Pensions Update

Transfers-in
With effect from 1 December 2012, the MRC Pension Scheme will only accept transfers from other pension schemes that are part of the Public Sector Transfer Club.

The new policy will further simplify transfer arrangements and provide greater control in the management of Scheme liabilities.

The Scheme will continue to operate a strict one year rule for transfers from other Club schemes, which was introduced in April 2010.

Scheme Funding
The Scheme has had another good quarter, which saw assets valued at over £908m at the end of September. The funding of the Scheme is a timely reminder of the financial protection afforded to all members and their dependents.

Although MRC currently contributes 13% towards the cost of providing pensions, which is considerably more than members are asked to pay, of more importance is the pension promise itself because your retirement pension is linked to service and salary.

It is the healthy funding position of the Scheme that enables MRC to contribute at the recommended rate of 13%.

Tax limits on pension contributions
There is a significantly lower annual tax limit on pension contributions that came into effect from April 2011. As advised in previous bulletins, this could have tax implications for some colleagues and it is important that Scheme members are aware of the £50,000 annual tax limit on pension contributions.

A frequently asked question sheet, including examples of how the limit works in practice, is available on the portal and the member website at www.mrcps.co.uk using scheme identification code 672785.

There is speculation in the media that the Government is planning to reduce this annual limit further in order to claw back higher rate tax relief. Any developments will be reported in the next pensions update.

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