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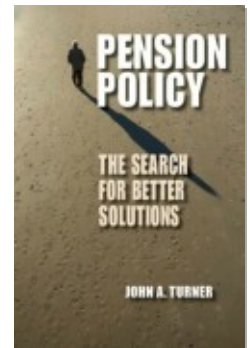
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Pension Benefit Policy

The Search for Lost Pensions and Other Issues

The ultimate goal of pension policy is that workers receive adequate and secure pension benefits. This chapter first considers the payment of benefits from defined contribution plans, then from defined benefit plans. Issues affecting both types of plans, including lost pensions, are discussed last. While defined benefit plans traditionally have provided benefits as annuities, most 401(k) plans do not provide that option. Why they do not, and other issues related to annuitization of defined contribution plans, are considered separately in the next chapter.

DEFINED CONTRIBUTION PLANS

The retirement financing problems facing retirees relying solely on defined contribution plans as their employer-provided pension plan differ considerably from the ones they faced as workers. As retirees, they need to figure out how to manage the spend-down of their assets. During retirement, they are faced with complex issues concerning how to manage various risks. One strategy policy analysts have taken in reforming defined contribution plans is to attempt to make them more like defined benefit plans.

When Congress passed ERISA in 1974, the situation was different. People who were covered by pensions had defined benefit pensions that provided them with annuities. Because their pension was annuitized, they did not face issues about how to manage the spend-down of their pension assets.

Forms of Benefit Payment

Defined contribution plans can pay old-age benefits in any of five basic ways, or in a combination of the five ways: 1) a lump sum, 2) a life annuity, 3) a phased withdrawal (based on annual recalculation of life expectancy), 4) installment (term certain) payments, and 5) ad hoc (unscheduled) withdrawals. A lump sum provides no insurance against the risk of outliving one's resources. An annuity is a financial instrument that converts an account balance into a stream of periodic payments. With life annuities, workers receive periodic payments that continue until death. Life annuities, referred to here simply as annuities, insure workers against running out of money if they live longer than they expect.

With phased withdrawal, workers receive benefits each year that are based on their remaining life expectancy and the amount in their individual accounts. With phased withdrawals, a retiree may wish to receive a fixed real amount each month in order to ensure a steady stream of resources to finance retirement expenditures. A problem with this approach is that when the same amount is withdrawn each month from an equity mutual fund, more shares are sold when the price is low than when it is high. Thus, with periodic withdrawals there is a trade-off between having a steady flow of withdrawals and maximizing the lifetime value of the withdrawals.

With installment or term certain payments, payments are made at a fixed rate (a specified dollar amount) until the account balance is reduced to zero. Alternatively, payments are made for a fixed number of years in an amount that varies with investment performance.

Income Redistribution

A negative aspect of the move toward defined contribution plans that has received little attention is its effect on the inequality of resources for older persons. The growth of defined contribution plans and the decline of defined benefit plans has resulted in a large increase in the inequality of pension wealth holdings among workers (Wolff 2007). This change has occurred in part because lower-income workers who would automatically be included as participants in defined benefit plans

are not opting to participate in 401(k) plans. This change has left many older workers unprepared for retirement.

Defined benefit plans that are based on the final three or five years of earnings reward high achievers who rise to the top of their organizations. By comparison, defined contribution plans and career average defined benefit plans are relatively more favorable to low achievers who have less of an increase in earnings over their careers.

Loans

In the United States, plans wishing to do so may provide the option for participants to take loans from the plan. For example, a 401(k) participant could take a loan from his plan, repaying the loan with interest over time. Thus, one of the assets of the plan becomes the interest-bearing loan to the participant. The appeal to the participant is that the loan is generally at a lower rate than he could otherwise obtain. The disadvantage is that the participant's 401(k) account is invested in an asset (the loan) that is paying a low rate of return.

Because of the low rate of return received, and the propensity for participants not to repay the loans, policy analysts often oppose the idea. However, some participants possibly would not have participated without that feature, and a loan from a pension plan may be preferable to carrying an account balance on a credit card.

In other countries, loans generally are not allowed. For example, in Germany the tax subsidy for the pension plan is viewed as being for the purpose of encouraging retirement savings, and not to be used for other purposes. Similarly, loans to participants from their plans are not allowed in Australia or the United Kingdom.

Women's Issues

The pension problems of particular concern to married women are largely benefits issues. These issues arise concerning the spousal benefit rights of divorced women and widows. The assets in 401(k) plans are not automatically split at divorce. The disposition of those assets is the subject of negotiation. Spouses typically are less well protected as survivors by 401(k) plans than by defined benefit plans. Whereas in defined benefit plans the spouse has a right to a joint and survivor annu-

ity unless the spouse waives that right by signing a notarized statement, 401(k) plans provide little protection of survivors. Most 401(k) plans pay benefits as a lump sum, with no benefit rights for spouses. The exception is that they provide survivors' protection for spouses if the participant dies before retirement. In addition, spouses may inherit the remaining account balance or the remaining assets from the lump sum.

Retirement income policy in the United States has not caught up with the growing role of 401(k) plans. It continues to regulate 401(k) plans as though they were supplementary to defined benefit plans, which is how they began in the early 1980s. It treats 401(k) plans as savings plans rather than as pension plans. An example of this policy lag concerns the provision of benefits to women as spouses, including as current spouses, as divorced spouses, and as widows.

The U.S. pension system no longer provides women as spouses the protection it once accorded them when defined benefit plans were prevalent. A worker generally can take the benefit from a 401(k) plan as a lump sum, without the consent of his spouse. A husband anticipating a divorce can shelter his 401(k) assets from division in a divorce settlement by taking a lump sum and spending the money. A widow may receive no benefit from her husband's 401(k) plan because he has taken the money as a lump sum and spent it. This aspect of 401(k) plans may lead to increasing poverty among older women in the future.

A policy issue to be considered is whether all 401(k) plans should be regulated as if they were the primary plan, or whether 401(k) plans should be regulated differently when they are the only plan provided by an employer, as compared to when they are a supplementary plan with a defined benefit plan being the primary plan. Currently, 401(k) plans are regulated more like savings plans than like pension plans.

While husbands and wives in healthy marriages presumably treat their income and assets generally as held in common, pension plans are designed to be held in the name of one person. That could be changed to potentially benefit women through a couple of ways: 1) by allowing spouses to designate their IRA and 401(k) contributions to go into the account of the other person, and 2) by allowing spousal IRAs that would be owned jointly.

DEFINED BENEFIT PLANS

The Progressivity of Benefits

Many lower-income workers participating in defined benefit plans receive reduced benefits because their plan is integrated with Social Security. In 2005, 28 percent of workers in private industry that were participating in a defined benefit plan were in plans that were integrated with Social Security. Integration means that benefits were reduced for lower-wage workers to take into account that their replacement rate from Social Security is higher than it is for higher-income workers (BLS 2007). Integration with Social Security reduces the pension benefits of lower-wage workers and offsets the progressivity built into the Social Security benefit formula.

The private pension system is often viewed as favoring middle- and higher-income workers. Those workers have higher participation rates than lower-income workers, perhaps in part because the tax subsidy they receive per pension dollar is greater because of their higher marginal income tax rates. They are also less affected by integration with Social Security. Viewed this way, the private pension system appears to unduly favor the upper-income segments of society.

However, when viewed within the context of the retirement income system, the picture is different. When Social Security old-age benefits and disability benefits are also considered, the system is considerably more balanced in the way it treats different income segments of U.S. society.

Life Expectancy Indexing of Benefits

A factor that appears to have played a role in the decline in defined benefit plans has been the increase in life expectancy: the defined benefit plans do not have the flexibility to deal readily with this continued increase in cost. In the United States, some plans have adjusted downward their generosity, but generally this change is only done for new hires.

A possible policy innovation, following the notional defined contribution plan in Sweden, would be to permit life expectancy indexing of

benefits at retirement. Each year, as another cohort reaches retirement age, the generosity of benefits is reduced slightly to take into account the continued improvement in life expectancy. The adjustment does not reduce expected lifetime benefits.

Life expectancy risk can be divided into the idiosyncratic risk that a particular individual will live longer than expected and the cohort risk that an entire cohort on average will live longer than expected. Annuity providers are able to deal with idiosyncratic risk by pooling it across large numbers of people, effectively diversifying it away. However, cohort risk cannot be pooled. Longevity bonds would provide a hedge, but a market for them has not developed. Longevity bonds have a higher payout when the percentage of a cohort that is surviving is higher. Life expectancy indexing of benefits is one way of dealing with this risk. The idiosyncratic risk is borne by the annuity provider, who can diversify it away. The cohort risk is borne by workers, who are the beneficiaries of the improved life expectancy.¹

Life expectancy indexing of benefits would shift onto workers the systematic life expectancy risk, which is the risk that an entire birth cohort will live longer on average. The plan sponsor bears the idiosyncratic life expectancy risk, which is the risk that a particular individual will live longer than expected.

An issue arises for plan sponsors as to who would generate the life expectancy index to be used. Department of Labor regulations may need to resolve that issue, setting a required index or a minimum standard.

Under U.S. law, this innovation would not be allowed because it would violate the anticutback rule. The anticutback rule is defined in terms of annual benefits. If it were redefined to take an economist's perspective and use lifetime benefits as the measure, life expectancy indexing would not constitute a cutback in lifetime benefits.

Other Aspects of Benefits

The defined benefit system would have greater flexibility in meeting the needs of workers if they had greater choice in setting the level of their benefits. If tax deductible employee contributions were allowed for U.S. private sector defined benefit plans, that would facilitate another feature whereby employees would be allowed to make voluntary

tax deductible contributions, subject to limits, to purchase additional benefits. This arrangement is permitted in Canada. This feature, however, may disproportionately benefit high-income workers.

Without price indexing, inflation erodes the real value of benefits. Few U.S. private sector defined benefit pensions provide price indexing, and those that do generally set a cap, such as no more than a 3 percent increase in benefits per year. An alternative to price indexing benefits is to choose an annuity that provides automatic annual increases in benefits—for example, one that has benefits rising by 3 percent a year regardless of the rate of inflation.

ISSUES AFFECTING BOTH DEFINED CONTRIBUTION AND DEFINED BENEFIT PLANS

The Adequacy of Benefits for the Old-Old

Both defined benefit and defined contribution plans have shortcomings in providing benefits for people who survive to their 80s and older. Pensions that were adequate at retirement often are inadequate at older ages.

Defined benefit plans tend to be inadequate for persons in their 80s and older because they rarely provide cost-of-living adjustments. Thus, their real value is eroded over time by inflation. Even a relatively low inflation rate of 3 percent can have a substantial effect on the real value of benefits over a period of two decades.

Defined contribution plans tend to provide inadequate benefits for people in their 80s and older for two reasons. First, they are rarely annuitized. People who live longer than they expected are particularly at risk of running out of money in their pension accounts. Second, for the relatively few who do annuitize, just as for defined benefit plans, rarely are the annuities adjusted for inflation.

A policy option could be to require that both defined benefit and defined contribution plans provide at least a minimum amount of price indexation. That requirement exists in the United Kingdom. However, it is expensive and may be a reason for employers ceasing to provide

plans. When benefit adjustments are flexible, the cost of providing price indexation can be borne by retirees through a reduction in their initial benefits.

Life Expectancy Indexing of Ages in Benefits Law

A number of fixed ages appear in pension law governing the receipt of benefits by workers and retirees. With continued increases in life expectancy, a possible policy option would be to index these ages so that they would increase with increases in life expectancy at older ages.

Workers must begin receiving benefits from Individual Retirement Accounts (IRAs) by April 1 of the year following the year they reach age 70 ½. The 70 ½ rule also applies to other pensions, unless the worker is still working for the employer providing the pension. Workers pay a 10 percent penalty if they begin receiving 401(k) benefits before age 59 ½ while they are still working for the employer providing the pension. Workers cannot receive benefits from a defined benefit plan while still working for the sponsoring employer until age 62.

Recognizing that continued improvements in life expectancy mean that fixed ages occur relatively earlier in the life span, these ages could be indexed to improvements in life expectancy. Such indexing could be a year-for-year increase, but recognizing that retirement is roughly a third of adult life, the indexing could be a two-year increase in pension ages for every three-year increase in life expectancy. That type of partial indexing would keep retirement periods the same length, on average, relative to preretirement periods.

Preretirement Withdrawals for Medical Expenses, Educational Expenses, or Purchasing a Home

Sweden, Chile, Canada, and the United Kingdom prohibit preretirement withdrawals from pension plans. Retirement benefits are locked in until retirement. In the United States, 401(k) plans permit preretirement withdrawals for educational expenses, purchase of a first home, and for high medical expenses. Other things being equal, such withdrawals reduce the amount of retirement savings that workers have. However, it is argued that workers would be less likely to participate in 401(k) plans were such options not available.

Lump Sum Benefits

Lump sum benefits are popular with many retirees. Retirees like the liquidity and financial control that these benefits provide. However, these benefits are not popular with policy experts. Policy experts tend to favor annuities because of the insurance protection they provide against outliving one's resources because of poor planning or from living longer than expected. The two types of benefits, however, are not mutually exclusive. Lump sum benefits can be paid using a part of the funds in an individual account, with the remainder paid as an annuity or a phased withdrawal. Some plans do not provide the option of partial payment, but public policy could be changed, requiring that option to be provided.

Sweden does not permit lump sum benefits to be paid from its mandatory individual account pensions. Chile permits lump sum benefits as an option for taking a part of the account balance. Chilean workers may withdraw a lump sum benefit from their individual account if the remaining amount is sufficient so that the participants can meet one of two conditions: they purchase an annuity at least equal to 120 percent of the minimum guaranteed pension, or they take scheduled withdrawals that are at least 70 percent of the participant's price-indexed covered wages. Few Chilean workers have met these requirements. In Chile, insurance company sales agents in firms charging high sales commissions have provided unofficial lump sum payments of part of the sales commissions, permitting workers to convert part of their individual accounts to a lump sum payment (James, Martinez, and Iglesias 2006).

In the United Kingdom, until 2006 workers had to take the entire account balance of a contracted-out personal pension as an annuity. Since 2006, it has been possible to take up to 25 percent of the account balance as a lump sum, which is consistent with the treatment of other personal pensions.

Lost Pensions

Lost pensions are an issue that affects both defined benefit and defined contribution plans but tends to be more of a problem for defined benefit plans. Over the past two decades, changes in pension law have

lowered years of employment required for pension vesting. A worker with a pension plan can be entitled to a benefit after five years or less of full-time covered work. Workers immediately vest in their own contributions. Worker contributions have become increasingly common with the growth of 401(k) plans, and occur in some defined benefit plans, though that is unusual in the United States. Thus, workers who change jobs several times over their careers may be eligible for pensions from several former employers.

In a dynamic economy, each year many firms dissolve, file for bankruptcy, are bought, merge, or change their names. The employer that a former employee had worked for 20 years ago may have moved, may no longer be in business, or may be doing business under a different name. If the company was sold or merged, the pension plan may have been taken over by the new company or may have been terminated. Consequently, when a worker who has worked for more than one employer approaches retirement, he may not know where to apply for the pensions to which he is entitled.

In 1992, in part because of this problem, Congress directed the Administration on Aging to start several pension counseling projects around the country. Established in 1993, the Massachusetts Pension Assistance Project was one of the pilot projects. In 1998, this project expanded its scope to cover all six states in the New England region and became the New England Pension Assistance Project (NEPAP).

Lost pensions are a potentially serious problem for millions of pension participants. As of 1998, 16 million people, even though they had left private sector defined benefit and defined contribution plans that included deferred vested benefits, were not receiving benefits (USDOL 2002). That figure would be higher now because of the growth of the labor market over time. This situation of a person having a deferred future claim on a pension plan from a former employer arises both in defined contribution and defined benefit plans but occurs more commonly in defined benefit plans. In 1998, even though fewer than half as many workers were active participants in defined benefit plans (23.0 million) as in defined contribution plans (50.3 million), more participants who had separated from employers had vested rights in defined benefit plans (9.3 million) than in defined contribution plans (6.9 million) [USDOL 2002]. In addition, for workers changing jobs between

1993 and 1998 the Form 5500 data indicate that 25 percent of the plans in existence in 1993 had terminated by 1998, while another 10 percent of plans had been created and terminated within that period (Perun and Valenti 2008).

No accurate statistics exist concerning the total amount of unclaimed pension benefits in U.S. pension funds. However, evidence suggests that in the United Kingdom it lies within a wide range—from £10 billion to £77 billion, or roughly \$18–\$140 billion (Maunsell 1998). It is difficult to apply this evidence to the United States because of differences in number of workers, pension coverage rate, and income level, and because of fluctuations in the exchange rate. Nonetheless, this evidence for the United Kingdom, which has a labor force about 20 percent as large as that of the United States, suggests that the amount of lost pension money in the United States could be substantial. Because formal assistance by the government to people seeking lost pensions is greater in the United Kingdom than in the United States (Blake and Turner 2002), we would expect the lost pension problem in the United States to be proportionally larger. As a rough estimate based on the British data, a minimum figure would be about \$50 billion in lost pension money in the United States. While it is difficult, if not impossible, to obtain a precise estimate, the total amount lost clearly is in the billions of dollars. Thus, this problem is a serious problem among pension participants who change jobs.

Lost Pensions Policy in the United States

In the United States, it is up to the individual workers who have changed jobs to find their former pension plans. To receive a benefit, the worker needs to contact the former employer to apply for the benefit, but this task may involve tracing the connection back through a complicated series of corporate mergers and bankruptcies.

Employees can start by contacting the Social Security Administration to get a copy of their Social Security earnings record. This record will provide their former employer's federal ID number, which may help in tracking down the plan.

The Pension Benefit Guaranty Corporation (PBGC), which insures most private sector defined benefit plans in the United States, can assist in finding pension plans that are ongoing defined benefit plans paying

pension benefit insurance premiums. It also maintains a Pension Search database that will assist workers whose lost defined benefit plans have terminated because of insufficient funding and have been taken over by the PBGC.

Lost Pensions in the United Kingdom

The United Kingdom has established a national pension plan registry so that workers need only contact a single source to trace a lost pension. Workers can make a request by telephone, mail, or the Internet. The Occupational Pensions Regulatory Authority (OPRA) was established to help make sure occupational pension plans were secure for workers. The Pension Schemes Registry (PSR) is now part of OPRA. ("Scheme" is the British pension terminology for "plan.") The PSR is designed to help workers track down their pensions with former employers. Workers in the United Kingdom filing a tracing request form with the PSR are asked information such as the full name and last known address of the former employer. The tracing service then tries to find a current address for the pension fund. It provides this service without fee to persons requesting it. While the British government maintains the PSR on the grounds that it provides an important social service, the cost of the PSR is covered by a levy collected from each of the registered pension plans in the UK.

At regular intervals, the Savings, Pensions, and Share Schemes Office (SPSS) sends the PSR details about new plans that have been granted "exempt approved" status.² Active plans are required to provide updated information to the registry at the same time that they pay their annual levy. The two functions are interrelated, in that at the time of collection of the levy, plans are reminded that they should provide updated information to the registry.

The success rate for people contacting the registry varies from year to year but has been uniformly high. Between fiscal years 1991–1992 and 1997–1998, the registry had a total of 74,605 requests, an annual average of almost 11,000. A survey conducted by the PSR indicated that 34 percent of those who used its tracing service received some financial benefit, and the PSR has an 85 percent success rate in tracing contact details (Maunsell 1998, 1999). In fiscal year 1999–2000, the service received 18,000 requests and had a 95 percent success rate in tracing lost

pensions. The number of requests increased to 21,000 in 2000–2001, and the success rate was 92 percent.

Lost Pensions in Australia

Australia has taken a different approach. To deal with the lost pension problem, the Australian Tax Office (ATO) maintains a Lost Members Register. Instead of registering plans, it registers members that plans are unable to locate. All regulated pension funds are required to provide details of members with whom they have lost contact. Providers of individual retirement savings accounts (such as IRAs) are also required to register the names of account holders whom they are unable to contact. If a worker is unable to contact a former pension plan, the worker can contact the Australian Tax Office (2001). That worker's plan will presumably have contacted the ATO because of the inability of the plan to contact the worker. Thus, through the Lost Members Register a connection can be made between the worker and the plan. The Lost Members Register database is searched by government bureaucrats on behalf of persons making an inquiry. Plans that are able to contact all members are not required to contact the registry. If a person's pension money has not been claimed by the time he or she reaches age 65, the money is transferred to the Unclaimed Money Register, where it can still be claimed.

Characteristics of People with Lost Pensions

Because little is known empirically about the characteristics of participants with lost pensions, or the relative importance of various causes of the problem, we created a data set to study lost pensions (Bruce, Turner, and Lee 2005). The data set uses three years of pension counseling cases from the New England Pension Assistance Project (NEPAP). To our knowledge, this is the first empirical study of the lost pension problem in the United States.

Characteristics of Clients and Plans

Lost pensions constitute a problem that is more likely to occur for participants in small plans than those in large plans. Changes that

caused the employing company to cease to exist under its original name are also an important factor resulting in lost pensions. In 24 percent of lost pension cases, the company had gone out of business. Of the cases in the data set where the company had gone out of business, almost all (32 out of 33) involved a lost pension. In 47 percent of the lost pension cases, the company had been sold or had merged with another company. Lost pension cases are more likely to involve defined benefit plans than defined contribution plans.

How Effective Is Existing Government Policy?

The PBGC seeks people who are eligible for pension benefits due them under plans it has taken over because of the inability of the sponsoring employer to adequately fund the plan. In most of the cases involving lost pensions in the survey data, the PBGC was not involved. The PBGC had taken over the plan, because of the underfunding or termination of the plan, in only 11 percent of the lost pension cases. If the PBGC's efforts to locate plan participants of the plans it administers were effective, then individuals would not seek out pension counseling projects to assist in locating the plans. Since the vast majority of lost pension cases did not involve plans taken over by the PBGC, the data indicate that the limited scope of the PBGC's program to find lost pensioners does not address the full extent of the problem.

People who are eligible for deferred vested pension benefits and who have applied for Social Security benefits should have received two notices that could help them locate their pension. First, when they left their employer they should have received from the employer a notice that they were eligible for a deferred vested pension benefit. Second, they should have received from the Social Security Administration a notice triggered by their application for Social Security benefits that indicated they might be eligible for a deferred vested pension benefit. That notice would contain information about the pension plan's location when they left it.

These notices of entitlement to a pension do not appear to be a significant reason for clients to come to the project for help in finding a pension. The most common reason clients give for looking for a pension is that the client has reached retirement age. While in principle,

100 percent of participants with a lost pension would have received a deferred vested pension notice from their employer, only 16 percent of the lost pension cases report having such a notice in the file. The data do not permit an evaluation of the extent to which people received the notice, nor, among those people, how useful the information was, so it is not possible to judge definitively how useful the notices are. Nonetheless, this percentage indicates the extent to which NEPAP could use the notice to find a lost pension. The delay between the time when this notice is given (when the participant leaves the company's employment) and the point in time when the participant is looking for the pension (retirement age) may account for the apparent lack of usefulness of this notice for people using the pension assistance program.

The data also suggest that government-mandated notice policies in this area have been ineffective in helping the people who use pension assistance programs. In contrast, the pension counseling project was successful in locating pension plans in over 80 percent of the lost pension cases and was able to obtain a benefit in 40 percent of the lost pension cases. The data suggest that individuals can use assistance in locating their pension plans when their former employers have moved or gone out of business.

CONCLUSION

Retirement income policy in the United States has not caught up with the growing role of 401(k) plans. It continues to regulate 401(k) plans as though they were supplementary to defined benefit plans, which is how they began in the early 1980s. It treats 401(k) plans as savings plans rather than as pension plans. An example of this policy lag concerns the provision of benefits to women as spouses, including as current spouses, as divorced spouses, and as widows.

Both defined benefit and defined contribution plans do not provide indexed annuities to deal with inflation. Workers often have the choice of escalating annuities but rarely choose them. The United Kingdom has mandated inflation protection of benefits, up to a minimum level of inflation. These types of mandates protect workers from the eroding

effects of inflation, but they are expensive for employers to provide or for workers to choose. When they are an option in defined contribution plans, the worker must accept a substantially lower initial benefit.

The lost pension problem is a problem for workers who are laid off or who change jobs. It can be difficult to track down a pension from a former employer, particularly if that employer has gone out of business. Both the United Kingdom and Australia have gone further than has the United States in assisting people facing this problem. A national registry, perhaps as an expansion of the registry maintained by the Pension Benefit Guaranty Corporation, would be a major improvement in this area.

Notes

1. A study has attempted to quantify the aggregate mortality risk, which is the risk that an entire cohort will live longer than predicted (Friedberg and Webb 2005). The study estimates that a markup of the annuity premium by 4.3 percent would reduce the probability of insolvency from cohort mortality risk to 5 percent, and a markup of 6.1 percent would reduce the probability of insolvency to 1 percent.
2. The role of the SPSS is to grant “exempt approved” status to pension schemes; i.e., it approves pension schemes for the purpose of enjoying tax relief on contributions into the schemes and also approves income and capital gains tax exemption on the assets in the pension fund. The SPSS is part of the Inland Revenue, the UK’s tax authority.