers
Jennifer Bell	Nabarro
Bob Burse	FIL Pensions Management
Barbara Cole	Gallagher Employee Benefits
Carol Jones	Linklaters
Paul Leandro	Barnett Waddingham
Phil Link	Just Retirement
Terry Blackmore	MNPA
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 Hartshead
Nicola Rondel	Hogan Lovells
Simon Tyler (Deputy Chairman)	Pinsent Masons
Alistair Wadsworth	JLT Benefit Solutions
Malcolm Winter	Standard Life Assurance

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## SPC Committees

## PUBLIC RELATIONS COMMITTEE

Jill Clucas	Hogan Lovells
Lindsay Davies (Deputy Chairman)	Hymans Robertson
Robin Hames	Bluefin
Jane Higgins	Allen & Overy
Duncan Howorth	JLT Benefit Solutions
Nicholas Laird	Linklaters
Roger Mattingly (Chairman)	JLT Benefit Solutions
Suzanne Mortimer	Wragge & Co.
Gareth Roberts	Berkeley Burke & Co.
Edwin Topper	Mercer
Vanessa Wells	Eversheds

## DWP information on retirement

DWP research indicates that many older workers are unaware of the removal of the Default Retirement Age.


It has therefore brought to our attention information at:


[www.direct.gov.uk/workingpastpensionage](http://www.direct.gov.uk/workingpastpensionage), designed to help fill this perceived information gap, which might be of interest.

## SPC responds to latest EIOPA consultation document on IORP directive

We have responded to EIOPA on its latest 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 further consultation is 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).

For a copy of our response, please [CLICK HERE](#) 

The consultation document is available [CLICK HERE](#) 

In summary we questioned the basic premises, which the European Commission has 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 admire the Commission’s ambition to help the development of cross-border pension provision. However, we think this could be achieved by confining the review to those matters (within the call for advice) relating directly to cross-border provision – for example the definition of cross-border activity and what does or does not constitute ‘prudential regulation’. We consider, however, that more work is needed on this and the ‘rushed’ approach taken does not augur well for effective legislation.

The Commission has, in the past, suggested that a more harmonised supervisory structure is necessary to combat regulatory arbitrage. The Call for Advice states that the low number of cross-border arrangements is evidence that more needs to be done to facilitate such provision. The low number of such arrangements contradicts the suggestion that ‘regulatory arbitrage’ exists or is even a risk – otherwise there would have been a widespread rush to the most ‘benign’ regulatory environment.

Perhaps the Commission’s view is coloured by the perception that this is what could have occurred within the insurance ‘market’. The fact that this has not occurred evidences the oft-cited response to the Commission that a pension fund is not like an insurance product. Which brings us to the issue of 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.

The form, nature and level of pension provision are some things, which can change from time to time – as agreed between the employer and employee (or his or her representative). Such review and adjustment appears to us to be unlikely to exist in the insurer/policyholder relationship; particularly as the latter is a commercial contractual relationship.



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Undoubtedly it is possible for an *employer* to enter into an insurance contract to help deliver, in part or fully, a pension promise. (It may be reassuring to the employer, as policyholder, that the insurer's capital adequacy requirements are to be grounded in the supervisory structure of Solvency II.) Alternatively, the employer may decide to 'fund' for that pension promise through a legally separate 'pension fund'. Yet another option is not to fund the pension promise at all, but to make provision (whether partially or fully backed by specific assets) on the employer's balance sheet for that promise. In any event, ultimately the employer is responsible for the pension promised to his employees. Where that promise is at risk of not being delivered – for example were the employer to become insolvent – there is a strong argument that this 'risk' should be adequately communicated with the employee, but we see no need for this to be translated into an additional pre-funded capital buffer to cover that eventuality. Moreover, whilst it is unlikely that there would be a suitable 'alternative' available to the employee, even if he or she were more clearly informed of the 'risk' to delivery of the promise (employers tend to arrange/select one mechanism for delivering the pension promise – at least at any given time), adequate communication of the 'risks' enable the employee to take whatever steps are available to him to mitigate those risks. For example, through additional (or, if the employee wishes, having considered the communicated risk, alternative and independent) pillar 3 provision.

In the UK context, consideration of risk needs to take into account the existence of the Pension Protection Fund.


In brief, therefore, there is merit in pursuing the ambitions of improving (a) pension fund governance – including a system for understanding and managing risks within pension funds – and (b) member understanding. However, we do not consider it appropriate, desirable or achievable to impose a truly harmonised capital adequacy requirement on second pillar (supplementary occupational) pension provision throughout Europe.

## SPC responds to call for evidence: The Kay Review

We have responded to the Kay Review of UK equity markets and long-term decision making. For a copy of our response, please [CLICK HERE](#) .


## Actuarial profession consultation paper on Conflicts of Interest

We reported the publication of this consultation paper in [SPC News no. 8, 2011](#).

We have now responded. Overall, we broadly welcomed the proposed new policy, but drew attention to some important areas of detail. For a copy of our response, please [CLICK HERE](#) .

## BIS/FRC consultation: Proposals to Reform the Financial Reporting Council

We reported the publication of this consultation document in [SPC News no. 8, 2011](#).

For a copy of our response, please [CLICK HERE](#) .

## About

SPC is the representative body for the providers of advice and services needed to establish and operate occupational and personal pension schemes and related benefit provision. Our Members include accounting firms, solicitors, life offices, investment houses, investment performance measurers, consultants and actuaries, independent trustees and external pension administrators. Slightly more than half the Members are consultants and actuaries. SPC is the only body to focus on the whole range of pension related functions across the whole range of non-State provision, through such a wide spread of providers of advice and services. We have no remit to represent any particular type of provision.

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

SPC's fundamental aims are:

- (a) to draw upon the knowledge and experience of Members, so as to contribute to legislation and other general developments affecting pensions and related benefits, and
- (b) to provide Members with services useful to their business.

## THE SOCIETY OF PENSION CONSULTANTS

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