

PREMIER PENSIONS MANAGEMENT

LEGISLATION UPDATE : 05/06

Summary Funding Statements

This is a new requirement under Scheme Specific Funding. The Trustees have to provide all members with an annual summary of the funding position of the Scheme.

The statements need to cover: -

- the ongoing funding position at the last Valuation;
- The solvency position at the last Valuation;
- Details of how the ongoing position has changed;
- Details of where members can obtain further information.

The first statement needs to be sent to the members by 22 September 2006, regardless of whether a Valuation of the Scheme on the new basis has been carried out or not.

Disclosure of Information

The main addition is the requirement to issue annual benefit statements to all active and deferred members of Defined Benefit schemes, for scheme years ending on or after 6 April 2007.

The current draft proposals require annual benefits statements to be issued within two months of scheme year ends

Age Discrimination – DRAFT

These have just been published and come into force on 1 October 2007. The exceptions for pension schemes have been carried forward.

This will enable schemes to use (for example):

- age related contribution scales;
- keep upper and lower pension ages
- closing schemes or sections of schemes to new members;
- use of the age criteria in actuarial calculations;
- reductions in dependants pensions for young spouses.

These are examples, the list is not definite.

Exceptions are also given to GPP's to use age related contribution scales. The exceptions are qualified by the requirement that there must be an intention to equalise the emerging benefits for all members.

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