Report to the Trustees

on the takeover of

**John Dingle Project Planning Ltd Retirement Benefits Scheme**

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1. Introduction

Following your appointment of Pension Practitioner .Com to provide administration services to the Trustees, we have prepared a report notifying the changes that have been made. This report also provides information on:

* The registration of the scheme for pension schemes on-line with HMRC
* A review of the new regulations governing the scheme
* The next scheme review

Our takeover service ensures that:

* All investments are registered in the names of the member trustees
* To allow the trustees to view on-line information regarding their scheme and the work we carry out on your behalf
* To ensure that the administration process is simplified
* To provide value for money to the Trustees
* To ensure that the rules of the scheme reflect current pension law and give the trustees sufficient powers to ensure that the scheme is kept tax efficient.

1. Pension Schemes Online and Reporting

HMRC have advised that Patricia Lancaster is cited as the Registered Administrator for the pension scheme.

The scheme administrator identity number is A0110343. Whilst this identity number has been issued we have been unable to confirm that it is associated with online services. We have therefore requested HMRC to issue a new login number to the trustees. Please let us have this number on receipt.

We undertake all reporting and return functions to HM Revenue & Customs, including the returns to the year ending 5th April 2011. We have submitted the tax returns to HMRC for the period ending 5 April 2011.

The submission made is as follows:

Pension Practitioner .Com has submitted the following disclosures:

|  |  |  |
| --- | --- | --- |
| Amended Return |  | No |

|  |  |  |
| --- | --- | --- |
| Accounting Period |  | 31 March 2010 - 05 Apr 2011 |

|  |  |  |
| --- | --- | --- |
| During this period, was the aggregate of payments to and from the scheme greater than £100,000? |  | No - £100,000 |

|  |  |  |
| --- | --- | --- |
| At the end of this period, the scheme did not have assets with a total value before pension liabilities greater than £400,000 |  | Yes |
| Total value of assets before pension liabilities at the end of the period |  | £917,380 |

Receipts and Payments

|  |  |  |
| --- | --- | --- |
| Total amount of the pension contributions received |  | £100,000 |
| Total amount of transfer-in payments |  | £0 |
| Total amount of transfer-out payments |  | £0 |
| Total amount paid out in lump sums and lump sum death benefits |  | £0 |
| Total amount paid out to purchase lifetime annuities and scheme pensions from an insurance company |  | £0 |
| Total amount borrowed |  | £0 |

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  |  |

Connected Parties

|  |  |  |
| --- | --- | --- |
| At any time during the period from 06/04/2009 to 05/04/2010 did the scheme either directly or indirectly own assets that it had acquired from either: a. a sponsoring employer or any person connected with that employer? *or* b. a person who was a director of or a person connected to a director of a close company that was also a sponsoring employer? *or* c. a person who was either a sole owner or partner or a person connected with the sole owner or partner of a business which was a sponsoring employer? *or* d. a member or person connected with a member? |  | Yes |

Land or Interest in Land

|  |  |  |
| --- | --- | --- |
| Total cost or market value of any land or interest in land owned by the scheme at the end of the period Specify whether this amount is |  | £190,000 Market value |
| Total cost of any land, or interest in land, or premium paid to acquire a leasehold interest in land |  | £190,000 |
| Total sale proceeds of any land sold, or interest in land sold, or premiums received on disposal of a leasehold interest in land |  | £0 |

|  |  |  |
| --- | --- | --- |
| If any land or interest in land was disposed of without any consideration state the total cost or market value Specify whether this amount is |  | £0  Cost |

|  |  |  |
| --- | --- | --- |
| Were any disposals made to a connected party or connected parties? |  | No |

|  |  |  |
| --- | --- | --- |
| Total amount of income received from land or interest in land |  | £15,000 |
| Was any part of the land or interest in land residential property as defined in Schedule 29A of Finance Act 2004? |  | No |

Cash and Bank Information

|  |  |  |
| --- | --- | --- |
| Total amount of all cash and bank balances at the beginning of the period |  | £251827 |
| Total amount of all cash and bank balances at the end of the period |  | £366700 |
| Total amount of interest credited to these accounts |  | £7 |

The scheme held insured investments which had a market increase of £15,495, in addition there was a further purchase of investments valued at £3000.

Employer Related Loan - £47,696 no default or new loan was made during the pension scheme year.

Scheme expenses were less than .5% of the value of the fund.

No enquiries at the date of this report have been raised by HMRC or the Regulator.

There were no reportable event reports at the date of the return to HMRC

There were no reportable events to the Pensions Regulator at the date of the return

The Trustees retain a general account for the purposes of allocation of contributions as directed by the Employer.

1. Investments

We understand that all investments consist of the following:

Cash at bank   
Insured Funds with Sun Life   
Property at Hollybank  
Employer related loan

The trustees are obliged but not required to consider investment advice in the investment decisions.

The investment return to the pension scheme for the tax year to 5 April 2011 is in the order of 4%. This return is reflective of the managed funds with Sun Life, however the cash yield on deposits remains low. The trustees have a Trust and Pension Reserve Account with Investec bank which is presently paying a yield of 2.25% for 30 day notice this is higher than the present notice accounts offered by the scheme’s bankers.

Shortly, through Pension Schemes Online .Com the trustees will be able to view and store investment data specific to their scheme and interests. This can include receiving data on the latest NS&I bond issues, commercial and land property auctions. We will write to you in connection with this free service shortly.

1. Pension changes in 2011.

In 2010, a number of changes were proposed for pension schemes, which came into effect in 2011 and 2012. This part of the report looks at those changes and how you might be affected.

**Pension Income and Inheritance Tax Changes**

In last year’s emergency Budget on 22 June 2010 and published in the Finance Bill 2010, further changes were proposed to the treatment of inheritance tax. It affects any member who reaches the age of 75 on or after 22 June 2010.

It allows those persons who reach 75 to continue drawing their pension as unsecured income from the scheme up to age 77. This normally allows higher levels of income to be paid than would otherwise be the case where a member at 75 was required to adopt other forms of pension income.

If a member of the pension scheme dies after reaching the age of 77 any of the remaining fund not used to pay either pensions to dependants or a charitable donation, is subject to tax charges up to 70 per cent. We can give specific scheme tax guidance in this area if requested.

**State Pensions**

The method of calculating state pension increase will change. State pension was up-rated by the higher of price inflation or 2.5 per cent. CPI (Consumer Price Index) will be introduced used as a third measure for pension increases from April 2011. The new changes will introduce CPI, and therefore where CPI (it is presently about 3.4%), is greater than earnings or 2.5% the basic state pension will increase by that higher amount. It will not be extended to the earnings related pension/state second pension.

**Lump sum death benefits**

From 6th April 2011, any member who crystallises his fund and elects for the crystallised benefits on death to be paid as a lump sum death benefit will incur a scheme tax charge of 55%. Members may therefore wish to consider a scheme life policy to meet the tax liabilities that could arise on the distribution of funds on death in the form of a lump sum; we will work in conjunction with Nikki Spoor on scheme tax guidance nearer to each member’s retirement date.

1. Scheme Review

Sun Trust has been removed off the trust documentation for the pension scheme.

They remain party to the property held by the trustees and as such we require a copy of the title deeds. A copy of the title deed is not available through online services with the Land Registry. Sun Life do not have a copy of this document.

The trustees should consider securing a higher rate of interest for cash deposits. Typically, on a 30 day notice account the trustees can expect a yield of circa 2.25%. For fixed rate bonds this rises to 3% for 1 year and up to 4.5% for terms of 3 years or more. Please let us know if you wish us to survey current market rates.

Presently, we do not hold a fund split – would the trustees please confirm how the scheme is split in order that we may prepare the pension scheme benefit statements.