



For Immediate Release
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**SPC: RESPONSE TO THE LAW COMMISSION'S PROPOSALS RE:
PENSION SHARING FOLLOWING RELATIONSHIP BREAKDOWN**

The Society of Pension Consultants (SPC), the representative body for providers of advice and services to pension schemes and their sponsors, has responded to the The Law Commission's report "COHABITATION: THE FINANCIAL CONSEQUENCES OF RELATIONSHIP BREAKDOWN". The response highlights the issues which surround pension sharing following relationship breakdown. It also calls for efforts to be made to build the provisions into existing legislation on pension sharing, rather than adding a further block of statute to the already numerous pieces of legislation applying to pensions.

Key issues which are highlighted by the SPC include:

- The question of why, if it is not appropriate to extend pension sharing on relationship breakdown to State benefits, it is appropriate to extend it to non-State pensions.
- The report emphasises that it is suggesting a regime for relationship breakdown distinct from that which applies on divorce or the dissolution of civil partnerships. From the point of view of pension schemes having to operate pension sharing, it is, in fact, essential that they do not have to institute a different, even if perhaps only slightly different, set of processes to deal with pension sharing on relationship breakdown.
- Schemes would incur extra costs in operating pension sharing on relationship breakdown and should be able to recover these from the parties to the breakdown in the same way as on divorce.
- Defined benefit schemes would need to add the potential existence of additional pension sharing members created by relationship breakdown to the factors which they take into account in drawing up scheme funding plans.
- Given the complexity of some people's lives, there will probably be situations where a scheme member would be within the scope of pension sharing both through a marriage / civil partnership and through cohabitation. SPC believes it would be essential that the courts untangle the complexities of such situations and provide the scheme with clear and workable instructions on how to proceed.
- Schemes will need to be given clear instruction on the date on which the relationship is deemed to have begun and ended, for the purpose of calculating cash equivalent transfer values.

John Mortimer, Secretary of SPC, said: "If pension sharing on relationship breakdown is introduced, a concerted push is required to revise existing legislation, rather than bringing in more red tape. We have sought to highlight some important considerations from a pensions point of view. We assume that more work needs to



be done in considering whether and, if so, how, pensions should be dealt with on relationship breakdown and we would be happy to discuss with The Law Commission any issues arising from our response.”

ENDS

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NOTES FOR EDITORS

SPC is the representative body for a wide range of providers of advice and services to work-based pension schemes and to their sponsors. SPC’s Members’ profile is a key strength and includes accounting firms, solicitors, insurance companies, 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 services across the private pensions sector and, through such a wide spread of providers of advice and services. We do not represent any particular type of provision or any one interested body or group.

Many thousands of individuals and pension funds use the services of one or more of SPC’s Members, including the overwhelming majority of the 500 largest UK pension funds. SPC’s growing membership collectively employs some 15,000 people providing pension-related advice and services.