



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

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## SPC London Evening Meetings

Details of the next SPC London evening meetings are as follows:

Date	Speakers	Subject	Venue
29 March 2012	Maggie Anderson (HMRC)	<a href="#">Moving the Tax system to Real Time Information: What it Means for Pensions</a>	Aon Hewitt, 10 Devonshire Square, London EC2M 4YP
16 May 2012	Janice Lambert (The Pensions Regulator) and Vanessa Wells (Eversheds LLP)	EU Issues	Eversheds, One Wood Street, London EC2V 7WS

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

Date	Speakers	Subject
24 January 2012	<a href="#">Glyn Ryland</a> (Wragge & Co.) and <a href="#">Kelvin King</a> (Valuation Consulting Ltd.)	Special Purpose Vehicles and Intellectual Property Valuation for Alternative Financing
9 February 2012	<a href="#">Deborah Cooper and Darren Masters</a> (Mercer)	Factoring the Employer's Covenant into Technical Provisions



### November 7<sup>th</sup> 2012, Dorchester Hotel, London W1: Early booking discount now available

The SPC Dinner promises to provide excellent food and entertainment and, in keeping with one of SPC's key roles, represents a peerless networking opportunity to meet with fellow industry professionals.

Until April 9<sup>th</sup> we are offering a 10% early booking discount.

#### Key information is:

##### ➤ Principal Speaker

Principal guest and speaker will be Gregg McClymont, MP (The Shadow Pensions Minister)

##### ➤ Presentation of the "SPC Journalists of the Year Awards"

These awards will recognise one journalist from each of the national press and pensions trade media, who has made an outstanding contribution to pensions journalism in 2012, as voted by SPC Members.

This year, we are again offering SPC Members the opportunity to associate themselves with the prestige and success of the Dinner, through sponsorship.

We would welcome your sponsorship of one or more of the following:

- The printed list of those attending, available to the 300+ diners on arrival
- The menu at each place at the Dinner
- The SPC National Pensions Journalist of the Year Award
- The SPC Pensions Trade Journalist of the Year Award

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## SPC Dinner 2012

The sponsorship amount for each is £1,500 (VAT is not chargeable). Please contact John Mortimer as soon as possible to seize these opportunities.

Discounted tickets are available at £157.50 per head and feedback from previous years' Dinners indicated that this is a modest cost, which can be repaid many times over in terms of the useful networking opportunities, which exist to strengthen your business relationships. The price includes pre-dinner cocktails, a five-course meal, half a bottle of wine with dinner, and a liqueur with coffee.

As ever, we are keen to encourage "new blood" at the Dinner and ensure that it continues to offer the broadest possible range of networking opportunities for those attending. To that end, if your organisation has never previously been represented at the Dinner, the person making the booking will benefit from a discounted special price of £135.00, as will one additional guest.

The closing date for applications for tickets benefiting from the early booking discount is **APRIL 9<sup>TH</sup>**.

For a booking form [CLICK HERE](#) .

## SPC Contacts

- In January SPC had a meeting with the Pensions Regulator.

The overall purpose of the meeting was to enable SPC to give its reflections on 2011, on its relationship with the Regulator and on where the Regulator should be focussing this year. The Regulator outlined some priorities for 2012.

Specific areas discussed were the Regulator's preparations for auto-enrolment, the situation of defined benefit schemes in the current economic climate (the Regulator has now indicated that it will publish a statement in April on its expectations for the coming round of scheme valuations) and EIOPA's consultation in the context of the European Commission's review of the IORP Directive, which raises the possibility of Solvency II – type requirements extending to occupational pension schemes.

- SPC has continued its participation in the pensions technical group set up by HMRC, to consider the practical implementation of the Scottish rate of income tax, provided for in the current Scotland Bill, Royal Assent to which is expected in April or May of this year.
- SPC continues to participate in discussions with HMRC, aimed at resolving outstanding matters arising from the new annual allowance/lifetime allowance arrangements.

At the most recent meeting, subjects covered were:-

- Scheme Pays
- Pre A-Day Deferred Members
- Deferred Member Transfers
- Deferred Member Carve Out
- Pension Input Amounts
- Cash Balance Schemes
- Non-Uniform Accrual
- Fixed Protection

## HMRC update on pensions regulations

HMRC has supplied an update on its pension regulations.

For a copy please [CLICK HERE](#) .

## DWP consultation: Draft Regulations on, and Possible Equalisation Method of, GMPs

DWP has published a consultation document and draft regulations on, and a possible method of equalisation of, GMPs.

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

At the time of preparing this issue of **SPC News** we had the consultation document under consideration.

## PPF policy on trustee indemnity insurance

We have corresponded with PPF on its policy on trustee insurance.

For a copy of the correspondence, please [CLICK HERE](#) .

## DWP consultation: Automatic Enrolment Earnings Thresholds Review and Revision 2012/2013

DWP has published a consultation document on a review and revision of the automatic enrolment earnings thresholds 2012-2013.

For a copy please [CLICK HERE](#) .

SPC's response is available [CLICK HERE](#) .


## DWP consultation: Improving Transfers and Dealing with Small Pension Pots

DWP has published a consultation document on improving transfers and dealing with small pension pots, together with supporting documentation.

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

At the time of preparing this issue of **SPC News** we had the consultation document under consideration.

## Automatic enrolment legislation published

This article is derived from Mercer Select, Mercer's subscriber service offering news and analysis of UK pension developments on-line and by email. For further information please [CLICK HERE](#) . This article was correct on February 2<sup>nd</sup> 2012.

On February 1<sup>st</sup>, the Department for Work and Pensions (DWP) [published](#) the final version of the auto-enrolment regulations, on which it consulted over summer 2011.

The main areas covered are:-

- Waiting and re-enrolment periods, where the prescribed period to provide the notice is being increased from one week to one month;
- Certification of defined contribution schemes, which will now last for a period of 18 months rather than 12, with accompanying guidance, which provides more clarity over what should be treated as "basic pay"; and
- Bringing in offshore workers and certain other occupations not previously covered under the duties.

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## Automatic enrolment legislation published

The government is still considering certain other aspects of the auto-enrolment regime. These include:-

- The outcome of the consultation on changes to the earnings trigger and qualifying earnings band;
- Excluding some cross border workers from auto-enrolment; and
- Regulations confirming the revised staging dates for small employers, which were announced in January.

## DWP revises staging date timetable and postpones increase in minimum rate of employer contribution

This article is derived from Mercer Select, Mercer's subscriber service offering news and analysis of UK pension developments on-line and by email. For further information please [CLICK HERE](#). This article was correct on January 25<sup>th</sup> 2012.

DWP has published a [Ministerial Statement](#) confirming changes to the automatic enrolment timetable. It plans to postpone staging for some medium-sized employers, and small and new employers, and to postpone the increases in the minimum employer contribution rate for a year. This is to provide these employers with additional breathing space to prepare for the reforms during tough economic times.

The minimum rate of employer contribution was due to start at 1% and increase to 2% on October 1<sup>st</sup> 2016 and then to 3% on October 1<sup>st</sup> 2017. The government now proposes that the increases will be postponed by a year to October 1<sup>st</sup> 2017 and October 1<sup>st</sup> 2018.

The staging dates will not change for employers with 250 or more employees – those whose current indicative staging dates are on or before February 1<sup>st</sup> 2014.

Some medium-sized employers (broadly those with 50 to 249 members) will have their staging dates postponed, as will smaller employers (broadly those with under 50 members) and new employers starting business after April 2012.

DWP later issued a correction of the [Ministerial Statement](#) regarding certain modelling figures it used.

## SPC responds to FSA consultation: Distribution of Retail Investments: RDR Adviser Charging – Treatment of Legacy Assets

We have responded to FSA's consultation paper on distribution of retail investments: RDR adviser charging – treatment of legacy assets, as follows:-

**Question 1: Do you agree that it would be helpful to have guidance on when the ban on new commission does and does not apply, to ensure consistency of approach across the industry? If not, please explain why.**

Yes, 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.

**Question 2: If your answer to Q1 is "yes", do you have any comments on the draft guidance in Appendix 1? If you have suggestions for changes, please explain what you think these should be and why.**

A flow chart, setting out the position, depending on when advice was given, would be helpful.

It would also be helpful to have recognition that, if an IFA takes on a new agency on behalf of a client, it will not be known to the IFA when advice was actually given.

**Question 3: In particular, do you think that there are any other specific situations, or particular examples, where guidance might be helpful? If you have suggestions for changes, please explain what you think these should be and why.**

There is potential for sales to be treated as non-advised, so that a legacy commission can continue to be paid.

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

The consultation paper is at [www.fsa.gov.uk/pubs/cp/cp11\\_26.pdf](http://www.fsa.gov.uk/pubs/cp/cp11_26.pdf).



## SPC responds to FSA consultation: Distribution of Retail Investments: RDR Adviser Charging and Solvency II Disclosures

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A copy of our response is available [CLICK HERE](#)

The consultation paper is available at [www.fsa.gov.uk/pubs/cp/cp11\\_25.pdf](http://www.fsa.gov.uk/pubs/cp/cp11_25.pdf).

## SPC responds to FSA consultation: Regulatory Fees and Levies: Policy Proposals for 2012/2013

We have responded to FSA's consultation paper on regulatory fees and levies: policy proposals for 2012/13.

A copy of our response is available [CLICK HERE](#)

The consultation paper is at [www.fsa.gov.uk/pubs/cp/cp11\\_21.pdf](http://www.fsa.gov.uk/pubs/cp/cp11_21.pdf).

## SPC responds to FRC Reform Proposals

We have responded to the Financial Reporting Council on proposals to reform it.

A copy of our response is available [CLICK HERE](#)

We reported the publication of the proposals in **SPC News no. 1, 2012**.

## Money Advice Service and auto-enrolment



The SPC Financial Services Regulation Sub-Committee recently met representatives of the Money Advice Service, for a briefing on its role under auto-enrolment. It considers that some background on the briefing could be of interest to SPC Members.

The Money Advice Service was set up by government and is funded by a compulsory levy on the financial services industry. It is completely independent of both.

Its advice and information is available online, over the phone and face to face. It also provides money advice to help people make choices throughout their lives, whatever their circumstances.

The Money Advice Service is working with partners from a wide range of industries, government and the third sector to find innovative ways to make money matters and financial choices clearer for everyone.

Its service supports the government's automatic enrolment policy and wider pension reforms, to help people plan for their retirement. As a leading consumer advice organisation, it has a role to play in delivering information and advice alongside DWP, TPAS and the Pensions Regulator.

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## Money Advice Service and auto-enrolment

Its primary role is to help consumers navigate the complicated facts about automatic enrolment; provide advice about affordability, budgeting and the wider context of financial planning for retirement in the light of automatic enrolment.

It has recently launched a new automatic enrolment pension contribution calculator, to help consumers understand how much will be going into their pension pot with the new minimum contributions percentages. The calculator has the option to customise the contribution level, if their employer will pay more than the minimum. The tool will also be available for syndication, so it can be used as part of a third party automatic enrolment proposition.

From summer 2012, its web, telephone and face to face offerings will be fully equipped to provide clear, directive and tailored advice for workers to the introduction of automatic enrolment, regarding affordability of saving for retirement and the impact it has on their future retirement income.

If you would like further information about the Money Advice Service and its automatic enrolment support for workers please visit [moneyadvice.service.org.uk/automatic\\_enrolment](http://moneyadvice.service.org.uk/automatic_enrolment) or contact:

Stuart Dodson (National Partnership Manager)  
Email: [stuart.dodson@moneyadvice.service.org.uk](mailto:stuart.dodson@moneyadvice.service.org.uk)  
Tel: 0207 943 0454 or 07769 887 153

## About SPC

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.

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