

12 November 2012

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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

GMP: Guaranteed Minimum Pension

HMRC: HM Revenue & Customs

NAPF: National Association of Pension Funds

NEST: National Employment Savings Trust

PPF: Pension Protection Fund

TPR: The Pensions Regulator

ASSOCIATION OF BRITISH INSURERS (ABI)

Consultation on annuity rate transparency

On 7 November 2012, the ABI launched a [consultation](#) on the transparency of annuity rates, aimed at helping people who are approaching retirement to get the best pensions deal. The consultation follows the publication, in March 2012, of the ABI [Code of Conduct on Retirement Choices](#),¹ which requires ABI members to provide clear and consistent communications to their customers in the run-up to their retirement.

As part of the Code, the ABI will be publishing a range of available annuity rates to help customers understand how the products of individual providers fit into the wider annuity market. This will include both the rates of providers competing for customers on the open market and those of providers offering annuities only to their existing pension customers.

[NAPF comment](#)

DEPARTMENT FOR WORK AND PENSIONS

Call for evidence on NEST constraints

On 6 November 2012, the DWP published a [call for evidence](#) on the impact of two statutory constraints (see below) on NEST, one of the pension schemes employers can choose for automatic enrolment.

NEST has a public service obligation to ensure that everyone eligible for automatic enrolment can access a low-cost pension scheme. NEST has therefore been designed to target low to moderate earners, smaller employers and firms with a high turnover of staff who were not served by the existing market. The Work and Pensions Select Committee recently concluded that the annual contribution limit and the transfer restrictions on NEST may prevent it from doing this. The Committee therefore recommended that the Government remove these restrictions.

In the Government's opinion, the evidence available is not conclusive. As it does not want to propose any changes without understanding their impact, the Government is now seeking evidence and views of employers, industry, consumers and their representatives and will consider them fully before deciding on any action.

[Press release](#)

[NAPF comment](#)

¹ For details, please see [7days](#) dated 12 March 2012

EUROPEAN FEDERATION FOR RETIREMENT PROVISION (EFRP)

New Chair elected

Joanne Segars, Chief Executive of the NAPF, has been elected as Chair of the EFRP. Ms Segars will lead the federation for two years. She will remain Chief Executive of the NAPF.

Jerry Moriarty, chief executive and director of policy at the Irish Association of Pension Funds, will also join the board of directors as a new member representing Ireland.

EFRP members have agreed to rename the organisation "PensionsEurope". The new name will be launched at the European Pension Funds Congress in Frankfurt on 20 November 2012.

[Press release](#)

[NAPF comment](#)

HM REVENUE AND CUSTOMS

Pensions schemes newsletter 55

On 7 November 2012, HMRC published Pension Schemes [Newsletter 55](#). This covers:

- the changes to the pensions area of HMRC's website;
- an update on the "Relief at Source" (RAS) project (HMRC are looking at options for improving the RAS process); and
- early access to pensions / pensions liberation.

FINANCIAL REPORTING COUNCIL (FRC)

20 years of the UK Corporate Governance Code

On 5 November 2012, the FRC published a [collection of essays](#) to mark the 20th anniversary of the Cadbury Code which introduced the UK's "comply or explain" approach to best practice in the organisation of corporate boardrooms and their relations with shareholders.

The collection draws on the experience of a wide range of individuals both here and overseas, reflecting the global impact of "comply or explain" and its contribution to the UK's role as an international financial centre.

[Press release](#)

LOCAL GOVERNMENT

Local Government Pension Scheme: Investment in Partnerships

In November 2011, HM Treasury, the National Association of Pension Funds and the PPF signed a Memorandum of Understanding. All parties agreed that there is the potential for mutual benefit for the Government and pension funds to facilitate investment in infrastructure. The parties agreed to work together to help establish the arrangements necessary for efficient and appropriate investment in UK infrastructure assets. The Pension Investment Platform aims to raise funds from both public and private sector pension schemes.

On 6 November 2012, the Department for Communities and Local Government issued a [consultation](#), aimed principally at local government, seeking views on whether any amendment is necessary to legislation to remove specific barriers preventing scheme funds from being invested in infrastructure investment vehicles.

[Press release](#)

[NAPF comment](#)

PENSION PROTECTION FUND / THE PENSIONS REGULATOR

Purple Book 2012 published

On 7 November 2012, the PPF and TPR published the latest version of the [Purple Book](#).

This is the seventh edition of the publication which monitors the risks faced by, predominantly, private sector DB pension schemes throughout the UK.

The Purple Book 2012 is based on 6,316 schemes, representing about 12 million members. This accounts for about 98% of the estimated total number of PPF eligible schemes in the UK and more than 99% of estimated total liabilities.

Much of the analysis contained in this latest edition is based on new information provided by schemes to TPR between December 2011 and March 2012.

[Press release](#)

[Executive summary](#)