



PPF Levy Deadlines

By Midnight, **31 March 2017**:

- Scheme returns
- S179 valuation results
- Submission or re-certification of contingent assets

eg a charge over company property or cash, a letter of credit from a bank to provide security for payments to the scheme, or a guarantee to the scheme from an associated company.

- Details of asset-backed contributions (ABCs)

An ABC involves a contractual obligation to transfer payments to the scheme where the payment stream derives from an underlying asset.

- Mortgage exclusion certificates

The age of a mortgage feeds in to the PPF levy calculation – newer mortgages are viewed less favourably. Certain mortgages can be disregarded for this purpose, e.g. “Refinancing mortgages” and “immaterial mortgages”.

- Accounting standard change certificate

If an employer’s Experian score has worsened due to the application of FRS102 rather than FRS17 it may be possible to submit a certificate to mitigate the impact.

By 5pm, **28 April 2017**:

- Deficit reduction certificates

By 5pm, **30 June 2017**:

- Certification of full block transfers, if more than one member has transferred between schemes

GMP revaluation

Deadline for schemes with active members – 5 April 2017

For most schemes, historically, GMP for active members has increased in line with national average earnings until the member leaves service, and then by a fixed rate of GMP revaluation after leaving service.

The cessation of contracting out on 5 April 2016 changes this for members still in active service on that date. For this group their GMP will now start revaluing at the fixed rate of 4.75% pa from 6 April 2016, even if they remain in service. This is likely to result in a member’s pension having a higher proportion of GMP than under the previous rules.

However, there is a way for schemes to continue with the historic approach – the Trustees can choose to pass a resolution before 6 April 2017 to preserve the status quo.

We would expect that in most cases Scheme liabilities will *probably* be lower for those schemes that choose to preserve the historic practice. (You should however check this with your Scheme Actuary, as this might not be true all schemes, depending on the membership and benefit structure.)

Note also that the rate of GMP revaluation for leavers on or after 6 April 2017 has been reduced to 3.5% pa - but this will only apply to schemes that passed the resolution to preserve the historic method. Without the resolution, the GMP revaluation rate will be 4.75% pa, going back to 2016.

**Deadline for resolution:
5 April 2017**