

PPF levy deadlines

By Midnight, **31 March 2017**:

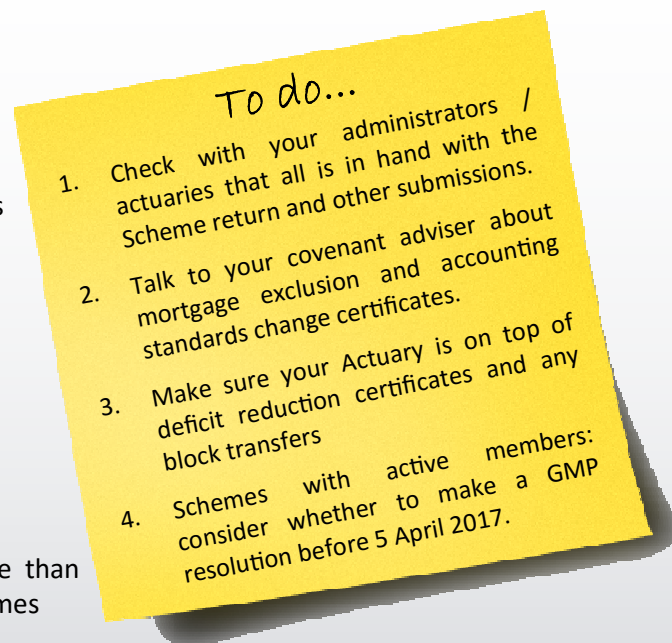
- Scheme returns
- S179 valuation results
- Submission or re-certification of contingent assets
- Details of asset-backed contributions (ABCs)
- Mortgage exclusion certificates
- Accounting standard change certificate

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

- Deficit reduction certificates

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

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



Final Call for GMP resolutions for open schemes

Following the cessation of contracting out on 5 April 2016, active members' GMPs will increase at the statutory fixed rate from that date. Previously, GMP would increase in line with national earnings factors until a member left the Scheme. This is likely to increase scheme liabilities for most schemes (although that is not necessarily always the case—actuarial advice may be needed).

Trustees have the option to preserve the historic position by passing a resolution. The deadline for the resolution is 5 April 2017.

Pensions Green Paper

The latest Green Paper on DB pensions poses questions, rather than giving solutions. But it is positive that the Government is willing to listen to industry concerns. The key issues discussed are:

1. Should the scheme funding regime be changed?

Brexit will mean that the UK is no longer constrained by EU law, which has placed primacy on the principle of prudence and trying to provide security for members' accrued rights. But has the pendulum swung too far? Should the requirement for prudence be relaxed, to make schemes more affordable for sponsors?

2. Should all schemes be allowed to use CPI rather than RPI?

The paper explores the possibility of giving trustees the power to make the decision, but appears to rule out the possibility of a statutory override.

3. Can we make it easier for schemes to merge, to consolidate and obtain economies of scale?

One thing ruled out in the paper is the possibility of the PPF being used as the vehicle for this.

Quattro Seminar: Investing for the End Game

Join us at the Malmaison Hotel in Birmingham on Thursday 27 April 2017 for our morning seminar on new ways of approaching funding and investment, with the end-game in mind. To reserve your place, contact Kerry Walker on 01527 598688 or by email to: Kerry.Walker@quattropensions.com.

21st Century Trusteeship

The Pensions Regulator has stated that they are “determined to drive up standards of governance and administration”. The Regulator highlights three ways it will do this, via:

- more targeted education and tools to raise the standards of poor trustees
- setting out clearly what they mean by “higher standards” and the specific qualities and skills they expect chairs to bring to trustee boards
- tougher enforcement against trustees who fail to meet the required standards

TPR will undertake a “targeted education and enforcement drive” during 2017. In addition to the self-help tools and guides, employers will be encouraged to allow lay trustees time off to prepare for and attend trustee board meetings, and to provide the additional financial support needed for them to receive effective training.

FCA’s Asset Management Market Study

The FCA reports that:

- There is little price competition among active fund managers, so that investors often pay higher charges, and that, on average, these higher costs of active management are not justified by higher returns.
- Investors are not always clear what the objectives of funds are, and fund performance is not always reported against an appropriate benchmark.
- The FCA has concerns about the way the investment consultancy market operates, with three main players dominating the market, and concerns about whether investment consultants are effective at identifying outperforming fund managers.

The FCA is reviewing their rules as to who can provide investment advice, and the costs and charges of doing so.

Scottish Common Sense?

No, nothing to do with referendums, but a reference to Scottish judges.

In a recent case a Scottish Court found that four pension schemes had been validly equalised, despite a lack of formal documentation. The decision considered the obvious intentions of the trustees, as evidenced by minutes and announcements.

This contrasts with the general approach of English courts, which has historically insisted upon a very strict interpretation of a scheme’s deed and rules.

In the DC world

The Money Purchase Annual Allowance is reduced to £4,000 from 6 April 2017. (This refers to those who have flexibly accessed their pension savings.)

From 6 April 2017, individuals can use up to £1,500 of their DC pot (in total), tax free, to pay for regulated retirement advice. This can be done in three lots of £500, but only once in each tax-year.

Find Out More

Please speak to your usual contact at Quattro Pensions. Our contact details can be found in the footer below.

Quattro Pensions Consulting Limited.
Prospect House, Fishing Line Road, Redditch, Worcs. B97 6EW.
Tel: 01527 598686 Fax: 01527 598615 Email: info@quattropensions.com
www.quattropensions.com

