

The Regulator Calls...

Regulation of public service pension
schemes from April 2015

Bob Scruton

CIPFA Pensions Network: Technical update

Spring 2013

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Regulator

The Regulator Calls...

Private sector remit

- Pensions Act 2004
- Regulate work based pensions
- Statutory objectives:
 - Protect member benefits
 - Reduce calls on PPF
 - Auto enrolment compliance
 - Promote good administration
- Regulatory approach – Educate, Enable and Enforce
- PACTT



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Application to public service schemes

- Pensions Act 2004 regime
 - Work based pensions
 - Promote good administration
 - Pensions legislation?
 - Structures?
 - Regulator's risk based approach
- Conclusion: no significant attention



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Public Service Pensions Act 2013

- Mainly reform of benefit design
- Governance arrangements
- Explicit regulatory oversight
 - Governance and administration – not funding
 - Largely analogous to private sector
 - Code of practice covering nine areas
 - Skilled person instead of appoint/remove trustee
 - No injunctive powers - report to scheme manager
- Public service pension schemes defined



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Public service pension schemes

	Members (million)	Employers
L Local government	4.7	7,800
NHS	2.9	1,300
Teachers	1.9	5,300
Civil service	1.7	300
Armed forces	0.8	10
L Police	0.3	60
L Fire	0.1	70
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Total	12.4	14,840
L = local administration	-----	-----



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Public Service Pensions Act 2013

- Secondary legislation
 - Scheme regulations (s3)
 - Treasury directions on information about schemes (s15)
 - Records (s16)



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Between now and 2015

- Understanding the schemes and their issues
 - Publicly available information
 - Survey
 - Scheme regs
- Regulatory materials
 - Regulatory strategy and policies
 - Code of practice
 - Guidance
 - Public service scheme website including support material
- Build the regulatory team



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Code(s) of practice

- Pension board knowledge and understanding
- Conflicts of interest
- Records
- Internal controls

- Scheme information
- Member disclosure
- Internal dispute resolution
- Late payment of contributions
- Whistle-blowing



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What will regulation look like?

- Driven by the extent of breaches of pensions legislation
- PACTT
- Consistent with private sector approach
- Determined nearer to April 2015
- Current thoughts



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Questions...



Over to
You ?

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