

Thursday, 8 May 2014

“Power to the People” – Choice or challenge

Just when you thought the pension arena would be quiet for a little while, we have the proposal of the biggest change in pensions in living memory.

The good news is the changes are designed to encourage people to save for retirement and give us more choice in how we manage our income in retirement. Some of these changes will be in place immediately, until April 2015, when the intention is they will be superseded by more radical reforms.

This is a great opportunity to revitalise retirement savings in this country. Getting it right will be a challenge to the whole industry and Amanda Burden will provide an update on some of the wider implications already being raised, to help with future planning and response to the wider consultation.

Susan Smith will look at the practical issues Trustees need to address now, in terms of governance and communication, including the recent VAT rulings and implications.

As the role of Trustee seems to continually evolve, with more and more being demanded, now is a good time to look at just what Trustee fiduciary duties actually encompass. Richard Favier, of Favier Ltd, will be looking at how he believes this can be defined and where Trustees can draw the line. Prior to retiring from the Pension Protection Fund (PPF), as Head of Restructuring and Insolvency, last year, Richard was at the helm for all the major restructuring deals involving the PPF over the previous eight years.

He has a particular interest in what Trustee fiduciary duty really means and will be exploring how this is impacted by the ongoing changes to pensions in this country.

Seminar details:

- 1¼ hours of PMI CPD may be recorded for Pi seminars, based on your assessment of the seminar's value to you
- Venue: The UK Chamber of Shipping, 30 Park Street, London, SE1 9EQ
- Timings: 8.45 a.m. arrival and breakfast
9.15 a.m. - 10.20 a.m. seminar
10.30 a.m. finish and refreshments

We look forward to seeing you and would be grateful if you could advise your availability by telephoning **Janet Symes** on **020 8879 6500** or e-mailing us at events@piconsulting.co.uk.

Please do share this invitation with any colleagues you feel would benefit from attending.



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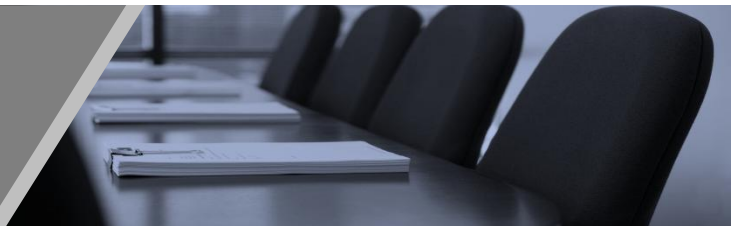
Thursday, 8 May 2014

Agenda

0845	Arrival, registration and breakfast	
0915	Opening comments	Roger Cooper, <i>Pi Consulting</i>
0925	A 21 st century pension market	Amanda Burden, <i>Pi Consulting</i>
0940	What Trustees need to do now in response to the budget and VAT changes	Susan Smith, <i>Pi Consulting</i>
1000	Where can Trustees draw the line	Richard Favier, <i>Favier Ltd</i>
1020	Open forum	
1030	Finish and refreshments	

Venue:

UK Chamber of Shipping
30 Park Street
London
SE1 9EQ



“Power to the People” Choice or Challenge?

Thursday, 8th May 2014

Agenda

- 0915 Opening comments and welcome – Roger Cooper, *Pi Consulting*
- 0920 A 21st Century pension market – Amanda Burden, *Pi Consulting*
- 0940 What Trustees need to do now – Susan Smith, *Pi Consulting*
- 1000 Where can Trustees draw the line – Richard Favier, *Favier Ltd*
- 1020 Open Forum
- 1030 Finish and refreshments

“21st Century” Pensions Market

A brave new world

Budget 2014: Insurers lose £3bn after pension fund shake-up

Budget 2014: Pensions shakeup could kill off annuity market, say analysts

Will your pension pot last as long as you will?

Your life expectancy calculator to help you plan ahead?

Guidance guarantee 'could cost pensions industry £120m a year'

Webb: Advisers are 'missing the point' about guidance guarantee

What happens is life, not pensions!

- ◆ It always rushes up to meet you
- ◆ Does anyone think about pensions before it is too late?
- ◆ People's pension 'pot', now property or State - is this a valid statement?

What do pension companies and schemes really tell us?

- ◆ **Designed to protect, not inform**
- ◆ **What does it all mean?**

When is it worth paying for advice?

- ◆ The world according to Google
- ◆ How do I decide between the options?
- ◆ How can I make decisions about the rest of my life?
- ◆ Cash now or income, or can I have both?
- ◆ Might be a small amount but vital
- ◆ Is it worth paying if a pension is less than **£10,000?**

What do Trustees do now?

The year ahead

2014

2015



All about cash

- ◆ **Commutation of small pensions/pots**
 - ◆ Trivial commutation -increased from £18,000 to £30,000 for savings from all schemes
 - ◆ De minimus commutation – increased from £2,000 to £10,000
- ◆ **Do the scheme rules allow this?**
- ◆ **Do the administration processes allow for this?**
- ◆ **What will you tell members and when?**
- ◆ **Are the commutation factors still relevant?**

All about cash

◆ Capped Drawdown

- ◆ Capped drawdown – cap for benefit to be drawn increased from 120% to 150%

◆ Flexible Drawdown

- ◆ Minimum income requirement reduced to £12,000 pa

◆ Relevant to the scheme?

2015 – it's about communication

- ◆ **Proposals under consultation:**
 - ◆ Withdraw full DC pot as cash
 - ◆ 25% tax free
 - ◆ 75% marginal rate of tax
 - ◆ From age 55 (increasing to 57)
 - ◆ Guidance guarantee

2015 – it's about communication

- ◆ Communication to members
 - ◆ Future retirements
 - ◆ Current retirements
- ◆ Transfer value basis if numbers increase?
- ◆ DC default structure – still fit for purpose?
- ◆ At retirement offering – how will this need to change?
- ◆ When will you communicate and to who?

And don't lets forget...

- ◆ **VAT changes on pension scheme expenses**
 - ◆ HMRC policy being reviewed
- ◆ **Take action?**
 - ◆ Discuss with employer
 - ◆ Consider tax advice
 - ◆ Review procedures

Where do Trustees draw the line?

The obligatory disclaimers.....

Favier Ltd – for insight, strategic thinking and problem solving

Fiduciary Duty

A fiduciary is an individual, in whom another has placed the utmost trust and confidence, to manage and protect property or money. The relationship wherein one person has an obligation to act for another's benefit.

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- ◆ Fees
- ◆ Investment strategy
- ◆ Liabilities

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Open Forum

Thank you

Future seminar dates for your diary:

Wednesday, 10 September 2014

Thursday, 27 November 2014

Thursday, 26 February 2015

Thursday, 14 May 2015

**If you have any suggestions for future seminar topics,
please let us know.**

Feedback

- ◆ **We would welcome your feedback on:**
 - ◆ Subject
 - ◆ Content
 - ◆ Format of session
 - ◆ Time
 - ◆ Venue
 - ◆ Arrangements
- ◆ **Please email us at feedback@piconsulting.co.uk or via the seminar page on our website www.piconsulting.co.uk**