

8 June 2007

Our ref: ICAEW Rep 51/07

Your ref:

Olu Abe
Department for Work and Pensions
The Adelphi (3rd Floor)
1-11 John Adam Street
London WC2N 6HT

By email: Winding-up@dwp.gsi.gov.uk

Dear Sir/Madam

The Occupational Pension Schemes (Winding up, winding up notices and reports etc)(Amendment) Regulations 2007

The Institute of Chartered Accountants in England and Wales (the 'Institute') welcomes the opportunity to comment on the consultation paper *The Occupational Pension Schemes (Winding up, winding up notices and reports etc)(Amendment) Regulations 2007*, published by the Department for Work & Pensions in May 2007.

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We welcome the new regulations. We have been very concerned that some members' pension entitlements are very small and with the continuing deterioration in annuity rates, annuity purchase does not represent good value for the scheme or the member, nor does it make commercial sense for insurers.

We believe that the ability to discharge small pension entitlements in this way should be extended to the trustees of schemes preparing for entry to the Pension Protection Fund (PPF). This would relieve the PPF of the need to administer very small pensions. We recognise that trustees may not be able to trace members prior to entry to the PPF and thus, if it does not already have such powers, the PPF similarly should be able to pay such lump sums if a member subsequently makes a claim on the PPF.



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We welcome the reduction in the timescale for the submission of the first report to the Pensions Regulator on the progress of winding up from three years to two years.

We would prefer to see these Regulations implemented prior to 1st October 2007, at least in respect of the payment of winding up lump sums.

Please contact me if you would like to discuss any of the points raised above.

Yours faithfully

Liz Cole
Manager, Business Law
T +44 (0)20 7920 8746
F +44 (0)20 7638 6009
E liz.cole@icaew.com