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### Lifting the restrictions on NEST

The Work and Pensions Select Committee has published a report, "[Lifting the restrictions on NEST](#)", in which it reiterates an earlier recommendation to remove the cap on annual contributions to NEST (National Employment Savings Trust) and lift the current ban on transfers in and out of the scheme.

The Committee recommends that the restrictions be lifted "as a matter of urgency", rather than waiting until a review due in 2017, in order to support the "continued success" of automatic enrolment implementation.

The Personal Finance Society (PFS) has also conducted a [survey](#) in which 69% of the 699 financial advisers surveyed agreed that the annual contribution limit and transfer restrictions will influence employers' decision making.

### Belgium to oppose IORP Directive

The Belgian pensions minister Alexander de Croo is reported to have said that his country would "[take a critical stance](#)" towards the review of the Institutions for Occupational Retirement Provision (IORP) Directive (see [News On Pensions... November 2012](#)).

The minister said that it would be unreasonable to rewrite the directive on the basis of the single Quantitative Impact Study (QIS) conducted by the European Insurance and Occupational Pensions Authority (EIOPA). He also said that the European Commission should ensure it strikes the right balance between schemes' solvency and the needs of the wider economy.

With Belgium joining the Netherlands, Germany, Ireland and the UK in opposing the proposals, the opposition of only one more country is needed to constitute a blocking minority. This could then mean that plans to impose a 'Solvency II' style regime on pension schemes may not go ahead.

Meanwhile, PensionsEurope has published a [paper](#) sharing the opinion of its members on the QIS. PensionsEurope says that the proposed Holistic Balance Sheet will be an unworkable tool for supervision and that the QIS does not provide the necessary information for a proposal for a revised IORP Directive.

### DWP consults on draft disclosure of information regulations

The Department for Work and Pensions (DWP) [is consulting](#) on draft disclosure of information regulations. The draft regulations are intended to "consolidate and harmonise" the principal disclosure of information regulations for occupational and personal pension schemes. The DWP is proposing to:

- simplify the "basic scheme information" that schemes are required to disclose to members
- ensure that members of Defined Contribution (DC) schemes are fully informed about lifestyle arrangements
- increase flexibility in Statutory Money Purchase Illustrations (SMPIs) for DC scheme members, and
- clarify the approach to communicating with members electronically.

The consultation closes on 14 April 2013 and the regulations are expected to come into force in October 2013.

### Auto-enrolment update

TPR has published a [research report](#) showing that employers' awareness and understanding of the key features of automatic enrolment has risen since it last conducted its employer tracker survey in spring 2012.

Meanwhile, the DWP has confirmed it will shortly consult on proposals to make the process of [auto-enrolment simpler](#). Areas identified for improvement include:

- Making assessment of the workforce easier
- Making it easier for DC schemes to show they meet the scheme quality requirements
- Removing the duty to enrol particular groups, for example those who have registered for protection from past changes to the Lifetime Allowance.

## Latest news from The Pensions Regulator and the PPF

### TPR: "Predators stalk your pension"

[The Pensions Regulator](#) (TPR), [HM Revenue & Customs](#) (HMRC) and [Action Fraud](#) have launched an information campaign that aims to crack down on a type of fraud known as "pension liberation". Pension liberation fraud occurs when members are approached by companies claiming to offer early access to their pension pot, and it can leave savers with large tax bills and significant losses to their pension savings.

Barnett Waddingham include TPR's [warning leaflet](#) as standard in transfer value quotations for all our administration clients. [A more detailed information leaflet](#) is available on the Pensions Advisory Service's website which we will draw to the attention of any members who need to know more.

TPR has launched an [e-learning tool](#) to teach users how to identify fraud and detail the steps to be considered if fraud is suspected.

### TPR: Record-keeping Review

TPR has launched [a review](#) of whether schemes have met targets for keeping accurate records, and how schemes have responded to its record-keeping guidance.

TPR will contact around 250 schemes of different types. The surveyed schemes will be asked to demonstrate actions taken to meet data standards, and processes and controls in place to maintain or improve those standards.

## Other news

### New European financial trading tax

The European Commission will introduce a new [financial transaction tax](#) to be applied by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain. Although the UK is not a signatory, UK pension funds may be affected because the 0.1% shares and bonds tax (0.01% for derivatives) would apply to trades involving a party located in any of the 11 countries. Detailed discussion will now be held on how to apply the tax. Implementation is planned for 1 January 2014.

### EIOPA: Good practice on DC information provision

The European Insurance and Occupational Pensions Authority (EIOPA) has [published](#) a report on [Good practices on information provision for DC schemes](#), together with a [Q&A document](#).

In the report, EIOPA calls for a new approach to providing information to pension scheme members, based around "behavioural economics" and "communication science". EIOPA expect to use this report in formulating advice to the European Commission on the format and content of a benefit statement for occupational pension schemes and on principles for information disclosure.

### ONS: Survey of Hours and Earnings

The Office for National Statistics (ONS) has published the pension results of its [2012 Annual Survey of Hours and Earnings](#). The survey showed that in 2012, membership of workplace pension schemes dropped to 46%, its lowest level since 1997.

### PPF: Key dates

The PPF has reminded schemes of forthcoming [levy-related deadlines](#):

- 5pm on 28 March 2013 to update scheme details on Exchange or certify contingent assets
- 5pm on 30 April 2013 to certify deficit-reduction contributions
- 5pm on 28 June 2013 to certify block transfers.

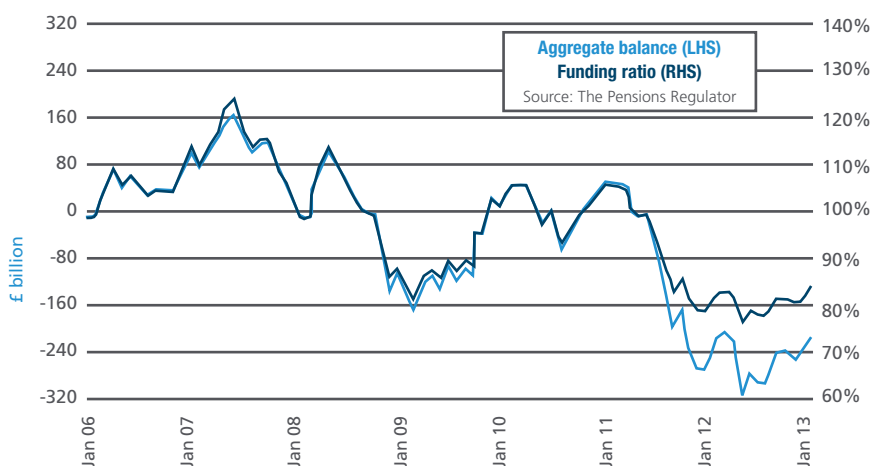
The PPF has recently updated its guidance on the certification of contingent assets and has now published a [note \(including case studies\)](#) to assist schemes in assessing whether Type A contingent assets (parent or group company guarantees) meet the PPF's requirements.

### PPF 7800 Index

The [latest update](#) of the Pension Protection Fund's (PPF) 7800 Index of schemes' funding (on the s179 basis) has been published.

The aggregate deficit of the 6,316 schemes in the index is estimated to have decreased over the month to £211.2 billion at the end of January 2013 (there was an aggregate deficit of £244.7 billion at the end of December 2012).

The funding ratio rose from 81.3 per cent to 83.7 per cent. There were 5,031 schemes in deficit and 1,285 schemes in surplus.



## ABI: Code of conduct for annuity providers

The Association of British Insurers (ABI) has implemented a [code of conduct on retirement choices](#) for its members with effect from 1 March 2013. The code is intended to make options at retirement clearer and enable people to secure the best annuity deal for them. The ABI will review the impact of the code in 2014.

## DWP: Consultation on TUPE Regulations

The Department for Work and Pensions (DWP) has published a consultation on "[The Transfer of Employment \(Pension Protection\) \(Amendment\) Regulations 2013](#)".

The DWP is seeking views on changes to regulations which affect pension protection arrangements following a transfer of employment covered under the TUPE Regulations\*. In particular, the new regulations clarify that, where an employee who has been TUPE transferred was entitled to pension benefits in the former employment, he must have the right to set his own contributions if a DC scheme is offered under the new employment.

The consultation closes on 5 April 2013.

\* *The Transfer of Undertakings (Protection of Employment) Regulations 2006.*

## Breaking News - Budget 2013

*The Chancellor of the Exchequer delivered his 2013 Budget Report in the House of Commons on 20 March. There were few surprises in the Budget, however the Chancellor did announce that following a recent consultation (see [News On... Pensions – February 2013](#)), TPR will be getting a new objective to "support scheme funding arrangements that are compatible with sustainable growth for the sponsoring employer". The DWP has also abandoned plans to allow smoothing in Scheme Funding valuations.*

*The Government is to bring forward the introduction of the new flat-rate State Pension from 2017 to 2016, and with it the abolition of contracting-out on a salary-related basis. A consultation will follow later this year on changes to legislation which will help sponsoring employers amend scheme rules to offset the resulting increase in National Insurance contributions.*

*A full summary of the pensions aspects of the 2013 Budget will be included in our April Newsletter.*

## Further Information

You might find our recent publications on the following topics useful:

- [Annual Allowance and Lifetime Allowance changes](#)
- [Impact on a company's share price of its final salary pension scheme](#)
- [Defined Ambition – Reinvigorating Workplace Pensions](#)

All trustees are legally required to have a minimum standard of knowledge and understanding. With the pensions world constantly changing, good training is essential. Barnett Waddingham therefore offers regular courses for new trustees and those seeking a reminder of the basics of trusteeship. Our programme of Trustee Training courses for 2013 is now available on [our website](#).

The full day courses are designed to give trustees a thorough grounding in pensions matters and the confidence to complete The Pensions Regulator's Trustee Toolkit. Places are available on our courses in London (15 May), Leeds (17 September) and Bromsgrove (20 November).

Please contact your Barnett Waddingham consultant if you would like to discuss any of the above topics in more detail. Alternatively contact us via the following:

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