

## New Director for the ITB Pension Funds

**M**r. Vincent Gordon took up his appointment in March as Director of the ITB Pension Funds.



Vincent joined ITB from Kingfisher plc, where he worked for eleven years. Kingfisher is a retail group which includes companies such as Woolworths, B&Q, Comet and Superdrug. As the Kingfisher Pensions Manager he gained a wide range of experience looking after the Group's two pension schemes, which had a total membership in excess of 110,000 and assets exceeding £1 billion. Prior to that he was Pensions Manager at NCR Ltd, the UK arm of the computer and cashpoint manufacturer, NCR Corporation of the USA.

In total Vincent has over 17 years experience of managing occupational pensions arrangements.

Vincent had been appointed shortly before the death of Michael Foskett, whom he now succeeds. He is keen to maintain the success of the ITB pensions organisation and in conjunction with the pensions team, based at Watford, continue the development of the Funds in order to meet the many challenges pension schemes are likely to face in the future.

Vincent has a B.Sc. in Applied Economics and is an Associate of the Pensions Management Institute.

He is married with three daughters and lives in Essex.

## Procedures for raising members' concerns

**T**he Managing Trustees are concerned to learn about independent approaches being made by some pensioners to the Inland Revenue seeking to have the rules on pension limits changed. The Inland Revenue have asked the ITB Pension Funds Office to seek the co-operation of pensioners in not writing individually to them, but to take up their concerns with the Funds Office in the first instance. In early 2000, without reference to the ITB Pension Funds Office or to any of the Trustees, a number of pensioners wrote to the Inland Revenue asking for a concession granted in 1994 in unique circumstances to early leavers among Closed Fund members, to be extended to Open Fund members. In replying the Inland Revenue Pensions Schemes Office stated that this could be done "if the Trustees so wished" and sent a copy of their letter to the Funds Office.

### Clarification

The Director at the time, wrote to the Inland Revenue Pensions Schemes Office asking for clarification in order that the Funds advisers, actuarial and legal, could advise the Trustees on how to go about implementing this concession. The Inland Revenue Pensions Schemes Office in replying now stated that this concession was not applicable to members of the Open Fund and did not provide the clarification asked for. They reconfirmed, yet again in a further letter, that since the Open Fund is not in the same circumstances as the Closed Fund was in 1994, the concession granted in 1994 is not applicable. A third letter sent in May 2000 on this subject by another Inland Revenue department to pensioners states categorically and unequivocally that no concession as suggested can be applied to the Open Fund. This letter was not seen by the ITB Pension Funds Office until



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January of this year because neither the Inland Revenue nor pensioners who received it sent a copy to the Funds Office at the time.

### **Acting responsibly**

The Director was acting responsibly and correctly in his correspondence with the Inland Revenue in seeking clarification on how the concession should apply, to what categories of members and from when. In doing so he did not in any way seek to have the concession withdrawn and your Trustees have seen the correspondence and all agree with this.

Those spreading the story of imminent pension increases arising from their correspondence with the Inland Revenue should have been aware of two factors:

They had no basis for assuming the Trustees would approve the increases which might arise from this concession, even if it could be implemented. When this was a major topic at the ITB Pensioners' Association AGM in May 2000 the Trustees had not yet considered this matter since they still awaited clarification from the Inland Revenue.

The potential impact this "concession" would have on other pension funds and the need for further clarification on the granting of the concession by the Inland Revenue before making any announcement.

These actions may well have now prejudiced the ITB Pension Funds Office's own efforts in seeking to have changes made as well as raising false hopes about potential increases among a large number of pensioners.

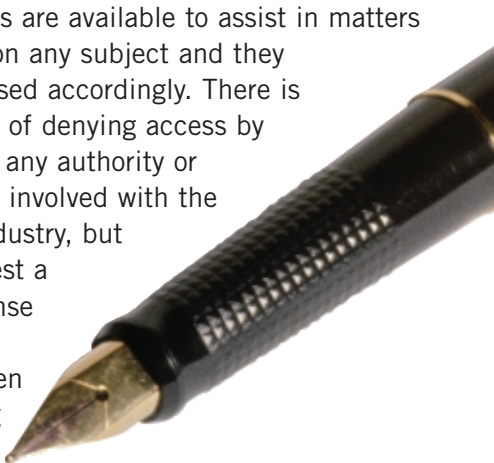
Not only has this independent approach to the Inland Revenue caused undoubted concern to the staff of that organisation, but complaints from pensioners are also being made about these officials' responses under the Inland Revenue complaints procedure. These complaints or others on this matter may even be pursued with OPAS and/or the Pensions Ombudsman. In these circumstances it would be inadvisable and inappropriate for the ITB Pension Funds to approach the Inland Revenue in seeking to open

up this topic again until all appeals and complaints from pensioners on this matter have run their course.

### **The correct way**

There is a correct way for pensioners to have their concerns on matters relating to Inland Revenue procedures and policy reviewed.

Where the concern is a personal matter then this should be taken up with the **Communications and Benefits Manager, Mr Dennis Matthews, at Watford**. If the concern is of a more general nature, then this should be referred to any of the Trustees. If the Trustees feel the concern needs consideration they can take this up with the Funds Office and, if necessary, at a Managing Trustees meeting. The ITB Pension Funds Office staff and your Trustees are available to assist in matters of concern on any subject and they should be used accordingly. There is no intention of denying access by Members to any authority or organisation involved with the pensions industry, but we do suggest a common-sense attitude is adopted when approaching them.



### **Contact Details**

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