

The Pensions Brief

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Updated Pensions Regulator guides on value for members and communicating and reporting

▲ Action required

▲ Follow development and keep under review



Issues affecting all schemes

Pensions Ombudsman – dispute resolution and jurisdiction

The government has responded to its consultation on the Pensions Ombudsman’s dispute resolution function and jurisdiction, confirming its plans to:

- Give the Ombudsman a new early dispute resolution function.
- Expand the range of circumstances in which employers can make a complaint or refer a dispute to the Ombudsman.

The government will lay changes to primary and secondary legislation to implement these plans in due course.

Action

No action required.

Provision of incorrect information – reliance on information supplied

The Deputy Pensions Ombudsman has decided that, although a scheme administrator had told a member that he would receive a lump sum which he was not in fact entitled to receive, the member could not demonstrate that he had reasonably relied on this information, or that his reliance had caused him the loss he claimed. While the Deputy Ombudsman accepted that the amount of cash that the member had available generally was likely to have influenced his decision-making on spending, she could not see a direct causal link between what the member was told about the lump sum and what he chose to spend.

However, the Deputy Ombudsman considered that, given the long history of the member’s complaint, an award of £2,000 for the distress and inconvenience caused by the scheme administrator’s maladministration was justified, rather than the £850 offered by the scheme administrator.

Mr T (PO-24307)

Action

Trustees and administrators should ensure that enquiries are handled promptly and accurately, and that any errors in information provided are corrected as soon as possible.

Issues affecting DB schemes

Indexation measures – changes to the Retail Prices Index

The government has announced that it has accepted a proposal from the UK Statistics Authority (UKSA) to align the Retail Prices Index (RPI) with the Consumer Prices Index including housing costs (CPIH). However, this change will not be made before February 2025 at the earliest. The government will consult in January 2020 on whether the change should be made before 2030 and, if so, at what point between 2025 and 2030. The government rejected the UKSA's proposal that RPI should be abolished altogether.

Action

No action required.

Issues affecting DC schemes

DC "how to" guides

The Pensions Regulator has updated two of its DC "how to" guides:

- Value for members – to refer to the Cost Transparency Initiative.
- Communicating and reporting – to refer to the duty that came into force on 6 April 2019 for schemes to provide members on request with information about pooled funds.

Action

Trustees of DC schemes may find the updated guides helpful when considering their value for members assessments and when providing information on pooled funds.

Mayer Brown news

Upcoming events

All events take place at our offices at 201 Bishopsgate, London EC2M 3AF.

- **Trustee Foundation Course**
17 September 2019
10 December 2019
- **Trustee Building Blocks Classes**
12 November 2019 – DB funding and investment
- **Annual Pensions Conference**
2 October 2019 – The benefit of foresight: what can trustees do to protect their members?

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Please speak to your usual contact in the Pensions Group if you have any questions on any of the issues in this Brief.

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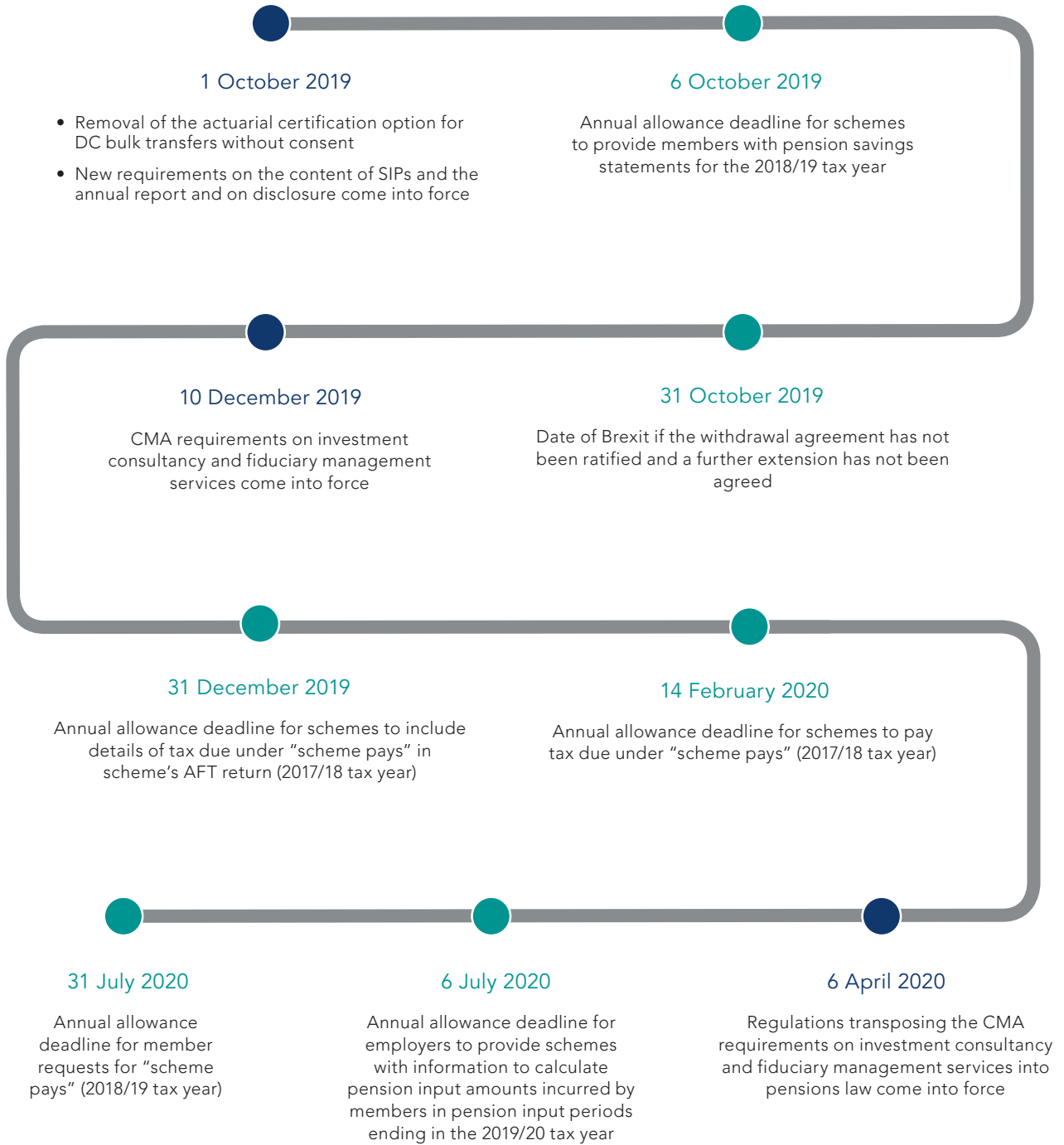
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Dates to note over the next 12 months



Key:

- Important dates to note
- For information

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