



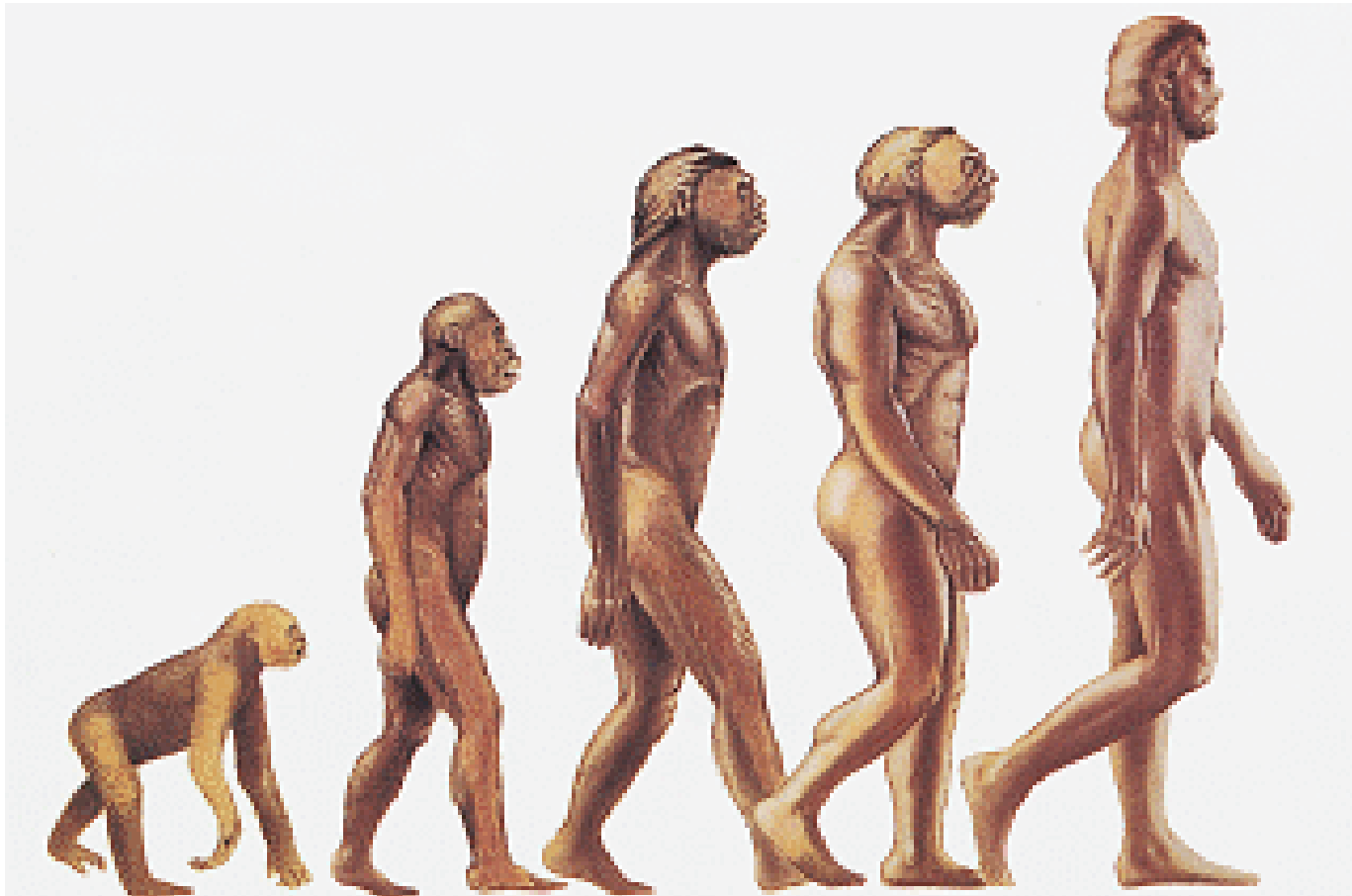
Employer debts: past, present and future

Alastair Meeks

Julius Caesar



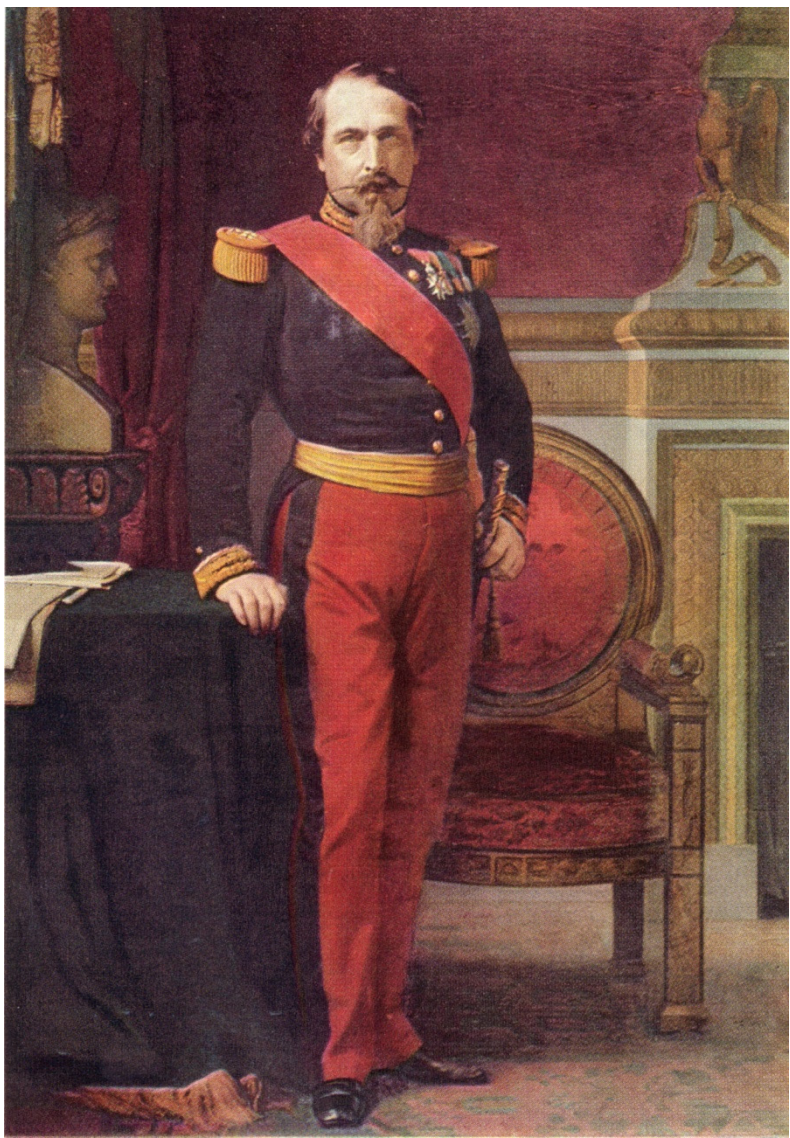
THE PAST



Section 58B of the Social Security Pensions Act 1975



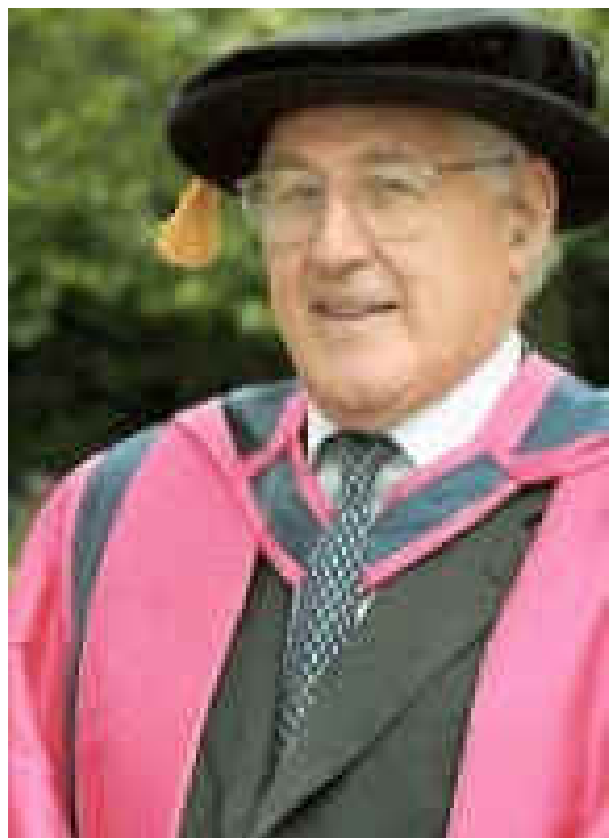
- Effective date: 1 July 1992
- Purpose
- Trigger points
- Calculation of debt
- Multi-employer schemes



Section 144 of the Pension Schemes Act 1993



- Effective date: 7 February 1994
- Trigger points
- Calculation of debt
- Multi-employer schemes



Section 75 of the Pensions Act 1995 (mark 1)



- Effective date: 6 April 1997
- Revised rationale
- Trigger points
- Calculation of debt – MFR



Section 75 of the Pensions Act 1995 (mark 2)



- Revised calculation of debt (19 March 2002) – modified MFR
- Industry warnings

"Events, dear boy"



Section 75 of the Pensions Act 1995 (mark 3)



- Effective date: 11 June 2003
- Revised rationale
- Revised calculation of debt
- Differential calculation on winding-up and on seceding employers

Section 75 of the Pensions Act 1995 (mark 3A)



- Effective date: 6 April 2005
- Revised wording of section 75 and new regulations

Section 75 of the Pensions Act 1995 (mark 4)



- Effective date: 2 September 2005
- Revised calculation of debt in multi-employer schemes
- Apportionment and withdrawal arrangements

Section 75 of the Pensions Act 1995 (mark 5)



- Effective date: 6 April 2008
- Tidying up calculation methods
- Tidying up apportionment and withdrawal arrangements

Historical overview



- Between 1992 and 2009, we went through 7 (SEVEN) revisions of the debt on the employer legislation
- The rationale changed completely in that time

THE PRESENT



Selected pitfalls and problems



- When is the prospect of a debt triggered?
- When does the debt become due?
- Former employers – how off the hook are they?

When is the prospect of a debt triggered?



- "Employment cessation events"
- Do you need active members?
- Non-standard employers (eg partnerships)

When does the debt become due?



- Phoenix Venture Holdings Limited
- Multiple incarnations of section 75 and subsidiary legislation

How off the hook are former employers?



- When did they go?
- Are you sure?
- What time limits apply to any past debts, if any?
- Non-statutory covenants
- The archaeology of pension scheme withdrawals can be very complex

THE FUTURE



New Employer Debt Regulations?



- The DWP know the Employer Debt Regulations are a work in progress
- Watch this space
- By 2010 we could be on our 8th (EIGHTH) version in 18 years



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