

07 May 2013

At a glance

DEPARTMENT FOR WORK AND PENSIONS

- Pensions and growth: a call for evidence (government response)
- Pensions Portfolio: Communications Tracking research (March 2012)

FINANCIAL REPORTING COUNCIL

- Plan and Budget for 2013 to 2016
- Pension levy

GOVERNMENT ACTUARY'S DEPARTMENT

- Public Service Pensions Act 2013 – a GAD Technical Bulletin

HMRC

- Pensions Industry Stakeholder Forum
- Changes announced in budget, including reduction to LTA and AA from 2014-15

NATIONAL ASSOCIATION OF PENSION FUNDS

- Guide to investing in alternative credit

NATIONAL EMPLOYMENT SAVINGS TRUST

- NEST launches new online help for employers and advisers
- Over 300 employers now using NEST for automatic enrolment

PENSION PROTECTION FUND

- PPF publishes Funding Determination Summary transfer letter

SO7

Abbreviations commonly used in 7 Days

Alert/News: Sackers Extra publications (available from the client area of our website or from your usual contact)

DB: Defined benefit

DC: Defined contribution

DWP: Department for Work and Pensions

ECJ: European Court of Justice

FAS: Financial Assistance Scheme

GMP: Guaranteed Minimum Pension

HMRC: HM Revenue & Customs

NEST: National Employment Savings Trust

PPF: Pension Protection Fund

TPR: The Pensions Regulator

DEPARTMENT FOR WORK AND PENSIONS

Pensions and growth: a call for evidence (government response)

The Government has published its [response](#) to the call for evidence on whether to smooth assets and liabilities in scheme funding valuations and whether to introduce a new statutory objective for TPR.

This call for evidence asked for views on:

- whether the smoothing of assets and liabilities would be appropriate in schemes undertaking technical provisions (part 3) valuations, considering impacts on members, sponsoring employers and the PPF;
- how smoothing might be applied;
- whether a new statutory objective for TPR is necessary, or whether the appropriate considerations can be delivered under existing objectives, or alternatively whether other changes to the legislation are required.

As previously announced, TPR's new objective will be included in the Pensions Bill. Allowing smoothing of assets will not be implemented, after only 11% of respondents to the call for evidence were in favour.

Pensions Portfolio: Communications Tracking research (March 2012)

On 29 April 2013, the DWP published a [report](#) which contains the findings of tracking research carried out in March 2012. The research was designed to enable the DWP to track attitudes and intended/actual behaviours in relation to pensions and later life, and to evaluate the success of its communications in influencing these.

Key findings include:

- there were no changes in the proportions of people who had taken steps towards planning for retirement, but there were some suggestions that the campaign has started to prompt conversations and information seeking;
- understanding of the future of the State Pension and its role was still limited. There was a decline in the proportion of people understanding that it will cover basic living costs: more people thought it would not cover the basics;

- increasing understanding of employer and government contributions to pension pots increases desire to save in a pension, as does understanding that the State Pension will need to be topped up;
- reactions to automatic enrolment remain broadly positive. Only one-third had heard of it, but three-quarters thought it was a good idea. Only one in eight thought they would opt out;
- there are still some gaps in knowledge and attitudes for those potentially eligible for automatic enrolment: they are less likely than average to know about automatic enrolment, or to think that it is a good thing. However, they are just as likely as the average to say they will stay enrolled; and
- respondents in the "daunted" and "unprepared" segments were less likely to have seen, heard or read anything about workplace pensions or picked up on any campaign messages. This reflects their lack of engagement with saving for retirement.

FINANCIAL REPORTING COUNCIL

Plan and Budget for 2013 to 2016

Following a period of [consultation](#), on 1 May 2013 the FRC issued its [Plan and Budget](#) for 2013 to 2016.

The FRC underwent significant reform in 2012 and is now a fully integrated body with new powers to act decisively and proportionately when new risks arise.

The Plan sets out an overarching goal of building trust and fostering investment through effective regulation, developing a stronger voice in Europe and internationally whilst delivering better value for money for levy payers.

Pension levy

The FRC's pension levy will be allocated to schemes on the basis of their latest scheme returns to TPR. The levy will be reduced by 19% from £3.15 to £2.55 per 100 members.

[Press release](#)

GOVERNMENT ACTUARY'S DEPARTMENT (GAD)

Public Service Pensions Act 2013 - A GAD Technical Bulletin

The Public Service Pensions Bill received Royal Assent on Thursday 25 April 2013, becoming the [Public Service Pensions Act 2013](#) (the "Act").

On 29 April 2013, GAD published a [Technical Bulletin](#) which provides an overview of some of the Act's provisions.

HMRC

Pensions Industry Stakeholder Forum

On 29 April 2013, HMRC published [minutes](#) from the 17 October 2012 meeting of the Pensions Industry Stakeholder Forum.

Changes announced in budget, including reduction to LTA and AA from 2014-15

HMRC has provided a [summary](#) of the main announcements for all pensions from the Budget.¹

The summary includes information on;

- tax relief
- individual protection
- drawdown; and
- the abolition of contracting out

More details can be found in HMRC's [Overview of Tax Legislation and Rates](#).

NATIONAL ASSOCIATION OF PENSION FUNDS

Guide to investing in alternative credit

On 30 April 2013, the NAPF launched a new [guide](#) to help pension funds and trustees understand and explore alternative credit investments.

The guide offers pension funds and investors an overview of alternative credit, and explores the three key asset classes:

- mezzanine;
- real estate debt; and
- infrastructure debt.

It also highlights how alternative credit can be used to match pension fund liabilities, and suggests a checklist for trustees who are considering adding this asset class to their portfolio.

NATIONAL EMPLOYMENT SAVINGS TRUST

NEST launches new online help for employers and advisers

NEST is [launching](#) a new online help for both employers and advisers to navigate their way through automatic enrolment.

The new online help will include:

¹ Please see our [Alert](#): "Budget 2013 heralds a new objective for TPR" dated 21 March 2013

- high-level information on employer duties, including employer guides;
- onboarding guidance to help with employer preparation and online set-up of NEST;
- information on the key tasks of assessment, enrolment, contributions and opt-outs;
- launch of workplace communications materials;
- help and guidance from the employer document library;
- delegated access guidance.

The website is due to go live on 6 May 2013.

Over 300 employers now using NEST for automatic enrolment

At an event for employers and advisers on 30 April 2013, NEST announced the names of 26 more employers who are using NEST for automatic enrolment.

NEST's chief executive Tim Jones said:

"Automatic enrolment is now in full swing and NEST is playing a critical role for many employers. We are now working with over 300 large employers from all sectors for automatic enrolment, and have over 100,000 participating members."

PENSION PROTECTION FUND

PPF publishes Funding Determination Summary transfer letter

On 30 April 2013 the PPF published a template letter to be used when a funding determination is approved and trustees are required to notify scheme members of their final entitlement under the approved valuation.