

22 April 2013

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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

ECJ: European Court of Justice

FRC: Financial Reporting Council

GMP: Guaranteed Minimum Pension

HMRC: HM Revenue & Customs

NEST: National Employment Savings Trust

PPF: Pension Protection Fund

TPR: The Pensions Regulator

DEPARTMENT FOR WORK AND PENSIONS

Policy papers

On 16 April 2013, the DWP issued two policy papers:

- [Reviewing the State Pension age](#); and
- [The single-tier pension: a simple foundation for saving](#).

HM REVENUE & CUSTOMS

Recent updates to the Registered Pension Schemes Manual (RPSM)

On 17 April 2013 HMRC [updated](#) several sections of the RPSM. Among other matters, the updates deal with changes made as a result of the following issues:

- the ECJ decision in [Test Achats](#)¹ – with effect from 21 December 2012, equivalent annuities must be calculated on a gender-neutral basis. HMRC has adjusted the calculation requirements for drawdown pensions accordingly;
- the abolition of protected rights – formerly contracted-out DC schemes which have not yet amended their rules to remove protected rights may pay partial short-service refunds;² and
- the Finance Act 2011 – which abolished the compulsory purchase of an annuity by age 75 for members of DC schemes and removed the requirement to take various benefits by age 75.³

¹ Please see our [Alert](#): "Is it the end of the road for sex-based actuarial factors?" dated 2 March 2011

² The Registered Pension Schemes (Authorised Payments) (Amendment) (No.2) Regulations 2012

³ Please see our [Alert](#): "Pensions Tax Relief and the Order of the Finance Act" dated 20 July 2011

NATIONAL ASSOCIATION OF PENSION FUNDS (NAPF)

Investors back greater transparency in non-financial reporting

Pension funds have welcomed moves, [announced](#) by the European Commission on 16 April 2013, to enhance business transparency on social and environmental matters. The new rules will change the annual reporting requirements of any EU company with more than 500 employees.

David Paterson, Head of Corporate Governance at the NAPF, [said](#):

"These changes will help investors like pension funds get a much clearer picture about the long-term sustainability of a business. Too often at present, investors can study a company's financials but they cannot understand and compare vital non-financial parameters that gauge social and environmental issues.

Long-term and non-financial risks - including environmental concerns, social factors and governance – can be connected with a company's 'licence to operate' and will have a financial impact down the line, so they should be reported meaningfully to shareholders.

We believe that the disclosure of material non-financial factors is in all companies' interests. Reporting is an important catalyst for change that contributes to the long-term health of a business and consequently our capital markets."