The Regulator Calls...

Regulation of public service pension schemes from April 2015

Bob Scruton
CIPFA Pensions Network: Technical update
Spring 2013

The Pensions 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



The Regulator Calls... 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



The Regulator Calls... 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



The Regulator Calls... 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
	Total	12.4	14,840
L = local administration			



The Regulator Calls... Public Service Pensions Act 2013

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



The Regulator Calls... 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



The Regulator Calls... Code(s) of practice

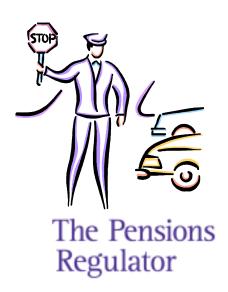
- Pension board knowledge and understanding
- Conflicts of interest
- Records
- Internal controls
- Scheme information
- Member disclosure
- Internal dispute resolution
- Late payment of contributions
- Whistle-blowing



The Pensions Regulator

The Regulator Calls... 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



The Regulator Calls... Questions...

Over to You?

Bob Scruton

Public Service Pension Scheme Regulation

The Pensions Regulator

Napier House

Brighton

BN1 4DW

tel: 01273 627611

email: bob.scruton@thepensionsregulator.gov.uk