



JARDINE LLOYD THOMPSON
Benefit Solutions

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Ref: 1208Lt001 Response to
Consultation - Amending TMI

Dear Sirs

Response to Consultation Document - Amending TMI for revised contracting out positions

Jardine Lloyd Thompson provides consulting, actuarial and administration services to trustees and employers in relation to 1,000 or so work-based pension arrangements with assets ranging from a few thousand pounds to over £1,000m, and to individuals with regard to individual pensions. We employ approximately 750 pensions staff in the UK. This letter sets out JLT's response to the consultation.

We have some issues on the proposals set out in this document. The BAS appears to be seeking not to mislead the recipients of SMPI statements because of changes which are planned, in particular the cessation of the option to contract out on a money purchase basis. Whilst we cannot disagree with the principle, it has to be set against the detailed review which the BAS intends to carry out, as described under 1.2 and also the uncertainties about the actual "absolute date". These factors call for a simple and pragmatic approach. Thus we would suggest that the BAS does reconsider the alternative approach described in 2.3, where future rebates after the date of the SMPI are ignored in the calculations and qualified by a statement and explanation. This approach is far easier to adopt within existing programming and saves the inevitable costs of reprogramming to account for a short term amendment which is already scheduled to be rendered redundant by 2010 or 2011 as a result of the proposed amendments set out in 1.2.

We have congratulated the BAS in its proposals and work on TAS's and Generic Standards and we encourage BAS not to undo the good image gained to date by failing to grasp an opportunity for a measured and programmatic approach which seeks to address the needs of users and suppliers of SMPs.

Finally I thank you for giving an opportunity to comment as well as, in advance, for the consideration of our comments. I would be more than happy to discuss any of the points in more detail (my contact details are set out above)

Yours faithfully

Phil Wadsworth MA FFA
Practice Head, Consulting Services