

## Chapter 10

# Guidance on activities related to pension schemes



Table summarising regulatory position of employers and affinity groups.

| Activity carried on by employer or affinity group   | Potential implications in terms of regulated activities and the need for authorisation   |
|---|--|
| Establishing or setting up an <i>occupational pension scheme</i> or a <i>group personal pension scheme</i> or a <i>stakeholder pension scheme</i> .   | <p>Establishing an occupational pension scheme is not a regulated activity. Setting up a group personal pension scheme is likely to involve <i>arranging</i> (see Q43).</p> <p>Establishing a stakeholder pension scheme is a regulated activity in its own right. But an employer who is designating a stakeholder pension scheme as required by law is not, as a result of that fact alone, establishing the scheme (see Q46).</p> <p>In any event, the employer or affinity group will only need to be authorised or exempt if they are carrying on regulated activity by way of business which, in most instances, should not be the case (see Q6, Q44 and Q45).</p>   |
| Acting as trustee of a trust-based stakeholder pension scheme.  | <p>This is likely to be a regulated activity as the trustee is likely to be operating the stakeholder pension scheme. But the employer or affinity group will only need to be authorised or exempt if, as trustee, they are acting by way of business which, in most instances, should not be the case (see Q6, Q44 and Q45).</p>  |
| Arranging for employees to participate in an occupational pension scheme or a group personal pension scheme or a stakeholder pension scheme.  | <p>Arranging for employees to participate in an occupational pension scheme (other than one that is also a stakeholder pension scheme) is not a regulated activity as the employees are not acquiring investments. Arranging for employees to participate in any form of personal pension scheme or in a stakeholder pension scheme is likely to involve <i>arranging</i>. But the employer or affinity group will only need to be authorised or exempt if they are acting by way of business which, in most instances, should not be the case (see Q6, Q44 and Q45).</p>  |
| Advising employees on the merits of participating in an occupational pension scheme or a group personal pension scheme or a stakeholder pension scheme, including advising employees against joining a personal pension scheme or advising them to transfer from a personal pension scheme. | <p>Advice on the merits of participating in an occupational pension scheme (other than one that is also a stakeholder pension scheme) is not a regulated activity as the employees are not acquiring investments. Advice on the merits of participating in a particular group personal pension scheme or stakeholder pension scheme will be a regulated activity because the rights that a person would acquire by becoming a member of the scheme are a form of investment (see Q39). Advice against joining or to transfer from a particular personal pension scheme will be a regulated activity for the same reasons. If the advice relates to personal pension schemes generally but not one in particular it will not be a regulated activity (see Q39 and Q40).</p> <p>But the employer or affinity group will only need to be authorised or exempt if they are acting by way of business which, in most instances, should not be the case (see Q6, Q44 and Q45).</p> |
| Advising employees in their capacity of members of a pension scheme or advising their <i>survivor</i> on the merits of requiring a trustee  | <p>This is likely to amount to <i>advising on conversion or transfer of pension benefits</i> but only where it is carried on by way of business, the guidance in Q6, Q44 and Q45 is applicable.</p>  |

| Activity carried on by employer or affinity group  | Potential implications in terms of regulated activities and the need for authorisation   |
|--|--|
| or manager of a pension scheme to convert, transfer or cash out safeguarded benefits.  |  |
| Assisting in the administration of an occupational pension scheme or a group personal pension scheme or a stakeholder pension scheme.                        | Any of these could involve regulated activity (see Q31). But the employer or affinity group will only need to be authorised or exempt if they are acting by way of business which, in most instances, should not be the case (see Q6, Q44 and Q45).  |
| Providing in-house administration services to the trustee of the employer's OPS and safekeeping services for documents of title such as bearer certificates. | This may amount to <i>safeguarding and administering investments</i> if the employer undertakes both activities.<br><br>But the employer or affinity group will only need to be authorised or exempt if they are acting by way of business which, in most instances, should not be the case (see Q6, Q44 and Q45). |