



Steve Webb

40th NAPF Annual Survey

The National Association of Pension Funds (NAPF) has published its 40th Annual Survey, illustrating the huge changes that have taken place in the pensions landscape since its first survey in 1975.

For the first time, active membership of DC schemes now exceeds the active membership of private sector DB schemes. With the continued roll out of automatic enrolment, this trend is set to continue. However, once deferred and pensioner members are included, DB schemes remain the dominant force.

The average contribution rate for DC schemes is 11.7% (down from 12.5% in 2013). This consists of 7.6% from the employer and 4.1% from the employee. Many new automatic enrolment schemes have contributions at the minimum rate.

Automatic transfers to begin in 2016

Pensions Minister, Steve Webb, has announced that automatic transfers, or “pot follows member”, will begin in Autumn 2016. The policy aims to make it easier for people to keep their pension savings in one place when they change employers. The government will publish further information about the implementation model and timetable in early 2015, ahead of consulting on draft regulations.

Company news

Pilots at Monarch Airlines face losing £10m in benefits because of the effect of the Pension Protection Fund (PPF) compensation cap. Monarch’s pension fund transferred to the PPF as part of the sale of the airline to Greybull Capital. However, many of the pilots’ pensions are above the cap of £26,572 pa for retirement at age 55.

Legal & General have secured the buyout of 22,000 pensioners of the TRW Pension Scheme covering £2.5 billion of liabilities. The buyout is the largest such transaction in the UK to date.

Hanover Pensions would like to wish all of its clients and contacts a merry Christmas and a prosperous New Year.

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“Consumers have been repeatedly let down by the pensions industry, so it’s welcome to see the FCA working with the industry to clean up mistakes from the past”

Consumer group, Which?

