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ZL/ZL/0003/005 Our Ref
ZNL/GMP Conversion Your Ref

27 October 2008 Date
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Dear Sirs

GMP CONVERSION - RESPONSE TO CONSULTATION

We are writing in response to the consultation on the draft The Occupational Pension Schemes (Contracting-out)(Amendment) Regulations 2009 published on 2 September 2008.

Sacker & Partners LLP is a firm of solicitors specialising in pensions law. The views expressed in this response have been collated following discussions with a group of the firm's solicitors.

DC Schemes with GMP Underpin

Whilst we support the flexibility provided by the introduction of a Guaranteed Minimum Pension (GMP) conversion facility, we are concerned that occupational pension schemes who wish to use this facility may find that it is not available to them.

In particular, a number of clients who operate defined contribution (DC) schemes with a GMP underpin have expressed concern that they will not be able to convert GMP benefits directly into DC benefits. This will significantly reduce the usefulness of the facility for this class of schemes. However, we note that this requirement is built into primary legislation and is therefore not the subject of this consultation.

This leaves these schemes only with the option of converting GMP benefits into defined benefits. However, there is no information in the consultation paper about how such a conversion should be approached. It would be helpful if this was addressed directly.

We note from the consultation paper that there are currently no plans to place any restrictions on the onward transfer of benefits which are converted from GMPs. Therefore,

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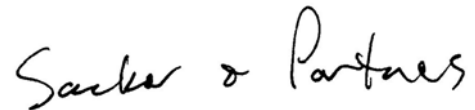
P Phillips, KH Dandy, F Dickson, CV Carey, AJ Cribbs, HL Ball, JE Brown, PR Murphy, CR Altman, I Cormican, AD Bradshaw, D Saunders, RP Simmons

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we presume that once converted these benefits could then be transferred in the usual way. It would also be useful to confirm that these converted GMP underpin benefits could be bought out in the member's names.

Yours faithfully

A handwritten signature in black ink that reads "Sacker & Partners". The script is cursive and fluid, with the ampersand being particularly stylized.

Sacker & Partners LLP