



## PRESS RELEASE

### **Pension complexity and compliance issues now of major concern to employers - SPC survey shows**

Complexity and compliance are rivalling cost as the two biggest obstacles to employer involvement in pensions - a recent survey of Society of Pension Consultants members has revealed.

Slightly over 50% (54%) of responses to the research, conducted in July on-line, indicated that cost was the biggest obstacle to employers setting up pension schemes.

However no less than 46% indicated that complexity and compliance were the biggest obstacles - demonstrating employers' increasing concerns over these two areas.

Roger Mattingly, Chairman of the SPC PR Committee, which oversaw the survey, commented:

“There are important pointers on pension policy here. Successive governments share some of the blame for creating the cost obstacle (for example by imposing benefits which were not part of original scheme design and by worsening the tax treatment of schemes), but important elements in the cost equation are outside its control (for example improving pensioner mortality and declining investment returns).

“However, the complexity and compliance burden is decided by the Government. The Pensions Act 2004 is very far from the simplification which we hoped for when Alan Pickering began his simplification review, but the government can still make a big difference by ensuring that codes of practice, most of which are still in draft, do not become regulations by the back door.

“It is also essential that the new pension taxation regime does not slide into the complexity which forced the abandonment of the old rules. We need a tax system which makes it as easy as possible to administer pensions for as many people as possible. We need to avoid falling into the trap of creating complexity for everybody by seeking to block off every tax loop

hole, real or imagined, and complicating the whole system as a result.”

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**Editor's notes:**

SPC is the representative body for the providers of the advice and services needed to establish and operate occupational and personal pension schemes and related benefits. Its Members include accounting firms, solicitors, life offices, investment houses, investment performance measurers, consultants and actuaries, independent trustees and external pension administrators. SPC is the only body to focus on the whole range of pension related functions across the whole range of non-State provision, through such a wide spread of providers of the advice and services.

The vast majority of the 500 largest pension funds use the services of one or more of its Members. Many thousands of smaller funds and individuals also do so. SPC's growing membership collectively employs some 14,000 staff providing pension related advice and services.