



Personal Accounts

The personal accounts scheme: a progress report

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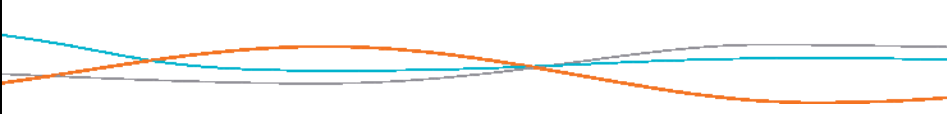
November 2009

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helping millions save
for their retirement

Part 1 A recap and the personal accounts scheme

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Why we're here: the case for pension reform

Pensions Commission findings:

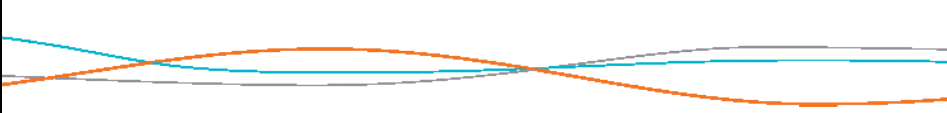
- 50 per cent more pensioners by 2050, lower worker-to-pensioner ratio
- voluntary private pension provision in decline
- estimated 9-12 million under-saving for retirement

Recommendations:

- fairer, more generous State Pension coverage
- automatic enrolment into a workplace pension
- minimum 3 per cent employer contribution into the scheme
- a national pension scheme for those without access to a workplace pension arrangement

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The personal accounts scheme proposition: complementing existing provision

Not for everyone...	...but many attractive features...	...that will work in a variety of contexts
Restrictions on transfers	Open to any employer and designed to be easy to use	Sole scheme
Contribution cap	Low charge irrespective of member profile	Foundation scheme
Simple fund choice	Emphasis on good governance	Entry scheme
	'e' from the outset	
	Enduring membership	
	Simple fund choice	

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Part 2

Highlights from a year of progress

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Highlights of a year of progress

Scheme Order and Scheme Rules

- consultation response published

Procurement for the administration of the scheme began

- substantial activity on definition of administration requirements for the scheme
- process of clarifying and detailing requirements for all up coming procurements

Greater clarity in, and definition of, requirements

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Better final products

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Highlights of a year of progress

Decumulation consultation

- consultation paper published
- extensive engagement with stakeholders including decumulation industry events
- summary of responses published

Investment consultation

- strategy discussion paper published eliciting good quality responses
- stakeholder and industry engagement including focussed stakeholder roundtables and industry days in London and Edinburgh
- response nearing completion

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Part 3

Towards a trustee corporation

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Establishing the trustee corporation

- The Act allows for between 9 and 15 trustee members
- Initial appointments by Secretary of State
- Recruitment process underway
- Trustees of pension schemes are, by their very nature, independent
- Subsequent appointments by the trustee corporation itself
- Trustees and employees

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Role of the trustee corporation

- Overall responsibility for the Scheme
- NDPB requirements
- Unique role – a broad range of skills and experience required
- Services and contracts
- Need to create an awareness of the scheme

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Part 4 Investment consultation

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Investment consultation

- PADA will make recommendations to the trustee corporation.
- Feedback from our stakeholders will inform our recommendations.
- Discussion paper launched on 7 May and responses were due by 7 August.
- We conducted a series of roundtable discussions on key aspects of the investment approach as part of the consultation.
 - We are now evaluating those responses and will publish a summary of the end of this month.
- We will continue to engage with stakeholders on key issues.

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Part 5 Looking ahead

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Looking ahead

- Remaining policy to crystallise from autumn this year into early part of 2010
- Trustee corporation in place next year
- Contract signed with scheme administrator next summer
- PASLA in mid 2011 – voluntary joining for a small number of employers
- Volume onset of membership when employer duties go live – October 2012

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Information

- Key facts and Myth buster
- Updates and consultations
- Website www.padeliveryauthority.org.uk



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