

**To: NEC Pensions Advisory Sub-Committee**

18 February 2015  
2015/00233

**AGENDA FOR THE FORTY-SIXTH MEETING OF THE NEC PENSIONS ADVISORY SUB-COMMITTEE TO BE HELD ON THURSDAY 19<sup>TH</sup> FEBRUARY AT 1.00PM AT NEW PROSPECT HOUSE (NOTE: MEETING TO FINISH AT 3.30PM AT LATEST TO ALLOW FOR TRAVEL ARRANGEMENTS)**

**1. APOLOGIES AND INTRODUCTIONS**

Tom James; Keith Flett

**2. MINUTES OF THE FORTY-FIFTH MEETING**

Minutes of the forty-fifth meeting are for approval.

<http://library.prospect.org.uk/id/2014/01301>

**3. ACTIONS FROM LAST MEETING**

Action	
1. Send test email (with new expenses form and text of autocredits email) to committee for them to respond to indicate that emails are working.	Completed
2. Raise ESPS reports with ESI sector executive.	Completed
3. Include aims of motions on agenda of next meeting.	Completed
4. Write detailed briefing for members.	Not completed – on agenda
5. Forward briefing to FTOs with advice on issues to raise with employers.	Not completed – on agenda
6. Hold meetings for members explaining issues. Video meetings and / or hold	Not completed – on agenda

teleconferences for members in remote locations.	
7. Discuss issues with Lighthouse Temple to see what support might be arranged for members.	Not completed – on agenda
8. Circulate Bills to the committee and ask for views on points members would like to make on them, assess whether any relevant points should be made directly or through TUC.	Completed
9. Draft letter from General Secretary to UKSA complaining about misuse of inflation statistics by Government and publicise through Comms.	Article in Profile
10. Form plan to lobby on this issue.	Ongoing
11. Summarise pension policies from main parties' manifestos.	Ongoing
12. Take first on agenda at next meeting.	Completed
13. Ask NORD whether retention scripts cover retired membership.	Completed

#### **4. POLICY ON CURRENT PENSION ISSUES**

##### **i) Freedom and Choice in Pensions**

Since the last meeting we have more information about the delivery of the guidance guarantee. The regulator has issued guidance to trustees on transfers from DB to DC schemes.

The committee previously discussed activities Prospect could undertake to support members making decisions under the new 'freedom and choice' regime. It was not possible to pursue these due to time constraints but further steps can be considered now.

##### **ii) Financial Conduct Authority**

The FCA published two important studies into annuities sales practices and the retirement income market:

- <http://www.fca.org.uk/news/tr14-20-annuities-sales-practice>
- <http://www.fca.org.uk/news/market-studies/retirement-income-market-study>

These studies follow the FCA's previous conclusion that the annuity market was not working well for most consumers. The Budget 2014 announcement impacted on the studies in a major way. The FCA thinks that firms will have to improve communication with members in order for the Government's reforms to work.

### iii) Independent Governance Committees

Prospect's submission to this consultation is available from the library.

<https://library.prospect.org.uk/id/2014/October/6/Submission-consultation-on-IGCs>

### v) TPR

TPR has published new guidance to allow for the 'freedom and choice' agenda. <http://www.thepensionsregulator.gov.uk/press/pn15-09.aspx>

### vi) RPI / CPI

The Johnson Review has been published. There will be discussion of the next steps at the meeting.

<http://www.ifs.org.uk/publications/7517>

## 5. NATIONAL CONFERENCE

It was agreed at the previous meeting that the main themes emerging from the motion passed at Conference and the breakout sessions were:

- Protect DB pension provision where appropriate.
- Improve employer contributions to DC schemes.
- Improve member understanding of pension issues.
- Improve governance of DC schemes.

The committee can discuss steps Prospect can take to meet these objectives.

Motions that were not put to Conference that the committee might like to consider are:

### Salary Sacrifice

Conference notes the role salary sacrifice arrangements (sometimes known as SMART pensions) have played in supporting occupational pension provision. By lowering National Insurance contributions these

arrangements can reduce the cost to members and employers of providing defined benefit pensions or improve the return from defined contribution schemes.

Conference instructs the NEC to:

- Defend salary sacrifice arrangements for pension contributions.
- Promote the use of salary sacrifice amongst Prospect branches where this can help retain defined benefit pension provision or improve outcomes from defined contribution schemes.

### **DC Schemes**

Conference notes the increasing trend for members to be covered by defined contribution pension schemes. Unfortunately the employer contribution rate to such schemes and other issues such as the level of charges and the risks placed on members mean that retirement outcomes from these schemes often fall short of members' expectations.

Conference instructs the NEC to campaign to improve defined contribution schemes for members by:

- Setting out what a good DC benchmark looks like.
- Advertising good quality features for DC schemes.
- Highlighting best practice.
- Campaigning to improve contribution levels under automatic enrolment.
- Producing appropriate materials to assist branches to improve their schemes.

## **6. DEVELOP AND SUPPORT NETWORKS OF PENSION REPS**

### **i) Trustees**

Update from annual meeting in November 2014. Committee to discuss plans for 2015.

### **ii) Pension champions**

Committee to discuss plans for 2015.

## **7. SUPPORT RECRUITMENT AND RETENTION**

There will be an update on latest initiatives.

Review and comment on the earlier paper on this.

<http://library.prospect.org.uk/id/2014/01301>

**8. REPORTS FROM SECTORS AND GROUPS**

Feedback from members of committee.

**9. DATE OF NEXT MEETING**

11 May

**10. ANY OTHER BUSINESS**