

Regulatory intervention report

issued under s89 of the Pensions Act 2004 in relation to the trustee of
New Station Bodyworks Ltd Retirement Benefit Scheme and the trustee of
M Holleran Ltd Pension Plan (the 'schemes')

October 2016

The Pensions
Regulator

Background

Trustees and managers are required by law to provide The Pensions Regulator (TPR) with a document called a scheme return, in accordance with section 64 of the Pensions Act 2004.

In addition to providing basic scheme information, trustees and managers also need to answer more detailed questions in the scheme return about the scheme and benefits offered. These may cover areas such as investment choices, requested transfers from DB to DC schemes and, in the case of schemes offering money purchase benefits, compliance with charge controls and the chair's statement.

Depending on the size of the scheme, trustees and managers are sent a scheme return at least every three years, with larger schemes required to complete one annually.

The scheme return enables us to capture information for our register of pension schemes and helps us identify schemes where there is a potential risk to members' benefits. We also use this information to calculate annual levy charges and monitor compliance with the chair's statement and charge controls requirements.

Illustrated summary

Length of time to complete scheme return

6 weeks



Total each trustee was fined

£300



Date the penalty notices were issued

7 Sept 2016

Regulatory action

We wrote to the schemes' trustees on 15 March 2016 after they failed to provide a scheme return by the date set out in the notice. We advised them that if they did not provide a scheme return by 1 April 2016, or tell us what reasonable steps they had taken in order to comply, we would issue them with a penalty notice.

TPR has the power to impose a discretionary penalty on each trustee or manager who has failed to take all reasonable steps to provide a scheme return on or before the due date. We can impose a maximum penalty of £5,000 on an individual and up to £50,000 in other cases (eg corporate trustees). Trustees or managers who are issued with a penalty notice are not allowed to be reimbursed or indemnified from the scheme's assets.

The Determinations Panel, which exercises the power to impose a penalty under section 10 of the Pensions Act 1995 on TPR's behalf, decided that a £300 penalty should be issued to each of the trustees, as neither of them had taken any reasonable steps to comply.

When the Panel exercises a power, the directly affected parties have 28 days to refer that determination to the Upper Tribunal. Once the 28 day deadline has expired, if no reference has been made, TPR may issue the penalty notice. No reference was made in either case and £300 penalty notices were issued to each trustee on 7 September 2016.

Our approach

We support trustees and managers in numerous ways, including new web guidance and news-by-email, to help them understand how to complete the scheme return.

We expect trustees and managers to comply with their basic administrative duties. To do this, they should prepare for the scheme return and have the information readily accessible to enable them to complete it on or before the date specified in the notice, which is six weeks from the date of issue of the notice.

These cases illustrate that we will seek to support trustees and managers to complete the scheme return but, ultimately, if they fail to do so we take action and impose a fine.

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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New Station Bodyworks and M Holleran

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