



Eric Pickles, Secretary of State for Communities and Local Government

NAPF research on Budget reforms

Over a quarter (28%) of consumers are now more likely to start saving or save more into a pension following the reforms announced in the Budget, according to research by the National Association of Pension Funds (NAPF). The research found that young people (age 18 to 24) were the most likely group to save into a pension. Lower income respondents (a combined household income of less than £14,000 a year) also said they felt more attracted to pension saving.

In a separate poll asking defined contribution (DC) pension schemes about the proposed 'guidance guarantee', more than three quarters (78%) said they did not understand what the Government expects them to deliver. 57% said they would struggle to deliver the service ahead of the April 2015 deadline.

LGPS investment changes

The Department for Communities and Local Government (DCLG) has issued a consultation paper proposing that all £85bn of listed assets held by the Local Government Pension Scheme (LGPS) should be switched to passive management, accessed through a common investment vehicle. In addition, all 'fund of funds' arrangements should be replaced by a common investment vehicle for alternative assets. These proposals would save up to £660m per year in investment costs.

The proposals do not go as far as replacing the 89 separate funds that currently make up the LGPS with a smaller number of merged funds. The DCLG was concerned that this would result in a loss of local accountability on key matters such as asset allocation. However, Edmund Truell, chairman of the London Pension Fund Authority, accused the Government of being "driven into a blind alley by vested interests and the forces of conservatism".

"99.9% of employers who have completed registration have done so without the need for us to use our powers"

Charles Counsell, executive director for automatic enrolment at the Pensions Regulator

Company news



The Court of Appeal has upheld a High Court decision that employees of Honda of the UK Manufacturing Ltd (HUM) are entitled to the higher level of benefits earned by their colleagues at Honda Motor Europe Ltd (HME) between 1986 and 1998. HUM were meant to receive a lower level of benefits on joining the Honda Group UK Pension Scheme but the deed of adherence did not mention this. The cost is estimated to be £47m on a scheme funding basis.

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