

# Pensions Bulletin

Number 2004/40

7th October 2004

## TRUSTEE KNOWLEDGE, UNDERSTANDING AND CONVERSANCE – PRE-CONSULTATION

The Pensions Bill establishes a principle that pension scheme trustees must be conversant with or have knowledge and understanding of their scheme documents and matters relating to the performance of their trustee functions. Opra has [issued](#) two draft documents (one for [self-administered schemes](#), the other for [insured schemes](#)) setting out a draft map of the items of knowledge, understanding and conversance which trustees might be expected to cover to comply with the proposed requirements of the Bill.

These documents, together with the corresponding [questionnaires](#), constitute a “pre-informal consultation” where Opra seeks views from the industry on the content of these “scope” documents. There are many other matters to settle in relation to the requirements for knowledge and understanding. These will be dealt with in a Code of Practice on which Opra is working as a separate exercise. There will be a formal consultation on that during the first half of 2005.

## CONTRACTING-OUT – ABI INITIATIVE

The ABI and Association of Independent Financial Advisers (AIFA) have produced a [factsheet](#) to help people who are in contracted-out pension arrangements to make an informed decision regarding whether to remain contracted-out or rejoin the State Second Pension (S2P). The factsheet suggests that it is particularly important for women aged 54 or over and men aged 60 or over to review whether to remain contracted-out, given the way the age-related rebates work for these age groups.

## WINDING-UP – FINANCIAL ASSISTANCE SCHEME

The Pension Service (part of the DWP) has [launched](#) an online [questionnaire](#) to determine the number of pension schemes whose members may be entitled to help from the Financial Assistance Scheme ([FAS](#)). The questionnaire is aimed at professionals who are or have been involved in winding up defined benefit pension schemes, but the Pension Service would like to hear from pension scheme providers too.

## AFFORDABLE LOW COST DEFINED BENEFIT PENSION SCHEMES?

Speaking at its annual dinner, [ACA chairman Adrian Waddingham](#) called on employers and the government to support the concept of “affordable” lower-cost defined benefit pension arrangements as a key part of the solution to the mounting crisis in UK pension provision.

## MORRIS REVIEW OF THE ACTUARIAL PROFESSION

The Treasury [reported](#) that the first meeting of the independent advisory panel appointed by Sir Derek Morris to advise him on the conduct of his [independent review of the actuarial profession](#) was held last week following the closure of the consultation exercise. Sir Derek said that his review team would be assessing the (more than 100) consultation responses and publishing an interim assessment paper this autumn, with a final report next spring.

## **UK POPULATION SET TO PASS 60 MILLION NEXT YEAR**

The Government Actuary's Department and Office for National Statistics have [projected](#) that the UK population will pass 60 million next year, and reach 65.7 million by 2031. It was estimated to be 59.6 million in 2003. The number of people over state pension age is projected to increase from 11 million in 2003 to 15 million by 2031.

This Pensions Bulletin should not be relied upon for detailed advice or taken as an authoritative statement of the law. For further help, please contact Chris Gubby at our London office or the partner who normally advises you.

The firm is regulated by the Institute of Actuaries in respect of a range of investment business activities.

© Lane Clark & Peacock LLP