

Regulatory intervention report

issued under s89 of the Pensions Act 2004 in relation to
the trustee of the Abbey Manor Group Pension Scheme

June 2016

The Pensions
Regulator

Background

On 23 March 2016 we received a breach of law report from the trustee of the Abbey Manor Group Pension Scheme ('the Scheme'), telling us that they had failed to produce a chair's statement for the Scheme. Occupational schemes providing money purchase benefits are now required by law to prepare an annual statement, signed by the chair of the trustee, within seven months of the end of each scheme year. This requirement was introduced by the new Occupational Pension Schemes (Charges and Governance) Regulations which came into force on 6 April 2015. In their report, the Scheme's trustee told us that they had quickly taken action and prepared the required statement 23 days after the breach had occurred.

Illustrated summary

Date the new regs came into effect	Date we received breach of law report	Amount the scheme was fined	Date the fine was paid
			
6 Apr 2015	23 Mar 2016	£500	3 May 2016

Regulatory action

There is a mandatory penalty for failing to prepare a chair's statement, and we are legally obliged to give trustees a fine of between £500 and £2,000. In this case, we issued the trustee with a penalty notice on 22 April 2016, requiring them to pay a fine of £500. We generally calculate the amount of the fine with regard to scheme size, any previous breaches of this requirement and whether there is a professional trustee in place. In this case we also took into account the fact that the trustee promptly complied with their legal duty to notify us of the breach and prepared the statement, signed by the chair, soon after becoming aware that a breach had occurred. The £500 fine was paid in full on 3 May 2016.

Our approach

We support trustees in understanding their legal duties, such as the requirement to prepare a chair's statement, in a variety of ways, including web guidance and e-newsletters. However, trustees should be aware that we are required by law to impose a penalty where this type of breach occurs. This is still the case even when, as in this instance, the trustee notifies us of the breach and takes immediate remedial action.

The regulator's consideration and approach to individual cases is informed by the specific circumstances presented by a case, not all of which are referred to or set out in this summary report.

This summary report must be read in conjunction with the relevant legislation. It does not provide a definitive interpretation of the law. The exercise of the regulator's powers in any particular case will depend upon the relevant facts and the outcome set out in this report may not be appropriate in other cases. This statement should not be read as limiting the regulator's discretion in any particular case to take such action as is appropriate. Employers and other parties should, where appropriate, seek legal advice on the facts of their particular case.

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Abbey Manor Group Pension Scheme

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