DEPARTMENT OF SOCIAL SECURITY

RESEARCH REPORT No 66

PENSION SCHEME INQUIRIES
AND DISPUTES

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with Jill Keegan

A report of research carried out
by the Social and Community Planning Research (SCPR)
on behalf of the Department of Social Security

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We look forward to hearing from you.
The 1995 Survey of Pension Scheme Inquiries and Disputes formed part of a planned series of studies intended to inform policy and to monitor the implementation of changes in the Pensions Act 1995.

We are extremely grateful to the representatives of the 525 organisations which took part in this survey, many of whom had previously participated in the Employers' Pension Provision Survey 1994.

We are also extremely grateful to the pensions professionals who participated in the in-depth interviews which complemented the quantitative survey.

In specifying the topics to be covered by the study, numerous officials in the policy sections of the Department of Social Security (DSS) played a significant role. Their contributions were co-ordinated by Andrea Garman, Grahame Whitfield and Richenda Ward of the Social Research Branch of the DSS Analytical Services Division, who have also played a key role throughout the study. Many thanks also go to Bernard Casey at the Policy Studies Institute for his help with the design of the questionnaire.

At SCPR, the efforts of the interviewers, field and data processing staff made a major contribution to the success of the study.

The authors of this report take full responsibility for any errors or omissions in the material presented here. We must also make it clear that the interpretations of the survey results, and any views expressed, are ours and do not necessarily represent the views of the DSS.
INTRODUCTION

In 1995 the Department of Social Security commissioned Social and Community Planning Research to conduct research on the number and type of inquiries and disputes relating to occupational pension schemes and group or personal pension arrangements. The research also examined how such inquiries and disputes were dealt with and resolved.

The main objectives of the research were to:

- estimate the number of inquiries and disputes relating to occupational pension schemes, the issues concerned and the parties involved;
- to find out how inquiries and disputes are currently dealt with; and
- to find out the proportions of inquiries and disputes which involve external agencies, such as industrial tribunals, the Occupational Pensions Advisory Service (OPAS), the Pensions Ombudsman and the courts.

The research consisted of two studies:

i) a representative survey of organisations with occupational pension schemes or group or personal pension arrangements.

The findings of this research are presented in Part One (page ix) of this report: *Pension Scheme Inquiries and Dispute Resolution*.

ii) in-depth interviews with occupational pension scheme professionals (including pensions managers and administrators, trustees, pensions lawyers and consultants and representatives of external mediation and arbitration organisations).

The findings of this research are presented in Part Two (page 139) of this report: *Dealing with Inquiries and Disputes*. 
PART ONE • FINDINGS FROM A QUANTITATIVE SURVEY OF PENSION SCHEMES

David Dundon-Smith and Jon Hales

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The report describes the findings of a quantitative survey of employers, which was conducted as a baseline study for evaluation of new requirements for pension schemes to implement procedures for dealing with disputes. These changes were outlined in the 1994 White Paper: *Security, Equality and Choice: The Future of Pensions*, and reflect the recommendations of the Pension Law Review Committee (1993). The Pensions Act 1995, which came into effect in April 1997, requires occupational pension schemes to establish formal internal dispute resolution procedures, to have a named individual responsible for dealing with disputes and to provide a review of the initial decision if the complainant was dissatisfied with the first response.

The survey was carried out between October and December 1995. While this survey was in progress a qualitative study on pension inquiries and disputes was also carried out (reported in Part Two).

The survey aimed to provide a baseline of the situation existing prior to the implementation of new legislation contained in the Pensions Act 1995, and focused on inquiries as well as disputes:

- the number of inquiries and disputes, the issues they were concerned with and the parties involved;
- the mechanisms and procedures by which these inquiries and disputes were dealt with by the sponsoring organisation and trustees;
- the situations in which inquiries and disputes involved further consultation;
- the situations in which inquiries and disputes were referred to external agencies.

In this report an `inquiry` is considered to mean a request for information, clarification or advice, or an expression of concern that a member has suffered some form of disadvantage. A `dispute` refers to a disagreement arising from an inquiry about the way the scheme or pension arrangement is being administered, and which essentially involves two inconsistent points of view. This report focuses primarily on `inquiries` since very few `disputes` (or `higher level` inquiries) were identified (see Chapter Three).
The current survey followed up the Employers’ Pension Provision Survey in 1994. For the purposes of this survey large defined benefit and large defined contribution schemes were defined as having 100 or more active members. Small defined benefit and small defined contribution schemes were defined as schemes with less than 100 active members. While the 1994 survey had been based on employing organisations, the current survey was based on specific occupational schemes and arrangements for group personal pensions and personal pensions to which the employer contributed. This shift in focus meant that in some cases it was necessary to interview the person handling the scheme or arrangement based in a pensions management or insurance company.

A sample of schemes and arrangements was drawn which covered a range of sizes of scheme and different types of pension provision, including top hat schemes’ and group or personal pension arrangements. From an issued sample of 678 pension schemes or arrangements, 525 interviews were achieved; representing a net response rate of 83%. Twenty-five schemes or arrangements had changed characteristics, for example they had changed the type of provision in some way since the Employers’ Pension Provision Survey in 1994. For the purposes of this current survey these schemes were reclassified on the basis of this up-to-date information.

Details were collected of a number of recent inquiries so comparisons of what happened in practice could be made. However, as some occupational schemes and arrangements had few recent inquiries or disputes, four hypothetical scenarios were presented to respondents to find out about and make comparisons between the procedures used by schemes.

Two-thirds (64%) of defined benefit schemes in the sample had 100 members or more, compared with just over one-third of defined contribution schemes (36%). On the other hand, nine out of 10 of top hat schemes (94%), group personal pension (89%) and personal pension arrangements (96%) in the survey had fewer than 100 members.

More than half of defined benefit schemes and two-fifths of defined contribution schemes were the organisations’ only form of pension provision. About two-fifths of group personal pension or personal pension arrangements (38%) and top hat schemes (44%) were the only form of

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2 Top hat schemes are a form of occupational pension scheme whose membership is restricted to senior managers and directors, usually with the aim of giving them enhanced pensions.
3 Only personal pensions where the employer contributes to employees’ pension plans were included in the sample for the current survey.
4 Figures in this section are unweighted results for the schemes which were selected for the survey.
provision. Among the organisations with more than one scheme, some had multiple provision of the same type, while others had more than one type of pension provision.

Large defined benefit and large defined contribution schemes were oversampled in order to provide a sufficient base for analysis of subgroups. The survey's data have been weighted to ensure that the results are representative of schemes and pension arrangements identified in the Employers' Pension Provision Survey 1994. That survey, in turn, took the Dun and Bradstreet database of head offices as its point of reference for representativeness of private-sector employers in Britain. In addition, a further weight has been applied, to ensure that the analysis of inquiries was representative of inquiries raised in the 12 months before the current survey was carried out. The combined effect of these two weights makes the results reported here broadly representative of inquiries in a 12-month period in British pension schemes and arrangements.

Organisations typically had a small number of people who had responsibility for dealing with inquiries about pensions. The average was just under two per organisation, except in the case of large defined contribution schemes (2.7) and large defined benefit schemes (4.1).

This reflects the generally low proportion of time devoted to dealing with pensions inquiries. About a quarter to one-third of respondents said they spent a negligible proportion of their time in this way. Even in large defined benefit schemes, only one-third (30%) of respondents spent more than 10 hours per month, as did 18% of those in large defined contribution schemes.

Respondents dealt with fewer than one inquiry per month in half (49%) of the small defined benefit schemes, 69% of the small defined contribution schemes and 70% of group/personal pension arrangements. The majority of these respondents had about one inquiry per year. In contrast, 27% of respondents in the large defined benefit schemes had 25 or more inquiries per month.

The great majority of respondents (85%) said that their scheme or arrangement dealt with inquiries in an ad hoc manner, while a further five per cent used both ad hoc and formal procedures on different occasions. Formal procedures were more common among large defined benefit schemes (29%) and large defined contribution schemes (29%).

Awareness of all or most of the Disclosure Regulations was most common among respondents in large defined benefit schemes (55%); fewer than half of the respondents in small defined benefit schemes (36%), large or small defined contribution schemes (38%, 29%) and group/personal pension arrangements (31%) were aware of them. Overall, about one-quarter of the respondents said they had no knowledge of the Disclosure Regulations.
Inquiries were classified into three categories: those dealt with by internal methods, those which involved further consultation and those which involved external agencies. Information about numbers of inquiries was collected in relation to the last six months, the last year and the last two years, respectively; in the analysis, estimates have been standardised on a one-year period.

Nine out of 10 inquiries (90%) were dealt with by internal methods; nine per cent involved further consultation and less than one per cent were reported to have involved external agencies. A quarter of small defined benefit and small defined contribution schemes reported no inquiries raised in a year, as did half the top hat schemes (49%) and two-fifths (37%) of the group/personal pension arrangements. (Table 3.1)

Another way of looking at the workload arising from inquiries is to calculate the average number of inquiries per active member of schemes. The result is fairly consistent across the different categories covered by the survey. Looking first at inquiries dealt with internally, in small and large defined benefit schemes, there was one inquiry for every three active members (0.3). There was one inquiry for every two active members in large and small defined contribution schemes (0.4 and 0.5, respectively) and group/personal pension arrangements (0.4). Top hat schemes had a quite different picture, with apparently 13 inquiries per member; however this figure is based on only 32 cases, and so should be treated with caution. (Table 3.4)

Next, turning to inquiries in which there was further consultation, there was a more marked difference between large and small schemes in relation to the number of inquiries per active member. With large defined benefit and large defined contribution schemes, fewer than one inquiry which involved further consultation was raised for every 10 current active members (0.1). This compares with one inquiry per four active members (0.28) for small defined benefit schemes and one inquiry per five active members (0.2) for small defined contribution schemes, reflecting the relative lack of capacity of the internal staff to deal with more technical matters. Reference to further consultation was also less common than internal handling for top hat schemes and group personal pensions (0.1 inquiries per active member respectively). (Table 3.5)

Just under one per cent of inquiries were referred to external agencies over a period of two years prior to the survey.

Inquiries resolved internally covered a wide range of subjects, of which the most common were the level of contributions, entitlement on retirement, entitlement earned to date, eligibility to join and transfers of benefits between schemes. (Table 3.6)
The great majority of inquiries (90%) were raised by current active members or non-member employees. Of these, rather more inquiries were raised by current active members, but other non-member employees accounted for between one-fifth and one-third of the inquiries raised. However, in the case of top hat schemes only 10% of inquiries originated from other non-member employees. Deferred pensioners accounted for about one inquiry in 10, while retired pensioners accounted for very few inquiries. (Table 3.7)

Respondents in large defined benefit schemes were able to handle more complex inquiries themselves, without further consultation. This is reflected in the frequency with which respondents made calculations of some sort, which ranged from 52% in large defined benefit schemes, to 37% in small defined benefit schemes and 22% in large and small defined contribution schemes. (Table 3.9)

Over two-thirds (69%) of the inquiries dealt with internally had been resolved by the date of the interview. Of these, between 18% and 44% of inquiries were resolved within one hour, most taking no more than 10 minutes. However, up to two-fifths (41%) of the inquiries dealt with internally, had taken more than a week to reach an outcome, and between three per cent and 17% took more than a month. (Table 3.11)

In terms of how much of the respondent’s time each inquiry had taken, a majority had taken under one hour, and 83% or more had taken no more than three hours. Many respondents, particularly those in small defined benefit and small defined contribution schemes (95% and 84% respectively), said they spent under four hours per month dealing with inquiries. These points reflect the generally straightforward nature of the inquiries dealt with internally. (Tables 3.12 and 3.13)

Most inquiries involving further consultation focused on a similar range of issues to those inquiries dealt with by internal procedures, although inquiries about transfer values were more common among the former than those dealt with internally. (Table 3.14)

Between 56% and 66% of inquirers whose inquiry involved further consultation were current active members of a pension scheme or arrangements. Non-member employees were less likely to raise inquiries which required further consultation than those which were dealt with by internal procedures. (Table 3.15)

For those inquiries involving further consultation, respondents were asked to whom they had referred. Around four-fifths of respondents in defined contribution schemes (86%, 90%), small defined benefit schemes (82%) and group/personal pension arrangements (76%) referred to the insurance company or the company providing pensions when faced with an inquiry they did not personally feel competent to handle. Reference to the trustees
was more common in large defined benefit schemes. One-quarter (25%) of inquiries about large defined benefit schemes involved reference to the trustees, compared with about one in 10 of inquirers about small defined benefit schemes (13%). (Table 3.16)

Most inquiries involving further consultation took longer than a week to reach an outcome. This was the case for defined benefit schemes (77%), defined contribution schemes (72%) and group/personal pension arrangements (61%). (Table 3.19)

Between half (52%) and three quarters (77%) of inquiries involving further consultation accounted for one hour or less of the respondent’s time, with one-fifth (20%) accounting for 10 minutes or less. A further one-quarter of inquiries for defined benefit and defined contribution schemes were dealt with within two to three hours. A majority (83% or more) of inquiries dealt with by internal procedures had reached an outcome within three hours of an inquiry being raised. This would appear to indicate that as the complexity of an inquiry increases the burden is not borne wholly by the respondent (i.e. the named person responsible for dealing with inquiries), but by the individuals or organisations to whom inquiries are referred. (Table 3.20)

Respondents in occupational schemes' were asked about four hypothetical scenarios so that any procedures which existed could be explored even if no inquiries or disputes had arisen recently, and to enable comparisons between different schemes and arrangements through a standard set of inquiries. The topics included inquiries about early retirement, early retirement on the grounds of ill health, transfer values and nomination for a lump sum death benefit. These are reasonably common inquiries, some of which could develop into disputes, and which also involve calculation of entitlement and allow for some discretion on the part of the schemes or arrangements.

Each respondent was asked how they would initially deal with the inquiry, then what would happen if the inquirer took issue with the response given and if he or she remained unhappy after a further response had been given. If respondents felt they would refer the inquiry to other people during any of these stages, we asked who they would go to.

The sequence of actions which respondents would take was generally similar for the four types of inquiry, but there were differences which reflect the nature of each inquiry. For example, referring to the scheme booklet would be a common reaction only in the case of nomination for a lump sum death benefit (22%). In this type of inquiry other common first reactions would be

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5 A decision was taken prior to carrying out the main survey not to ask respondents in group personal pension plans or personal pension arrangements about the hypothetical scenarios because the Pensions Act 1995 required only occupational schemes to establish formal mechanisms for dealing with disputes.
to explain the provisions of the scheme (3C%), discuss the options (26%) or bring in someone else (32%).

Referring to someone else was one of the most common initial reactions with each type of inquiry. Insurance companies managing the pension scheme would be referred to most often, particularly where the perceived need was to calculate entitlement, as in early retirement (65%) and transfers (72%). It would be less predominant, but still relatively common, with retirement on grounds of ill health (54%) and nomination for a lump sum benefit (53%). The scheme trustees would be referred to in a quarter (23%) of inquiries involving nomination for lump sum death benefit; reference to the scheme trustees was more likely for this type of inquiry than for the other types of inquiry. Retirement on grounds of ill health would sometimes involve medical advice or a medical examination at an early stage (7%).

In cases where the inquirer was dissatisfied with the initial response, more respondents would make reference to someone else than at the initial stage. Up to 63% of respondents would refer to someone else, except in large defined benefit schemes where one-third (34%) of respondents would try to resolve the matter themselves. Fewer than one in 10 (10%) respondents felt in this situation they would say they had done all they could. The greater recourse to other people was a consistent reaction at the second stage for each of the four types of inquiry.

The type of person to whom the member would be referred was fairly varied across the types of scheme. Both small defined benefit and small defined contribution schemes would tend to refer the inquirer to the insurance company (53%, 62%). Large occupational pension schemes and top hat schemes would tend to refer the member to trustees (30%, 28%, 31%) much more often than small occupational pension schemes (17%, 9%). At this stage, referral to a lawyer, actuary or other specialist becomes a more prevalent action taken by schemes, with between five per cent and 17% having mentioned this.

The third stage of questions about the hypothetical inquiries involved the member still being unhappy with the outcome of the second stage, whether that was with the information supplied, a decision or an interpretation of the rules. One of the more significant things about the responses in this situation is that fewer than one-quarter of respondents said they would be unable to do anything more, ranging from 13% to 25%. They were mostly able to identify further actions which they would take. About one in 10 (between seven per cent and 14%) said that they would consult colleagues at this stage, between 15% and 28% of respondents would consult trustees, and up to one-fifth (18%) would advise the member to contact trustees. However, the most common result at this stage for two-fifths or more (39% to 55%) was for the member to be advised to contact another individual or organisation.
A series of questions were asked to establish how the trustees would be likely to act in cases where disputes were referred to them. The first of these questions was whether the decision on the issue would be made by the Board of Trustees, a subgroup or a single trustee acting on behalf of the Board. In two-thirds of cases the Board of Trustees would decide the matter where the inquiry involved a request for early retirement, retirement on grounds of ill health and transfers to another scheme (66%, 67% and 67%). This would also occur in four-fifths (79%) of inquiries concerning nomination of the lump sum benefit. (Table 4.8)

Respondents were asked whether a right existed for members to appeal against the decision reached by the trustees. In this instance, respondents were often unable to say, ranging from 14% with top hat schemes to 39% of the large defined contribution schemes. While up to 59% of respondents stated that there would be a right of appeal, many did not know what the procedure would be. (Table 4.12)

In cases where the trustees would advise members how they could pursue their dispute, generally between half (46%) and two-thirds (66%) of respondents stated that members would be referred to the Occupational Pensions Advisory Service (OPAS). A similar proportion mentioned the Pensions Ombudsman. (Table 4.13)

One of the main findings of the research is the limited number of inquiries which most schemes and pension arrangements had to deal with in any given month. More than half of the small occupational pension schemes and group/personal pension arrangements had to deal with less than one inquiry per month; the majority of large occupational pension schemes received between one and five inquiries per month. More than half of respondents for small occupational pension schemes and group/personal pension arrangements also spent less than an hour per month dealing with inquiries.

Although more than four-fifths (85%) of respondents in schemes and pension arrangements dealt with inquiries in an ad hoc manner, three-fifths (58%) of respondents felt that their current system was satisfactory. Considering the number of inquiries usually dealt with per month and the time spent by respondents and any colleagues dealing with them, this response does not seem to indicate complacency for the majority.
1.1 Background

The Department of Social Security commissioned a research study to provide information on the number and types of inquiries and disputes relating to occupational pension schemes and personal pension arrangements as well as describing the way disputes are dealt with and resolved. The research was required to provide a baseline for evaluation of new requirements for pension schemes to implement procedures for dealing with disputes. The Pensions Act 1995, which came into effect in April 1997, requires occupational pension schemes to establish formal internal dispute resolution procedures, to have a named individual responsible for dealing with disputes and to provide a review of the initial decision if the complainant is dissatisfied with the first response.

This report covers the quantitative survey of employers, which was carried out between October and December 1995. While this survey was in progress a qualitative study on pension inquiries and disputes was also carried out; this is reported in Part Two.

The 1994 White Paper *Security, Equality and Choice: The Future for Pensions* proposed that all occupational pension schemes should be required to establish formal procedures to consider and, whenever possible, resolve members’ complaints. The White Paper also proposed an extension of the Pensions Ombudsman’s jurisdiction to cover disputes between trustees and the sponsoring organisation and between the trustees of different schemes. The White Paper was based on the recommendations of the Pension Law Review Committee (PLRC).¹ Their consultations with various bodies suggested that many disputes were resolved within the organisation concerned. Where they were not resolved internally, they were most often dealt with by the Occupational Pensions Advisory Service (OPAS), with a smaller number being dealt with by the Pensions Ombudsman, industrial tribunals, arbitration agencies or the courts. The PLRC noted that many inquiries and disputes arose from poor communication rather than from actual unfair treatment.

Inquiries and disputes fall into three broad categories:

- **Individual**: Where a scheme member raises an inquiry or complains about his or her unfair treatment by the scheme trustees or the employer.

- **Collective**: Where an inquiry or dispute is made by one or more scheme members on behalf of a group of members.

Non-member: Inquiries or disputes involving parties other than members, such as a dispute between the trustees and the sponsoring organisation, between trustees representing different parties or between trustees of different schemes.

The main concern of the research was with inquiries and disputes between members, individually or collectively, and the pension scheme. In practice, the latter might be the employing organisation sponsoring an occupational pension scheme, a company specialising in pensions administration or an insurance company. Where the matter was concluded by these parties, it could be said that the inquiry or dispute was resolved ‘internally’. In this research, we have made a distinction between inquiries resolved by the person to whom members refer in the first instance (‘inquiries dealt with by internal procedures’), and those where information is obtained from someone else, or the inquiry is referred onwards, possibly to the trustees, or to an actuary or financial adviser (‘inquiries involving further consultation’).

Where the member (or members in a collective dispute) remained dissatisfied with the outcome of internal mechanisms, they would need to make recourse to one or more external agencies. As noted above, these include the specialist bodies, OPAS and the Pensions Ombudsman. They may also involve industrial tribunals or the Arbitration and Conciliation Service (ACAS) or go to a court of law. The parties may call in legal representation in connection with referral to any one of these agencies, or pursue the matter directly with the employer or the organisation managing the pension arrangement.

Of the external agencies, OPAS is most often the first to become involved when internal mechanisms or procedures have not resolved a dispute. Its role is limited to advice, negotiation and conciliation, and it does not have the power to make decisions or enforce them. In such cases, OPAS may refer the matter to the Pensions Ombudsman or another regulatory body where the complaint is outside the jurisdiction of the Pensions Ombudsman. The Pensions Ombudsman, unlike OPAS, operates under legislation and his or her decisions are binding. The courts are another external mechanism for resolution of disputes, subject to appeal to the High Court on a point of law only.

1.2 Aims of the research

The survey was commissioned to provide a baseline of the situation existing prior to the implementation of new legislation contained in the Pensions Act 1995. The main aims of the research covered:

- the number of inquiries and disputes, the issues they were concerned with and the parties involved;
- the mechanisms and procedures by which inquiries and disputes were dealt with by the sponsoring organisation and trustees;
- the situations in which inquiries and disputes involved further consultation;
the situations in which inquiries and disputes were referred to external agencies.

As well as occupational pension schemes, the Department of Social Security was also interested in inquiries and disputes arising in relation to group personal pensions arranged for employees and appropriate personal pensions to which the employer contributed.

While there is no simple distinction between an `inquiry’ or a `dispute’, since an inquiry can develop into a dispute, for the purposes of this report an `inquiry’ is considered to mean a request for information, clarification or advice, or an expression of concern that a member has suffered some form of disadvantage. A `dispute’ refers to a disagreement arising from an inquiry or a disagreement about the way the scheme or pension arrangement is being administered, and which essentially involves two inconsistent points of view. `Inquiries dealt with by internal procedures’ are in the main straightforward requests for information, clarification or advice, whereas `inquiries involving further consultation’ have the potential to develop into disputes.

`Inquiries involving external agencies’ (or higher level inquiries) are most likely to be `disputes’. This report focuses primarily on `inquiries’ since very few `disputes’ (or `higher level’ inquiries) were identified (see Chapter Three).

1.3 Survey design

An earlier survey of Employers’ Pension Provision which was conducted by Social and Community Planning Research with the Policy Studies Institute for the Department in 1994 was used to provide a suitable sub-sample of organisations to use for this survey of pension inquiries and dispute resolution. The former collected a great deal of information about the characteristics of employers and schemes and pension arrangements so the current survey concentrated on collecting further information about procedures for dealing with inquiries and disputes.

The sample for the previous survey had been designed to cover the main types of pension scheme and arrangement in a range of sizes of organisation. The interview had covered each defined benefit (salary related) and defined contribution (money purchase) occupational scheme in turn, while covering each of top hat schemes,’ group personal pension arrangements and personal pensions’ as a class of pension provision.

However, where the focus of the previous survey was on the behaviour of the employer as a provider of pensions for employees and ex-employees, this current study of pension inquiries and dispute resolution required a focus on

---

2 Top hat schemes are a form of occupational pension scheme whose membership is restricted to senior managers and directors, usually with the aim of giving them higher pensions.

3 Only personal pensions where the employer contributes to employees’ pension plan were included in the sample for the current survey.
a particular scheme or arrangement. As the pilot survey showed that it was reasonable only to ask organisations about one scheme or pension arrangement, organisations with multiple pension provision one scheme or pension arrangement had to be randomly selected (see Appendix A).

The emphasis on occupational pension schemes or pension arrangements meant that in some cases information had to be sought from an external organisation such as a pensions management company or an insurance company. This occurred most often where the sponsoring employer had contracted out the handling of members’ inquiries together with the scheme administration. Wherever possible the interview was conducted with the original respondent from the Employers’ Pension Provision Survey 1994 as in most cases where information was required from an external organisation, the internal manager was usually kept well informed about the progress of any inquiry. A screening questionnaire was used to identify the most appropriate person to interview (see Appendix B for details of the contacting procedures used).

For the purposes of this report, respondents who were managers or employees of the organisations with the occupational schemes or personal pension arrangements are referred to as ‘employer respondents’. Representatives of external organisations, such as a pensions management company or an insurance company, are referred to as ‘external respondents’. Between 18% and 38% of interviews were carried out with the latter (see Appendix B, Table B.2).

1.3.1 Recent cases and hypothetical cases

Implicit in the specification of the research was that a future research study might be conducted to establish what changes had occurred as a result of the new legislation, which meant that information had to be collected in a way that would allow comparisons to be made. Part of the interview was therefore devoted to collecting data about recent inquiries and disputes (see Chapter Three). This would enable the research to document what had happened in practice, rather than what a procedure stated should happen under specific circumstances.

To complement data collected about recent inquiries, and to take account of those schemes where there were very few inquiries or disputes, the interview also covered four ‘hypothetical cases’. In each of these, we asked what would happen if the member was unhappy with the outcome of internal procedures. The hypothetical cases are described in Chapter Four.

1.4 Response rate

This section describes the response rate and the sample characteristics in and sample characteristics terms of the type and size of schemes. A full account of the response rate and the sample characteristics is provided in Appendix A. The figures presented in this section are unweighted. That is, they have not been adjusted to achieve a representative picture of pension schemes and arrangements (see Section 1.5 for further details of the weighting).
1.4.1 Response rate

From the 960 schemes identified in the Employers’ Pension Provision Survey 1994, 678 schemes or pension arrangements were selected. A total of 525 interviews were completed, representing a net response rate of 83%. There was little variation in the response rate for defined benefit (83%) and defined contribution (76%) schemes and group personal pension plans (83%).

However, the response rates for top hat schemes and schemes or pension arrangements with 11 or fewer members were 50% and 65% respectively. This lower response rate was largely explained by the proportion of such schemes ruled out of scope to the survey, after the screen interview, because all current active members were trustees (27% of top hat schemes and 10% of schemes or pension arrangements with 11 or fewer members). It was considered that where membership was restricted to scheme trustees very few inquiries were likely to be generated, and thus such schemes were excluded from the sample for the main survey.

Because of the fairly uniform response rates for different scheme types and sizes no allowance has been made for non-response in the analysis. Most of the non-response was personal refusal by the person selected.

1.4.2 Sample characteristics

The type and size of schemes or pension arrangements interviewed is set out in Table 1.1. Large occupational schemes or pension arrangements, especially for defined benefit and defined contribution schemes, were given a greater chance of selection in the current survey. This helped to ensure that large enough samples were generated for reliable analysis of subgroups which are rare in the population. Consequently, two-thirds (64%) of defined benefit schemes and one-third (36%) of defined contribution schemes in this survey had 100 or more current active members at the time of the survey. Group pension plans and personal pension arrangements sampled for the current survey predominantly had fewer than 100 members: 89% for group personal pension plans and 96% for personal pension arrangements.

Table 1.1 Size and scheme type

<table>
<thead>
<tr>
<th>Number of current active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat plan</th>
<th>Group plan</th>
<th>Personal pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-11</td>
<td>9</td>
<td>24</td>
<td>78</td>
<td>39</td>
<td>55</td>
</tr>
<tr>
<td>12-99</td>
<td>27</td>
<td>40</td>
<td>16</td>
<td>50</td>
<td>41</td>
</tr>
<tr>
<td>100-499</td>
<td>35</td>
<td>29</td>
<td>3</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>500 or more</td>
<td>29</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Unweighted base</strong></td>
<td><strong>210</strong></td>
<td><strong>136</strong></td>
<td><strong>32</strong></td>
<td><strong>119</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

One occupational scheme not accounted for in the table above could not be categorised as either a defined benefit or defined contribution scheme, even
after a brief follow-up interview was carried out (see Appendix A). A decision was taken to treat this scheme as a hybrid, and include it the analysis when referring only to occupational schemes as a whole.

The screen survey established that 14 schemes or pension arrangements had been closed and replaced by a new pension provision since the time of the first survey. A further 11 respondents questioned our classification which was based on the earlier Employers’ Pension Provision Survey 1994. A brief follow-up telephone interview was carried out with these 25 schemes or pension arrangements to collect details of any changes, and, if appropriate, to find out why the existing provision had been replaced. For the purposes of this survey these schemes were reclassified on the basis of this up-to-date information.

More than half of defined benefit schemes (53% and 58% respectively, for small and large defined benefit schemes) and two-fifths of defined contribution schemes (43%, 43%) interviewed were the only form of pension provision among employer organisations at the time of the Employers Pension Provision Survey 1994. The comparable figures for group/personal pension arrangements and top hat schemes were 38% and 44%, respectively. The remaining schemes or pension arrangements in the sample formed only part of an employer’s pension provision to its employees. The full range of pension provision among the sample of employer organisations is shown in Appendix A (Table A.7).

Of small defined benefit schemes and small defined contribution schemes, half (50%) and two-fifths (43%), respectively, were run by employer organisations with 100 or more employees. Two-thirds of group/personal pension arrangements (68%) and top hat schemes (65%) interviewed were run by employer organisations with fewer than 100 people.

About two-fifths of organisations with defined benefit schemes (30%, 44%) interviewed and group/personal pension arrangements (41%) were in the manufacturing sector. The comparable figures for small and large defined contribution schemes were 52% and 43%, respectively, and top hat schemes 62%. Around four-fifths (84%0) of employer organisations interviewed were UK-owned.

1.5 Weighting and the Pension schemes and arrangements identified in the Employers’ Pension representativeness Pension schemes and arrangements identified in the Employers’ Pension Provision Survey 1994 had to satisfy certain selection criteria before being of the results sampled for the current survey. These criteria excluded those schemes or pension arrangements which were considered very unlikely to generate any recent inquiries; namely those schemes or pension arrangements with only one member (or where the number of trustees was equal to the number of members). Where an organisation had two or more forms of pension provision, only one could be selected. In addition, to produce large enough samples for reliable analysis of subgroups which are rare in the population,
Pension schemes and arrangements in the achieved sample have been treated as a random sample of schemes of each type identified in the Employers Pension Provision Survey 1994. They have been weighted to compensate for differences in selection probabilities, particularly the over-sampling of large defined benefit and large defined contribution schemes. The effect of this weighting was to ensure that the achieved sample was broadly representative of the pension schemes and arrangements identified in the Employers Pension Provision Survey 1994. That, in turn, was weighted to correspond to the profile of private-sector organisations in Britain in the Dun and Bradstreet database of head offices, from which the sample for that survey was drawn. The overall result of this is a sample of schemes and pension arrangements broadly representative of pension schemes in general (where the membership was in excess of one and greater than the number of trustees).

Chapter Three of the report is concerned with the number of inquiries raised by members of occupational pension schemes and group/personal pension arrangements. Respondents were asked about the number of inquiries dealt with by internal procedures over a period of six months and about the number of inquiries requiring further consultation over a period of 12 months. These figures were combined to give an estimate of the number of inquiries over 12 months, the number of inquiries dealt with by internal procedures being multiplied by two to give a 12-month estimate. When the scheme weighting is applied, the results are believed to be representative of the profile of schemes covered by the Employers Pension Provision Survey 1994 and hence to give a sample of inquiries broadly representative of all such inquiries in private-sector organisations in Britain. The survey's weighted total figure of 20,915 inquiries is given to allow comparisons to be made by type of inquiry and by type of scheme; this figure does not represent the total number of inquiries dealt with by all schemes and arrangements in Britain.

Appendix A provides more detail on the weighting used in this report and the implications for the representativeness of the survey results.
internal to the organisation or scheme (including any pensions administration company or insurance company which deals with inquiries for the employer organisation);

• those which required further consultation with external organisations at an intermediate level, including pensions consultants, actuaries, financial advisers or the scheme's trustees;

• those which had been referred to external agencies, particularly to OPAS or the Pensions Ombudsman, but also including courts of law, industrial tribunals and ACAS. These 'higher level' inquiries are most likely to take the form of disputes.

The hypothetical inquiries are considered in Chapter Four, mainly to enable it to expand on areas which did not happen to be covered among the recent cases.

The implications of the research findings for ways in which procedures could be improved are covered in Chapter Five. Part of this is based on answers given by respondents, when they were asked in what ways they would like to see their scheme's procedures improved.

Appendix A contains a more detailed description of the research design and documentation, while Appendix B focuses attention on the contacting procedures used at the screen and main interview stages. Copies of the questionnaires and other survey documents are in Appendix C.

The following conventions have been adopted in this report.

The tables include both the number of cases (the unweighted base) and the weighted base, which compensates for differences in the probability of selection of schemes.

Unless otherwise specified, the tables show percentages for columns. Where the sum of percentages is 99 or 101, this is due to rounding. In many cases, the sum of these percentages exceeds 100, where respondents could give more than one answer. Where a cell in a table represents no cases, this is indicated with `-', while `*' is used to indicate a percentage of less than 0.5, but greater than zero. Brackets are used where the unweighted base of a category is 50 or less to emphasise the small base, and that results based on sub-samples of 50 or less should be treated with caution.

For the purposes of this survey, large defined benefit and large defined contribution schemes were defined as having 100 or more active members. Small defined benefit and small defined contribution schemes were defined as schemes with fewer than 100 active members.

When referring to occupational pension schemes in the text, the relevant figures in the accompanying tables are summarised in the order in which the
table columns are arranged, that is with the figures for schemes with fewer than 100 current active members shown first, followed by the figures for large schemes with 100 or more members. For example, in Table 3.6 one in 10 of the inquiries raised for defined benefit schemes which were dealt with internally were concerned with `benefit entitlement earned to date’ (13%, 9%); where 13% refers to small defined benefit schemes and 9% refers to large defined benefit schemes.

Group pension plans and personal pension arrangements have been combined to form one group in this report and are referred to as `group/personal pension arrangements’.
Procedures for dealing with inquiries, both formal and *ad hoc*, will be discussed in this chapter. The questionnaire asked respondents whether the selected scheme or pension arrangement had a formal procedure to deal with members’ inquiries or concerns, and if so, when this procedure was first introduced. The reasons for adopting formal procedures were also ascertained. Respondents were then asked what effects, if any, the introduction of formal procedures had on the way in which inquiries were dealt with.

Those respondents stating that their scheme or pension arrangement dealt with inquiries on an *ad hoc* basis were asked if there were any plans to introduce greater formality in the next two years, and why schemes or pension arrangements planned to adopt formal procedures for dealing with inquiries, or why they did not.

The extent to which the ‘Disclosure Regulations’ affected schemes or pension arrangements will also be examined. The revised Disclosure Regulations for occupational schemes, which came into force in April 1997, legally require them to provide members with key facts about their scheme, making available an annual report, a set of audited accounts, a personal benefit statement and other relevant information on demand.

However, first it is important to discuss the volume of inquiries generated in any given month among the selected schemes or pension arrangements, and the personnel required to deal with these inquiries.

### 2.1 Time normally

Before asking respondents about the specific details of recent inquiries, it was considered necessary to establish the time respondents and any colleagues spent dealing with these inquiries and the usual volume of inquiries generated in any given month. Table 2.1 outlines the number of people employed whose responsibilities included dealing with inquiries about schemes or pension arrangements.

The respondent was the only person responsible for dealing with inquiries in three-fifths of small defined benefit (56%) and small defined contribution (60%) schemes, and group/personal pension arrangements (62%). As expected, large defined benefit (41%) and large defined contribution (30%) schemes were more likely than small occupational pensions schemes to employ three or more people who could be involved in dealing with inquiries, 14% and eight per cent respectively.

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4 The Disclosure Regulations have been in place for occupational schemes since 1986 and personal pension arrangements since 1987. The Disclosure Regulations for the latter will remain largely unchanged.
The mean number of people dealing with inquiries is shown in Table 2.1. Small defined benefit and small defined contribution schemes employed, on average, just two people to deal with inquiries, whereas the mean number of people dealing with inquiries for large defined benefit and large defined contribution schemes was around four and three respectively.

Table 2.1 Number of people employed to deal with inquiries

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent only</td>
<td>56</td>
<td>29</td>
<td>60</td>
<td>(15)</td>
<td>(41)</td>
</tr>
<tr>
<td>Respondent &amp; 1 colleague</td>
<td>30</td>
<td>30</td>
<td>32</td>
<td>(55)</td>
<td>(35)</td>
</tr>
<tr>
<td>3-5 people</td>
<td>14</td>
<td>23</td>
<td>8</td>
<td>(25)</td>
<td>(20)</td>
</tr>
<tr>
<td>6-10 people</td>
<td>15</td>
<td>15</td>
<td>(3)</td>
<td>(4)</td>
<td>2</td>
</tr>
<tr>
<td>11 or more people</td>
<td>3</td>
<td>3</td>
<td>(2)</td>
<td></td>
<td>O</td>
</tr>
<tr>
<td>Mean number</td>
<td>1.8</td>
<td>4.1</td>
<td>1.7</td>
<td>(2.7)</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(94)</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

Table 2.2 compares the number of people dealing with inquiries for employer organisations and external organisations, such as insurance or pension providing companies. While differences between occupational schemes and group/personal pension arrangements are apparent, external organisations can be seen to have, on average, more people for this task. One-third (34%) of occupational schemes in external organisations had three or more people, compared with 12% in employer organisations.

Table 2.2 Number of people employed to deal with inquiries for employer and external organisations

<table>
<thead>
<tr>
<th>Employer organisation</th>
<th>External organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation scheme</td>
<td>Group/personal pension</td>
</tr>
<tr>
<td>Respondent only</td>
<td>59</td>
</tr>
<tr>
<td>Respondent &amp; 1 colleague</td>
<td>29</td>
</tr>
<tr>
<td>3-5 people</td>
<td>8</td>
</tr>
<tr>
<td>6-10 people</td>
<td>3</td>
</tr>
<tr>
<td>11 or more people</td>
<td>1</td>
</tr>
<tr>
<td>Mean number</td>
<td>1.7</td>
</tr>
<tr>
<td>Weighted base</td>
<td>265</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>303</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

5 See Section 1.3 for definitions of employer and external respondents.
The time usually spent dealing with inquiries in any given month is outlined in Table 2.3 for all respondents, and for any colleagues in Table 2.4. One-quarter of respondents in small defined benefit schemes (24%), and one-third in small defined contribution schemes (33%), top hat schemes (35%) and group/personal pension arrangements (31%) usually spent a negligible proportion (coded as ‘none’) of their time dealing with inquiries. One-third of respondents in large defined benefit schemes (30%) and one-fifth in large defined contribution schemes (18%) usually spent more than 10 hours per month dealing with inquiries. The mean number of hours spent dealing with inquiries by respondents in large defined benefit schemes was 12.4, compared with 6.8 for large defined contribution schemes.

Table 2.3 Time usually spent by respondents dealing with inquiries (per month)

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit &lt;100</td>
<td>24</td>
<td>33</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>Defined benefit 100+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined contribution &lt;100</td>
<td>28</td>
<td>9</td>
<td>18</td>
<td>41</td>
</tr>
<tr>
<td>Defined contribution 100+</td>
<td>47</td>
<td>42</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Top hat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group/personal arrangement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 hour</td>
<td>14</td>
<td>9</td>
<td>18</td>
<td>44</td>
</tr>
<tr>
<td>1-5 hours</td>
<td>47</td>
<td>42</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>6-10 hours</td>
<td>1</td>
<td>14</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>11-40 hours</td>
<td>1</td>
<td>23</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>41 hours or more</td>
<td>5</td>
<td>(1)</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>All my time</td>
<td>2</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Don't know</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td></td>
<td></td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Mean number ( ^{1} )</td>
<td>1.5</td>
<td>12.4</td>
<td>2.2</td>
<td>(6.8)</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
</tr>
</tbody>
</table>

\( ^{1} \) The mean was calculated for all schemes or pension arrangements by rounding a response of 'less than one' to 1. The same procedure was carried out for Table 2.4.

More than two-thirds of respondents with small defined benefit (67%), defined contribution (73%) schemes and group/personal pension arrangements (72%) reported that no colleagues had spent time dealing with inquiries, often reflecting the point that they were solely responsible for inquiries (Table 2.4). The comparable figures for large defined benefit and large defined contribution schemes were 29% and 15% respectively.

In the case of occupational schemes, employer respondents’ and their colleagues tended to spend slightly more time dealing with inquiries than

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6 As noted in Section 1.3, employer respondents were managers or employees of the organisation with the occupational pension scheme or group/personal arrangement. They are distinguished from external respondents, who worked for insurance or pensions management companies.
their counterparts in external organisations. However, the opposite was true for group/personal pension arrangements. The mean number of hours spent dealing with inquiries in any given month for employer respondents in occupational schemes was 2.8 compared with 2.4 for respondents working in external organisations (referred to as ‘external respondents’), while the comparable mean figures for group/personal pension arrangements were 1.0 and 3.3.

Table 2.4 Time usually spent by colleagues dealing with inquiries (per month)

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>67</td>
<td>29</td>
<td>73</td>
<td>(15)</td>
<td>(59)</td>
<td>72</td>
</tr>
<tr>
<td>Less than 1 hour</td>
<td>13</td>
<td>7</td>
<td>20</td>
<td>(17)</td>
<td>(26)</td>
<td>18</td>
</tr>
<tr>
<td>1-5 hours</td>
<td>19</td>
<td>24</td>
<td>5</td>
<td>(51)</td>
<td>(6)</td>
<td>6</td>
</tr>
<tr>
<td>6-10 hours</td>
<td>1</td>
<td>10</td>
<td>A</td>
<td>(6)</td>
<td>(cc)</td>
<td>1</td>
</tr>
<tr>
<td>11-40 hours</td>
<td>12</td>
<td>(8)</td>
<td></td>
<td></td>
<td>(-)</td>
<td>3</td>
</tr>
<tr>
<td>41 hours or more</td>
<td>10</td>
<td>(2)</td>
<td></td>
<td></td>
<td>(-)</td>
<td>-</td>
</tr>
<tr>
<td>All my time</td>
<td>2</td>
<td>(-)</td>
<td></td>
<td></td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>7</td>
<td>(2)</td>
<td></td>
<td></td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
<td></td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Mean number</td>
<td>0.6</td>
<td>17.0</td>
<td>0.5</td>
<td>(4.4)</td>
<td>(2.1)</td>
<td>1.0</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(94)</td>
<td>140</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

2.1.1 The usual number of inquiries raised per month

The number of inquiries usually raised in any given month is shown in Table 2.5. Half (49%) of small defined benefit schemes and around 70% of both small defined contribution schemes and group/personal pension arrangements were reported to deal with fewer than one inquiry per month. Of these, 51% dealt with only one, or no, inquiries per year.
2.2 Schemes with formal and ad hoc procedures for dealing with inquiries

Table 2.5 Number of inquiries usually raised per month

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than one</td>
<td>49</td>
<td>3</td>
<td>69</td>
<td>(3)</td>
<td>(80)</td>
</tr>
<tr>
<td></td>
<td>1-4</td>
<td>39</td>
<td>27</td>
<td>25</td>
<td>(27)</td>
<td>(16)</td>
</tr>
<tr>
<td></td>
<td>5-9</td>
<td>6</td>
<td>17</td>
<td>3</td>
<td>(21)</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>10-24</td>
<td>6</td>
<td>20</td>
<td>3</td>
<td>(27)</td>
<td>(4)</td>
</tr>
<tr>
<td></td>
<td>25-49</td>
<td>7</td>
<td>(9)</td>
<td>(-)</td>
<td>(n)</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>50-99</td>
<td>6</td>
<td>(9)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td></td>
<td>100 or more</td>
<td>12</td>
<td>(13)</td>
<td>(4)</td>
<td>(27)</td>
<td>(4)</td>
</tr>
<tr>
<td></td>
<td>Don't know</td>
<td>6</td>
<td>(3)</td>
<td>(-)</td>
<td>(13)</td>
<td>(3)</td>
</tr>
<tr>
<td>Mean number</td>
<td>2.0</td>
<td>40.9</td>
<td>1.2</td>
<td>(17.2)</td>
<td>(0.9)</td>
<td>1.4</td>
</tr>
</tbody>
</table>

| Weighted base | 104 | 34 | 125 | (13) | (94) | 140 |
| Unweighted base | 76 | 134 | 87 | (49) | (32) | 146 |

Base: All schemes or pension arrangements

1 If respondents said that there had been less than one inquiry per month, they were asked how many inquiries were usually raised over a six-month period. Mean values were calculated by combining these two questions. (See Appendix C, A7a and A7c).

It was rare for any occupational schemes or pension arrangements to deal with as many as 25 or more inquiries per month, with the exception of large defined benefit schemes where just over one-quarter (27%) did so. The mean number of inquiries dealt with per month by large defined benefit schemes was 41; more than twice as many as for large defined contribution schemes, 20 times as many as small defined benefit schemes and over 30 times as many as small defined contribution schemes.

The mean number of inquiries generated per month for occupational schemes in employer organisations was more than twice as high as that for their counterparts in external organisations, 6.6 and 3.0 respectively. The corresponding figures for group/personal pension arrangements were 1.0 and 2.6.

As there are fewer inquiries raised for small occupational schemes and group/personal pension arrangements it can be inferred that these schemes or arrangements would be less likely to adopt formal procedures for dealing with inquiries. The next section looks at both formal and ad hoc procedures used to deal with inquiries, and how members are usually informed of the name of the person responsible for dealing with inquiries.

More than four-fifths (82%) of occupational pension schemes or pension arrangements routinely provided members with the name of the person responsible for dealing with inquiries when they first joined, and a further three per cent did so on an ad hoc basis. One in 20 (5%) schemes or pension arrangements did not provide new members with a contact name. The figure
was much lower for large defined benefit (1%) and large defined contribution (2%) schemes.

Three-fifths of external respondents (63%) confirmed that new members were routinely provided with the name of the person responsible for dealing with inquiries. Nearly one-fifth (17%) were unsure as to whether new members were provided with a contact name.

Table 2.6 shows that personal briefings were the most popular method used to inform new members of the named person responsible for dealing with inquiries in small defined benefit (44%) and small defined contribution (52%) schemes, top hat schemes (69%) and group/personal pension arrangements (70%). In contrast, three-quarters of large defined benefit schemes (73%) and four-fifths of large defined contribution schemes (82%) stated the contact name in scheme booklets or leaflets.

Table 2.6 How new members are given the name of the person responsible for dealing with inquiries

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booklets or leaflets</td>
<td>43</td>
<td>73</td>
<td>23</td>
<td>(82)</td>
<td>(16)</td>
<td>18</td>
</tr>
<tr>
<td>Letters</td>
<td>34</td>
<td>37</td>
<td>38</td>
<td>(35)</td>
<td>(23)</td>
<td>28</td>
</tr>
<tr>
<td>Posters</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>(2)</td>
<td>(1)</td>
<td>(3)</td>
</tr>
<tr>
<td>Seminars</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>(8)</td>
<td>(8)</td>
<td>(3)</td>
</tr>
<tr>
<td>Personal briefings</td>
<td>44</td>
<td>26</td>
<td>52</td>
<td>(15)</td>
<td>(69)</td>
<td>70</td>
</tr>
<tr>
<td>Induction programme</td>
<td>10</td>
<td>22</td>
<td>3</td>
<td>(15)</td>
<td>(7)</td>
<td>4</td>
</tr>
<tr>
<td>Joiner's pack/forms</td>
<td>5</td>
<td>4</td>
<td>11</td>
<td>(3)</td>
<td>(1)</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>(1)</td>
<td>(4)</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>(-)</td>
<td>(9)</td>
<td>(-)</td>
</tr>
<tr>
<td>Not stated</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>(3)</td>
<td>(4)</td>
<td>2</td>
</tr>
<tr>
<td>Weighted base</td>
<td>90</td>
<td>26</td>
<td>111</td>
<td>(12)</td>
<td>(62)</td>
<td>131</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>65</td>
<td>106</td>
<td>79</td>
<td>(43)</td>
<td>(23)</td>
<td>134</td>
</tr>
</tbody>
</table>

Base: Schemes or pension arrangements giving new members contact some
Multiple response question - columns may add up to more than 100%

Around seven in 10 large defined benefit and large defined contribution schemes also provided existing members with a contact name: 73% and 68%, respectively.

Respondents were asked whether the occupational pension scheme or pension arrangement had a formal procedure for dealing with inquiries. The majority (85%) of occupational pension schemes and pension arrangements dealt with members’ inquiries in an ad hoc manner, while a further five per cent employed both formal and ad hoc procedures on different occasions. As expected (see section 2.1), formal procedures were more common among
large defined benefit (29%) and large defined contribution (29%) schemes (Table 2.7). Employer respondents for top hat schemes and group/personal pension arrangements almost always dealt with inquiries in *an ad hoc* manner: 95% and 87% respectively.

Table 2.7 Now inquiries were usually dealt with

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal procedures</td>
<td>12</td>
<td>29</td>
<td>12</td>
<td>(29)</td>
<td>(5)</td>
<td>6</td>
</tr>
<tr>
<td>On an ad hoc basis</td>
<td>82</td>
<td>66</td>
<td>85</td>
<td>(64)</td>
<td>(95)</td>
<td>87</td>
</tr>
<tr>
<td>Both formal and <em>ad hoc</em></td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>(7)</td>
<td>(7)</td>
<td>8</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(94)</td>
<td>140</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

One-third (36%) of schemes or pension arrangements with formal procedures first introduced them prior to 1980, one-fifth (21%) in the 1980s and 35% in the 1990s (eight per cent of respondents were unsure as to when formal procedures were introduced).

The main reasons for introducing formal procedures for dealing with members’ inquiries were to make procedures clearer (52%), to make procedures quicker (26%) and/or because they were required by law (33%).

Schemes or pensions arrangements relying on *ad hoc* methods to resolve inquiries were asked if they had any plans to introduce greater formality in the next two years. More than nine out of 10 (92%) had no intention to do so. The main reasons for not introducing greater formality focused on there being too few members (53%), too few inquiries (14%) and/or that the current system was satisfactory (36%).

In summary, although schemes and pension arrangements routinely provided new members with the name of the person responsible for dealing with inquiries, the majority of schemes or pension arrangements dealt with any inquiries raised on an *ad hoc* basis. Most respondents appeared to feel that their current system for dealing with inquiries was satisfactory for the demands placed upon it, and/or believed that the number of inquiries raised or the number of members did not justify any greater formality.

2.3 Awareness of ‘Disclosure Regulations’

Finally in this chapter, the extent to which respondents were aware of government regulations concerning disclosure of information is examined, together with the effect, if any, these regulations had on schemes or pension arrangements.
Table 2.8 shows that respondents for large defined benefit schemes were most likely to feel aware of all or most of the regulations concerning disclosure of information (55%), compared with around one-third for small defined benefit (36%), defined contribution schemes (38%, 29%) and group/personal pension arrangements (31%). Overall, one-quarter of respondents had no knowledge of the Disclosure Regulations, including 36% for respondents of group/personal pension arrangements.

Table 2.8 Awareness of Disclosure Regulations

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>All or most</td>
<td>36</td>
<td>55</td>
<td>38</td>
<td>(29)</td>
<td>(47)</td>
<td>31</td>
</tr>
<tr>
<td>Quite a lot</td>
<td>13</td>
<td>25</td>
<td>12</td>
<td>(25)</td>
<td>(9)</td>
<td>11</td>
</tr>
<tr>
<td>A little</td>
<td>37</td>
<td>14</td>
<td>25</td>
<td>(30)</td>
<td>(17)</td>
<td>22</td>
</tr>
<tr>
<td>None at all</td>
<td>14</td>
<td>5</td>
<td>25</td>
<td>(15)</td>
<td>(26)</td>
<td>36</td>
</tr>
<tr>
<td>Not stated</td>
<td>1</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>*</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(94)</td>
<td>140</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

One-quarter (25%) of those respondents who claimed to know at least a little about the Disclosure Regulations reported some effect on the way inquiries were dealt with. The comparable figures for large defined benefit and large defined contribution schemes were 49% and 36%. One-third (36%) of respondents in small defined benefit schemes also reported some effects from the regulations.

Of those schemes or pension arrangements regarded by respondents as having been affected by the Disclosure Regulations in some way, more than half of these had provided more information to members (54%) and/or sent members more detailed information (56%). One-fifth (23%) also believed that the Disclosure Regulations permitted members to make more requests for information. Another effect was that schemes or pension arrangements had to increase staff or management input and/or refer to an external manager or administrator more often (mentioned by 10% and 19% of respondents, respectively). These two latter effects would be likely to have an impact on the administration costs of employer pension provision.
One of the main aims of the current study was to obtain reliable data on the number and type of inquiries raised. A data sheet was sent prior to the interview to enable respondents to record accurately the number of inquiries raised. The data sheet was arranged according to our three-way classification of inquiries, and specified over what period(s) of time inquiries should be counted (see Appendix C).

Section 3.1 looks at the total number of inquiries raised, and the number for each of the three levels of inquiry. Section 3.2 briefly discusses how inquiries were identified and what procedures were used to select a sample about which details were collected.

Sections 3.3 and 3.4 look in turn at these inquiries in more detail, in terms of the nature of the inquiries raised, who raised them and the length of time required to reach an outcome. The more straightforward inquiries, those dealt with by internal procedures, are discussed first. Section 3.4 then focuses attention on those inquiries involving further consultation.

Finally, Section 3.5 examines the higher level inquiry, those involving external agencies such as OPAS and the Pensions Ombudsman. As expected, very few schemes or pension arrangements had any inquiries which involved external agencies. Only a brief description of these higher level inquiries is therefore practicable.

3.1 Number of inquiries

This section looks at the number of inquiries raised in total and for each of the three levels of inquiry. The number of inquiries will also be related to the number of current active members, all scheme members and employees.

Since it was expected that higher level inquiries would be less frequent and take longer to reach an outcome than those dealt with by internal procedures, longer reference periods were allowed for those inquiries involving further consultation and those inquiries involving external agencies: one year and two years respectively. A six-month reference period was used for those inquiries dealt with by internal procedures. The figures presented in this section have been standardised for a period of one year.

The sample of schemes for the current survey generated a total of 20,915 (weighted) inquiries in the 12 months prior to the survey, of which 90% were accounted for by the more straightforward inquiries, those dealt with

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7 The total number of inquiries reported is useful for drawing comparisons between type of inquiry and type of pension scheme or arrangement. The weighting used is designed to provide appropriate proportions of inquiries by type of scheme or arrangement. For further details see Appendix A.7.
by internal procedures. A further nine per cent were accounted for by those inquiries involving further consultation. Less than one per cent of the total number of inquiries raised in the 12 months prior to the survey were reported to have involved external agencies such as OPAS and the Pensions Ombudsman.

Table 3.1 sets out the total number of inquiries raised at all three levels of inquiry by the type of scheme or pension arrangement. A quarter of the small defined benefit (25%) and small defined contribution (24%) schemes had no inquiries raised in the 12 months preceding the survey. By comparison, only five per cent of the large defined benefit and large defined contribution schemes had no inquiries. About three-fifths of large defined benefit (57%) and large defined contribution (66%) schemes reported over 50 inquiries. Of the former, two-fifths (41%) reported more than 100 inquiries raised in the year prior to the survey.

Half (49%) of top hat schemes and two-fifths (37%) of group/personal pension arrangements were reported to have had no inquiries in the 12 months prior to the survey.

Table 3.1 Total number of inquiries raised in a year

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>25</td>
<td>5</td>
<td>24</td>
<td>(5)</td>
<td>(49)</td>
<td>37</td>
</tr>
<tr>
<td>1-5</td>
<td>33</td>
<td>2</td>
<td>37</td>
<td>(2)</td>
<td>(37)</td>
<td>33</td>
</tr>
<tr>
<td>6-10</td>
<td>5</td>
<td>5</td>
<td>20</td>
<td>(-)</td>
<td>(2)</td>
<td>13</td>
</tr>
<tr>
<td>11-20</td>
<td>18</td>
<td>9</td>
<td>10</td>
<td>(7)</td>
<td>(6)</td>
<td>5</td>
</tr>
<tr>
<td>21-50</td>
<td>16</td>
<td>22</td>
<td>5</td>
<td>(21)</td>
<td>(2)</td>
<td>7</td>
</tr>
<tr>
<td>51-100</td>
<td>2</td>
<td>16</td>
<td>2</td>
<td>(38)</td>
<td>(-)</td>
<td>3</td>
</tr>
<tr>
<td>101-500</td>
<td>1</td>
<td>26</td>
<td>2</td>
<td>(24)</td>
<td>(0)</td>
<td>2</td>
</tr>
<tr>
<td>500 or more</td>
<td>–</td>
<td>15</td>
<td>–</td>
<td>(4)</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Total number of inquiries</td>
<td>1,300</td>
<td>8,407</td>
<td>1,189</td>
<td>(2,061)</td>
<td>(6,410)</td>
<td>1,547</td>
</tr>
<tr>
<td>Mean (per annum)</td>
<td>12</td>
<td>249</td>
<td>9</td>
<td>(154)</td>
<td>(68)</td>
<td>11</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(140)</td>
<td>94</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base, All schemes or pension arrangements

Of the 12,957 inquiries raised within defined benefit and defined contribution schemes, three-quarters (75%) were accounted for by the former. Fewer than one in 10 (7%) of the total number of inquiries concerned group/personal pension arrangements. The mean number of inquiries raised in large defined benefit and large defined contribution schemes was 249 and 154, respectively. The comparable figures for small defined benefit and small defined contribution schemes were 12 and nine.
Tables 3.2 and 3.3 break down the number of inquiries raised between those which were dealt with by internal procedures and those inquiries which involved further consultation. The majority of inquiries raised at both levels again were concentrated in large defined benefit and large defined contribution schemes. There were substantially fewer inquiries involving further consultation. Of these inquiries, the mean number in a year was four for small defined benefit schemes and two for small defined contribution schemes. The comparable figures for large defined benefit and large defined contribution schemes were 20 and 18, respectively (Table 3.3).

Table 3.2 Number of inquiries raised which were dealt with by internal procedures

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>47</td>
<td>8</td>
<td>39</td>
<td>(7)</td>
<td>(60)</td>
<td>53</td>
</tr>
<tr>
<td>1-5</td>
<td>28</td>
<td>11</td>
<td>46</td>
<td>(10)</td>
<td>(28)</td>
<td>31</td>
</tr>
<tr>
<td>6-10</td>
<td>12</td>
<td>13</td>
<td>9</td>
<td>(8)</td>
<td>(6)</td>
<td>7</td>
</tr>
<tr>
<td>11-20</td>
<td>11</td>
<td>13</td>
<td>3</td>
<td>(18)</td>
<td>(1)</td>
<td>4</td>
</tr>
<tr>
<td>21-50</td>
<td>2</td>
<td>21</td>
<td>2</td>
<td>(36)</td>
<td>(1)</td>
<td>3</td>
</tr>
<tr>
<td>51-100</td>
<td>1</td>
<td>11</td>
<td>1</td>
<td>(8)</td>
<td>(*)</td>
<td>2</td>
</tr>
<tr>
<td>101-500</td>
<td>17</td>
<td>-</td>
<td>(12)</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>500 or more</td>
<td>5</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Too many to count</td>
<td>1</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Total number of inquiries</td>
<td>924</td>
<td>7,715</td>
<td>887</td>
<td>(1,825)</td>
<td>(6,342)</td>
<td>1,227</td>
</tr>
<tr>
<td>Mean</td>
<td>9</td>
<td>228</td>
<td>7</td>
<td>(136)</td>
<td>(67)</td>
<td>9</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(140)</td>
<td>94</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Bose: All schemes or pension arrangements

Table 3.3 Number of inquiries raised which involved further consultation

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>48</td>
<td>22</td>
<td>59</td>
<td>(18)</td>
<td>(63)</td>
<td>61</td>
</tr>
<tr>
<td>1-5</td>
<td>32</td>
<td>18</td>
<td>30</td>
<td>(20)</td>
<td>(33)</td>
<td>31</td>
</tr>
<tr>
<td>6-10</td>
<td>8</td>
<td>16</td>
<td>7</td>
<td>(18)</td>
<td>(1)</td>
<td>5</td>
</tr>
<tr>
<td>11-20</td>
<td>8</td>
<td>14</td>
<td>1</td>
<td>(25)</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td>21-50</td>
<td>5</td>
<td>21</td>
<td>1</td>
<td>(11)</td>
<td>O</td>
<td>1</td>
</tr>
<tr>
<td>51-100</td>
<td>-</td>
<td>5</td>
<td>1</td>
<td>(2)</td>
<td>(-)</td>
<td>1</td>
</tr>
<tr>
<td>101-500</td>
<td>4</td>
<td>-</td>
<td>(6)</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Total number of inquiries</td>
<td>375</td>
<td>682</td>
<td>301</td>
<td>(236)</td>
<td>(68)</td>
<td>317</td>
</tr>
<tr>
<td>Mean</td>
<td>4</td>
<td>20</td>
<td>2</td>
<td>(18)</td>
<td>(1)</td>
<td>2</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(140)</td>
<td>94</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Bose: All schemes or pension arrangements
Although large defined benefit and large defined contribution schemes accounted for the greater proportion of inquiries which were resolved by internal procedures, Table 3.4 shows that current active members of both small and large defined benefit and defined contribution schemes were equally likely to raise such inquiries. The ratio of inquiries dealt with by internal procedures to the number of current active members was 1:3 for defined benefit schemes (0.34, 0.33) and 1:2 for defined contribution schemes (0.42, 0.50). One inquiry was raised for every two active members of group/personal pension arrangements (0.42).

Table 3.4 also shows that 13 inquiries were raised for each current active member of top hat schemes. This finding, however, should be treated with caution, since only 32 interviews were carried out with top hat schemes.

Table 3.4 Mean number of inquiries dealt with by internal procedures per current active members, all members and employees

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active members</td>
<td>0.34 0.33</td>
<td>0.42 (0.50)</td>
<td>0.27 0.19</td>
<td>0.31 (0.36)</td>
<td>(13.1)</td>
<td>0.42</td>
</tr>
<tr>
<td>All members</td>
<td>0.15 0.21</td>
<td>0.18 (0.33)</td>
<td>0.15 0.21</td>
<td>0.18 (0.33)</td>
<td>(0.78)</td>
<td>0.21</td>
</tr>
<tr>
<td>Employees</td>
<td>104 34</td>
<td>125 (13)</td>
<td>104 34</td>
<td>125 (13)</td>
<td>(140)</td>
<td>94</td>
</tr>
<tr>
<td>Weighted base</td>
<td>76 134</td>
<td>87 (49)</td>
<td>76 134</td>
<td>87 (49)</td>
<td>(32)</td>
<td>146</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>104 34</td>
<td>125 (13)</td>
<td>104 34</td>
<td>125 (13)</td>
<td>(140)</td>
<td>94</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

Since top hat schemes had very few deferred or retired pensioners and no group/personal pension arrangements have either, the same mean values are recorded for current active members and all members.

As one would expect, the ratio of inquiries to all scheme members (i.e. current active members, deferred pensioners and retired pensioners) was lower for defined benefit and defined contribution schemes, than for current active members only. One inquiry was raised for every three active members of defined contribution schemes (0.31, 0.36), and for every four members of small defined benefit schemes (0.27) and for every five active members for large defined benefit schemes (0.19).

Table 3.5 shows that one inquiry involving further consultation was raised for every five current active members for small defined contribution schemes (0.20) and one for every four current active members of small defined benefit schemes (0.28). The comparable ratio for large defined benefit and large defined contribution schemes was less than 1:1.0 (0.06, 0.08). One inquiry involving further consultation was also raised for every 10 active members of group/personal pension arrangements and top hat schemes (0.11 and 0.14 respectively).

The ratio of inquiries involving further consultation to employees of organisations with large defined benefit and large defined contribution
schemes was less than 1:20 (0.03 and 0.04 respectively). While a similar finding was apparent for organisations with small defined contribution schemes (0.04), the ratio of inquiries involving further consultation to employees was approximately 1:10 for organisations with small defined benefit schemes (0.13).

Table 3.5 Mean number of inquiries involving further consultation per current active members, all members and employees

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active members</td>
<td>0.28</td>
<td>0.06</td>
<td>0.20</td>
<td>(0.08)</td>
<td>(0.11)</td>
<td>0.14</td>
</tr>
<tr>
<td>All members</td>
<td>0.24</td>
<td>0.04</td>
<td>0.11</td>
<td>(0.07)</td>
<td>(0.09)</td>
<td>0.14</td>
</tr>
<tr>
<td>Employees</td>
<td>0.13</td>
<td>0.03</td>
<td>0.04</td>
<td>(0.04)</td>
<td>(0.01)</td>
<td>0.07</td>
</tr>
<tr>
<td>Weighted base</td>
<td>104</td>
<td>34</td>
<td>125</td>
<td>(13)</td>
<td>(140)</td>
<td>94</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

To summarise, while large occupational schemes accounted for the majority of inquiries dealt with by internal procedures, current active members of both small and large defined benefit and defined contribution schemes were equally likely to raise an inquiry. Current active members of large defined benefit and large defined contribution schemes were, however, only half as likely to raise an inquiry which involved further consultation as those in small defined benefit and small defined contribution schemes. This last point is simply a reflection of the relatively limited internal resources available to small defined benefit and small defined contribution schemes, compared with large defined benefit and large defined contribution schemes.

The current survey also identified less than one per cent of inquiries, over a period of a year, involving external agencies such as OPAS, the Pensions Ombudsman, the Insurance or Personal Investment Ombudsman, ACAS, an industrial tribunal and/or a court of law. Section 3.5 describes briefly these higher level inquiries; the limited number of cases preventing any detailed analysis.

3.2 Inquiry identification

Respondents were asked to list all inquiries dealt with by internal procedures and selection in the six-month period prior to the interview. Longer reference periods were allowed for the higher level inquiries, giving a greater chance for their identification. Having established the number of inquiries raised for each of the three levels of inquiry, interviewers were instructed to inquire further about four of them. It was decided that no more than three inquiries for any one level of inquiry should be asked about. A selection procedure was designed which gave greater priority to the higher level inquiries, but still allowed a range of inquiries to be asked about (see Section F of the Questionnaire, Appendix C). An inquiry weight was calculated to remove
the effect of the limit of four inquiries on the estimate of inquiries dealt with internally and those which involved further consultation. Each of these weights was calculated as the scheme or arrangement weight multiplied by the number of inquiries of each type in a 12-month period, divided by the number about which details were collected within the limit of four recent inquiries. The effect of this weighting is to make the recent cases covered in the interview representative of all cases within the 12 months prior to the survey being conducted. (For further details, see Appendix A.7.)

Inquiries dealt with by internal procedures include schemes where the respondent (i.e. the named person for dealing with inquiries) worked for an organisation ‘external’ to the employer organisation. Such external organisations include insurance or assurance companies, pension management or administering companies, independent financial advisers, and lawyers, accountants and/or actuaries, and so on. Hence, ‘dealt with by internal procedures’ in this instance means ‘internal’ to the scheme or pension arrangement, and more specifically involving the person who members would normally contact about their pension.

The three-way classification is an attempt to standardise recent inquiries, from the very simple to those evolving into disputes. With regard to inquiries dealt with by internal procedures, it is possible that other individuals or agencies were involved. Respondents were asked to record the number of recent inquiries dealt with by the scheme or pension arrangement in specified periods of time for the three levels of inquiry. If the respondent felt that he or she had predominantly dealt with an inquiry without recourse to any other individual or agency, then he or she should have classified an inquiry as one which was dealt with by internal procedures.

Furthermore, what may appear to be a straightforward inquiry at the time of the interview may evolve into a more complex inquiry or dispute, involving external agencies. Although respondents were asked if an inquiry had reached an outcome, this does not necessarily mean that the inquirer had been satisfied and that the matter had been fully resolved. Thus, our three-way classification imposes a rigid structure on what can be seen to be a dynamic system of inquiry resolution.

3.3 Inquiries dealt with by internal procedures

This section looks first at the nature of inquiries raised, before examining who raised the inquiries and whether the inquirer was acting on his/her own behalf, or for someone else or as part of a group. The length of time required to resolve an inquiry and the time spent by the respondent dealing with an inquiry are also discussed, together with the extent to which respondents considered inquiries to be a product of misunderstandings on the part of inquirers.

3.3.1 Subject of inquiries

The subjects of inquiries dealt with by internal procedures are shown in Table 3.6. A precoded list of inquiry types was set out on a Show Card, and
multiple responses were allowed. Where five or more subjects were listed per inquiry, these have been classified as ‘general’ inquiries.

Inquiries resolved internally covered a wide range of subjects, of which the most common were the level of contributions, entitlement on retirement, entitlement earned to date, eligibility to join and transfers of benefits between schemes. Table 3.6 indicates a number of important differences in the types of inquiry dealt with internally between occupational schemes and group/personal pension arrangements, and between inquiries for defined benefit and defined contribution schemes. Around one in seven inquiries for defined contribution schemes (16%, 14%) were concerned with the level of contributions, compared with 10% of inquiries for small defined benefit schemes and four per cent for large defined benefit schemes. Nearly one-third (31%) of inquirers of group/personal pension arrangements sought information or clarification about contribution levels.

Table 3.6 Type of inquiries raised for those dealt with by internal procedures

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitlement earned to date</td>
<td>13</td>
<td>9</td>
<td>18</td>
<td>12</td>
<td>(26)</td>
<td>13</td>
</tr>
<tr>
<td>Entitlement on retirement</td>
<td>17</td>
<td>27</td>
<td>17</td>
<td>9</td>
<td>(34)</td>
<td>9</td>
</tr>
<tr>
<td>Definition of pensionable pay</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>(9)</td>
<td>2</td>
</tr>
<tr>
<td>Survivors' benefits</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>11</td>
<td>(2)</td>
<td>3</td>
</tr>
<tr>
<td>Transfers in</td>
<td>5</td>
<td>10</td>
<td>8</td>
<td>11</td>
<td>(2)</td>
<td>3</td>
</tr>
<tr>
<td>Transfers out</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>(9)</td>
<td>4</td>
</tr>
<tr>
<td>Effect of career interruptions</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>9</td>
<td>(9)</td>
<td>2</td>
</tr>
<tr>
<td>Early retirement</td>
<td>8</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>(8)</td>
<td>6</td>
</tr>
<tr>
<td>Eligibility to join</td>
<td>15</td>
<td>10</td>
<td>23</td>
<td>22</td>
<td>(8)</td>
<td>17</td>
</tr>
<tr>
<td>Level of contributions</td>
<td>10</td>
<td>4</td>
<td>16</td>
<td>14</td>
<td>(14)</td>
<td>31</td>
</tr>
<tr>
<td>APPs</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>(14)</td>
<td>7</td>
</tr>
<tr>
<td>Supply of information</td>
<td>*</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Calculation of benefit</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>(14)</td>
<td>6</td>
</tr>
<tr>
<td>Additional Voluntary Contributions</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>(14)</td>
<td>6</td>
</tr>
<tr>
<td>General inquiries</td>
<td>7</td>
<td>7</td>
<td>12</td>
<td>7</td>
<td>(4)</td>
<td>18</td>
</tr>
<tr>
<td>Other</td>
<td>25</td>
<td>14</td>
<td>15</td>
<td>10</td>
<td>(11)</td>
<td>14</td>
</tr>
<tr>
<td>Don't know</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>–</td>
<td>(11)</td>
<td>14</td>
</tr>
<tr>
<td>Weighted base</td>
<td>225</td>
<td>731</td>
<td>198</td>
<td>208</td>
<td>(111)</td>
<td>274</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>95</td>
<td>198</td>
<td>105</td>
<td>72</td>
<td>(25)</td>
<td>172</td>
</tr>
</tbody>
</table>

*Base: Inquiries dealt with by internal procedures

Multiple response question - columns may add up to more than 100%.

Inquiries concerning transfer values, both transfers in and transfers out, each accounted for fewer than one in 10 of the inquiries generated by members of occupational schemes and group/personal pension arrangements.
occupational schemes, however, one in seven (14%) inquiries dealt with by external respondents were concerned with transfers out, compared with three per cent of inquiries dealt with by employer respondents.

A further one in 10 of the inquiries for occupational pension schemes were categorised as general inquiries, including those inquiries with five or more topics listed. The comparable figure for group/personal pension arrangements was 18%; this rose to 31% for group/personal pension arrangements managed by external respondents.

Overall, defined contribution schemes (23%, 22%) were almost twice as likely to have dealt with inquiries concerning the eligibility conditions of pension schemes, as compared with defined benefit schemes (15%, 10%). Just under one-fifth (17%) of inquiries for group personal pension plans were concerned with conditions of eligibility.

3.3.2 Uhlto raised de' inquiry

Around 90% of inquirers were current active members or other non-member employees. Three-fifths (61%) of occupational scheme inquiries were raised by current active members, compared with half (51%) of group/personal pension arrangement inquiries (Table 3.7). Non-member employees accounted for about one in three of the inquiries raised for defined contribution schemes (30%, 29%) and group/personal pension arrangements (32%) and about one in 10 inquiries raised for top hat schemes (10%).

Table 3.7 Who raised inquiries dealt with by internal procedures

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current active member</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>62</td>
<td>(63)</td>
<td>51</td>
</tr>
<tr>
<td>Deferred pensioner</td>
<td>8</td>
<td>11</td>
<td>7</td>
<td>7</td>
<td>(9)</td>
<td>11</td>
</tr>
<tr>
<td>Retired pensioner</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>24</td>
<td>17</td>
<td>30</td>
<td>29</td>
<td>(10)</td>
<td>32</td>
</tr>
<tr>
<td>Outside professional</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>(9)</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>5</td>
<td></td>
<td></td>
<td>(9)</td>
<td>4</td>
</tr>
<tr>
<td>Not stated</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td></td>
<td>(-)</td>
<td>1</td>
</tr>
<tr>
<td>Weighted base</td>
<td>225</td>
<td>731</td>
<td>198</td>
<td>206</td>
<td>(111)</td>
<td>274</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>95</td>
<td>198</td>
<td>105</td>
<td>72</td>
<td>(25)</td>
<td>172</td>
</tr>
</tbody>
</table>

Base: Inquiries dealt with by internal procedures

Deferred pensioners generally accounted for about one in 10 of the inquiries raised, while retired pensioners accounted for very few inquiries dealt with by internal procedures. Outside professionals also generated a very small proportion of inquiries raised, generally less than one per cent.
At least nine out of 10 inquirers of defined benefit schemes (90%, 89%), defined contribution schemes (98%, 97%) and group/personal pension arrangements (94%) were acting on their own behalf. One in 10 (10%) of defined benefit scheme inquiries were raised on someone else’s behalf, in contrast to five per cent of group personal pension inquiries and two per cent of defined contribution scheme inquiries. A negligible proportion (1%) of inquirers were acting as a part of a group, with the exception of top-hat schemes, where 23% of inquiries were raised by a group of individuals.

Respondents were also asked whether they personally considered the inquiries dealt with by internal procedures to be a product of misunderstandings on the part of the individuals raising the inquiries (Table 3.8). Overall two-thirds (67%) of inquiries dealt with internally were not regarded by respondents to be to any degree a result of inquirers having misunderstood their rights, obligations or entitlements. This figure rose to three-quarters for small defined benefit (76%) and small defined contribution (75%) schemes.

Table 3.8 Degree to which inquiries dealt with internally were the result of misunderstandings on the members' behalf

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Entirely &lt;100</td>
<td>100+</td>
<td>Entirely &lt;100</td>
<td>100+</td>
<td>(9) 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Largely 1</td>
<td>5</td>
<td>Largely 1</td>
<td>5</td>
<td>(12) 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partly 8</td>
<td>8</td>
<td>Partly 8</td>
<td>8</td>
<td>(-) 14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slightly 4</td>
<td>11</td>
<td>Slightly 4</td>
<td>11</td>
<td>(1) 5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not at all 76</td>
<td>63</td>
<td>Not at all 76</td>
<td>63</td>
<td>(78) 72</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not stated 7</td>
<td>4</td>
<td>Not stated 7</td>
<td>4</td>
<td>(-) 5</td>
<td></td>
</tr>
</tbody>
</table>

Weighted base: 225 731 198 208 (111) 274
Unweighted base: 95 198 105 72 (25) 172

Inquiries dealt with by internal procedures were believed by respondents to be ‘largely’ or ‘entirely’ the result of a misunderstanding on the part of the inquirer in one in seven (14%) cases for large defined benefit and one-fifth (21%) of cases for large defined contribution schemes. The comparable figure for small defined benefit and small defined contribution schemes was five per cent.

It would therefore appear that while respondents with large defined benefit and large defined contribution schemes were slightly more likely to consider an inquiry to be the product of a misunderstanding on the part of the inquirer, the numbers involved were relatively low.

3.3.3 What happened in the first instance

Respondents were asked what they did in the first instance when contacted with an inquiry (Table 3.9). Respondents were presented with a precoded
list, ranging from referring the inquirer to the scheme booklet, to bringing in someone else or sending the inquirer to someone else for advice. Multiple responses were allowed to accommodate potentially complex and wide-ranging procedures for dealing with inquiries, which could involve different contact people for different sections of the workforce.

Table 3.9 Internal inquiries: what respondent did in the first instance

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refer to scheme booklet</td>
<td>22</td>
<td>12</td>
<td>17</td>
<td>'13</td>
</tr>
<tr>
<td></td>
<td>100+</td>
<td>100+</td>
<td>(-)</td>
<td>9</td>
</tr>
<tr>
<td>Go through scheme provision</td>
<td>28</td>
<td>32</td>
<td>49</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>100+</td>
<td>100+</td>
<td>(39)</td>
<td>46</td>
</tr>
<tr>
<td>Make calculations</td>
<td>37</td>
<td>52</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>100+</td>
<td>100+</td>
<td>(47)</td>
<td>32</td>
</tr>
<tr>
<td>Discuss the options</td>
<td>27</td>
<td>25</td>
<td>47</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>100+</td>
<td>100+</td>
<td>(46)</td>
<td>37</td>
</tr>
<tr>
<td>Bring in/send to someone else</td>
<td>17</td>
<td>7</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>100+</td>
<td>100+</td>
<td>(3)</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>3</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>100+</td>
<td>100+</td>
<td>(9)</td>
<td>4</td>
</tr>
<tr>
<td>Not stated</td>
<td>3</td>
<td>(-)</td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Weighted base: 225 731 198 208 111 274
Unweighted base: 95 198 105 72 25 172

Respondents made calculations in the first instance for around half (52%) of the inquiries for large defined benefit schemes and over one-third (37%) for small defined benefit schemes. The corresponding figure for both large and small defined contribution schemes was 22%.

Respondents working in external organisations (‘external respondents’) made calculations on the inquirer’s behalf for more than three-fifths (62%) of occupational schemes and two-fifths (40%) for group/personal pension arrangements. When focusing on employer respondents only, these figures fell to 35% and 21% respectively.

Inquiries dealt with by external respondents were less likely than inquiries dealt with by employer respondents to have involved referring the inquirer to the scheme’s or arrangement’s booklet (five per cent for occupational schemes and two per cent for group/personal pensions arrangements). The comparable figures for inquiries dealt with by employer respondents were 16% and 18% respectively.

Respondents for defined benefit schemes appeared the least likely to go through the scheme’s provisions and/or discuss the options open to the inquirer. Large defined benefit schemes, together with top hat schemes, were
also least likely to bring in, or refer the inquirer to, someone else for advice: seven per cent and three per cent respectively.

A possible reaction of a respondent to an inquiry was to bring in, or refer the inquirer to, someone else. This option was still allowed for in inquiries defined as being dealt with by internal procedures. For example, such an inquiry may involve an inquirer seeking confirmation from a more senior member of staff of a decision taken by a respondent. It is also possible that an inquirer does refer to someone else without the respondent being aware of this at the time. With regard to the latter situation, the inquiry would have reached an outcome for the respondent at the time of the survey, but could still have been on-going for the inquirer.

Of those inquiries which were dealt with by internal procedures but nevertheless respondents brought in or referred the inquirer to someone else, over half (55%) involved an insurance or pension providing company. Around one-quarter of inquiries referred to someone else involved the respondent calling in or referring the inquirer to an independent financial adviser: 25% for small defined benefit schemes, 27% for small defined contribution schemes and 28% for group/personal pension arrangements. This, however, was not the case for defined benefit and defined contribution schemes with 50 or fewer members. It would appear that respondents in medium-sized occupational schemes, with between 50 and 99 members, and group/personal pension arrangements were most likely to call on independent financial advisers.

When examining what respondents did in the first instance by type of inquiry, twice as many inquiries concerning the eligibility conditions of a pension scheme or arrangement involved respondents referring inquirers to the scheme booklet (35%) than bringing in or referring the inquirer to someone else (16%). While the reactions of respondents to inquiries about transfer values varied, one in 10 (10%) of general inquiries were likely to have been dealt with at least partly, in the first instance, by referring the inquirer to the scheme booklet. Fewer than one per cent of inquiries about pension entitlement earned to date and/or pension entitlement on retirement would be dealt with by respondents by referring the inquirer to the scheme booklet. The comparable figure for all inquiries is approximately 11% which involved referring inquirers to the scheme booklet.

3.3.4 Time taken to reach

Approximately nine out of 10 inquiries dealt with by internal procedures for defined benefit (93%, 91%) and defined contribution (75%, 99%) schemes were first raised in the six months prior to the survey. Three-quarters (62%, 77%) and two-thirds (52%, 77%), respectively, were raised in the three months prior to the survey. As can be seen from Table 3.10, inquiries for group/personal pension arrangements (59%) and small defined benefit (62%) and small defined contribution (52%) schemes were less likely to have originated in the three months preceding the survey, compared with large
defined benefit and large defined contribution schemes (77%). However, this can be explained at least in part by the greater number of recent inquiries dealt with by large defined benefit and large defined contribution schemes (see Table 2.5).

Over two-thirds (69%) of inquiries dealt with by internal procedures had been resolved by the time of the interview. The type of pension scheme or arrangement did not generally influence the proportion of inquiries resolved.

Table 3.10 When respondent became involved with inquiry

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100</td>
<td>62</td>
<td>77</td>
<td>52</td>
<td>77</td>
<td>(50)</td>
<td>59</td>
</tr>
<tr>
<td>100+</td>
<td>31</td>
<td>14</td>
<td>23</td>
<td>22</td>
<td>(30)</td>
<td>25</td>
</tr>
<tr>
<td>1-3 months</td>
<td>4</td>
<td>4</td>
<td>17</td>
<td>(11)</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>4-6 months</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>(-)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>7-9 months</td>
<td>4</td>
<td>4</td>
<td>17</td>
<td>(11)</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>10-12 months</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>(-)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>More than 1 year</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>(-)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>5</td>
<td>(-)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don't know</td>
<td>1</td>
<td>5</td>
<td>(-)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td>2</td>
<td>2</td>
<td>(-)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>225</td>
<td>731</td>
<td>198</td>
<td>208</td>
<td>(111)</td>
<td>274</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>95</td>
<td>198</td>
<td>105</td>
<td>72</td>
<td>(25)</td>
<td>172</td>
</tr>
</tbody>
</table>

Base: Inquiries dealt with by internal procedures

Table 3.11 shows how long it took to reach an outcome for each of the recent cases dealt with by internal procedures. Large defined benefit and large defined contribution schemes were somewhat more likely than small defined benefit and small defined contribution schemes to have dealt with inquiries which took no more than an hour to reach an outcome. Twenty nine per cent and 44% of the former had reached an outcome within one hour, compared with 18% and 23% of the latter.

Around two-fifths of defined benefit scheme (41%, 37%) inquiries took between one week and one month to resolve. The comparable figures for defined contribution schemes were 30% and 10% respectively.

Half (50%) of the inquiries raised about group/personal pension arrangements, and which were dealt with by external respondents, required one hour or less to reach an outcome, of which 46% lasted no more than 10 minutes.
Table 3.11 Time taken to reach an outcome

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 hour or less</td>
<td>18</td>
<td>29</td>
<td>23</td>
<td>(44)</td>
<td>(30)</td>
<td>36</td>
</tr>
<tr>
<td>2-3 hours</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>(-)</td>
<td>(-)</td>
<td>4</td>
</tr>
<tr>
<td>Up to 1 day (8 hours)</td>
<td>17</td>
<td>9</td>
<td>9</td>
<td>(10)</td>
<td>O</td>
<td>9</td>
</tr>
<tr>
<td>Up to 3 days</td>
<td>12</td>
<td>6</td>
<td>15</td>
<td>(11)</td>
<td>(1)</td>
<td>7</td>
</tr>
<tr>
<td>Up to 1 week (5 days)</td>
<td>7</td>
<td>11</td>
<td>5</td>
<td>(22)</td>
<td>(28)</td>
<td>11</td>
</tr>
<tr>
<td>Up to 1 month</td>
<td>41</td>
<td>37</td>
<td>30</td>
<td>(10)</td>
<td>(35)</td>
<td>24</td>
</tr>
<tr>
<td>Up to 6 months</td>
<td>3</td>
<td>4</td>
<td>17</td>
<td>(3)</td>
<td>(6)</td>
<td>9</td>
</tr>
<tr>
<td>Up to 12 months</td>
<td>in</td>
<td>(-)</td>
<td>(a)</td>
<td>(-)</td>
<td>(-)</td>
<td>a</td>
</tr>
<tr>
<td>Not stated</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>r</td>
</tr>
<tr>
<td>Weighted base</td>
<td>180</td>
<td>468</td>
<td>123</td>
<td>(123)</td>
<td>(78)</td>
<td>194</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>79</td>
<td>133</td>
<td>80</td>
<td>(49)</td>
<td>(20)</td>
<td>140</td>
</tr>
</tbody>
</table>

Base: Inquiries dealt with by internal procedures which had reached an outcome at the time of the interview.

For those inquiries resolved by the time of the survey, Table 3.12 shows the length of time respondents usually spent dealing with them. The vast majority (83% or more) of inquiries dealt with internally accounted for three hours or less of the respondents’ time. Of the inquiries which accounted for up to one hour of the respondents’ time, in fact many required respondents to spend no more than 10 minutes on the matter.

Eighty-five per cent of inquiries for small defined benefit schemes were dealt with by respondents in an hour or less, compared with 70% for large defined benefit schemes. The comparable figures for defined contribution schemes were 65% and 75%.

Table 3.12 Length of time respondent spent dealing with inquiry

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>8</td>
<td>2</td>
<td>5</td>
<td>(-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 hour or less</td>
<td>77</td>
<td>68</td>
<td>65</td>
<td>70</td>
<td>(87)</td>
<td>49</td>
</tr>
<tr>
<td>2-3 hours</td>
<td>12</td>
<td>22</td>
<td>18</td>
<td>20</td>
<td>(-)</td>
<td>36</td>
</tr>
<tr>
<td>Up to 1 day (8 hours)</td>
<td>1</td>
<td>5</td>
<td>13</td>
<td>2</td>
<td>(13)</td>
<td>14</td>
</tr>
<tr>
<td>Up to 3 days</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>(-)</td>
<td>(-)</td>
<td>r</td>
</tr>
<tr>
<td>More than 3 days</td>
<td>2</td>
<td>2</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>r</td>
</tr>
<tr>
<td>Not stated</td>
<td>2</td>
<td>2</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>r</td>
</tr>
<tr>
<td>Weighted base</td>
<td>185</td>
<td>464</td>
<td>126</td>
<td>133</td>
<td>(8)</td>
<td>194</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>79</td>
<td>133</td>
<td>81</td>
<td>50</td>
<td>(4)</td>
<td>138</td>
</tr>
</tbody>
</table>

Base: Inquiries dealt with by internal procedures which had reached an outcome at the time of the interview.
These findings present strong evidence that inquiries dealt with by internal procedures are by their very nature fairly straightforward and, as such, did not individually take up much of the respondents' time. Section 3.1 reported, however, that nearly 19,000 inquiries dealt with by internal procedures were raised in the 12 months prior to the survey.

Chapter Two discussed the time respondents usually spent dealing with inquiries in any given month. Looking at these findings for those schemes or arrangements asked about recent inquiries which were dealt with by internal procedures, Table 3.13 shows that 95% of respondents in small defined benefit schemes and 84% of respondents in small defined contribution schemes had said that they usually spent four hours or less in any given month dealing with inquiries involving internal procedures.

Table 3.13 Time usually spent by respondents dealing with inquiries (per month)

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>7</td>
<td>–</td>
<td>14</td>
<td>(–)</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>Less than 1 hour</td>
<td>26</td>
<td>8</td>
<td>46</td>
<td>(17)</td>
<td>61</td>
<td>44</td>
</tr>
<tr>
<td>1-4 hours</td>
<td>62</td>
<td>33</td>
<td>24</td>
<td>(42)</td>
<td>18</td>
<td>38</td>
</tr>
<tr>
<td>5-9 hours</td>
<td>3</td>
<td>16</td>
<td>7</td>
<td>(13)</td>
<td>(–)</td>
<td>8</td>
</tr>
<tr>
<td>10-40 hours</td>
<td>2</td>
<td>31</td>
<td>9</td>
<td>(26)</td>
<td>(–)</td>
<td>4</td>
</tr>
<tr>
<td>41 or more</td>
<td>–</td>
<td>6</td>
<td>–</td>
<td>(–)</td>
<td>(–)</td>
<td>(–)</td>
</tr>
<tr>
<td>Whole time/my job</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>(–)</td>
<td>(–)</td>
<td>(–)</td>
</tr>
<tr>
<td>Don't know</td>
<td>3</td>
<td>–</td>
<td>–</td>
<td>(–)</td>
<td>(–)</td>
<td>(–)</td>
</tr>
<tr>
<td>Not stated</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(–)</td>
<td>(–)</td>
<td>(–)</td>
</tr>
<tr>
<td>Weighted base</td>
<td>55</td>
<td>31</td>
<td>76</td>
<td>(13)</td>
<td>(38)</td>
<td>65</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>51</td>
<td>120</td>
<td>60</td>
<td>(46)</td>
<td>(15)</td>
<td>88</td>
</tr>
</tbody>
</table>

Base: Inquiries dealt with by internal procedures which were dealt with at the time of the interview

Over one-third (37%) of respondents for large defined benefit schemes and around one-quarter (26%) of respondents for defined contribution schemes of a similar size usually spent 10 or more hours dealing with inquiries in any given month. Three per cent of the former stated that they were employed specifically to deal with inquiries about the pension scheme and, as such, that they spent their whole time doing just that. This is consistent with the fact that 84% of inquiries dealt with by internal procedures in defined benefit and defined contribution schemes were accounted for by those schemes with 100 or more members.

3.4 Inquiries involving further consultation

The next level of inquiry was concerned with cases in which respondents, both employer respondents and external respondents (i.e. those working in external organisations), had sought consultation with someone else in their
organisation or in an (other) external organisation in order to reach an outcome. These inquiries are examined in this section.

To allow comparisons between different levels of inquiries, a core component of questions about recent inquiries were repeated in each section of the questionnaire (see Sections G to J, Appendix C). As with internally-resolved inquiries, this section will first look at the type of inquiries raised, who raised them and the length of time taken to reach an outcome. In addition, this section reports on who respondents consulted.

3.4.1 Subject of inquiries

Inquiries involving further consultation focused on subjects similar to those dealt with by internal procedures. The main subjects were again pension entitlement on retirement, early retirement, eligibility to join, the level of contributions, and transfers in and out. However, Table 3.14 does show some variation by subject. For example, there were more inquiries concerning transfer values among those involving further consultation than for inquiries dealt with by internal procedures.

More than one in 10 defined benefit (12%, 16%) and defined contribution (14%, 18%) scheme inquiries which involved further consultation were concerned with the value of pensions when transferring to another scheme or arrangement. A further 11% and 20%, respectively, for small and large defined benefit schemes focused on transfer values when joining a new scheme or arrangement. Fewer than one in 10 defined contribution schemes (7%, 6%) inquiries concerned transfer values when joining a new scheme or pension arrangement. The comparable figures for inquiries dealt with by internal procedures were between one in 20 and one in 10 for occupational schemes (see Table 3.6). Inquiries about transfer values tend to involve complex calculations, and so it is not surprising they were more likely to involve further consultation.

One in five defined benefit (29%, 14%) and defined contribution (14%, 30%) scheme inquiries were concerned with the value of pensions on retirement, and one in 10 about early retirement (12%, 13% and 7%, 11% respectively).
<table>
<thead>
<tr>
<th>Type of inquiry</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitlement earned to date</td>
<td>9</td>
<td>1</td>
<td>7</td>
<td>10</td>
<td>(20)</td>
<td>6</td>
</tr>
<tr>
<td>Entitlement on retirement</td>
<td>29</td>
<td>14</td>
<td>14</td>
<td>30</td>
<td>(15)</td>
<td>13</td>
</tr>
<tr>
<td>Survivors' benefits</td>
<td>x</td>
<td>5</td>
<td>2</td>
<td>6</td>
<td>(-)</td>
<td>2</td>
</tr>
<tr>
<td>Transfers in</td>
<td>11</td>
<td>20</td>
<td>7</td>
<td>6</td>
<td>(-)</td>
<td>10</td>
</tr>
<tr>
<td>Transfers out</td>
<td>12</td>
<td>16</td>
<td>14</td>
<td>18</td>
<td>(2)</td>
<td>3</td>
</tr>
<tr>
<td>Early retirement</td>
<td>12</td>
<td>13</td>
<td>7</td>
<td>11</td>
<td>(12)</td>
<td>7</td>
</tr>
<tr>
<td>Expected payments</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(-)</td>
<td>-</td>
</tr>
<tr>
<td>Eligibility to join</td>
<td>3</td>
<td>4</td>
<td>14</td>
<td>9</td>
<td>(7)</td>
<td>12</td>
</tr>
<tr>
<td>Level of contributions</td>
<td>15</td>
<td>1</td>
<td>12</td>
<td>8</td>
<td>(9)</td>
<td>21</td>
</tr>
<tr>
<td>Supply of information</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>(-)</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Calculation of benefit</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>(3)</td>
<td>3</td>
</tr>
<tr>
<td>Exercise of discretion by trustees/employer</td>
<td>1</td>
<td>8</td>
<td>-</td>
<td>(-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General inquiries</td>
<td>11</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>(9)</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>27</td>
<td>20</td>
<td>30</td>
<td>15</td>
<td>(28)</td>
<td>24</td>
</tr>
<tr>
<td>Don't know</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>131</td>
<td>236</td>
<td>131</td>
<td>80</td>
<td>(4)</td>
<td>137</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>94</td>
<td>232</td>
<td>98</td>
<td>107</td>
<td>(25)</td>
<td>122</td>
</tr>
</tbody>
</table>

Base: Inquiries invoking further consultation

Multiple response question - columns may add up to more than 100%

One-fifth (21%) of group/personal pension arrangement inquiries requiring further consultation focused on the level of contributions. The corresponding figure for group/personal pension arrangement inquiries dealt with by internal procedures was 31%. Inquiries involving further consultation concerning eligibility conditions of pension schemes or arrangements were more likely among group/personal pension arrangements (12%) and defined contribution schemes (14%, 9%), than defined benefit schemes (3%, 4%).

### 3.4.2 Who raised the inquiry

In general, about three-fifths of inquirers were current members of a pension scheme or arrangement (Table 3.15). Non-member employees were less likely to raise inquiries which required further consultation than to raise inquiries which were dealt with by internal procedures (see Table 3.7 for comparison). Non-member employees accounted for one in 20 (4%, 7%) of inquiries for defined benefit schemes, compared with one-fifth (20%, 17%) of inquiries for defined contribution schemes and one-quarter (25%) for group/personal pension arrangements.
Table 3.15 Who raised inquiries which required further consultation

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat arrangement</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current member</td>
<td>63</td>
<td>59</td>
<td>61</td>
<td>56</td>
<td>(65)</td>
<td>66</td>
</tr>
<tr>
<td>Deferred pensioner</td>
<td>10</td>
<td>13</td>
<td>11</td>
<td>17</td>
<td>(7)</td>
<td>3</td>
</tr>
<tr>
<td>Retired pensioner</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td></td>
<td>H</td>
<td>1</td>
</tr>
<tr>
<td>Employee</td>
<td>4</td>
<td>7</td>
<td>20</td>
<td>17</td>
<td>(8)</td>
<td>25</td>
</tr>
<tr>
<td>Spouse/survivor</td>
<td>7</td>
<td>2</td>
<td>4</td>
<td></td>
<td>(6)</td>
<td>3</td>
</tr>
<tr>
<td>Scheme trustee</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td>(6)</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>(6)</td>
<td>2</td>
</tr>
<tr>
<td>Weighted base</td>
<td>131</td>
<td>236</td>
<td>131</td>
<td>80</td>
<td>(44)</td>
<td>137</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>94</td>
<td>232</td>
<td>98</td>
<td>107</td>
<td>(25)</td>
<td>122</td>
</tr>
</tbody>
</table>

Base: Inquiries involving further consultation

More than one in 10 (16%) inquiries for small defined benefit schemes were reported to have been raised by someone other than the categories listed in Table 3.15, such as scheme trustees, outside professionals, former employees, managers or personnel officers acting on behalf of members or lapsed members.

Nearly all inquirers in defined contribution schemes (96%) and group/personal pension arrangements (99%) were acting on their own behalf. The corresponding figure for defined benefit scheme inquirers was 81%. Ten per cent of the latter were acting on the behalf of someone else and nine per cent as part of a group. The proportion of inquirers acting on their own behalf was two-thirds (69%) for defined benefit schemes with fewer than 50 active members.

3.4.3 Who or whirl: Table 3.16 outlines which individuals or organisations were consulted by the respondent, employee or scheme member. Respondents in defined contribution schemes (86%, 90%) and small defined benefit schemes (82%) tended to refer to the insurance or pension providing company. Nearly all (99%) of the inquiries for defined benefit schemes with fewer than 50 members were referred to an insurance or pension providing company.
Table 3.16 Who or what organisation was consulted about inquiry

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme trustee</td>
<td>13</td>
<td>25</td>
<td>9</td>
<td>6</td>
<td>(9)</td>
<td>4</td>
</tr>
<tr>
<td>Specialist in organisation</td>
<td>6</td>
<td>14</td>
<td>2</td>
<td>2</td>
<td>(24)</td>
<td>3</td>
</tr>
<tr>
<td>Insurance company/pension providing company</td>
<td>82</td>
<td>56</td>
<td>86</td>
<td>90</td>
<td>(33)</td>
<td>76</td>
</tr>
<tr>
<td>Independent financial adviser</td>
<td>20</td>
<td>13</td>
<td>41</td>
<td>26</td>
<td>(13)</td>
<td>49</td>
</tr>
<tr>
<td>External lawyer/ accountant/ actuary</td>
<td>17</td>
<td>32</td>
<td>1</td>
<td>10</td>
<td>(43)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>131</td>
<td>236</td>
<td>131</td>
<td>80</td>
<td>(44)</td>
<td>137</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>94</td>
<td>232</td>
<td>98</td>
<td>107</td>
<td>(25)</td>
<td>122</td>
</tr>
</tbody>
</table>

Base: Inquiries involving further consultation

Multiple response question - columns may add up to more than 100%.

Reference to scheme trustees was more common in large defined benefit schemes. One-quarter (25%) of inquiries about these schemes involved reference to scheme trustees, compared with one in 10 of inquirers for small defined benefit (13%) and defined contribution schemes (9%, 6%).

Three-quarters (76%) of group/personal pension arrangement inquiries involving further consultation were referred to an insurance or pension providing company, and half (49%) were referred to an independent financial adviser. Defined contribution scheme inquiries were twice as likely as those for defined benefit schemes to involve independent financial advisers (41%, 26% and 20%, 13% respectively).

External lawyers, accountants and/or actuaries were most likely to be referred to by defined benefit schemes (27%), especially by large defined benefit schemes (32%), and by top hat schemes (43%).

Around one-quarter of inquiries in defined benefit (20%, 23%) and defined contribution (25%, 24%) schemes were referred to other individuals or agencies within one hour of the respondent receiving an inquiry (Table 3.17). The comparable figure for group personal pension plans and personal pension arrangements was 40%.
Table 3.17 Length of time after inquiry raised before seeking further consultation

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 hour or less</td>
<td>20</td>
<td>23</td>
<td>25</td>
<td>24</td>
<td>(11)</td>
<td>40</td>
</tr>
<tr>
<td>2-3 hours</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>(9)</td>
<td>3</td>
</tr>
<tr>
<td>Up to 1 day (8 hours)</td>
<td>40</td>
<td>20</td>
<td>33</td>
<td>24</td>
<td>(23)</td>
<td>33</td>
</tr>
<tr>
<td>Up to 3 days</td>
<td>20</td>
<td>14</td>
<td>13</td>
<td>31</td>
<td>(-)</td>
<td>13</td>
</tr>
<tr>
<td>Up to 1 week (5 days)</td>
<td>6</td>
<td>16</td>
<td>14</td>
<td>6</td>
<td>(23)</td>
<td>3</td>
</tr>
<tr>
<td>Up to 1 month</td>
<td>11</td>
<td>10</td>
<td>8</td>
<td>4</td>
<td>(25)</td>
<td>4</td>
</tr>
<tr>
<td>More than 1 month</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>(2)</td>
<td>-</td>
</tr>
<tr>
<td>Not stated</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>(7)</td>
<td>4</td>
</tr>
<tr>
<td>Weighted base</td>
<td>131</td>
<td>236</td>
<td>131</td>
<td>80</td>
<td>(44)</td>
<td>137</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>94</td>
<td>232</td>
<td>98</td>
<td>107</td>
<td>(25)</td>
<td>122</td>
</tr>
</tbody>
</table>

Base: Inquiries involving further consultation

Around two-fifths of inquirers or respondents in small defined benefit (42%) and small defined contribution (37%) schemes consulted with other individuals or agencies after an hour but within a day, compared with 24% and 28%, respectively, of large defined benefit and large defined contribution schemes.

Respondents were also asked how the services of these other individuals or agencies were paid for. Just under half (49%) of defined benefit schemes and one-third (36%) of defined contribution schemes paid through an annual fee, compared with one-fifth (20%) of group/personal pension arrangements. Two-fifths (40%) of group/personal pension arrangements also paid via commission payments.

One-third (33%) of defined benefit scheme inquiries were billed by the hour or day when using the services of these external individuals or agencies, compared with one in 10 of defined contribution schemes (11%) and group/personal pension arrangements (13%). Around one in 10 defined benefit (14%) and defined contribution (9%) schemes incurred no extra charges if their inquiries requiring further consultation were regarded as minor. The comparable figure for group/personal pension arrangement inquiries was 16%.

3.4, 4 Time taken to reach an outcome

A reference period of 12 months was used for inquiries which involved further consultation. As a result, around 90% of these inquiries were brought to the attention of pension schemes or arrangements within the 12 months prior to the survey. One in seven (14%) inquiries for small defined benefit were raised between 12 and 24 months prior to the survey. However, it should be recalled that the interview was structured so that the details of up to the three most recent inquiries were asked about.
Table 3.18 Inquiries requiring further consultation: when organisation became involved

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-3 months</td>
<td>12</td>
<td>40</td>
<td>34</td>
<td>28</td>
<td>(21)</td>
<td>35</td>
</tr>
<tr>
<td>4-6 months</td>
<td>34</td>
<td>39</td>
<td>35</td>
<td>50</td>
<td>(60)</td>
<td>26</td>
</tr>
<tr>
<td>7-9 months</td>
<td>26</td>
<td>16</td>
<td>16</td>
<td>14</td>
<td>(1)</td>
<td>22</td>
</tr>
<tr>
<td>10-12 months</td>
<td>11</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>(18)</td>
<td>14</td>
</tr>
<tr>
<td>13-18 months</td>
<td>9</td>
<td>1</td>
<td>5</td>
<td>(-)</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>19-24 months</td>
<td>5</td>
<td>(-)</td>
<td>(-)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 2 years</td>
<td>3</td>
<td>(-)</td>
<td>(-)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>1</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
<td>1</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>131</td>
<td>236</td>
<td>131</td>
<td>80</td>
<td>(44)</td>
<td>137</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>94</td>
<td>232</td>
<td>98</td>
<td>107</td>
<td>(25)</td>
<td>122</td>
</tr>
</tbody>
</table>

Base: Inquiries involving further consultation

The proportion of inquiries involving further consultation which had reached an outcome by the time of the survey was higher for defined contribution schemes (77%) than defined benefit schemes (66%) and group/personal pension arrangements (63%). 87% of inquiries for small defined benefit schemes, had reached an outcome by the time of the survey.

Most inquiries involving further consultation took longer than a week to reach an outcome. The figures for defined benefit schemes, defined contribution schemes and group/personal pension arrangements were 77%, 72% and 61%, respectively. Nearly nine out of 10 (89%) inquiries for small defined benefit schemes took longer than one week to reach an outcome, compared with 59% of inquiries for large defined benefit schemes (Table 3.19). Six per cent of the former had taken more than one year to reach an outcome.

One-third of inquiries involving further consultation for defined benefit schemes (43%, 25%) took more than one month to reach an outcome. The comparable figure for those inquiries dealt with by internal procedures was less than one in 20 (3%, 4%, see Table 3.11). In contrast, however, inquiries dealt with by internal procedures and those involving further consultation for defined contribution schemes were equally likely to take more than one month to reach an outcome. Group/personal pension arrangement inquiries involving further consultation took longer to reach an outcome than those dealt with by internal procedures.
Table 3.19 Inquiries requiring further consultation: time taken to reach an outcome

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 hour or less</td>
<td>2</td>
<td>7</td>
<td>3</td>
<td>(2)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2-3 hours</td>
<td>2</td>
<td>(-)</td>
<td>1</td>
<td>(-)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Up to 1 day (8 hours)</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>(-)</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Up to 3 days</td>
<td>2</td>
<td>5</td>
<td>10</td>
<td>14</td>
<td>(29)</td>
<td>6</td>
</tr>
<tr>
<td>Up to 1 week (5 days)</td>
<td>4</td>
<td>19</td>
<td>11</td>
<td>6</td>
<td>(12)</td>
<td>6</td>
</tr>
<tr>
<td>Up to 1 month</td>
<td>46</td>
<td>34</td>
<td>56</td>
<td>61</td>
<td>(37)</td>
<td>42</td>
</tr>
<tr>
<td>Up to 6 months</td>
<td>33</td>
<td>24</td>
<td>17</td>
<td>6</td>
<td>(20)</td>
<td>19</td>
</tr>
<tr>
<td>Up to 12 months</td>
<td>46</td>
<td>34</td>
<td>56</td>
<td>61</td>
<td>(37)</td>
<td>42</td>
</tr>
<tr>
<td>More than 1 year</td>
<td>46</td>
<td>34</td>
<td>56</td>
<td>61</td>
<td>(37)</td>
<td>42</td>
</tr>
<tr>
<td>Not stated</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>(-)</td>
<td>(-)</td>
<td>2</td>
</tr>
<tr>
<td>Weighted base</td>
<td>113</td>
<td>127</td>
<td>99</td>
<td>64</td>
<td>(39)</td>
<td>86</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>74</td>
<td>145</td>
<td>75</td>
<td>81</td>
<td>(20)</td>
<td>89</td>
</tr>
</tbody>
</table>

Base: Inquiries requiring further consultation which had reached an outcome by the time of the survey

One-quarter of group/personal pension arrangements (25%) required one day or less to resolve their inquiries. This compares with less than 10% for defined benefit and defined contribution schemes.

The length of time respondents and any of their colleagues spent dealing with inquiries which required consultation is presented in Tables 3.20 and 3.21. Between half and three-quarters of inquiries accounted for one hour or less of the respondent’s time and one-fifth (20%) of them accounted for 10 minutes or less. A further one-quarter of inquiries for defined benefit (21%, 24%) and defined contribution (26%, 27%) schemes were dealt with in two to three hours.
Table 3.20 Length of time respondent spent dealing with inquiry

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>2</td>
<td>12</td>
<td>(8)</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 hour or less</td>
<td>52</td>
<td>66</td>
<td>48</td>
<td>(69)</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>2-3 hours</td>
<td>21</td>
<td>26</td>
<td>27</td>
<td>(8)</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Up to 1 day (8 hours)</td>
<td>16</td>
<td>3</td>
<td>11</td>
<td>(10)</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Up to 3 days</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>(-)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>More than 3 days</td>
<td>11</td>
<td>2</td>
<td>(-)</td>
<td></td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td>*</td>
<td>3</td>
<td>3</td>
<td>(5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>113</td>
<td>97</td>
<td>64</td>
<td>(39)</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>Unweighted base</td>
<td>74</td>
<td>74</td>
<td>79</td>
<td>(20)</td>
<td>87</td>
<td></td>
</tr>
</tbody>
</table>

*Base inquiries involving further consultation*

This pattern is similar to that set out for inquiries dealt with by internal procedures (Table 3.12), which showed that the majority (83% or more) of such inquiries were dealt with by respondents in three hours or less. This would appear to indicate that as the complexity of an inquiry increases the burden is not borne wholly by the respondent (i.e. the named person responsible for dealing with inquiries), but by the individuals or organisations to whom inquiries are referred.

Few inquiries involved reference to colleagues or accounted for more than three hours of any of the colleagues’ time (Table 3.21). Defined benefit and top hat scheme inquiries were more likely to involve colleagues than defined contribution schemes and group/personal pension arrangements.

Table 3.21 Inquiries requiring further consultation: length of time any colleagues spent dealing with inquiry

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/ personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>62</td>
<td>88</td>
<td>75</td>
<td>(59)</td>
<td>74</td>
<td></td>
</tr>
<tr>
<td>1 hour or less</td>
<td>16</td>
<td>9</td>
<td>9</td>
<td>(28)</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>2-3 hours</td>
<td>12</td>
<td>11</td>
<td>(13)</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 1 day (8 hours)</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 1 day</td>
<td>4</td>
<td>2</td>
<td>(-)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>113</td>
<td>97</td>
<td>64</td>
<td>(49)</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>Unweighted base</td>
<td>74</td>
<td>74</td>
<td>79</td>
<td>(20)</td>
<td>87</td>
<td></td>
</tr>
</tbody>
</table>

*Base inquiries involving further consultation*

3.5 Inquiries involving external agencies The final section in this chapter will discuss, albeit briefly, those inquiries involving external agencies, such as OPAS and the Pensions Ombudsman.
Official statistics show that annually around 10,000 inquiries about pension schemes or arrangements involve these two agencies. Based on this figure, it was considered that a probability sample of pension schemes or arrangements would be unlikely to discover many inquiries involving external agencies. The questionnaire was therefore structured to over-sample these higher level inquiries where they were identified (see Selection Box in Section F of the Questionnaire, Appendix C).

Less than one per cent of inquiries identified in the survey involved external agencies (107 inquiries in the last two years). Fifty of these inquiries had been referred to OPAS, 12 to the Pensions Ombudsman and 37 to industrial tribunals. Forty-four inquiries involving external agencies were for occupational schemes, 43 for defined benefit schemes, and 38 for schemes or arrangements with 500 or more members.

Of these 107 inquiries, details of 51 were collected in the interviews (Section J). The limited number of cases makes the use of weights inappropriate. This section therefore reports on unweighted results and restricts discussion to the overall findings.

Seven inquiries involving external agencies concerned pension entitlement earned to date, and 11 inquiries pension entitlement on retirement. Three were about transfer values, six were concerned with issues surrounding early retirement and eight focused on the eligibility conditions of pension schemes or arrangements. A further six inquiries involving external agencies focused on sex equality issues. Unlike inquiries which were dealt with by internal procedures or which involved further consultation, only two of the higher level inquiries were in relation to the level of contributions.

Table 3.22 shows that only 11 inquirers were current active members of a pension scheme or arrangement. Fourteen inquiries involving external agencies were raised by deferred pensioners, 16 by current pensioners and five by non-member employees. Forty-five inquirers were acting on their own behalf.

Table 3.22  Who raised inquiries which involved external agencies

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current member</td>
<td>11</td>
</tr>
<tr>
<td>Deferred pensioner</td>
<td>14</td>
</tr>
<tr>
<td>Retired pensioner</td>
<td>16</td>
</tr>
<tr>
<td>Employee</td>
<td>5</td>
</tr>
<tr>
<td>Former employee</td>
<td>2</td>
</tr>
<tr>
<td>Spouse or survivor</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>51</td>
</tr>
</tbody>
</table>

Base: Inquiries involving external agencies
Respondents were asked for each inquiry selected to identify which external agencies were involved. Multiple responses were allowed. OPAS was involved in nearly half (23) of the inquiries, the Pensions Ombudsman in nine cases, industrial tribunals in 19 cases and the courts of law in three cases. One case involved either the Insurance or Personal Investment Ombudsman, and one, ACAS.

Twenty-six inquiries involving external agencies were also referred by respondents to other professionals for assistance. These were lawyers, actuaries and/or accountants in 20 cases, insurance or pension providing companies (five cases) and pension consultancies (two cases). The services of these professional advisers were paid for predominantly by an hourly or daily charge rate (14).

Thirteen inquiries involving external agencies came to the attention of respondents within the six-month period prior to the survey, and 15 between seven and 12 months before. Nine were raised more than two years prior to the survey. Twenty-five inquiries had reached an outcome by the time of the interview, of which 13 took longer than six months and five took one year or more.

The time respondents and their colleagues spent dealing with inquiries, including those still on-going at the time of the interview, is set out in Table 3.23. More than half of the inquiries can again be seen to account for only three hours or less of the respondents’ time. Only three took longer than a week of the respondents’ time. Twenty-five of the inquiries did not involve any colleagues, and 13 took no more than three hours of their time. The professional assistance called upon by schemes or arrangements would appear to absorb much of the extra work involved when dealing with these higher level inquiries.

Table 3.23 Time spent by respondents and their colleagues in dealing with inquiries which involved external agencies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Colleagues</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>2</td>
</tr>
<tr>
<td>1 hour or less</td>
<td>17</td>
</tr>
<tr>
<td>2-3 hours</td>
<td>11</td>
</tr>
<tr>
<td>Up to 1 day</td>
<td>5</td>
</tr>
<tr>
<td>Up to 3 days</td>
<td>6</td>
</tr>
<tr>
<td>Up to 1 week</td>
<td>3</td>
</tr>
<tr>
<td>Up to 1 month</td>
<td>2</td>
</tr>
<tr>
<td>Up to 6 months</td>
<td>1</td>
</tr>
<tr>
<td>Not stated</td>
<td>4</td>
</tr>
</tbody>
</table>

Unweighted base 51 51

Base: Inquiries involving external agencies
For those inquiries that had reached an outcome at the time of the interview, respondents were asked whether the outcome was in the pension scheme’s or arrangement’s favour, the inquirer’s favour or whether the outcome was a compromise. Only three of the 25 inquiries which had reached an outcome were reported to be in the inquirer’s favour, eight were believed to be a compromise and 10 were in the scheme’s or arrangement’s favour. Furthermore, only two inquiries had brought about changes in the scheme’s or arrangement’s rules.
The intention in asking respondents about hypothetical inquiries was:

① to explore the procedures which existed, even where no cases had arisen recently;

• to enable the analysis to compare different schemes and arrangements with a standard set of inquiries.

The four scenarios were introduced to respondents in turn, with the following descriptions:

① 'A male employee with long service decides that he would like to retire five years early. Before making any final decision, he would like to know what effect this will have on his pension benefits.'

• 'An employee has been told he has a progressive illness, which means he is likely to be incapacitated before reaching normal retirement age. He wishes to know if he can take early retirement on the grounds of ill health.'

② 'A former employee wishes to know what the value of his accrued benefits would be if transferred to a pension scheme or arrangement of his new employer.'

• 'A former employee has heard it said that pension administrators or scheme trustees can override the expressed wishes of a member, in respect of the person whom he has nominated to receive a lump sum death benefit. He has recently remarried and nominated his second wife to receive the benefit. He wants to know whether, in the event of his death, his nomination could be overruled.'

The choice of topics was intended to cover reasonably common inquiries, including some which might be the basis of some of the more serious disputes. It was also intended to touch upon discretion and the calculation of entitlement. The hypothetical scenarios of inquiries which might become disputes would help to show the extent to which specified procedures would be called into play, or whether the inquiry would be dealt with in an ad hoc manner.

The series of questions started with how the respondent would deal initially with the inquiry. It then asked what would happen if the inquirer took issue with the initial response(s) he was given, and if he then remained unhappy after a further response had been given. In the event that the matter would be referred to other people at any of these stages, we asked to whom the referral would be made.

In this section, the tables are based on all defined benefit, defined contribution and top hat schemes.
4.1 What would happen The sequence of actions which respondents would take is generally similar in the first instance for the four types of inquiry, but there are differences which reflect the nature of each matter. Table 4.1 sets out the initial reactions to such inquiries; it should be noted that the questionnaire allowed respondents to mention more than one response if appropriate. One of the responses expected was 'don't know'. however very few respondents said this at any stage, so this has been shown only in the tables where it was an important category of response.

Table 4.1 The first thing respondents would do in response to hypothetical inquiries

<table>
<thead>
<tr>
<th>Type of hypothetical inquiry</th>
<th>Early retirement benefit</th>
<th>Ill health retirement benefit</th>
<th>Transfer to member's new scheme</th>
<th>Nomination for lump sum death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refer to scheme booklet</td>
<td>12</td>
<td>8</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>Go through provision</td>
<td>35</td>
<td>40</td>
<td>14</td>
<td>39</td>
</tr>
<tr>
<td>Make calculations</td>
<td>33</td>
<td>22</td>
<td>36</td>
<td>2</td>
</tr>
<tr>
<td>Discuss options</td>
<td>38</td>
<td>35</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>Bring in someone else</td>
<td>43</td>
<td>45</td>
<td>52</td>
<td>32</td>
</tr>
<tr>
<td>Other answers</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Weighted base</td>
<td>354</td>
<td>354</td>
<td>354</td>
<td>354</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>372</td>
<td>372</td>
<td>372</td>
<td>372</td>
</tr>
</tbody>
</table>

Base: All respondents in occupational schemes

Multiple response question - columns may add up to more than 100%.

Referring to the scheme booklet would be a common first reaction only in the case of nomination for a lump sum benefit (22%); other common first reactions in this type of inquiry would be to explain the provisions of the scheme (39%), discuss the options (26%) or bring in someone else (32%).

Making calculations would be a common initial reaction in the case of early retirement benefits (33%) and transfer of benefits (36%). In both of these cases, however, it would more often be the case that respondents would bring in someone else (43% and 52%, respectively). This would also be the most common initial step with early retirement on grounds of ill health (45%), although two-fifths (40%) of respondents would explain the scheme’s provisions for such retirement.

It is noticeable that very few respondents wanted to mention any other type of action with such inquiries, although this option was given on the card listing the categories.

4.1.1 Bringing in someone else Table 4.1 shows that referring to someone else was one of the most common initial reactions with each type of inquiry. Table 4.2 shows to whom this referral would be made. Again, there are similarities between the different
types of inquiry, and some differences which appear to be consistent with the nature of each inquiry.

Table 4.2 To whom respondents would refer at the initial stage of an inquiry

<table>
<thead>
<tr>
<th>Type of hypothetical inquiry</th>
<th>Early retirement</th>
<th>Ill health retirement</th>
<th>Transfer to member’s new scheme</th>
<th>Nomination for lump sum death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme trustee</td>
<td>11</td>
<td>10</td>
<td>6</td>
<td>23</td>
</tr>
<tr>
<td>Specialist in organisation</td>
<td>3</td>
<td>1</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Insurance company</td>
<td>65</td>
<td>54</td>
<td>72</td>
<td>53</td>
</tr>
<tr>
<td>Independent adviser</td>
<td>23</td>
<td>14</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>External lawyer/actuary</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Trade union</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctor</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>151</td>
<td>157</td>
<td>184</td>
<td>113</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>141</td>
<td>170</td>
<td>181</td>
<td>84</td>
</tr>
</tbody>
</table>

Base: Those respondents in occupational schemes using an ‘expert’

Multiple response question - columns may add up to more than 100%

† This category was included for medical retirement only

The most common referral would be to the insurance company, particularly where the perceived need was to calculate entitlement, as in early retirement (65%) and transfers (72%). It would be less predominant, but still relatively common, with retirement on grounds of ill health (54%) and nomination for a lump sum benefit (53%). The scheme trustees would be referred to in a quarter (23%) of inquiries involving nomination for lump sum death benefit; reference to the scheme trustees was more likely for this type of inquiry than for the other types. Retirement on grounds of ill health would involve medical advice or a medical examination at an early stage (7%), this option not having been provided with the other hypothetical scenarios.

The extent to which reference would be made to another individual or organisation is related to some extent to the type and size of the scheme. Table 4.3 shows the first thing the respondent would do, with a breakdown by type and size of scheme. The main points to note in this table are the greater tendency of respondents with the large defined benefit schemes and top hat schemes to go through the scheme’s provisions (38% and 39%, respectively) and the correspondingly reduced amount of referral to other people (28% and 33%, respectively).
Another difference between types of schemes is the greater likelihood that respondents in large defined benefit schemes would make calculations of entitlement for the member (38%). It is suggested that this reflects the greater degree of specialisation in pensions matters by respondents in larger organisations. (Table B.3 in Appendix B shows that 37% of them had the job title ‘pensions manager’ or ‘pensions officer’.)

The second stage of each of the hypothetical scenarios was to see what would happen if the member disputed the initial outcome. Table 4.4 shows the answers in terms of the type and size of the pension scheme. The main development, compared with the initial stage, is that more respondents would make reference to someone else. About three-fifths of respondents would do this, the exception being the large defined benefit schemes, where about a third of respondents would try to resolve the matter themselves, considerably more than with small defined benefit schemes and both small and large defined contribution schemes. Fewer than one in 10 respondents felt in this situation they would say they had done all they could.
Table 4.4  What the respondent would do next if the member disputed the initial outcome, by type of scheme

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provided all the help</td>
<td>7</td>
<td>8</td>
<td>10</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Resolve matter yourself</td>
<td>20</td>
<td>34</td>
<td>20</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>Make calculations</td>
<td>13</td>
<td>23</td>
<td>13</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Discuss options</td>
<td>15</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>Refer member to someone else</td>
<td>60</td>
<td>45</td>
<td>62</td>
<td>63</td>
<td>59</td>
</tr>
<tr>
<td>Something else</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Weighted base</td>
<td>408</td>
<td>135</td>
<td>470</td>
<td>54</td>
<td>345</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>296</td>
<td>536</td>
<td>336</td>
<td>196</td>
<td>120</td>
</tr>
</tbody>
</table>

Base: All occupational schemes

Multiple response question - columns may add up to more than 100%.

The greater recourse to other people is a consistent reaction at the second stage for each of the four types of inquiry (Table 4.5). Comparing this with Table 4.1, it can be seen that there is greater uniformity across the types of inquiry in the extent to which respondents would refer the member to someone else.

Table 4.5  What the respondent would do next if the member disputed the initial outcome, by type of inquiry

<table>
<thead>
<tr>
<th>Type of hypothetical inquiry</th>
<th>Early retirement</th>
<th>Ill health retirement</th>
<th>Transfer to member’s new scheme</th>
<th>Nomination for lump sum death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provided all the help</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Resolve matter yourself</td>
<td>28</td>
<td>28</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Make calculations</td>
<td>26</td>
<td>6</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Discuss options</td>
<td>17</td>
<td>20</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Refer member to someone else</td>
<td>59</td>
<td>54</td>
<td>63</td>
<td>59</td>
</tr>
<tr>
<td>Something else</td>
<td>2</td>
<td>4</td>
<td>*</td>
<td>4</td>
</tr>
<tr>
<td>Weighted base</td>
<td>354</td>
<td>354</td>
<td>354</td>
<td>354</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>372</td>
<td>372</td>
<td>372</td>
<td>372</td>
</tr>
</tbody>
</table>

Base: All respondents in occupational schemes

Multiple response question - columns may add up to more than 100%.

At this stage, the type of person to whom the member would be referred was fairly varied across the types of scheme (Table 4.6). Small defined benefit and small defined contribution schemes would both tend to refer to the insurance company (53%, 62%). Large occupational and top hat schemes would tend to refer the member to trustees (30%, 28%, 31%) much more often than small defined benefit and small defined contribution schemes.
At this stage, referral to a lawyer, actuary or other specialist becomes a more prevalent action taken by schemes.

Table 4.6 To whom the member would be referred if s(he) disputed the initial outcome, by type of scheme

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme trustee</td>
<td>17</td>
<td>30</td>
<td>9</td>
<td>(28)</td>
<td>31</td>
</tr>
<tr>
<td>Specialist in organisation</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>(4)</td>
<td>1</td>
</tr>
<tr>
<td>Insurance company</td>
<td>53</td>
<td>33</td>
<td>62</td>
<td>(44)</td>
<td>48</td>
</tr>
<tr>
<td>Independent adviser</td>
<td>11</td>
<td>10</td>
<td>12</td>
<td>(9)</td>
<td>12</td>
</tr>
<tr>
<td>External lawyer/actuary</td>
<td>17</td>
<td>14</td>
<td>11</td>
<td>(10)</td>
<td>5</td>
</tr>
<tr>
<td>Trade union</td>
<td>1</td>
<td></td>
<td></td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>(2)</td>
<td>2</td>
</tr>
<tr>
<td>Weighted base</td>
<td>244</td>
<td>61</td>
<td>290</td>
<td>(34)</td>
<td>203</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>185</td>
<td>237</td>
<td>220</td>
<td>126</td>
<td>68</td>
</tr>
</tbody>
</table>

Base: Occupational schemes referring inquirer to someone else

Multiple response question - columns may add up to more than 100%.

4.3 Implications of the inquirer remaining dissatisfied

The third stage of questions about the hypothetical inquiries involved the member still being unhappy with the outcome of the second stage, whether that was with the information supplied, a decision or an interpretation of the rules. Respondents were again allowed to mention more than one action in response to the member’s request for the inquiry to be considered further.

One of the more significant things about the responses in this situation is that fewer than one-quarter of respondents said they would be unable to do anything more (Table 4.7). They were mostly able to identify further actions which they would take. Among these, a few respondents said that they would consult colleagues at this stage. Rather more of them would consult trustees, and in some cases they would advise the member to contact trustees.

However, the most common result at this stage would be for the member to be advised to contact another individual or organisation. For example, this would be the case with half of the small occupational schemes and the top hat schemes (52%, 55% and 49%). Large occupational schemes seemed to be rather less likely to mention this (39%, 37%), but it was still the most common outcome of those referred to.
Table 4.7 What respondent would do if member was still unhappy, by type of scheme

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can do nothing more</td>
<td>15</td>
<td>17</td>
<td>25</td>
<td>13</td>
<td>20</td>
</tr>
<tr>
<td>Consult colleagues</td>
<td>13</td>
<td>14</td>
<td>7</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Seek advice from trustees</td>
<td>21</td>
<td>28</td>
<td>18</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Advise member to contact trustees</td>
<td>14</td>
<td>16</td>
<td>7</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>Advise member to contact outside body</td>
<td>52</td>
<td>39</td>
<td>55</td>
<td>37</td>
<td>49</td>
</tr>
<tr>
<td>Something else</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Weighted base</td>
<td>408</td>
<td>135</td>
<td>470</td>
<td>54</td>
<td>345</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>296</td>
<td>536</td>
<td>336</td>
<td>196</td>
<td>120</td>
</tr>
</tbody>
</table>

Base: All occupational schemes

Multiple response question - columns may add up to more than 100%.

A series of questions was asked to establish how the trustees would be likely to act in such cases. The first of these questions was whether the decision on the issue would be made by the Board of Trustees, a subgroup or a single trustee acting on behalf of the Board (Table 4.8). By far the most common answer was that the Board of Trustees would decide the matter, this being said in two-thirds of the cases where the inquiry involved a request for early retirement, retirement on grounds of ill health and transfers to another scheme (66%, 67% and 67%). This would occur in four-fifths (79%) of inquiries involving nomination of the lump sum benefit. In the remaining cases, a subgroup or a single trustee might make the decision, although a number of respondents (5% to 12%) said they did not know how the trustees would reach a decision.

Table 4.8 How the trustees would reach a decision if the inquirer was still unhappy with the outcome, by type of inquiry

<table>
<thead>
<tr>
<th>Type of hypothetical inquiry</th>
<th>Early retirement benefit</th>
<th>Ill health retirement benefit</th>
<th>Transfer to member’s new scheme</th>
<th>Nomination for lump sum death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Trustees</td>
<td>66</td>
<td>67</td>
<td>67</td>
<td>79</td>
</tr>
<tr>
<td>Subgroup of trustees</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>A single trustee</td>
<td>14</td>
<td>7</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Don't know</td>
<td>10</td>
<td>8</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Weighted base</td>
<td>139</td>
<td>102</td>
<td>84</td>
<td>101</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>178</td>
<td>140</td>
<td>110</td>
<td>135</td>
</tr>
</tbody>
</table>

Base: Occupational schemes seeking advice from or advising inquirer to contact trustees
Respondents were then asked whether, in reaching a decision, the trustees would be tightly bound by scheme rules, could exercise discretion or whether this would depend on the situation under consideration. The answers were quite varied across each of the four types of inquiry (Table 4.9). Again, quite a large percentage of respondents said they did not know how the trustees would make a decision, accounting for between 11% and 24% of the responses. Early retirement, whether by choice or for medical reasons, seemed the type of inquiry in which the particular situation would have greater influence (20%, 15%) than in the case of transfers (4%) and nomination for lump sum benefit (9%). This is assumed to refer to the situation of the individual requesting early retirement, as an employee of the organisation.

Table 4.9 Whether trustees would be bound by scheme rules or would exercise discretion, by type of inquiry

<table>
<thead>
<tr>
<th>Type of hypothetical inquiry</th>
<th>Early retirement benefit</th>
<th>Ill health retirement benefit</th>
<th>Transfer to member's new scheme</th>
<th>Nomination for lump sum benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tightly bound by rules</td>
<td>32</td>
<td>26</td>
<td>33</td>
<td>22</td>
</tr>
<tr>
<td>Exercise discretion</td>
<td>31</td>
<td>37</td>
<td>32</td>
<td>51</td>
</tr>
<tr>
<td>Depends on situation</td>
<td>20</td>
<td>15</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Don't know</td>
<td>16</td>
<td>18</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>Weighted base</td>
<td>139</td>
<td>102</td>
<td>84</td>
<td>101</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>178</td>
<td>140</td>
<td>110</td>
<td>135</td>
</tr>
</tbody>
</table>

Base: Occupational schemes seeking advice from or advising inquirer to contact trustees

In the case of early retirement by choice and transfer of benefits, respondents were equally divided between those who thought that the scheme's rules would determine the outcome and others who thought that discretion would be exercised. The other two issues, medical grounds for early retirement (37%) and nomination for a lump sum benefit (51%), both appeared to allow for more exercise of discretion by the trustees, especially the latter. However, there were still about a quarter of respondents who felt that the trustees would be bound by the scheme rules in both of these situations (26%, 22%).

Table 4.10 shows that the distribution of respondents who did not know how trustees would reach a decision was rather different between defined benefit schemes and both defined contribution schemes and top hat schemes. Respondents interviewed about defined benefit schemes were not very likely to say they did not know in what way trustees would reach a decision (7%, 8%). This seems to reflect the different position of trustees in relation to defined benefit schemes, where the usage of funds in relation to individual members may allow greater scope for discretion to be exercised than where the benefits are based on the defined contribution method. It is apparent in Table 4.10 that trustees of defined benefit schemes have somewhat greater
ability to use their discretion (45%, 52%), compared with defined contribution schemes (31%, 33%) and top hat schemes (27%). However, it appears that trustees in a similar percentage of schemes of all types would find themselves tightly bound by scheme rules. Overall, therefore, it seems that these answers are consistent with the finding that most schemes do not have fixed procedures which are required to be followed, but rather adopt an *ad hoc* approach to inquiries (see Chapter Two).

Table 4.10 Whether trustees would be bound by scheme rules or would exercise discretion, by type of scheme

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
</tr>
<tr>
<td>Tightly bound by rules</td>
<td>32</td>
<td>22</td>
<td>26</td>
<td>(32)</td>
<td>30</td>
</tr>
<tr>
<td>Exercise discretion</td>
<td>45</td>
<td>52</td>
<td>31</td>
<td>(33)</td>
<td>27</td>
</tr>
<tr>
<td>Depends on situation</td>
<td>16</td>
<td>17</td>
<td>10</td>
<td>(15)</td>
<td>9</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7</td>
<td>8</td>
<td>26</td>
<td>(15)</td>
<td>26</td>
</tr>
<tr>
<td>Weighted base</td>
<td>137</td>
<td>56</td>
<td>114</td>
<td>(23)</td>
<td>94</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>121</td>
<td>231</td>
<td>80</td>
<td>90</td>
<td>38</td>
</tr>
</tbody>
</table>

Base: Occupational schemes seeking advice from or advising inquirer to contact trustees

Once the trustees have reached their decision, it needs to be conveyed to the member, and the notification may or may not indicate what further steps the member is able to take. The great majority of schemes would convey the trustees’ decision in writing (58% to 70% across the types of schemes), although in many cases (21% to 33%) the member would also be informed verbally of the decision. Similarly, a large majority of respondents said that at this stage the member would be informed about what further action he or she could take, ranging from 61% to 86%, although rather surprisingly both of the largest and smallest percentages were found with the same type of pension scheme, in defined contribution schemes. Looking at the issue which led to the inquiry (Table 4.11) it is apparent that schemes would be more willing to provide advice about further steps in cases of early retirement and transfer values (83%, 83%, 84%) than in the case of the member’s right to determine who would benefit from a lump sum benefit on death in service (65%). This difference appears to indicate that respondents felt the latter type of inquiry was somewhat different in terms of how the trustees would feel about the member’s right to contest their decision, although two-thirds of schemes would apparently provide details of how to take the matter further.
Table 4.11 Whether trustees would indicate what further action could be taken, by type of inquiry

<table>
<thead>
<tr>
<th>Type of hypothetical inquiry</th>
<th>Early retirement benefit</th>
<th>Ill health retirement benefit</th>
<th>Transfer to member’s new scheme</th>
<th>Nomination for lump sum death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>83</td>
<td>83</td>
<td>84</td>
<td>65</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>10</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Weighted base</td>
<td>139</td>
<td>102</td>
<td>84</td>
<td>101</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>178</td>
<td>140</td>
<td>110</td>
<td>135</td>
</tr>
</tbody>
</table>

Base: Occupational schemes seeking advice from or advising inquirer to contact trustees

Respondents were also asked whether a right existed for members to appeal against the decision reached by the trustees. In this instance, between 14% and 39% of respondents were unable to say. About half stated that there would be a right of appeal, while the other respondents felt there would not be such a right. As in some other situations, respondents with large defined benefit schemes gave a rather different pattern of answers from other respondents. For example, nearly half (48%) of them said there was no right of appeal, while 31% felt there would be and 18% did not know. Respondents with small defined benefit schemes more often thought there would be a right of appeal (46%), and similar percentages either felt there was not (25%) or said they did not know (22%).

Table 4.12 Whether there is a right of appeal against the trustees’ decision, by type of scheme

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>46</td>
<td>31</td>
<td>47</td>
<td>(28)</td>
<td>59</td>
</tr>
<tr>
<td>No</td>
<td>25</td>
<td>48</td>
<td>21</td>
<td>(26)</td>
<td>17</td>
</tr>
<tr>
<td>Don’t know</td>
<td>22</td>
<td>18</td>
<td>26</td>
<td>(39)</td>
<td>14</td>
</tr>
<tr>
<td>Weighted base</td>
<td>137</td>
<td>56</td>
<td>114</td>
<td>(23)</td>
<td>94</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>121</td>
<td>231</td>
<td>80</td>
<td>90</td>
<td>38</td>
</tr>
</tbody>
</table>

Base: Occupational schemes seeking advice from or advising inquirer to contact trustees

Uncertainty about the mechanism for an appeal is also apparent in the answers to a question which asked about the procedure for members to make an appeal. Half the respondents with small defined contribution schemes (51%), small and large defined contribution schemes (50%, 47%) and three-quarters of those with top hat schemes (72%) said they did not know what the procedure would be. Fewer respondents with large defined benefit schemes were unable to say (26%), and they gave a more varied range of answers, including appealing via a personnel manager (15%) and referral to expert advisers such as lawyers or actuaries (12%). The typical response...
was simply that the member would have to state his or her appeal in writing to the trustees, which was mentioned by between 17% and 39% of respondents, across the types of schemes.

4.3.1 Where members could refer their inquiry

In cases where the trustees would inform the member about where he or she could pursue his or her dispute with them (in about two-thirds of those inquiries which would be referred to the trustees), the main responses concerned OPAS and the Pensions Ombudsman (Table 4.13). It can be seen, perhaps surprisingly, that more respondents mentioned the Pensions Ombudsman than OPAS, when it is less likely that inquiries about entitlements would be within the terms of reference of the Pensions Ombudsman than of OPAS. It is possible that some respondents did not recognise the acronym ‘OPAS’, and hence did not mention this option when it was read out by the interviewer.

Table 4.13 Which organisations members would be advised about if dissatisfied with the trustees’ decision, by type of scheme

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
</tr>
<tr>
<td>OPAS</td>
<td>66</td>
<td>(65)</td>
<td>46</td>
<td>(60)</td>
<td>6</td>
</tr>
<tr>
<td>The Pensions Ombudsman</td>
<td>64</td>
<td>(77)</td>
<td>59</td>
<td>(81)</td>
<td>82</td>
</tr>
<tr>
<td>The Pensions Registry</td>
<td>14</td>
<td>(26)</td>
<td>12</td>
<td>(16)</td>
<td></td>
</tr>
<tr>
<td>Other organisations</td>
<td>17</td>
<td>(8)</td>
<td>14</td>
<td>(4)</td>
<td>12</td>
</tr>
<tr>
<td>Weighted base</td>
<td>110</td>
<td>(39)</td>
<td>98</td>
<td>(14)</td>
<td>73</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>88</td>
<td>160</td>
<td>63</td>
<td>58</td>
<td>25</td>
</tr>
</tbody>
</table>

Base: Occupational schemes informing inquirer what action he could take

Multiple response question - columns may add up to more than 100%.

One of the possible answers to an earlier question, alongside referral to trustees, was referral of the matter to an outside body. This was in fact the most common outcome in cases where the member remained unhappy after a second stage of inquiry (Table 4.7). As with previous questions, respondents were shown a list of organisations, although they were also able to mention other organisations in addition. The results are summarised by type of scheme in Table 4.14 and by type of inquiry in Table 4.15.
Table 4.14 Outside body to which inquirer would be referred if still not happy, by type of scheme

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
</tr>
<tr>
<td>OPAS</td>
<td>19</td>
<td>46</td>
<td>14</td>
<td>(19)</td>
<td>28</td>
</tr>
<tr>
<td>The Pensions Ombudsman</td>
<td>43</td>
<td>34</td>
<td>46</td>
<td>(56)</td>
<td>37</td>
</tr>
<tr>
<td>Insurance/Personal Investment Ombudsman</td>
<td>10</td>
<td>2</td>
<td>10</td>
<td>(4)</td>
<td>14</td>
</tr>
<tr>
<td>Pensions Registry</td>
<td>3</td>
<td>1</td>
<td>*</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Trade union</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>(-)</td>
<td>2</td>
</tr>
<tr>
<td>Citizen's Advice Bureau</td>
<td>3</td>
<td>14</td>
<td>10</td>
<td>(12)</td>
<td>3</td>
</tr>
<tr>
<td>ACAS/Industrial tribunal</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>(2)</td>
<td>1</td>
</tr>
<tr>
<td>Insurance company</td>
<td>27</td>
<td>16</td>
<td>24</td>
<td>(18)</td>
<td>21</td>
</tr>
<tr>
<td>Actuary of the scheme</td>
<td>3</td>
<td>5</td>
<td>*</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Solicitor/legal advice</td>
<td>17</td>
<td>14</td>
<td>9</td>
<td>(10)</td>
<td>5</td>
</tr>
<tr>
<td>Independent adviser</td>
<td>3</td>
<td>4</td>
<td>*</td>
<td>(-)</td>
<td>1</td>
</tr>
<tr>
<td>Other organisations</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Weighted base</td>
<td>209</td>
<td>53</td>
<td>260</td>
<td>(20)</td>
<td>169</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>133</td>
<td>190</td>
<td>209</td>
<td>73</td>
<td>55</td>
</tr>
</tbody>
</table>

Base: Occupational schemes advising inquirer to consult an outside body

Multiple response question - columns may add up to more than 100%

As before, the most commonly mentioned body is the Pensions Ombudsman, referred to by 34% of respondents with large defined benefit schemes and a greater percentage of respondents with each of the other types of schemes, ranging up to 56% for large defined contribution schemes. Where the Pensions Ombudsman was referred to most often by respondents, there was less reference to OPAS, suggesting that some respondents were unaware of OPAS or of its role in resolving disputes. The exception was large defined benefit schemes, confirming the fact that respondents interviewed about these schemes tended to have a greater level of expertise in pensions matters. Significantly, perhaps, they were the people least likely to mention the Insurance or Personal Investments Ombudsman as bodies to which members might be referred for inquiries of the types being discussed, though fewer than one in seven (14%) of respondents mentioned them in the other types of schemes. Very few respondents mentioned the Pensions Registry.

Insurance companies were the second most frequently mentioned outside body, implying that members would be asked to refer their inquiry direct to the insurance company managing the pension fund. This was mentioned by about a quarter of the respondents with small defined benefit (27%) and small defined contribution schemes (24%), but by a rather smaller percentage of respondents with large defined benefit schemes (16%). This last contrast perhaps reflects the greater capacity of large defined benefit schemes to deal in-house with more technical matters. Among the variety of other types of
organisation mentioned by a few respondents, it is notable that respondents with all types of schemes were fairly likely to suggest that members should refer their dispute to a solicitor or legal adviser, this being most often stated by respondents with small defined benefit schemes (17%).

Looked at by type of inquiry (Table 4.15), the overall pattern is generally similar. There was some variation in the extent to which the Pensions Ombudsman was mentioned; less in the inquiries relating to early retirement (30%, 41%) and more with transfer of benefits and nomination for a lump sum benefit (48% for both). It is notable that in the case of nomination for the lump sum benefit, only 13% of respondents mentioned referral to the insurance company. In this instance, 15% referred to obtaining legal advice, while up to 10% of respondents mentioned legal advice with the other types of inquiry or dispute.

Table 4.15 Outside body to which inquirer would be referred if still not happy, by type of inquiry

<table>
<thead>
<tr>
<th>Type of hypothetical inquiry</th>
<th>Early retirement benefit</th>
<th>Ill health retirement benefit</th>
<th>Transfer to member’s new scheme</th>
<th>Nomination for lump sum death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPAS</td>
<td>16</td>
<td>28</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td>The Pensions Ombudsman</td>
<td>30</td>
<td>41</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Insurance/Personal</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Investment Ombudsman</td>
<td>12</td>
<td>7</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Pensions Registry</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Trade union</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Citizen’s Advice Bureau</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>ACAS/Industrial tribunal</td>
<td>2</td>
<td>*</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Insurance company</td>
<td>37</td>
<td>24</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>Actuary of the scheme</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Solicitor/legal advice</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Independent adviser</td>
<td>2</td>
<td>*</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Other organisations</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Base: Occupational schemes advising inquirer to consult an outside body.
5.1 The burden of inquiries

Overall, more than half of the small occupational schemes and on pension schemes group/personal pension arrangements had to deal with less than one inquiry and external providers per month; the majority of the remainder received between one and five inquiries per month. Schemes or pension arrangements dealing with 10 or more inquiries per month were confined mainly to large occupational schemes. The mean number of inquiries dealt with by defined benefit and defined contribution schemes with 100 or more current active members was 41 and 17, respectively. This compares with less than two inquiries per month for small defined benefit and small defined contribution schemes.

It is not surprising therefore that more than half of the respondents with small defined benefit and small defined contribution schemes, top hat schemes and group/personal pension arrangements spent less than an hour per month dealing with inquiries. Over half of these scheme or pension arrangements only had one person, namely the respondent, dealing with inquiries.

Chapter Four, which examined recent inquiries, produced further evidence showing that inquiries accounted for a small proportion of respondents’ time. At least three-fifths of inquiries dealt with by internal procedures and over half which required further consultation were concluded by respondents in less than one hour, many of them taking no more than 10 minutes to reach an outcome. The implication of this is that as an inquiry becomes more complex the scheme’s named person responsible for dealing with it will tend to refer to an outside body or individual for advice, such as the insurance or pension providing company, an independent financial adviser or an actuary.

Overall, there was very little difference between employer organisations and external organisations in the way inquiries were handled. Both were equally likely to rely on ad hoc methods to resolve inquiries, and both were reported to deal with a similar number of inquiries.

5.2 The causes of inquiries

The Pension Law Review Committee (PLRC, 1993), after examining the different types of disputes that arise and the mechanisms available for their resolution, concluded that many disputes were resolved at an early stage and that schemes did not normally embody any formal procedure for the resolution of disputes. The findings of the current study also showed that the vast majority of inquiries, which were predominantly straightforward requests for information, advice or clarification, were dealt with by internal procedures, with very few inquiries requiring further consultation or the involvement of external agencies, such as OPAS and the Pensions...
Ombudsman. Furthermore, the current study showed that more than four-fifths of schemes and pension arrangements relied on *ad hoc* methods to deal with members’ inquiries and concerns, and very few of them had definite plans to introduce greater formality.

The PLRC also noted that many inquiries and disputes were the product of misunderstandings; Section 3.3 reported that two-thirds of respondents to the current survey did not regard inquiries which were dealt with by internal procedures to be as a result of inquirers having misunderstood their rights, obligations or entitlements. However, differences between the PLRC report and current study in the use of the terms ‘inquiry’ and ‘dispute’, or their definitions, may account for this difference in findings.

The current study points to most schemes and pension arrangements opting for informal channels of inquiry resolution to deal with the limited number generated. Of the 21,000 inquiries identified in the current survey, 90% had been dealt with, or were being dealt with, by internal procedures, only nine per cent required schemes or pension arrangements to consult with outside organisations and a very small proportion (less than one per cent) involved external agencies such as OPAS and the Pensions Ombudsman.

The current survey is not, however, able to report whether the inquirers were always fully satisfied with the outcome, and whether they had any plans to take the matter further. As discussed in Chapter Three, the process of inquiry resolution cannot be categorised easily into distinct levels of inquiry. Those inquiries identified as having been dealt with by internal procedures may develop into the intermediate or higher level of inquiry, where the inquiry may evolve into a dispute.

Inquiries dealt with by internal procedures and those involving further consultation addressed a wide range of issues, with much similarity between the two. Inquiries concerning transfer values were, however, more commonplace in the latter, reflecting the need to refer such inquiries to the insurance or pension providing company. The subject of inquiries which involved external agencies also differed from those dealt with by internal procedures and those involving further consultation, but the number of cases identified is too small to allow any definite conclusions to be reached about them.

### 5.3 Ways in which

At the end of the interview, respondents were asked how they would wish respondents would wish to see the process of informing members improved. Overall, three-fifths to improve procedures (58%) said they felt their existing process was satisfactory. Considering the number of inquiries usually generated in any given month and the time spent dealing with them by respondents and any colleagues, this response does not seem to indicate complacency for the majority.
A further 10% of respondents were confident that their scheme or pension arrangement already provided members with sufficient information. The minority who felt they could or should do more emphasised the need to provide more information to members (11%) and/or to make the information easier to use (10%). Only a handful of respondents (2%) made reference to the need for increased regulation of pension schemes and/or the pension industry.

There was a slight tendency for respondents with large defined benefit schemes to be more ready to suggest a need for improvements. However, this is not necessarily a reflection of greater problems in such schemes; it may reflect the greater degree of specialisation in pension matters and greater day-to-day involvement with members’ inquiries. A similar finding among external respondents, as opposed to those respondents working in employer organisations, would seem to support this interpretation.

The resulting impression is that, on the whole, those responsible for pension schemes and arrangements considered current, generally *ad hoc*, mechanisms for dealing with members’ inquiries to be adequate for the demands placed on them.
A.1 Survey design  The current survey was a follow-up to the Employers’ Pension Provision Survey 1994. The Employers’ Pension Provision Survey 1994 provided a rich data set from which the current sample of pension schemes and arrangements could be drawn. Unlike the Employers’ Pension Provision Survey 1994, however, the main focus for the new research was pension schemes or arrangements, and not organisations as a whole. The number of organisations identified as having some form of pension provision in the Employers’ Pension Provision Survey 1994 was 843, of which 29% (weighted) provided two or more types of pension for employees.

A decision was taken to sample only one pension scheme or arrangement per organisation. The pilot survey showed that the burden placed on respondents, the likelihood for repetition and the potential for confusion, among both respondents and interviewers, would be too great if more than one scheme or pension arrangement was selected for any organisation.

The current survey was organised in two phases, referred to as the ‘screen’ survey and the ‘main’ survey. The screen survey was carried out by telephone and identified the most appropriate person to interview for the main survey, which in most cases was the named person responsible for dealing with inquiries about the selected pension scheme or arrangement. The main survey was conducted using face-to-face interviews.

A.2 Sample design  The current survey was commissioned by the Department of Social Security in response to the 1994 White Paper Security, Equality and Choice: the Future for Pensions, which proposed that all occupational schemes should be required to establish formal procedures to consider, and wherever possible resolve, members’ complaints. Although the Department wanted group/personal pension arrangements to be included in the sample for the current survey, the main area of interest was occupational schemes, particularly those with 100 or more current active members. As a result, different sampling fractions were used when drawing the sample.

Before it is possible to discuss more fully the sampling strategy employed in the current survey, it is important to summarise the main points of the Employers’ Pension Provision Survey 1994 sample design (for a full account see Casey et al., 1996).

• A sample of organisations for the Employers’ Pension Provision Survey 1994 was drawn from the Dun and Bradstreet Limited Head Office data file. Organisations, not establishments, were sampled because previous research showed that pensions were a relatively centralised aspect of employment practices.
• 3,000 organisations were approached during the screening stage of the Employer’s Pension Provision Survey 1994, from which 2,142 interviews were obtained.

• Different sampling fractions were used in drawing a representative sample for the main survey, according to size of organisation and scheme type. Both organisations providing some form of pension provision (‘providers’) and those not providing employees with a pension (‘non-providers’) were included in the main sample.

• 1,051 providers and 226 non-providers were issued at the main stage. An overall response rate of 81% was achieved, representing 843 provider interviews and 189 non-provider interviews.

From the 843 organisations identified in the Employer’s Pension Provision Survey 1994 as having some form of pension provision, a sample of schemes and pension arrangements was selected for the current survey. First, however, several criteria had to be satisfied, namely:

• The employer organisation had to be willing to be recontacted for the current survey. (A question about willingness to be contacted again had been asked at the end of the Employer’s Pension Provision Survey 1994 interview).

• The number of current active members was greater than one.

• For occupational schemes, the number of current active members was greater than the number of trustees.

• Personal pension arrangements were to be selected only where the employer organisation operated a single plan for all members and from one insurance or pension providing company. (Of the 195 (unweighted) personal pension plans identified in the Employer’s Pension Provision Survey 1994, 67 operated a single plan, 108 allowed employees to choose their pension plan and 17 allowed employees to choose from a selected number of plans).

• Group personal plans were to be selected only if the number of current active members was greater than the number of plans.

Further criteria were also applied in cases where an organisation had two or more pension schemes or arrangements. Large defined benefit and large defined contribution schemes, and to a lesser extent large group personal pension plans, were given priority in selection. This had the effect of ensuring that a sufficient number of large occupational schemes and large group personal pension plans were included in the sample issued to interviewers.

Where there were two or more defined benefit and defined contribution schemes, or a combination of the two, schemes were selected according to pre-assigned serial numbers:
After applying the above criteria, 678 schemes or pension arrangements were selected from the 960 schemes identified in the Employers’ Pension Provision Survey 1994. Table A.1. breaks down the issued sample by size (i.e. number of current active members) and scheme type.

Table A.1 Sampling matrix

<table>
<thead>
<tr>
<th>Size of scheme (number of current active members)</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group plan</th>
<th>Personal pension</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-11</td>
<td>22</td>
<td>42</td>
<td>55</td>
<td>56</td>
<td>23</td>
<td>198</td>
</tr>
<tr>
<td>12-99</td>
<td>87</td>
<td>73</td>
<td>6</td>
<td>61</td>
<td>16</td>
<td>243</td>
</tr>
<tr>
<td>100-499</td>
<td>80</td>
<td>51</td>
<td>1</td>
<td>7</td>
<td>–</td>
<td>139</td>
</tr>
<tr>
<td>500 or more</td>
<td>70</td>
<td>10</td>
<td>–</td>
<td>2</td>
<td>–</td>
<td>82</td>
</tr>
<tr>
<td>Unknown</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>259</td>
<td>177</td>
<td>62</td>
<td>141</td>
<td>39</td>
<td>678</td>
</tr>
</tbody>
</table>

A.3 Response rate

The main purpose of this discussion is to enable conclusions to be drawn about the extent to which the sample reflects the population from which it was drawn, that is pension provision among private-sector organisations. The response rate is one aspect of this representativeness. Section A.4 sets out the main characteristics of the sample, including the main characteristics of the employer organisations.

As Table A.2 shows that a total of 525 interviews were completed. This represents a gross response rate of 77% (net 83%). There was relatively little variation in the net response rate for defined benefit (83%) and defined contribution (76%) schemes and group personal pension plans (83%). However, the response rate for top hat schemes and schemes or pension arrangements with 11 or fewer members was 50% and 65% respectively. This lower response rate was largely explained by the proportion of such schemes ruled out of scope, after the screen interview, because all current active members were trustees (27% and 10% respectively). It was considered that where membership was restricted to scheme trustees very few inquiries were likely to be generated, and thus such schemes were dropped from the sample for the main stage.
Table A.2  Main survey response rate and reasons for non-response

<table>
<thead>
<tr>
<th>Number approached</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>678</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Out of scope:
- No trace of telephone number: 3
- Organisation moved: 1
- Ceased trading: 10
- Pension scheme terminated: 5
- All members are trustees: 19
- Other out of scope: 9

Number in scope: 631

Productive:
- Full interview: 525

Unproductive:
- Never available: 12
- Refusal to SCPR/DSS: 6
- Refusal: 39
- Proxy refusal: 12
- Other unproductive: 37

No allowance has therefore been made in the analysis for differences in non-response among scheme type and/or between size bands. Most of the non-response was personal refusal by the person selected.

A.4 The sample of The main characteristics of the sample of schemes and pension arrangements schemes and pension are set out in this section, together with a brief description of the original arrangements sample of employer organisations. The latter draws on information from the Employers’ Pension Provision Survey 1994.

Figures presented here are unweighted and as such relate only to the current sample of schemes and pension arrangements.

A.4.1 Size characteristics and year when established

The type and size of schemes or pension arrangements is set out in Table A.3 below. Larger occupational schemes or pension arrangements, especially for defined benefit and defined contribution schemes, were given a greater chance of selection in the current survey. The result has been that two-thirds (64%) of defined benefit schemes and one-third (36%) of defined contribution schemes had 100 or more current active members at the time of the survey. Group/personal pension arrangements predominantly had fewer than 100 members: 89% for group personal pension plans and 96% for personal pension arrangements.
Table A.3 Size and scheme type

<table>
<thead>
<tr>
<th>Number of current active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group pension plan</th>
<th>Personal pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-11</td>
<td>9</td>
<td>24</td>
<td>(78)</td>
<td>39 (55)</td>
<td></td>
</tr>
<tr>
<td>12-99</td>
<td>27</td>
<td>40</td>
<td>(16)</td>
<td>50 (41)</td>
<td></td>
</tr>
<tr>
<td>100-499</td>
<td>35</td>
<td>29</td>
<td>(3)</td>
<td>8 (4)</td>
<td></td>
</tr>
<tr>
<td>500 or more</td>
<td>29</td>
<td>7</td>
<td>(3)</td>
<td>2 (-)</td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Unweighted base</td>
<td>210</td>
<td>136</td>
<td>(32)</td>
<td>119 (27)</td>
<td></td>
</tr>
</tbody>
</table>

*Base: All schemes or pension arrangements*

One occupational scheme not accounted for in the table above could not be categorised as either a defined benefit or defined contribution scheme, even after a brief follow-up interview was carried out. A decision was taken to treat this scheme as a hybrid, and include it in the analysis when referring only to occupational schemes as a whole.

Table A.4 Number of deferred pensioners, by scheme type

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
</tr>
<tr>
<td>None</td>
<td>22</td>
<td>6</td>
<td>59</td>
</tr>
<tr>
<td>1-11</td>
<td>28</td>
<td>4</td>
<td>23</td>
</tr>
<tr>
<td>12-99</td>
<td>29</td>
<td>26</td>
<td>9</td>
</tr>
<tr>
<td>100-499</td>
<td>3</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>500 or more</td>
<td>22</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Don't know</td>
<td>15</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Not stated</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
</tr>
</tbody>
</table>

*Base: All schemes or pension arrangements*

Tables A.4 and A.5 set out the number of deferred and retired pensioners by scheme type. It is evident from Table A.4 that defined contribution schemes, both small and large, were considerably less likely to have had deferred and/or retired pensioners as compared with their defined benefit counterparts. Only one in seven (16%) large defined contribution schemes had 100 or more deferred pensioners, and none had over 100 retired pensioners. The comparable figure for large defined benefit schemes was 50% for both deferred and/or retired pensioners. Three-quarters of top hat schemes can also be seen to have had no deferred (78%) and/or retired (75%) pensioners.

---

The information is based mainly on data from the Employers’ Pension Provision Survey conducted in 1994, and from the brief telephone follow-up survey conducted of those schemes or pension arrangements which replaced the selected pension scheme or arrangement or where the respondent questioned our scheme type classification.
Table A.5 Number of retired pensioners, by scheme type

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>23</td>
<td>7</td>
<td>73</td>
<td>(49)</td>
<td>(75)</td>
</tr>
<tr>
<td>1-11</td>
<td>33</td>
<td>6</td>
<td>23</td>
<td>(31)</td>
<td>(19)</td>
</tr>
<tr>
<td>12-99</td>
<td>23</td>
<td>26</td>
<td>1</td>
<td>(6)</td>
<td>(3)</td>
</tr>
<tr>
<td>100-499</td>
<td>3</td>
<td>29</td>
<td>-</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>500 or more</td>
<td></td>
<td></td>
<td></td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>Don’t know</td>
<td>14</td>
<td>10</td>
<td>2</td>
<td>(14)</td>
<td>(-)</td>
</tr>
<tr>
<td>Not stated</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>(-)</td>
<td>(3)</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

While more than half of defined benefit schemes in the sample (50%, 59%) had been established in 1979 or before, the corresponding figure for defined contribution schemes was five per cent (see Table A.6). Three-fifths (66%, 57%) of the latter were first set up in the 1980s. Equal proportions, around two-fifths, of group/personal pension arrangements were established in the 1980s (42%) and 1990s (45%). Schemes or pension arrangements established in 1995 are those which had replaced the pension provision identified in the Employers’ Pension Provision Survey 1994 and which had been selected as the scheme we wished to cover in the current survey.

Table A.6 When schemes or pension arrangements were first established

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>1</td>
<td>6</td>
<td>(2)</td>
<td>(-)</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>1990-1994</td>
<td>13</td>
<td>11</td>
<td>21</td>
<td>(37)</td>
<td>(19)</td>
<td>40</td>
</tr>
<tr>
<td>1980-1989</td>
<td>29</td>
<td>21</td>
<td>66</td>
<td>(57)</td>
<td>(56)</td>
<td>42</td>
</tr>
<tr>
<td>1979 or before</td>
<td>50</td>
<td>59</td>
<td>5</td>
<td>(4)</td>
<td>(13)</td>
<td>11</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
<td>8</td>
<td>1</td>
<td>(-)</td>
<td>(12)</td>
<td>2</td>
</tr>
<tr>
<td>Not stated</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

/1.4.2 Multiple provision and employer characteristics

This section will briefly describe the main characteristics of the employer organisations responsible for the selected schemes or pension arrangements. Since we are still discussing only the sample characteristics, the figures presented here are again unweighted.

The full range of pension provision among employer organisations is shown in Table A.7, and it is worth keeping in mind that the figures presented relate to the current sample, and not employers in general.
More than half of defined benefit schemes (53%, 58%) and two-fifths of defined contribution schemes (43%, 43%) were the only form of pension provision among employer organisations at the time of the Employers’ Pension Provision Survey 1994. The comparable figures for group/personal pension arrangements and top hat schemes were 38% and 44%, respectively.

Table A.7 Pension provision among employer organisations

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit or defined contribution scheme only</td>
<td>53</td>
<td>58</td>
<td>43</td>
<td>(43)</td>
<td>(-)</td>
<td>4</td>
</tr>
<tr>
<td>Single top hat only</td>
<td>(-)</td>
<td>(44)</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal pension only</td>
<td>1</td>
<td>(-)</td>
<td>(3)</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group personal plan only</td>
<td>1</td>
<td>(-)</td>
<td>(-)</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2+ defined benefit or defined contribution schemes</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td>(18)</td>
<td>(-)</td>
<td>1</td>
</tr>
<tr>
<td>2+ defined benefit or defined contribution schemes and top hat/group or personal plan</td>
<td>26</td>
<td>19</td>
<td>31</td>
<td>(29)</td>
<td>(25)</td>
<td>26</td>
</tr>
<tr>
<td>Other combinations</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>(10)</td>
<td>(28)</td>
<td>27</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

One in 10 employer organisations with defined benefit schemes (11%, 12%) and one in seven with defined contribution schemes (14%, 18%) had two or more defined benefit and/or defined contribution schemes at the time of the earlier survey. A further one-fifth of employer organisations with defined benefit schemes (26%, 19%) and around 30% of those with defined contribution schemes (31%, 29%) had a range of pension provision which included at least two occupational schemes and/or a group/personal pension arrangement. One-quarter of employer organisations with group/personal pension arrangements (25%) or top hat schemes (26%) also provided at least two defined benefit and/or defined contribution schemes at the time of the Employers’ Pension Provision Survey 1994.

One in 10 employer organisations with defined benefit (10%, 11%) and defined contribution (10%, 10%) schemes, and one-quarter with top hat schemes (28%) and group/personal pension arrangements (27%) had another combination of pension provision at the time of the first survey, which may have included closed schemes.

Table A.8 sets out the main characteristics of employer organisations in terms of size, sector, number of establishments and age of organisation. As one would expect, scheme size, in terms of the number of current active members, for defined benefit and defined contribution schemes is related
strongly to the size of the employer organisation. Nonetheless, half (50%) and two-fifths (43%), respectively, of small defined benefit and small defined contribution schemes were provided by organisations employing 100 or more people. Two-thirds of group/personal pension arrangements (68%) and top hat schemes (65%) were operated by organisations with fewer than 100 people.

Table A.8 Characteristics of employer organisations

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 20</td>
<td>16</td>
<td>20</td>
<td>(-)</td>
<td>(31)</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>20-99</td>
<td>34</td>
<td>37</td>
<td>(-)</td>
<td>(34)</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>100-499</td>
<td>41</td>
<td>27</td>
<td>34</td>
<td>(35)</td>
<td>(13)</td>
<td>25</td>
</tr>
<tr>
<td>500 or more</td>
<td>9</td>
<td>73</td>
<td>9</td>
<td>(65)</td>
<td>(22)</td>
<td>7</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>30</td>
<td>44</td>
<td>52</td>
<td>(43)</td>
<td>(62)</td>
<td>41</td>
</tr>
<tr>
<td>Services</td>
<td>70</td>
<td>56</td>
<td>48</td>
<td>(57)</td>
<td>(38)</td>
<td>89</td>
</tr>
<tr>
<td>Number of establishments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>48</td>
<td>12</td>
<td>57</td>
<td>(25)</td>
<td>(56)</td>
<td>58</td>
</tr>
<tr>
<td>Multiple</td>
<td>51</td>
<td>86</td>
<td>43</td>
<td>(75)</td>
<td>(41)</td>
<td>42</td>
</tr>
<tr>
<td>Not stated</td>
<td>1</td>
<td>2</td>
<td>(-)</td>
<td>(3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age of organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 5 years</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>(8)</td>
<td>(-)</td>
<td>6</td>
</tr>
<tr>
<td>5-10 years</td>
<td>13</td>
<td>7</td>
<td>25</td>
<td>(25)</td>
<td>(13)</td>
<td>21</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>85</td>
<td>83</td>
<td>68</td>
<td>(65)</td>
<td>(78)</td>
<td>71</td>
</tr>
<tr>
<td>Not stated</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>(2)</td>
<td>(6)</td>
<td>2</td>
</tr>
<tr>
<td>Ownership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK-owned</td>
<td>85</td>
<td>78</td>
<td>87</td>
<td>(61)</td>
<td>(94)</td>
<td>91</td>
</tr>
<tr>
<td>Foreign owned/don't know</td>
<td>15</td>
<td>22</td>
<td>13</td>
<td>(39)</td>
<td>(6)</td>
<td>9</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

*Base: All schemes or pension arrangements*

About two-fifths of organisations with defined benefit schemes (30%, 44%) and group/personal pension arrangements (41%) were in the manufacturing sector. The comparable figures for small and large defined contribution schemes were 52% and 43%, respectively, and top hat schemes 62%. Eighty-six per cent of large defined benefit scheme and three-quarters (75%) of large defined contribution scheme organisations were organisations with multiple establishments. The comparable figures for small defined benefit and small defined contribution scheme organisations were 51% and 43%. Three-fifths of organisations with group/personal pension arrangements (58%) and top hat schemes (56%) operated at a single site.
More than four-fifths (85%, 83%) of organisations with defined benefit schemes had been in business more than 10 years at the time of the Employers' Pension Provision Survey 1994, compared with two-thirds (68%, 65%) of their counterparts with defined contribution schemes. Only a small percentage (4%) of employer organisations had been in existence for fewer than five years at the time of the earlier survey.

Around four-fifths (84%) of employer organisations were UK-owned. The comparable figures for those organisations with defined contribution schemes with fewer than 100 members and 100 or more members were 87% and 61%, respectively.

A.5 Schemes and pension arrangements `changing characteristics

The screen survey established that 14 schemes or pension arrangements had been terminated and replaced by a new pension provision since the time of the first survey. A further 11 respondents questioned our classification which was based on the earlier Employers’ Pension Provision Survey 1994. A brief follow-up telephone interview was carried out with these 25 schemes or pension arrangements to collect details of any changes, and, if appropriate, to find out why the existing provision had been replaced.

Table A.9 Scheme type for current and Employers' Pension Provision 1994 surveys

<table>
<thead>
<tr>
<th>Original scheme type</th>
<th>Defined benefit scheme</th>
<th>Defined contribution scheme</th>
<th>Top hat scheme</th>
<th>Group personal pension plan</th>
<th>Personal pension arrangement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit scheme</td>
<td>208</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td>210</td>
</tr>
<tr>
<td>Defined contribution scheme</td>
<td>2</td>
<td>128</td>
<td>4</td>
<td></td>
<td></td>
<td>136</td>
</tr>
<tr>
<td>Top hat scheme</td>
<td>3</td>
<td>31</td>
<td>1</td>
<td></td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>Group personal pension plan</td>
<td>1</td>
<td>113</td>
<td>1</td>
<td>1</td>
<td></td>
<td>119</td>
</tr>
<tr>
<td>Personal pension arrangement</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>210</strong></td>
<td><strong>136</strong></td>
<td><strong>32</strong></td>
<td><strong>119</strong></td>
<td><strong>27</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

Table A.9 contrasts the current scheme type classification against that established in the earlier survey. The table does, however, undercount organisations whose schemes and pension arrangements had changed. Those terminating an existing provision and replacing it with a new scheme or pension arrangement of the same type are not shown. Nevertheless, it can be seen that the main changes were to or from defined contribution schemes and group/personal pension arrangements.

As shown in Table A.10, nine out of 10 schemes or pension arrangements were reported to be the same in all respects since the time of the earlier survey. A further one in 10 (9%) defined benefit schemes and one in 20 (5%) defined contribution schemes had undertaken only minor changes to the conditions or benefits of their pension provision. The comparable figure for group personal pension plans and top hat schemes was three per cent.
Table A.10 Any change in scheme provision

<table>
<thead>
<tr>
<th>Scheme Type</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat (91)</th>
<th>Group plan (92)</th>
<th>Personal pension (4)</th>
<th>Other (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same in all respects</td>
<td>89</td>
<td>88</td>
<td>(91)</td>
<td>91</td>
<td>(92)</td>
<td>(-)</td>
</tr>
<tr>
<td>Terminated &amp; replaced</td>
<td>4</td>
<td>(-)</td>
<td>5</td>
<td>(4)</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>Other changes</td>
<td>9</td>
<td>5</td>
<td>(3)</td>
<td>3</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>Disputed classification</td>
<td>1</td>
<td>2</td>
<td>(6)</td>
<td>1</td>
<td>(4)</td>
<td>(100)</td>
</tr>
<tr>
<td>Not stated</td>
<td>1</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>210</td>
<td>136</td>
<td>(32)</td>
<td>119</td>
<td>(27)</td>
<td>(1)</td>
</tr>
</tbody>
</table>

Around one in 20 defined contribution schemes (4%), group/personal pension plans (5%) and personal pension arrangements (4%) in the sample had been terminated and replaced by a new provision. A further two per cent, one per cent and four per cent, respectively, questioned our scheme type classification.

When asked if the conditions or benefits of the existing scheme or pension arrangement had changed in any significant way, four-fifths (81%) of defined benefit schemes and over 90% for other schemes or pension arrangements reported no changes. Of those reporting changes, 20% changed the number or types of employees eligible to join and 32% added new benefits or improved existing benefits.

The reasons why employer organisations terminated an existing scheme or pension arrangement and replaced it with a new form of pension provision are summarised in Table A.11. Of the 14 cases identified, the main reasons appeared to revolve around cost and administrative difficulties, with three linking this to pending government legislation in 1997.
Table A.11 Reasons for replacing existing pension provision

<table>
<thead>
<tr>
<th>Change</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit to</td>
<td>Increased costs and administration in existing scheme</td>
</tr>
<tr>
<td>defined contribution</td>
<td></td>
</tr>
<tr>
<td>Group plan to personal</td>
<td>Cost</td>
</tr>
<tr>
<td>pension</td>
<td></td>
</tr>
<tr>
<td>Defined benefit to</td>
<td>Potential high costs and high risk in future for existing scheme</td>
</tr>
<tr>
<td>defined contribution</td>
<td></td>
</tr>
<tr>
<td>Group plan to defined</td>
<td>Employer organisation wanted to formalise pension provision: considerations were cost and flexibility</td>
</tr>
<tr>
<td>contribution</td>
<td></td>
</tr>
<tr>
<td>Defined contribution to</td>
<td>Company merger</td>
</tr>
<tr>
<td>defined benefit</td>
<td></td>
</tr>
<tr>
<td>Defined contribution to</td>
<td>Sought greater flexibility, reduced costs and new scheme reflected</td>
</tr>
<tr>
<td>group plan</td>
<td>modern business practice better</td>
</tr>
<tr>
<td>Personal pension to defined contribution</td>
<td>Too costly to keep existing arrangement with forthcoming government legislation in 1997, and simpler administration and more benefits with new scheme</td>
</tr>
<tr>
<td>Defined contribution to</td>
<td>Too few members in existing scheme, and forthcoming government</td>
</tr>
<tr>
<td>group plan</td>
<td>legislation in 1997</td>
</tr>
<tr>
<td>Defined benefit to group</td>
<td>Costs of existing scheme were going to increase with government legislation</td>
</tr>
<tr>
<td>plan</td>
<td></td>
</tr>
<tr>
<td>Defined benefit to group</td>
<td>To prevent risk of partnership liability in future years</td>
</tr>
<tr>
<td>plan</td>
<td></td>
</tr>
<tr>
<td>Defined benefit to</td>
<td>Company acquired by a PLC which had an existing defined contribution scheme</td>
</tr>
<tr>
<td>defined contribution</td>
<td></td>
</tr>
<tr>
<td>Occupational scheme to</td>
<td>Problems with administration of existing scheme, and insufficient</td>
</tr>
<tr>
<td>group plan</td>
<td>information for members</td>
</tr>
<tr>
<td>Defined contribution to</td>
<td>New arrangement is more portable for members and involves lower cost for organisation</td>
</tr>
<tr>
<td>group plan</td>
<td></td>
</tr>
<tr>
<td>Defined contribution to</td>
<td>No reason given</td>
</tr>
<tr>
<td>group plan</td>
<td></td>
</tr>
</tbody>
</table>

A.6 The questionnaire After establishing who was the most appropriate person to interview, the screen stage of the current survey collected details about the selected scheme or pension arrangement. This information was used to check and update information collected in the Employers' Pension Provision Survey 1994. A detailed discussion of the contacting procedures is set out in Appendix B.

The main interview was divided into four main parts:

- **Scheme management** Which included questions about the number of inquiries usually generated over a period of one month and the time spent by respondents dealing with them.

- **Hypothetical scenarios** This section allowed all occupational scheme respondents to be asked how their scheme would theoretically deal with four typical inquiries.
Recent inquiries  The number and type of inquiries raised over specified periods of time were recorded in Section F of the questionnaire. Up to four recent inquiries were asked about. A separate booklet was used to collect information about recent inquiries involving external organisations such as OPAS and the Pensions Ombudsman.

Informing members  Section K of the questionnaire asked whether schemes or pension arrangements had formal or ad hoc procedures for dealing with members’ inquiries, and how they would like to see their system of informing members improved.

Although the mean interview length was 42 minutes, interviews ranged from nine to 115 minutes. Since group/personal pension arrangements were filtered out of Sections B to E of the questionnaire, it was expected that some interviews would be fairly short. This was especially the case where no recent inquiries were also reported. Table A.12 shows the mean interview length by scheme type.

Table A.12 Mean interview length, by scheme type

<table>
<thead>
<tr>
<th>Scheme type</th>
<th>Average duration in minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit (&lt;100)</td>
<td></td>
</tr>
<tr>
<td>Defined benefit (100+)</td>
<td></td>
</tr>
<tr>
<td>Defined contribution (&lt;100)</td>
<td></td>
</tr>
<tr>
<td>Defined contribution (100+)</td>
<td></td>
</tr>
<tr>
<td>Top hat</td>
<td></td>
</tr>
<tr>
<td>Group personal plan</td>
<td></td>
</tr>
<tr>
<td>Personal pension arrangement</td>
<td></td>
</tr>
</tbody>
</table>

Interviews with external respondents took on average the same length of time as those carried out with respondents in employer organisations.

A.7 Weighting and Neither the Employers' Pension Provision Survey 1994 nor the current representativeness survey used equal probabilities of selection for all organisations or pension schemes. To produce large enough samples for reliable analysis of subgroups which are rare in the population, both surveys over-represent large organisations and the current survey over-represents large defined benefit and large defined contribution schemes. To achieve a representative picture the sample has to be ‘weighted’ so as to reduce the impact of large organisations and large defined benefit and large defined contribution schemes and increase the effect other organisations and schemes.

In principle these weights are the inverse of the probability of selection. However the necessarily complex selection procedure that was adopted for schemes (as described in Section A.2 above), whereby some schemes or pension arrangements were given priority, meant that some schemes had a
zero probability of selection. A decision was made to treat schemes or pension arrangements of each type with which interviews were achieved in the current survey as a random sample of all schemes of the same type identified in the Employers’ Pension Provision Survey 1994 and which satisfied the selection criteria. Accordingly, a uniform weight was calculated for each category of schemes. For example, if there were 50 large defined benefit schemes in the Employers’ Pension Provision Survey 1994 sample which were in-scope for sampling and 30 of them were in the achieved current sample for schemes then a weight equal to 50/30 was applied to these schemes. Applying these weights gives a sample representative of the schemes and pension arrangements identified in the Employers’ Pension Provision Survey 1994.

To adjust for the fact that the Employers’ Pension Provision Survey 1994 sample itself over-represented some groups of organisations, an additional weight was applied (calculated as equal to the inverse of the probability of selection for the Employers’ Pension Provision Survey 1994 sample and making small extra adjustments for differences in response rates; see Casey et al. 1996). This then gives a sample of schemes and pension arrangements broadly representative of pension schemes in general (where the membership was in excess of one and greater than the number of trustees).

The survey design was intended to provide a sample representative of inquiries. However, a maximum of four inquiries were asked about in any one interview, with the consequence that the sample would under-represent inquiries in schemes and pension arrangements where there had been more than four recent inquiries. An inquiry weight was calculated, which was the scheme weight multiplied by the total number of inquiries and divided by the number of inquiries reported on. This weight was calculated separately for inquiries which were dealt with internally (Section 3.3) and those which required further consultation (Section 3.4). Extreme values of the weights were trimmed because having a very large variation in weights can lead to an excessive increase in the sizes of confidence intervals for survey estimates.

The questionnaire asked respondents how many members of the selected schemes or pension arrangements they were personally responsible for. If the results had shown that respondents dealt with only a proportion of members, it would have been appropriate to adjust for those dealt with by other people in estimating the incidence of inquiries. The survey data show that this adjustment was not necessary.

The figures reported in Section 3, based on the weights for schemes and inquiries, refer to the number of inquiries generated by the current sample of schemes and pension arrangements, standardised for the 12-month period prior to the survey. No attempt has been made to gross up estimates of inquiries to pension schemes and arrangements in Britain, but the weighted total figure of 20,915 inquiries for the schemes covered by the survey is given to allow comparisons to be made by type of inquiry and by type of scheme.
Appendix B reports on the initial contacting procedures used in the screen survey, and who was eventually interviewed and the respondent’s appropriateness for interview. Particular efforts were made to ensure that the most appropriate person was interviewed. An initial telephone screen survey was carried out, in which several questions were asked to determine who dealt with inquiries about the selected scheme or pension arrangement. If directed to someone other than the Employers’ Pension Provision Survey 1994 respondent, interviewers would proceed to carry out the main survey with this other person.

The respondent’s area of responsibility is also examined, again partially to demonstrate that the most appropriate person was in fact interviewed. Respondents working for the employer organisation (referred to as ‘employer respondents’ in this report) were asked what type of inquiries they would not normally feel competent in handling without seeking appropriate advice. Further questions established the proportion of the scheme’s or pension arrangement’s current active members, deferred pensioners and retired (current) pensioners whose inquiries were usually dealt with by respondents.

Figures presented here are unweighted and as such relate only to the current sample of pension schemes and arrangements.

B.1 The initial contact

Before carrying out the main interview a short screen survey was carried out to identify the most appropriate person to interview. This was usually the named person responsible for dealing with inquiries about the selected scheme or pension arrangement, or a more senior member of staff.

Interviewers first contacted respondents from the Employers’ Pension Provision Survey 1994. Nearly nine out of 10 (88%) of the people contacted for the initial screen survey were the original respondents.

The main reasons for non-contact with original respondents were that they had left the employer organisation (60%), had changed jobs within the same organisation (14%) and were temporarily unavailable for interview (20%). In such cases, the interviewer tried to contact the original respondent’s successor or a suitable colleague.

---

1 An Information Sheet was provided to interviewers on each sample member to enable them to identify which pension scheme or arrangement had been selected. This was especially important for organisations with multiple pension provision.
Respondents were then asked whether there was a person responsible for dealing with inquiries about the selected scheme or pension arrangement, and named as such to members of the scheme. Four-fifths (78%) of respondents at the screen interview indicated that they were the named person responsible for dealing with inquiries (‘employer respondents’). A further one-fifth (18%) of respondents said someone else was responsible, of whom three-quarters (75%) worked for an external organisation (‘external respondents’). For these 92 schemes or pension arrangements with an external person responsible for dealing with inquiries about the selected scheme or pension arrangement, interviewers collected their name, job title and address details, where appropriate.

Only 20 out of the 525 schemes or pension arrangements (4%) were said to have no named person responsible for dealing with inquiries about the selected scheme or pension arrangement.

Except for those schemes or pension arrangements where someone else was identified as the named person responsible for dealing with inquiries, respondents were asked if they mostly dealt with inquiries themselves or whether they were likely to refer the inquiry to someone else in their organisation or an external organisation. Table B.1 sets out the results.

Table B.1 Who mostly deals with inquiries

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent</td>
<td>87</td>
<td>88</td>
<td>82</td>
<td>(82)</td>
<td>(95)</td>
</tr>
<tr>
<td>Someone else in same organisation</td>
<td>2</td>
<td>2</td>
<td>(-)</td>
<td>(-)</td>
<td>1</td>
</tr>
<tr>
<td>External organisation</td>
<td>13</td>
<td>10</td>
<td>16</td>
<td>(18)</td>
<td>(5)</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>68</td>
<td>122</td>
<td>74</td>
<td>(39)</td>
<td>(19)</td>
</tr>
</tbody>
</table>

Base: Where respondent, or no one, is the named person responsible for inquiries

More than four-fifths (85%) of respondents said that they mostly dealt with inquiries themselves, without referral to someone else in their own or an external organisation. After checking some details about the employer organisation and the selected scheme or pension arrangement, interviewers were instructed to carry out the main interview with these respondents.

Around one in seven (14%) respondents said that they would refer to someone outside their organisation if they could not readily deal with an inquiry themselves, and one per cent (four respondents) would seek advice from someone else in their organisation. Here again interviewers collected the necessary details about this other person to be able to contact them for the main interview.
In summary, Table B.2 shows that interviewers finally carried out the main interview with the person who helped with the screen survey for around four-fifths (78%, 81%) of defined benefit schemes, and two-thirds of defined contribution schemes (70%, 65%) and group/personal pension arrangements (62%).

Table B.2 Who main interview was to be conducted with

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same respondent as screen</td>
<td>78</td>
<td>81</td>
<td>70</td>
<td>(65)</td>
<td>(56)</td>
<td>62</td>
</tr>
<tr>
<td>Someone else in same organisation</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>(12)</td>
<td>(6)</td>
<td>6</td>
</tr>
<tr>
<td>External organisation</td>
<td>18</td>
<td>14</td>
<td>28</td>
<td>(23)</td>
<td>(38)</td>
<td>32</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

The screen survey therefore helped to ensure that the most appropriate person was interviewed at the main stage. In most cases (64%) the most appropriate person was the original respondent from the Employers' Pension Provision Survey 1994. A further one in 20 (6%) interviews at the main stage were carried out with the screen respondent (i.e. successor or colleague of Employers' Pension Provision Survey 1994 respondent). One-quarter (24%) of main stage interviews were carried out with external respondents.

B.2 Main interview

This section sets out the job titles of the respondents interviewed at the main stage, together with their level of responsibility for the selected scheme or pension arrangement. In other words, Section B.2 examines the respondent’s appropriateness for interview about the selected scheme or pension arrangement.

B.2.1 About main stage respondents

Table B.3 shows that respondents for large defined benefit and large defined contribution schemes in the current sample were most likely to be either pension managers or directors, or pension officers, 37% and 20%, respectively. There were very few specialists among respondents with small defined benefit and small defined contribution schemes (7% and 2% respectively). A further five per cent of respondents for large defined benefit schemes and large defined contribution schemes (4%, 8%) described themselves as pension consultants, all of whom were external respondents.
Table B.3 Job title of respondents interviewed at the main stage

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing director</td>
<td>10</td>
<td>1</td>
<td>18</td>
<td>(-)</td>
<td>(22)</td>
<td>21</td>
</tr>
<tr>
<td>Finance director</td>
<td>12</td>
<td>5</td>
<td>17</td>
<td>(11)</td>
<td>(19)</td>
<td>11</td>
</tr>
<tr>
<td>Company secretary</td>
<td>20</td>
<td>10</td>
<td>13</td>
<td>(6)</td>
<td>(6)</td>
<td>12</td>
</tr>
<tr>
<td>Pensions manager/director</td>
<td>4</td>
<td>25</td>
<td>1</td>
<td>(10)</td>
<td>(16)</td>
<td>3</td>
</tr>
<tr>
<td>Pensions officer</td>
<td>3</td>
<td>12</td>
<td>1</td>
<td>(10)</td>
<td>(-)</td>
<td>2</td>
</tr>
<tr>
<td>Accountant</td>
<td>7</td>
<td>4</td>
<td>12</td>
<td>(8)</td>
<td>(3)</td>
<td>8</td>
</tr>
<tr>
<td>Personnel/human resource manager/director</td>
<td>4</td>
<td>6</td>
<td>1</td>
<td>(6)</td>
<td>(-)</td>
<td>4</td>
</tr>
<tr>
<td>Personnel/human resource officer</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>(8)</td>
<td>()</td>
<td>2</td>
</tr>
<tr>
<td>Other manager</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>(17)</td>
<td>(3)</td>
<td>5</td>
</tr>
<tr>
<td>Pension consultant</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>(8)</td>
<td>(3)</td>
<td>3</td>
</tr>
<tr>
<td>Independent financial adviser</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>(4)</td>
<td>(9)</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>27</td>
<td>18</td>
<td>15</td>
<td>(12)</td>
<td>(19)</td>
<td>24</td>
</tr>
<tr>
<td>Not stated</td>
<td>2</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements

Between two-fifths and one-half of respondents for small defined benefit (42%) and small defined contribution (48%) schemes, and group/personal pension arrangements (44%) were managing directors, finance directors or company secretaries. The corresponding figures for large defined benefit and large defined contribution schemes were 16% and 17% respectively.

One in 10 (10%) main stage interviews were carried out with more than one respondent; one-fifth (18%) for large defined contribution schemes. In these cases, respondents sought assistance or information from colleagues, or an external consultant or pensions manager etc. at some stage during the interview. Perhaps surprisingly, external respondents were twice as likely to seek assistance during the interview as employer respondents. One-quarter (25%) of external respondents for occupational schemes and one-fifth (19%) of external respondents for group/personal pension arrangements referred to someone else for information or advice at some stage during the interview.

Three-quarters (77%) of respondents worked for the employer organisation, 58% with occupational schemes and 19% with group/personal pension arrangements. Of the 23% of external respondents, 14% represented occupational schemes and nine per cent group/personal pension arrangements. More than one-quarter (27%) of occupational scheme respondents were `trustees , 40% and 35%, respectively, for small defined benefit and small defined contribution schemes.
External respondents were asked which type of organisation they worked for and how long they had been responsible for the selected scheme or pension arrangement. Two-thirds (64%) of external respondents responsible for group/personal pension arrangements and half (46%) of those with occupational schemes worked for independent financial advisers, 19% and eight per cent for insurance or assurance companies and two per cent and 18% for a pension consultancy.

One-third of external respondents for occupational schemes (37%) and group/personal pension arrangements (32%) had been dealing with the selected scheme or pension arrangement for more than five years by the time of the current survey. Thirty per cent and 40%, respectively, had been responsible for the selected scheme or pension arrangement for between three and five years, and fewer than one-fifth for one year or less (19% and 15% respectively).

```
13.2.2 Respondent's level of responsibility

Several questions were asked to determine which type of inquiry respondents would not normally feel competent to handle, to whom inquirers would tend to go in the first instance and what proportion of potential inquirers were likely to be dealt with by the respondent.

Table B.4 outlines the type of inquiries which employer respondents felt they would not normally deal with without consulting someone else in their own or an external organisation; multiple responses were allowed. It was assumed that external respondents would deal with all inquiries, and so they were not asked this question.
```
Table B.4 Inquiries not normally dealt with by respondents

<table>
<thead>
<tr>
<th>Type of inquiry</th>
<th>Defined benefit &lt;100</th>
<th>Defined benefit 100+</th>
<th>Defined contribution &lt;100</th>
<th>Defined contribution 100+</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitlement earned to date</td>
<td>8</td>
<td>5</td>
<td>8</td>
<td>(3)</td>
<td>(-)</td>
<td>16</td>
</tr>
<tr>
<td>Entitlement on retirement</td>
<td>8</td>
<td>7</td>
<td>11</td>
<td>(3)</td>
<td>(-)</td>
<td>22</td>
</tr>
<tr>
<td>Definition of pensionable pay</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>(-)</td>
<td>(5)</td>
<td>4</td>
</tr>
<tr>
<td>Survivor's benefits</td>
<td>3</td>
<td>3</td>
<td>11</td>
<td>(5)</td>
<td>(10)</td>
<td>20</td>
</tr>
<tr>
<td>Transfers in</td>
<td>22</td>
<td>22</td>
<td>25</td>
<td>(16)</td>
<td>(5)</td>
<td>25</td>
</tr>
<tr>
<td>Transfers out</td>
<td>22</td>
<td>17</td>
<td>23</td>
<td>(16)</td>
<td>(-)</td>
<td>23</td>
</tr>
<tr>
<td>Career interruptions</td>
<td>11</td>
<td>9</td>
<td>17</td>
<td>(8)</td>
<td>(-)</td>
<td>20</td>
</tr>
<tr>
<td>Early retirement</td>
<td>9</td>
<td>4</td>
<td>17</td>
<td>(5)</td>
<td>(5)</td>
<td>22</td>
</tr>
<tr>
<td>Expected payments</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>(5)</td>
<td>(-)</td>
<td>9</td>
</tr>
<tr>
<td>Eligibility to join</td>
<td>2</td>
<td>2</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>2</td>
</tr>
<tr>
<td>Pensions in payment</td>
<td>11</td>
<td>4</td>
<td>8</td>
<td>(3)</td>
<td>(5)</td>
<td>8</td>
</tr>
<tr>
<td>Level of contributions</td>
<td>1</td>
<td>3</td>
<td>(-)</td>
<td>H</td>
<td>H</td>
<td>H</td>
</tr>
<tr>
<td>APPs</td>
<td>2</td>
<td>3</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>1</td>
</tr>
<tr>
<td>Discretionary payments</td>
<td>5</td>
<td>7</td>
<td>11</td>
<td>(3)</td>
<td>(5)</td>
<td>9</td>
</tr>
<tr>
<td>Issues of sex equality</td>
<td>6</td>
<td>9</td>
<td>15</td>
<td>(5)</td>
<td>(-)</td>
<td>5</td>
</tr>
<tr>
<td>Surplus assets</td>
<td>11</td>
<td>21</td>
<td>15</td>
<td>(24)</td>
<td>(5)</td>
<td>23</td>
</tr>
<tr>
<td>Supply of information</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>(-)</td>
<td>(5)</td>
<td>6</td>
</tr>
<tr>
<td>Calculation of benefits</td>
<td>13</td>
<td>7</td>
<td>20</td>
<td>(16)</td>
<td>(5)</td>
<td>20</td>
</tr>
<tr>
<td>Rights under TUPE*</td>
<td>34</td>
<td>32</td>
<td>28</td>
<td>(24)</td>
<td>(14)</td>
<td>27</td>
</tr>
<tr>
<td>Exercise of discretion</td>
<td>11</td>
<td>8</td>
<td>9</td>
<td>(13)</td>
<td>(5)</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>2</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>3</td>
</tr>
<tr>
<td>Deal with all inquiries</td>
<td>53</td>
<td>47</td>
<td>54</td>
<td>(45)</td>
<td>(57)</td>
<td>50</td>
</tr>
<tr>
<td>Hasn't arisen</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>(5)</td>
<td>(10)</td>
<td>4</td>
</tr>
<tr>
<td>Don't know</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>Not stated</td>
<td>2</td>
<td>1</td>
<td>(3)</td>
<td>(10)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unweighted base                                      64 115 65 (38) (21) 99

Base: Schemes or pension arrangements with employer respondents

Multiple response question - columns may add up to more than 100%.

* TUPE: Transfer of Undertakings Protection of Employment. This provides for security of employment and pension benefit when ownership of an organisation changes.

As is evident, around half of all respondents were confident that they could handle all types of inquiry.

Around one-fifth of all employer respondents would not normally deal with inquiries about transfer values when leaving ('transfers out') and/or when joining ('transfers in') a new scheme or pension arrangement. Inquiries about the use made of surplus assets of a scheme or pension arrangement would not normally be dealt with by employer respondents in about one-fifth of defined benefit schemes (11%), defined contribution schemes (15%), and group/personal pension arrangements (23%). One-third of
employer respondents responsible for defined benefit schemes (34%, 32%), and one-quarter for defined contribution schemes (28%, 24%) and group/personal pension arrangements (27%) said that they would tend to refer to someone else inquiries about ‘rights under TUPE’.

The range of inquiries which respondents would not normally feel able to handle was related to the type of pension provision and size of scheme. Employer respondents for group/personal pension arrangements and small defined contribution schemes who indicated that they would refer certain types of inquiry to someone else on average listed between five and six inquiry types they would not normally deal with. Their counterparts in large defined contribution schemes and in all defined benefit schemes on average listed three categories of inquiry which they would not normally feel competent to handle.

One-third of external respondents (36%) indicated that they had in the past referred inquiries about the selected scheme or pension arrangement to an outside agency or individual. Of these external respondents, two-fifths (43%) had referred inquiries when requiring special legal advice, half (52%) when needing special actuarial advice and two-thirds (66%) had referred inquiries in other situations. Fifty-seven per cent had referred inquiries to an insurance or assurance company, one-fifth (21%) to a lawyer or solicitor, and one in seven (14%) to an actuary.

All respondents were asked who an employee (of the employer organisation) would usually go to, in the first instance, with an inquiry about the selected scheme or pension arrangement (Table B.5). Multiple responses were allowed to accommodate the likely wide range of options open to all employees, particularly in large organisations where different sections of the workforce might approach different nominated people, possibly in a number of different establishments.
Table B.5 Who employees would usually go to with an inquiry, in the first instance

<table>
<thead>
<tr>
<th>Type of scheme and number of active members</th>
<th>Defined benefit</th>
<th>Defined benefit</th>
<th>Defined contribution</th>
<th>Defined contribution</th>
<th>Top hat</th>
<th>Group/personal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;100</td>
<td>100+</td>
<td>&lt;100</td>
<td>100+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respondent</td>
<td>78</td>
<td>66</td>
<td>75</td>
<td>(69)</td>
<td>(69)</td>
<td>80</td>
</tr>
<tr>
<td>Personnel manager or equivalent</td>
<td>11</td>
<td>33</td>
<td>18</td>
<td>(39)</td>
<td>(19)</td>
<td>17</td>
</tr>
<tr>
<td>Line or section manager</td>
<td>9</td>
<td>13</td>
<td>18</td>
<td>(20)</td>
<td>(6)</td>
<td>6</td>
</tr>
<tr>
<td>General manager</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>(4)</td>
<td>(6)</td>
<td>4</td>
</tr>
<tr>
<td>Insurance/pension providing company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(3)</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>15</td>
<td>8</td>
<td>(8)</td>
<td>(13)</td>
<td>10</td>
</tr>
<tr>
<td>Not stated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Unweighted base</td>
<td>76</td>
<td>134</td>
<td>87</td>
<td>(49)</td>
<td>(32)</td>
<td>146</td>
</tr>
</tbody>
</table>

Base: All schemes or pension arrangements
Multiple response question - columns may add up to more than 100%.

Three-quarters (74%) of respondents believed that employees would usually approach them with an inquiry, in the first instance. Employees were more likely to go to the personnel manager or equivalent for large defined benefit (33%) and large defined contribution (39%) schemes than small defined benefit and small defined contribution schemes (11% and 18% respectively).

As one might expect, external respondents were less likely to be the person employees would refer to in the first instance with an inquiry. Two-fifths of external respondents (43%) said that employees would normally go to the personnel manager or equivalent with an inquiry about the selected scheme or pension arrangement, in the first instance. Two-fifths (40%) and three-fifths (57%), respectively, of external respondents in occupational schemes and group/personal pension arrangements would be the person employees usually go to in the first instance with an inquiry.

Finally, all respondents were asked which part of the employer organisation, and what proportion of current active members, deferred pensioners and retired pensioners they personally were responsible for. Ninety-one per cent of respondents were responsible for the employer organisation as a whole, and more importantly, virtually all (99%) indicated that they were responsible for all current active members of the selected scheme or pension arrangement.

Fewer than one-fifth (16%) of respondents said that someone else would be responsible for dealing with inquiries from deferred pensioners, and only one in eight (12%) for dealing with inquiries from retired pensioners. Of those respondents who were responsible for dealing with inquiries from deferred
APPENDIX C SURVEY DOCUMENTS
Dear

SURVEY OF EMPLOYERS AND PENSIONS: FOLLOW-UP SURVEY ON MEMBERS' INQUIRIES

Last year you were kind enough to take part in a survey on employers and pensions, which SCPR was conducting on behalf of the Department of Social Security (DSS). At the time we made a commitment to send you a summary of the research findings, and this is now enclosed.

Based in part on these findings, the DSS has now asked SCPR to re-contact all of the organisations which agreed to be contacted again, to collect information about how the organisations' pension schemes or arrangements deal with requests for information by members and potential members. This is an area of active policy interest, arising in part from the recommendations of the Pensions Law Review Committee.

I am writing now to let you that _ _, SCPR's interviewer who conducted last year's survey with you, will be telephoning you in the next week or two. As before, we would like to ask a few questions to establish whether it will be best for us to interview you again, or if a pensions administration or insurance company acts for you in dealing with employees' queries; if there is someone whom we should contact instead.

If you have questions about this new study, our interviewer should be able to answer them. Otherwise, please call me or Jon Hales on 0171 250 1866, or Grahame Whitfield at the DSS, on 0171 962 8271.

Yours Sincerely

David Dundon-Smith

SCPR Interviewer
DSS SURVEY OF PENSION INQUIRIES

DATA SHEET

The Survey

One of the main objectives of the research is to provide an estimate of the extent to which inquiries are made regarding pension arrangements. In part of the interview, we also wish to ask for outline details of a selection of recent inquiries.

By inquiry, we mean a request for information, clarification, statement of policy or statement of intent made to a pension scheme or arrangement by:

- an employee,
- a member of an occupational pension scheme or a participant in a Group Personal Pension or Personal Pension arrangement, to which the organisation contributes,
- a former member/participant, including those now retired,
- a spouse, dependant or survivor of one of the above,
- a trustee of another scheme (e.g. one involved in a merger or takeover),
- an outside agency involved in pensions.

Our definition includes inquiries which you may or may not have been able to satisfy and where your answer may or may not have been accepted.

The DSS has commissioned this study as a follow-up to the 1994 Survey of Employers and Pensions, from which all relevant organisations have been identified, in order to maintain the representativeness of the sample. All information provided will be treated in confidence, and no individuals or organisations will be identified in the report on the study.

We would be grateful if you would complete this data sheet before the interview. If you have any queries about the information requested, please ask the interviewer when he/she visits you. Please note that some categories of inquiry are expected to apply in very few organisations.

The questions overleaf relate to:

Name of scheme/arrangement: ____________________________

Type of Scheme: Defined Benefit ✓ Defined contribution ✓
Group Personal Pension ✓ Personal Pension ✓
Top-Hat ✓ Other ✓

Number of current active members in 1994:

THE DATA SHEET WILL BE NEEDED DURING THE INTERVIEW.
PLEASE DO NOT RETURN IT TO THE DSS, SCPR OR THE INTERVIEWER.

For questions 1 to 3, simply state the number of cases or inquiries and record how many involved either:

... a single individual (=Individual)
... a more general need for information or a concern felt by several people (=Group of individuals)

Q1. In the last two years, have you had any inquiries which have involved:

<table>
<thead>
<tr>
<th>Individual</th>
<th>Group of individuals</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The Pension Ombudsman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. The Insurance/Personal Investment Ombudsman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. OPAS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. An industrial Tribunal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. ACAS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. A Court of Law</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

APART FROM ANYTHING ABOVE:

Q2. In the last twelve months, how many inquiries have you been unable to resolve yourself and have had to refer to:

<table>
<thead>
<tr>
<th>Individual</th>
<th>Group of individuals</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. An outside pension lawyer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. An outside pension consultant, actuary or accountant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. A pension management company/ a pension manager (including one who normally manages the scheme/arrangement for you)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. An independent financial/pension adviser</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. The scheme trustees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. Someone in your organisation with specialist knowledge of the scheme/arrangement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

APART FROM ANYTHING ABOVE:

Q3. In the last six months, how many inquiries have you dealt with yourself (i.e. without having to refer to someone else); for example, by checking the person's situation or discussing the situation with the person?

<table>
<thead>
<tr>
<th>Individual</th>
<th>Group of individuals</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

PLEASE NOTE THAT WE WOULD STILL LIKE TO INTERVIEW YOU, EVEN IF YOU HAVE HAD NO INQUIRIES IN THE PERIODS SPECIFIED.
**FINAL OUTCOME SUMMARY**

No trace of telephone number 01 5020-21

Organisation moved - no information on new address/phone number 02

Organisation no longer in operation 03

Pension scheme/arrangement terminated and not replaced 04

All members are trustees (code 1 at Q6e) 05

Other invalid sample (EXPLAIN BELOW) 06

Refusal to office (ICPR/DSS) 20

Interview conducted with named respondent 51

Interview conducted, but with different respondent 53

Never available (no reason given) 70

Personal refusal 71

Proxy refusal on behalf of respondent 72

Other reason for non-interview (EXPLAIN BELOW) 79

**REASON FOR CODE 06, 70-79**

(In particular to explain reason for refusal)

---

**IF UNPRODUCTIVE AT MAIN STAGE (codes 01-06 and 70-79)**

A. Was telephone contact completed?
   - Yes 1 5022
   - No 2

**IF PRODUCTIVE AT MAIN STAGE (code 51 or 53)**

B. Was information provided by anyone else?
   - Yes 1 5023
   - No 2 5024-25
   - ASK C
   - GO TO D

C. Who else provided information?

- **NAME**
- **JOB TITLE**
- **CODE JOB**
- **TITLE**

<table>
<thead>
<tr>
<th>Code Job</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Managing Director</td>
</tr>
<tr>
<td>02</td>
<td>Finance Director</td>
</tr>
<tr>
<td>03</td>
<td>Company Secretary</td>
</tr>
<tr>
<td>04</td>
<td>Operations Director</td>
</tr>
<tr>
<td>05</td>
<td>Pensions Manager</td>
</tr>
<tr>
<td>06</td>
<td>Pensions Officer</td>
</tr>
<tr>
<td>07</td>
<td>Accountant</td>
</tr>
<tr>
<td>08</td>
<td>Accounts Administrator/Clerk</td>
</tr>
<tr>
<td>09</td>
<td>Personnel/Human Resources Director</td>
</tr>
<tr>
<td>10</td>
<td>Personnel/Human Resources Officer</td>
</tr>
<tr>
<td>11</td>
<td>Other Manager</td>
</tr>
<tr>
<td>12</td>
<td>Partner/Proprietor</td>
</tr>
<tr>
<td>13</td>
<td>Pensions Consultant</td>
</tr>
<tr>
<td>14</td>
<td>Pension/Insurance Broker</td>
</tr>
<tr>
<td>15</td>
<td>Actuary</td>
</tr>
<tr>
<td>16</td>
<td>Independent Financial Adviser</td>
</tr>
<tr>
<td>17</td>
<td>Other</td>
</tr>
</tbody>
</table>

D. Was a datasheet completed prior to interview, during the interview or not at all?

- Completed prior to interview 1 5026
- Completed during the interview 2
- Not completed 3
SERIAL NUMBER

CONTACT

I am from SCPR, who are carrying out a survey on behalf of the Department of Social Security.

(REFER TO INTRODUCTORY LETTER IF NECESSARY)

This is a follow-up to a survey I conducted with (you/someone else in your organisation) about employers and pensions. The DSS has now asked SCPR to re-contact all of the organisations which agreed to be contacted again, to collect information about how the organisations’ pension schemes or arrangements deal with requests for information by members and potential members.

All information given to us will be treated in the strictest confidence. No information will be used in any way which will enable an individual or organisation to be identified.

In order to identify the most appropriate person who should be asked more detailed questions, I would first like to ask a few preliminary questions about how inquiries about (NAME OF SCHEME/ARRANGEMENT) are dealt with. Is it convenient now for me to ask these questions?

### ABOUT THE RESPONDENT

**Q1a.** Could you tell me if...

<table>
<thead>
<tr>
<th>CODE ONE ONLY</th>
<th>A GO TO Q2a</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td></td>
</tr>
<tr>
<td>02</td>
<td></td>
</tr>
<tr>
<td>03</td>
<td></td>
</tr>
<tr>
<td>04</td>
<td></td>
</tr>
<tr>
<td>05</td>
<td></td>
</tr>
<tr>
<td>06</td>
<td></td>
</tr>
<tr>
<td>07</td>
<td></td>
</tr>
<tr>
<td>08</td>
<td></td>
</tr>
<tr>
<td>09</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>

**Q2a.** Is there a named person who is responsible for dealing with members’ or potential members’ inquiries?

<table>
<thead>
<tr>
<th>Response</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES - THE RESPONDENT</td>
<td>1 GO TO Q3</td>
</tr>
<tr>
<td>YES - OTHER PERSON</td>
<td>2 ASK b</td>
</tr>
<tr>
<td>NO</td>
<td>3 GO TO Q3</td>
</tr>
</tbody>
</table>

**Q2b.** Does this person work for...

**a.** this organisation, 1 GO TO Q4a

**b.** an external organisation? 2 GO TO Q5a

**Q3.** IF CODES 1 OR 3 AT Q2a

IF you were unable to deal with an inquiry, that is if you were not able to readily provide the information the person making the inquiry requires, do you usually refer the inquiry to...

<table>
<thead>
<tr>
<th>CODE ONE ONLY</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES - SOMEONE higher up in your organisation,</td>
<td>1 ASK Q4a</td>
</tr>
<tr>
<td>YES - SOMEONE else outside your organisation, (e.g. pensions administration/insurance company)</td>
<td>2 GO TO Q5a</td>
</tr>
<tr>
<td>NO</td>
<td>ASK Q5a</td>
</tr>
</tbody>
</table>

**Q4a.** Could you tell me if...

**Q5a.** Could you tell me if...
Q4a. Could you give me the name of this person so that we can contact them to discuss how inquiries are handled?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>ASK b</th>
<th>5035</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>GO TO c</td>
<td></td>
</tr>
</tbody>
</table>

b. What is this person's name, job title and telephone number?

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB TITLE</th>
<th>TEL NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CODE JOB TITLE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Managing Director 01</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Finance Director 02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Company Secretary 03</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operations Director 04</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pensions Manager 05</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pensions Officer 06</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accountant 07</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accounts Administrator/Clerk 08</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personnel/Human Resources Director 09</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personnel/Human Resources Officer 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Manager 11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partner/Proprietor 12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pensions Consultant 13</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pension/Insurance Broker 14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actuary 15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Independent Financial Adviser 16</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other 17</td>
<td></td>
</tr>
</tbody>
</table>

Q4b. Could you give me the name of the person with whom you normally deal, so that we can contact them to discuss how queries are handled?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>ASK c</th>
<th>5040</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>GO TO g</td>
<td></td>
</tr>
</tbody>
</table>

c. What is this person's name and job title?

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB TITLE</th>
<th>CODE JOB TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Managing Director 01</td>
<td>5041-42</td>
</tr>
<tr>
<td></td>
<td>Finance Director 02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Company Secretary 03</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operations Director 04</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pensions Manager 05</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pensions Officer 06</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accountant 07</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accounts Administrator/Clerk 08</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personnel/Human Resources Director 09</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personnel/Human Resources Officer 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Manager 11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partner/Proprietor 12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pensions Consultant 13</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pension/Insurance Broker 14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actuary 15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Independent Financial Adviser 16</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other 17</td>
<td></td>
</tr>
</tbody>
</table>

d. Would you be prepared to ask this person to contact SCPR to arrange an interview?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>GO TO Q6 (page 8)</th>
<th>5036</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q5a. Is this outside organisation ... READ OUT ...

CODE ONE ONLY

- an insurance/assurance company, 1
- a pensions management/administration company, 2
- a pensions consultancy, 3
- a pensions broker, 4
- an actuarial consultancy, 5
- an independent financial/pension adviser, 6

or, some other organisation? (SPECIFY)

Q5b. It would be very helpful if you could let this person know that we will be contacting them, and that you are content for them to talk to us about how inquiries relating to your pension (scheme/arrangement) are dealt with.

Yes | 1 | GO TO Q6 (page 8) | 5043 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>ASK</td>
<td></td>
</tr>
</tbody>
</table>
Are you content for us to inform them that you gave us their name as a contact?

Yes 1  GO TO Q6a
No 2  IF NO AT Q5b

Would you be prepared to ask this person to contact SCPR to arrange an interview?

Yes 1  GO TO Q6a
No 2

How many people does your organisation currently employ in England, Scotland and Wales?

NUMBER OF EMPLOYEES: ____________________________________________ 5045-50

How many current active members does the (NAME OF SCHEME/ARRANGEMENT) have?

NUMBER OF MEMBERS: ____________________________________________ 5051-55

INTERVIEWER CODE:

OCCUPATIONAL PENSION (DB/DC/TH) 1  ASK d
GPP OR PP 2  GO TO Q7

INTERVIEWER CHECK Q6b:

10 OR FEWER MEMBERS 1  ASK e
MORE THAN 10 MEMBERS 2  GO TO Q7

Can I check, are all members trustees of the scheme?

Yes 1
No 2

Is your organisation’s provisions for pensions the same as at the time of the last interview?

Yes - same in all respects 1  GO TO Q9a
Previous scheme terminated 2  ASK Q8a
Other (PLEASE SPECIFY) 3  GO TO Q9a

Has the (scheme/arrangement) been replaced by a new arrangement which is open to employees?

Yes 1  ASK b
No 2  END (code 04)

Is this new arrangement ...  READ OUT ...

CODE ONE ONLY

... a defined benefit (salary related) scheme, 1  5061
a defined contribution (money purchase) scheme, 2
a group personal pension arrangement, 3
an arrangement for the employer to contribute to personal pensions, 4
or, some other arrangement (PLEASE SPECIFY) ____________________________________ 5
Q9a And can I check, have conditions or benefits of the (scheme/arrangement) changed in a significant way?

Yes 1  ASK b  5062
No 2  GO TO Q10a 5067

Q9b Has this involved ... READ OUT ...

a. reducing the number or types of employees eligible to join, 
   1  5063.66
b. increasing the number or types of employees eligible to join, 
   2
b. adding new benefits or improving existing benefits, 
   3
b. reducing the number of benefits or cutting back on the generosity of benefits, 
   4
b. or, did it involve some other change? 
   5
P1484 OCTOBER 1995
PENSION INQUIRIES SURVEY
Main Questionnaire

A: SCHEME MANAGEMENT

As mentioned on the telephone, the DSS has asked SCPR to carry out a survey about how pension schemes or arrangements deal with inquiries from members and potential members. Once again I would like to stress that any information you give us will be treated in the strictest confidence, and that no information will be used in any way which will enable an individual or organisation to be identified.

Q10a INTERVIEWER CODE WHO MAIN INTERVIEW IS TO BE CONDUCTED WITH:

SAME RESPONDENT (code 3 at Q3) 1
SAME ORGANISATION, BUT DIFFERENT RESPONDENT (code 1 at Q2b or Q3) 2
EXTERNAL ORGANISATION (code 2 at Q2b or Q3) 3

(PLEASE SPECIFY)

INTERVIEWER CHECK Q6c:
ALL MEMBERS ARE TRUSTEES 1  END (code 05) 5067
ALL OTHERS 2  GO TO b 5067

INTERVIEWER CODE WHO MAIN INTERVIEW IS TO BE CONDUCTED WITH:
SAME RESPONDENT (code 3 at Q3) 1
SAME ORGANISATION, BUT DIFFERENT RESPONDENT (code 1 at Q2b or Q3) 2
EXTERNAL ORGANISATION (code 2 at Q2b or Q3) 3

INTERVIEWER CHECK:
IF CODE 1 AT QUESTION 10b, MAKE AN APPOINTMENT FOR MAIN INTERVIEW LETTER OF CONFIRMATION/PLEASE COMPLETE DATA SHEET PRIOR TO INTERVIEW
IF CODES 2 OR 3 AT QUESTION 10b, THANK PERSON FOR THEIR HELP.
THEN ASK QUESTION 11.

Q11 (NAME OF PERSON) as the best person to speak to about how inquiries concerning SAME ORGANISATION AND OCCUPATIONAL PENSION (DB/DC/TH) are dealt with. 

NAME OF SCHEME/ARRANGEMENT) are dealt with. Can I check, are you responsible for dealing with inquiries from members of this (scheme/arrangement)?

Yes 1
No 2

Q12 IF YES, MAKE AN APPOINTMENT FOR MAIN INTERVIEW LETTER OF CONFIRMATION/PLEASE COMPLETE DATA SHEET PRIOR TO INTERVIEW
IF NO, RE-CONTACT ORIGINAL RESPONDENT

A4a Are you a trustee of the (NAME OF SCHEME)?

Yes 1
No 2
### Interiewer Check A3:

<table>
<thead>
<tr>
<th>A-2</th>
<th>A-3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A4b</strong></td>
<td><strong>A7a</strong></td>
</tr>
<tr>
<td>INTERVIEWER CHECK A3:</td>
<td>How many inquiries about</td>
</tr>
<tr>
<td>IF EXTERNAL ORGANISATION (code 3)</td>
<td>(NAME OF SCHEME/ARRANGEMENT) would</td>
</tr>
<tr>
<td>1. ASK A5</td>
<td>(your/you and your colleagues) normally deal</td>
</tr>
<tr>
<td>IF SAME ORGANISATION (code 1)</td>
<td>with in any given month?</td>
</tr>
<tr>
<td>2. GO TO A6a</td>
<td><strong>A5</strong></td>
</tr>
</tbody>
</table>

**IF CODE 4 AT A3 OR CODE 1 AT A4b**

What is the nature of your organisation?

**CODE ONE ONLY**

- An insurance/assurance company 01
- A pensions management/administration company 02
- A pensions consultancy 03
- An actuarial consultancy 04
- An independent financial/pension adviser 05
- A bank 06
- A building society 07
- An insurance broker 08
- Other (PLEASE SPECIFY) 09

**b** How long have personally you been dealing with ___ (NAME OF PENSION SCHEME/ARRANGEMENT) if less than 1 year?

**FILL IN MONTHS IF LESS THAN 1 YEAR**

<table>
<thead>
<tr>
<th>NUMBER OF YEARS (MONTHS):</th>
<th><strong>5122-23</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>If less than 1 year, CODE</td>
<td>00</td>
</tr>
<tr>
<td>Don't know</td>
<td>98</td>
</tr>
</tbody>
</table>

**ASK ALL**

I am now going to ask you about how inquiries concerning ___ (NAME OF PENSION SCHEME/ARRANGEMENT) are handled.

Including yourself, how many people in your organisation are usually involved with dealing with inquiries about ___ (NAME OF SCHEME/ARRANGEMENT)?

<table>
<thead>
<tr>
<th>When asking about employees or former employees we are referring to the organisation which set up and/or operates the</th>
<th><strong>5124-25</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Just self 01</td>
<td></td>
</tr>
<tr>
<td>Self and one other 02</td>
<td></td>
</tr>
<tr>
<td>More than 2, NUMBER:</td>
<td></td>
</tr>
</tbody>
</table>

**b** On average in any given month, how much time in total would you estimate (your/you and your colleagues) spend dealing with inquiries about ___ (NAME OF SCHEME/ARRANGEMENT)?

<table>
<thead>
<tr>
<th>SELF COLLEAGUES</th>
<th><strong>5126-28</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>BEST ESTIMATE WILL DO</td>
<td></td>
</tr>
<tr>
<td>NUMBER OF HOURS:</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>000 000</td>
</tr>
<tr>
<td>Less than one hour</td>
<td>995 995</td>
</tr>
<tr>
<td>All my time/my job</td>
<td>996 996</td>
</tr>
<tr>
<td>(Don't know)</td>
<td>998 998</td>
</tr>
</tbody>
</table>

**c** How many inquiries about ___ (NAME OF SCHEME/ARRANGEMENT) would (your/you and your colleagues) normally deal with in six months?

**BEST ESTIMATE WILL DO**

<table>
<thead>
<tr>
<th>NUMBER OF INQUIRIES:</th>
<th><strong>5127-40</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one</td>
<td>9996</td>
</tr>
<tr>
<td>(Don't know)</td>
<td>9998</td>
</tr>
</tbody>
</table>

**GO TO A8**

### Interviewer Check A3:

<table>
<thead>
<tr>
<th><strong>A6a</strong></th>
<th><strong>A8</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>I am now going to ask you about how inquiries concerning ___ (NAME OF PENSION SCHEME/ARRANGEMENT) are handled.</td>
<td>INTERVIEWER CHECK A3:</td>
</tr>
</tbody>
</table>

Same organisation (codes 1 or 2) 1. ASK A9

External organisation (codes 3 or 4) 2. GO TO A10a
Looking at this card, which lists a number of different types of inquiries, are there any which you would not feel competent to handle yourself even after seeking appropriate advice?

CODE ALL THAT APPLY

ASK RESPONDENT TO READ OUT NUMBER

| Benefit entitlements earned to date | 01 |
| Benefit entitlements on retirement | 02 |
| Definition of pensionable pay | 03 |
| Nature of survivors’ benefits | 04 |
| Value of transfers in | 05 |
| Value of transfers out | 06 |
| Effects of career interruptions | 07 |
| Effects of early retirement | 08 |
| When expected payments will be made | 09 |
| Eligibility to join scheme | 10 |
| Pensions in payment | 11 |
| Level of contributions | 12 |
| Whether company contributes to personal pension | 13 |
| Discretionary payments | 14 |
| Sex equality | 15 |
| Ownership/use of surplus assets | 16 |
| Failure or delay in supply of information or documents | 17 |
| Calculation of benefits | 18 |
| Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment) | 19 |
| Exercise of discretion by trustees or employer | 20 |
| (No/able to deal with all inquiries) | 21 |
| (This situation hasn’t arisen as yet) | 22 |
| (Don’t know) | 98 |

GO TO All a

IF EXTERNAL ORGANISATION (CODE 2 AT A8)

CARD A2

How are the services you provide in relation to this (scheme/arrangement) paid for or covered?

CODE ALL THAT APPLY

Sponsoring organisation billed by hour or day | 01 |
Costs covered by annual fee | 02 |
Costs covered by commission payments | 03 |
Simple/Routine/Small inquiries part of regular service (no extra charges) | 04 |
Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/other specialist) | 05 |
Sponsoring organisations billed if inquiry takes more than certain amount of time | 06 |

Other (PLEASE SPECIFY) | 07 |

GO TO All b

A1b. Do you ever have to refer inquiries about (NAME OF SCHEME/ARRANGEMENT) to an outside agency or individuals?

| Yes | ASK c |
| No | 2 GO TO A11 a |

5142-71

Would these include inquiries where you needed ... READ OUT IN TURN ...

CODE ALL THAT APPLY

... special legal advice? | 1 2 8 |
... special actuarial advice? | 1 2 8 |
... some other type of inquiry? | 1 2 8 |

(PLEASE SPECIFY)

And to what type of agencies or individuals have you had to refer such inquiries?

WRITE IN JOB TITLES, TYPE OF ORGANISATIONS

ASK ALL

A1a. Is the name of the person responsible for dealing with members’ inquiries given to employees when they join the (scheme/arrangement)?

| Yes - always | ASK b |
| No - sometimes | 2 |
| No | 3 GO TO c |

If GPP or PP:

b. How are new members given this name?

CODE ALL THAT APPLY

Booklets/leaflets | 01 |
Letters | 02 |
Posters | 03 |
Seminars | 04 |
Personal briefings | 05 |
Induction programme | 06 |
Other (PLEASE SPECIFY) | 07 |

5207-1s

c. Does a contact name appear in any literature provided to existing members of the scheme or arrangement?

Yes 1 2 8 NO 2

5244
A12. Now I would like to ask how inquiries are usually dealt with:

Would an employee with a question about the _ (NAME OF SCHEME/ARRANGEMENT) usually go, in the first instance, to... READ OUT ...

CODE ALL THAT APPLY

- to you, the personnel manager or equivalent, 01
- their line or section manager, 02
- the general manager, 03
- the trade union or staff association, 05

SAME ORGANISATION AND GPP/IPP ONLY:

- the insurance company/bank/building society providing or administering the pension, 06

or, someone else? (PLEASE SPECIFY)

- (It depends) 07

CARD A3

A13a. Finally in this section, I would like to check which part of (your organisation/the client organisation) you are personally responsible for dealing with inquiries about _ (NAME OF SCHEME/ARRANGEMENT). Looking at this card, which of these would you say applies to you?

CODE ONE ONLY

- Organisation as a whole 01
- A subsidiary company 02
- A branch/single site 03
- Headquarters only 04
- Only white collar/staff employees 05
- Only blue collar/works employees 06
- Other (PLEASE SPECIFY) 07

A14a. Can I check, are you personally responsible for dealing with inquiries about _ (NAME OF SCHEME/ARRANGEMENT) from deferred pensioners?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>ASK b</th>
<th>5254</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>GO TO A15a</td>
<td></td>
</tr>
</tbody>
</table>

1. What percentage of all deferred pensioners of _ (NAME OF SCHEME/ARRANGEMENT) are you personally responsible for dealing with?

<table>
<thead>
<tr>
<th>BEST ESTIMATE WILL DO</th>
<th>PERCENTAGE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know) 998</td>
<td></td>
</tr>
</tbody>
</table>

A15a. Can I check, are you personally responsible for dealing with inquiries about _ (NAME OF SCHEME/ARRANGEMENT) from current pensioners?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>ASK b</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>GO TO B1a</td>
</tr>
</tbody>
</table>

b. What percentage of all current members of _ (NAME OF SCHEME/ARRANGEMENT) are you personally responsible for dealing with?

<table>
<thead>
<tr>
<th>BEST ESTIMATE WILL DO</th>
<th>PERCENTAGE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know) 998</td>
<td></td>
</tr>
</tbody>
</table>

b. And what percentage of all current members of _ (NAME OF SCHEME/ARRANGEMENT) are you personally responsible for dealing with?

<table>
<thead>
<tr>
<th>BEST ESTIMATE WILL DO</th>
<th>PERCENTAGE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know) 998</td>
<td></td>
</tr>
</tbody>
</table>
B1a  INTERVIEWER CHECK A3:

OCCUPATIONAL PENSION (code 1 OR 3)

GPP OR PP (codes 2 OR 4)

b.  I would now like to ask about how you would deal with four types of inquiries, were they to arise, in relation to ___________

(NAME OF SCHEME/ARRANGEMENT)

EXTERNAL ORGANISATIONS ONLY (Codes 3 or 4 at A3)
Please remember that we are only concerned here with this particular (scheme/arrangement) which your organisation manages or administers for ___________

(NAME OF EMPLOYER).

HYPOTHETICAL CASE 1 - READ CAREFULLY
"A male employee with long service decides that he would like to retire five years early. Before making any final decision, he would like to know what effect this will have on his pension benefits".

CARD B1

Faced with this type of inquiry, what would be the first thing that you would do?

CODE ALL THAT APPLY

Refer him to the scheme booklet/give him a copy of the scheme booklet to read through 01

Go through the pension scheme/arrangement's provisions with him 02

Make calculations of his entitlement 03

Discuss the options 04

Bring in/send him to someone else 05

Other (PLEASE SPECIFY) 06

c.  INTERVIEWER CHECK B1 b:

IF ANY CODES 1-4 OR 5 AND NOT CODE 5

IF CODE 5 AND/OR 5 AND ANY OTHER CODE

GO TO B3a

ASK B2

CARD B2

B2.  You say that you would (bring in/send) him to someone else. Who would that be?

CODE ALL THAT APPLY

A scheme trustee 01

Someone in this organisation with specialist knowledge of the scheme/arrangement 02

The insurance/assurance company/pensions providing/administrating company 03

An independent financial/pension adviser 04

An external lawyer/accountant/actuary 05

Someone from the relevant trade union 06

Other (PLEASE SPECIFY) 07

B3a.  Let us assume that, after he has retired, he discovers that the estimate given to him was wrong with the result that his pension was less than expected. He has now contacted you to ask for this situation to be rectified. What would you do next?

CODE ALL THAT APPLY

Tell him that you had provided all the information or helped him all you could 01

Try to resolve the matter yourself, eg. talk through the situation or scheme/arrangement rules again 02

Make (further) calculations of his entitlement 03

Discuss the options 04

Refer him to someone else 05

Something else (PLEASE SPECIFY) 06

b. INTERVIEWER CHECK B3a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE

ASK C

CARD B3

b.  Where or to whom would you refer him?

CODE ALL THAT APPLY

PROBE: ANYONE ELSE

A scheme trustee 01

Someone in this organisation with specialist knowledge of the scheme/arrangement 02

The insurance/assurance company/pensions providing/administrating company 03

An independent financial/pension adviser 04

An external lawyer/accountant/actuary 05

Someone from the relevant trade union 06

Other (PLEASE SPECIFY) 07

B4a.  If the person, having made these inquiries, was still not happy with the information, decision or interpretation of the rules or with the response he had received, what would you do?

CODE ALL THAT APPLY

Say there was nothing more you could do/this was the way the scheme/arrangement worked 01

Consult with colleagues/boss 02

Seek advice from the trustees 03

Advise him to contact the trustees 04

Advise him to consult an outside body 05

Something else (PLEASE SPECIFY) 06
c. When such an inquiry is referred to the trustees, how is a decision usually reached? Does it involve ... READ OUT ... CODE ONE ONLY

- the Board of Trustees, 1
- a sub-group of trustees, 2
- a single trustee acting on behalf of Board, 3
- or, a decision reached in some other way? 4

d. And when the trustee(s) give(s) a decision regarding early retirement, is (s/he/are they) ... READ OUT ...

- tightly bound by scheme rules, 1
- able to exercise a degree of discretion, 2
- or, does it depend on the situation? 3
- (Don't know) 4

---

e. In a case of an inquiry about early retirement, in what respects are trustees able to use their discretion? WRITE IN, PROBE FULLY

---

3

b. You said the inquirer would be referred to an outside body. What would that outside body be?

**CODE ALL THAT APPLY**

1. The insurance/assurance company/pensions providing/administering company
2. Pensions Ombudsman
3. Insurance/Personal Investment Ombudsman
4. Pensions Registry
5. Trade union/staff association (not internal)
6. Citizens' Advice Bureau
7. An Industrial Tribunal/ACAS
8. The insurance/assurance company/pensions providing/administering company

---

b. When a decision is conveyed to the inquirer, would he usually be told what action he could take if he was dissatisfied with the trustees' decision?

---

---

c. Would this involve advising him about ... READ OUT ...

**CODE ALL THAT APPLY**

1. OPAS, 1
2. the Pensions Ombudsman, 2
3. the Pensions Registry, 3
4. or, some other organisation or body?

---

d. Is there a right of appeal against the trustees' decision?

---
I would now like to ask about how you would deal with an inquiry about early retirement on the grounds of ill health.

**HYPOTHETICAL CASE 2 - READ CAREFULLY**

"An employee has been told he has a progressive illness, which means that he is likely to be incapacitated before reaching normal retirement age. He wishes to know if he can take early retirement on the grounds of ill health".

**CARD B1**

Faced with this type of inquiry, what would be the first thing that you would do?

**CODE ALL THAT APPLY**

Refer him to the scheme booklet/give him a copy of the scheme booklet to read through 01

Go through the pension scheme's/arrangement's provisions with him 02

Make calculations of his entitlement 03

Discuss the options 04

Bring in/send him to someone else 05

Other (PLEASE SPECIFY) 06

**INTERVIEWER CHECK C1 a:**

IF ANY CODES 1-4 OR 6, AND NOT CODE 5 1

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 2

**GO TO C2**

**C2**

You say that you would (bring in/send) him to someone else. Who would that be?

**CODE ALL THAT APPLY**

A scheme trustee 01

Someone in this organisation with specialist knowledge of the scheme/arrangement 02

The insurance/assurance company/pensions providing/administering company 03

An independent financial/pension adviser 04

An external lawyer/accountant/actuary 05

Someone from the relevant trade union 06

A doctor 07

Other (PLEASE SPECIFY) 08

**b**

**INTERVIEWER CHECK B3a:**

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 1

ASK c

IF CODES 1-4 OR 6, AND NOT CODE 5 2

GO TO C4a

**C3a**

Let us assume that the inquirer has been told that his application for early retirement on the grounds of ill health has been turned down on the basis that his incapacity does not render him incapable for work. He contacts you to ask what he can do to have the decision reviewed. What would you do next?

**CODE ALL THAT APPLY**

Tell him that you had provided all the information or helped him all you could 01

Try to resolve the matter yourself, eg. talk through the situation or scheme/arrangement rules again 02

Make (further) calculations of his entitlement 03

Discuss the options 04

Refer him to someone else 05

Something else (PLEASE SPECIFY) 06

**b**

**INTERVIEWER CHECK B3a:**

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 1

ASK c

IF CODES 1-4 OR 6, AND NOT CODE 5 2

GO TO C4a

**C4a**

Where or to whom would you refer him?

**CODE ALL THAT APPLY**

A scheme trustee 01

Someone in this organisation with specialist knowledge of the scheme/arrangement 02

The insurance/assurance company/pensions providing/administering company 03

An independent financial/pension adviser 04

An external lawyer/accountant/actuary 05

Someone from the relevant trade union 06

Other (PLEASE SPECIFY) 07

**CARD CI**

C: HYPOTHETICAL CASE 2

Cl a. I would now like to ask about how you would deal with an inquiry about early retirement on the grounds of ill health.

**HYPOTHETICAL CASE 2 - READ CAREFULLY**

"An employee has been told he has a progressive illness, which means that he is likely to be incapacitated before reaching normal retirement age. He wishes to know if he can take early retirement on the grounds of ill health".

**CARD B1**

Faced with this type of inquiry, what would be the first thing that you would do?

**CODE ALL THAT APPLY**

Refer him to the scheme booklet/give him a copy of the scheme booklet to read through 01

Go through the pension scheme's/arrangement's provisions with him 02

Make calculations of his entitlement 03

Discuss the options 04

Bring in/send him to someone else 05

Other (PLEASE SPECIFY) 06

**INTERVIEWER CHECK C1 a:**

IF ANY CODES 1-4 OR 6, AND NOT CODE 5 1

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 2

**GO TO C2**

**C2**

You say that you would (bring in/send) him to someone else. Who would that be?

**CODE ALL THAT APPLY**

A scheme trustee 01

Someone in this organisation with specialist knowledge of the scheme/arrangement 02

The insurance/assurance company/pensions providing/administering company 03

An independent financial/pension adviser 04

An external lawyer/accountant/actuary 05

Someone from the relevant trade union 06

A doctor 07

Other (PLEASE SPECIFY) 08

**b**

**INTERVIEWER CHECK B3a:**

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 1

ASK c

IF CODES 1-4 OR 6, AND NOT CODE 5 2

GO TO C4a

**C3a**

Let us assume that the inquirer has been told that his application for early retirement on the grounds of ill health has been turned down on the basis that his incapacity does not render him incapable for work. He contacts you to ask what he can do to have the decision reviewed. What would you do next?

**CODE ALL THAT APPLY**

Tell him that you had provided all the information or helped him all you could 01

Try to resolve the matter yourself, eg. talk through the situation or scheme/arrangement rules again 02

Make (further) calculations of his entitlement 03

Discuss the options 04

Refer him to someone else 05

Something else (PLEASE SPECIFY) 06

**b**

**INTERVIEWER CHECK B3a:**

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 1

ASK c

IF CODES 1-4 OR 6, AND NOT CODE 5 2

GO TO C4a

**C4a**

Where or to whom would you refer him?

**CODE ALL THAT APPLY**

A scheme trustee 01

Someone in this organisation with specialist knowledge of the scheme/arrangement 02

The insurance/assurance company/pensions providing/administering company 03

An independent financial/pension adviser 04

An external lawyer/accountant/actuary 05

Someone from the relevant trade union 06

Other (PLEASE SPECIFY) 07
**IF OCCUPATIONAL PENSION SCHEME**

**C4a.** If the person, having made these inquiries, was still not happy with the information, decision or interpretation of the rules or with the response he had received, what would you do?

**CODE ALL THAT APPLY**
- Say there was nothing more you could do/this was the way the scheme/arrangement worked (01)
- Consult with colleagues/boss (02)
- Seek advice from the trustees (03)
- Advise him to contact the trustees (04)
- Advise him to consult an outside body (05)
- Something else (PLEASE SPECIFY) (06)

**b.** INTERVIEWER CHECK Boa:

<table>
<thead>
<tr>
<th>CODES 3 OR 4 (AND ANY OTHER CODES)</th>
<th>ASK c</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF CODE 5</td>
<td>1</td>
</tr>
<tr>
<td>IF ONLY CODE 1, 2 OR 6</td>
<td>2</td>
</tr>
<tr>
<td>IF ONLY CODE 5</td>
<td>2</td>
</tr>
</tbody>
</table>

**c.** When such an inquiry is referred to the trustees, how is a decision usually reached? Does it involve ... READ OUT ...

**CODE ONE ONLY**
- the Board of Trustees, 1
- a sub-group of trustees, 2
- a single trustee acting on behalf of Board, 3
- or, is a decision reached in some other way? 4

**d.** And when the trustee(s) give(s) a decision regarding early retirement on the grounds of ill health, is (she are/they) ... READ OUT ...

**CODE ONE ONLY**
- tightly bound by scheme rules, 1
- able to exercise a degree of discretion, 2
- or, does it depend on the situation? 3
- (Don't know) 8

**e.** In a case of an inquiry about early retirement on the grounds of ill health, in what respects are trustees able to use their discretion? WRITE IN, PROBE FULLY

| (Never happened) | 97 |
| (Don't know)     | 98 |

**C5a.** Would a decision made by the trustees be conveyed to him ... READ OUT ...

**CODE ONE ONLY**
- verbally, 1
- or, in writing? 2
- (Both) 3

**b.** When a decision is conveyed to the inquirer, would he usually be told what action he could take if he was dissatisfied with the trustees' decision?

Yes ASK c

No 2 GO TO d

**c.** Would this involve advising him about ... READ OUT ...

**CODE ALL THAT APPLY**
- OPAS, the Pensions Ombudsman,
- the Pensions Registry,
- or, some other organisation or body? (PLEASE SPECIFY)

**f.** Is there a right of appeal against the trustees' decision?

Yes 1 ASK e

No 2 GO TO C6a

**g.** What is the procedure for making such an appeal? PROBE FULLY

**C6a INTERVIEWER CHECK C4a:**

**IF CODE 5 AND/OR 5 AND ANY OTHER CODE**

**IF CODES 3 OR 4 (AND ANY OTHER CODES) 1 ASK c**

**IF ONLY CODE 5**

**IF ONLY CODES 1-4 OR 6, AND NOT CODE 5**

**IF OUTSIDE BODY**

**CARD B5**

**b.** You said the inquirer would be referred to an outside body. What would that outside body be?

**CODE ALL THAT APPLY**
- OPAS 01
- Pensions Ombudsman 02
- Insurance/Personal Investment Ombudsman 03
- Pensions Registry 04
- Trade union/staff association (not internal) 05
- Citizens' Advice Bureau 06
- An Industrial Tribunal/ACAS 07

**SAME ORGANISATION ONLY:**
- The insurance/assurance company/ pensions providing/administering company 08

**Other (PLEASE SPECIFY)** 09
D-1

D: HYPOTHETICAL CASE 3

D1a I would now like to ask about how you would deal with an inquiry about transfer values.

HYPOTHETICAL CASE 4 - READ CAREFULLY
"A former employee wishes to know what the value of his accrued benefits would be if transferred to a pension scheme or arrangement of his new employer".

CARD B1
Faced with this type of inquiry, what would be the first thing that you would do?
_CODE ALL THAT APPLY_
- Refer him to the scheme booklet/ give him a copy of the scheme booklet to read through
- Go through the pension scheme's/arrangement's provisions with him
- Make calculations of his entitlement
- Discuss the options
- Bring in/send him to someone else
- Other (PLEASE SPECIFY)

b INTERVIEWER CHECK E1 b:

IF ANY CODES 1-4 OR 6, AND NOT CODE 5
1 GO TO D3a

IF CODE 5 AND/OR 5 AND ANY OTHER CODE
2 ASK D2

D2
You say that you would (bring in/send) him to someone else. Who would that be?
_CODE ALL THAT APPLY_
- A scheme trustee
- Someone in this organisation with specialist knowledge of the scheme/arrangement
- The insurance/assurance company/pensions providing/administering company
- An independent financial/pension adviser
- An external lawyer/accountant/actuary
- Someone from the relevant trade union
- Other (PLEASE SPECIFY)

SAME ORGANISATION ONLY:
- The insurance/assurance company/pensions providing/administering company
- An independent financial/pension adviser
- An external lawyer/accountant/actuary
- Someone from the relevant trade union
- Other (PLEASE SPECIFY)

D-2

CARD B3
Let us assume that the inquirer does not agree with the transfer value which has been calculated and has contacted you to ask for a second calculation to be made. What would you do next?
_CODE ALL THAT APPLY_
- Tell him that you had provided all the information or helped him all you could
- Try to resolve the matter yourself, eg. talk through the situation or scheme/arrangement rules again
- Make (further) calculations of his entitlement
- Discuss the options
- Refer him to someone else
- Something else (PLEASE SPECIFY)

b INTERVIEWER CHECK D3a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE
1 ASK c

IF CODES 1-4 OR 6, AND NOT CODE 5
2 GO TO D4a

CARD B2
Where or to whom would you refer him?
_CODE ALL THAT APPLY_
- An independent financial/pension adviser
- A scheme trustee
- Someone in this organisation with specialist knowledge of the scheme/arrangement
- The insurance/assurance company/pensions providing/administering company
- An external lawyer/accountant/actuary
- Someone from the relevant trade union
- Other (PLEASE SPECIFY)

SAME ORGANISATION ONLY:
- The insurance/assurance company/pensions providing/administering company
- An independent financial/pension adviser
- An external lawyer/accountant/actuary
- Someone from the relevant trade union
- Other (PLEASE SPECIFY)
D-3

IF OCCUPATIONAL PENSION SCHEME
CARD B4

D4a. If the person, having made these inquiries, was still not happy with the information, decision or interpretation of the rules or with the response he had received, what would you do?
CODE ALL THAT APPLY

Say there was nothing more you could do this was the way the scheme/arrangement worked 01
Consult with colleagues/boss 02
Seek advice from the trustees 03
Advise the inquirer to contact the trustees 04
Advise him to consult an outside body 05
Something else (PLEASE SPECIFY) 06

b. INTERVIEWER CHECK D4a:

IF CODES 3 OR 4 (AND ANY OTHER CODES) 1
ASK b

IF ONLY CODE 5 2
GO TO D6a

IF ONLY CODES 1, 2 OR 8 3
GO TO E1a

c. When such an inquiry is referred to the trustees, how is a decision usually reached? Does it involve ... READ OUT ...
CODE ONE ONLY

the Board of Trustees, 1
a sub-group of trustees, 2
a single trustee acting on behalf of Board, 3
or, is a decision reached in some other way? 4

INTERVIEWER CHECK D4a:

IF CODES 3 OR 4 (AND ANY OTHER CODES) 1
ASK c

IF ONLY CODE 5 2
GO TO D6a

IF ONLY CODES 1, 2 OR 8 3
GO TO E1a

d. And when the trustee(s) give(s) a decision regarding transfer values, is (s/he/are they) ... READ OUT ...
GO TO D6a

... tightly bound by scheme rules, 1
able to exercise a degree of discretion, 2
or, does it depend on the situation? 3
(Don't know) 4

INTERVIEWER CHECK D4a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 1
ASK b

IF ANY CODES 1-4 OR 6, AND NOT CODE 5 2
GO TO Eta

e. In a case of an inquiry about transfer values, in what respects are trustees able to use their discretion?
WRITE IN, PROBE FULLY

D5a. Would a decision made by the trustees be conveyed to him ... READ OUT ...
CODE ONE ONLY
verbally, 1
or, in writing? 2
(Both) 3

b. When a decision is conveyed to the inquirer, would he usually be told what action he could take if he was dissatisfied with the trustees’ decision?

Yes 1
ASK c

No 2
GO TO d

c. Would this involve advising him about ... READ OUT ...
CODE ALL THAT APPLY

about OPAS, 01
about the Pensions Ombudsman, 02
the Pensions Registry, 03
or, some other organisation or body?
(PLEASE SPECIFY) 04

INTERVIEWER CHECK D4a:

IF CODES 3 OR 4 (AND ANY OTHER CODES) 1
ASK e

IF ONLY CODE 5 2
GO TO D6a

IF ONLY CODES 1, 2 OR 8 3
GO TO E1a

d. Is there a right of appeal against the trustees’ decision?

Yes 1
ASK e

No 2
GO TO D6a

e. What is the procedure for making such an appeal?

PROBE FULLY

D5b. If the person, having made these inquiries, was still not happy with the information, decision or interpretation of the rules or with the response he had received, what would you do?
CODE ALL THAT APPLY

Say there was nothing more you could do this was the way the scheme/arrangement worked 01
Consult with colleagues/boss 02
Seek advice from the trustees 03
Advise the inquirer to contact the trustees 04
Advise him to consult an outside body 05
Something else (PLEASE SPECIFY) 06

b. INTERVIEWER CHECK D4a:

IF CODES 3 OR 4 (AND ANY OTHER CODES) 1
ASK b

IF ONLY CODE 5 2
GO TO D6a

IF ONLY CODES 1, 2 OR 8 3
GO TO E1a

c. When such an inquiry is referred to the trustees, how is a decision usually reached? Does it involve ... READ OUT ...
CODE ONE ONLY

the Board of Trustees, 1
a sub-group of trustees, 2
a single trustee acting on behalf of Board, 3
or, is a decision reached in some other way? 4

INTERVIEWER CHECK D4a:

IF CODES 3 OR 4 (AND ANY OTHER CODES) 1
ASK c

IF ONLY CODE 5 2
GO TO D6a

IF ONLY CODES 1, 2 OR 8 3
GO TO E1a

d. And when the trustee(s) give(s) a decision regarding transfer values, is (s/he/are they) ... READ OUT ...
GO TO D6a

... tightly bound by scheme rules, 1
able to exercise a degree of discretion, 2
or, does it depend on the situation? 3
(Don't know) 4

INTERVIEWER CHECK D4a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 1
ASK b

IF ANY CODES 1-4 OR 6, AND NOT CODE 5 2
GO TO Eta

e. In a case of an inquiry about transfer values, in what respects are trustees able to use their discretion?
WRITE IN, PROBE FULLY

D6a.

d. Is there a right of appeal against the trustees’ decision?

Yes 1
ASK e

No 2
GO TO D6a

e. What is the procedure for making such an appeal?

PROBE FULLY

D6b.

b. You said the inquirer would be referred to an outside body. What would that outside body be?

INTERVIEWER CHECK D4a:

IF CODES 3 OR 4 (AND ANY OTHER CODES) 1
ASK b

IF ONLY CODE 5 2
GO TO D6a

IF ONLY CODES 1, 2 OR 8 3
GO TO E1a

IF OUTSIDE BODY CARD B6

b. You said the inquirer would be referred to an outside body. What would that outside body be?

CODE ALL THAT APPLY

OPAS 01
Pensions Ombudsman 02
Insurance/Personal Investment Ombudsman 03
Pensions Registry 04
Trade union/staff association (not internal) 05
Citizens’ Advice Bureau 06
An Industrial Tribunal/ACAS 07

SAME ORGANISATION ONLY:
The insurance/assurance company/ pensions providing/administering company 08

Other (PLEASE SPECIFY) 09
HYPOTHETICAL CASE 4 - READ CAREFULLY

A former employee has heard it said that pension administrators or scheme trustees can override the expressed wishes of a member, in respect of the person whom he has nominated to receive a lump sum death benefit. He has recently re-married and nominated his second wife to receive this benefit. He wants to know whether, in the event of his death, his nomination could be over-ruled.

Faced with this type of inquiry, what would be the first thing that you would do?

Refer him to the scheme booklet
Give him a copy of the scheme booklet to read through
Go through the pension scheme's/arrangement's provisions with him
(Make calculations of his entitlement)
Discuss the options
Bring in/send him to someone else

Other (PLEASE SPECIFY)

Tell her that you had provided all the information or helped her all you could
Try to resolve the matter yourself, eg. talk through the situation or scheme rules again
Make (further) calculations of her entitlement
Discuss the options
Refer her to someone else
Something else (PLEASE SPECIFY)

Where or to whom would you refer her?

A scheme trustee
Someone in this organisation with specialist knowledge of the scheme/arrangement
The insurance/assurance company/pensions providing/administrating company
An independent financial/pension adviser
An external lawyer/accountant/actuary
Someone from the relevant trade union
Other (PLEASE SPECIFY)
IF OCCUPATIONAL PENSION SCHEME
CARD E4

If the person, having made these inquiries, was still not happy with the information, decision or interpretation of the rules or with the response she had received, what would you do?

CODE ALL THAT APPLY

Say there was nothing more you could do this was the way the scheme/arrangement worked
Consult with colleagues/boss
Seek advice from the trustees
Advise her to contact the trustees
Advise her to consult an outside body
Something else (PLEASE SPECIFY)

b. INTERVIEWER CHECK E4a:

IF CODES 3 OR 4 (AND ANY OTHER CODES)
IF ONLY CODE 5
IF ONLY CODES 1, 2 OR 6

IF CODE ONE ONLY

... the Board of Trustees,
2 a sub-group of trustees,
3 a single trustee acting on behalf of Board,
4 or, is a decision reached in some other way?

And when the trustee(s) give(s) a decision regarding lump sum death benefits, is (are/are they)...

READ OUT...

... tightly bound by scheme rules,
1 able to exercise a degree of discretion,
2 or, does it depend on the situation?
3 (Don’t know)
4

In a case of an inquiry about lump sum death benefits, in what respects are trustees able to use their discretion?

WRITE IN, PROBE FULLY

E4a

Would a decision made by the trustees be conveyed to her ...

READ OUT ...

CODE ONE ONLY

verbally, 1
or, in writing? 2
(Both) 3

b.

When a decision is conveyed to the inquirer, would she usually be told what action she could take if she was dissatisfied with the trustees’ decision?

Yes 1
No 2

ASK c

GO TO d

b.

Would this involve advising her about ...

READ OUT ...

CODE ALL THAT APPLY

... about OPAS, 1
2 about the Pensions Ombudsman,
the Pensions Registry,
3 or, some other organisation or body? 4

(PLEASE SPECIFY)

Yes 1
No 2

ASK e

GO TO E6a

c.

What is the procedure for making such an appeal?

PROBE FULLY

INTERVIEWER CHECK E4a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE
1 5951
IF ANY CODES 1-4 OR 6, AND NOT CODE 5
2 5952
IF OUTSIDE BODY
CARD E5

You said the inquirer would be referred to an outside body. What would that outside body be?

CODE ALL THAT APPLY

OPAS 01
Pensions Ombudsman 02
Insurance/Personal Investment Ombudsman 03
Pensions Registry 04
Trade union/staff association (not internal) 05
Citizens’ Advice Bureau 06
An Industrial Tribunal/ACAS 07

SAME ORGANISATION ONLY:
The insurance/assurance company/ pensions providing/administering company 08

(NEVER HAPPENED) 97
(DON’T KNOW) 98

E5a

Would a decision made by the trustees be conveyed to her ...

READ OUT ...

CODE ONE ONLY

verbally, 1
or, in writing? 2
(Both) 3

b.}

When a decision is conveyed to the inquirer, would she usually be told what action she could take if she was dissatisfied with the trustees’ decision?

Yes 1
No 2

ASK c

GO TO d

b.

Would this involve advising her about ...

READ OUT ...

CODE ALL THAT APPLY

... about OPAS, 1
2 about the Pensions Ombudsman,
the Pensions Registry,
3 or, some other organisation or body? 4

(PLEASE SPECIFY)

Yes 1
No 2

ASK e

GO TO E6a

c.

What is the procedure for making such an appeal?

PROBE FULLY

INTERVIEWER CHECK E4a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE
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IF ANY CODES 1-4 OR 6, AND NOT CODE 5
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Trade union/staff association (not internal) 05
Citizens’ Advice Bureau 06
An Industrial Tribunal/ACAS 07

SAME ORGANISATION ONLY:
The insurance/assurance company/ pensions providing/administering company 08

(NEVER HAPPENED) 97
(DON’T KNOW) 98

E5a

Would a decision made by the trustees be conveyed to her ...

READ OUT ...

CODE ONE ONLY

verbally, 1
or, in writing? 2
(Both) 3

b.

When a decision is conveyed to the inquirer, would she usually be told what action she could take if she was dissatisfied with the trustees’ decision?

Yes 1
No 2

ASK c

GO TO d

b.

Would this involve advising her about ...

READ OUT ...

CODE ALL THAT APPLY

... about OPAS, 1
2 about the Pensions Ombudsman,
the Pensions Registry,
3 or, some other organisation or body? 4

(PLEASE SPECIFY)

Yes 1
No 2

ASK e

GO TO E6a

c.

What is the procedure for making such an appeal?

PROBE FULLY

INTERVIEWER CHECK E4a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE
1 5951
IF ANY CODES 1-4 OR 6, AND NOT CODE 5
2 5952
IF OUTSIDE BODY
CARD E5

You said the inquirer would be referred to an outside body. What would that outside body be?

CODE ALL THAT APPLY

OPAS 01
Pensions Ombudsman 02
Insurance/Personal Investment Ombudsman 03
Pensions Registry 04
Trade union/staff association (not internal) 05
Citizens’ Advice Bureau 06
An Industrial Tribunal/ACAS 07

SAME ORGANISATION ONLY:
The insurance/assurance company/ pensions providing/administering company 08

(NEVER HAPPENED) 97
(DON’T KNOW) 98
**F-1**

**F: RECENT CASES - DATASHEET**

**INTERVIEWER REFER TO DATA SHEET**

**INTERVIEWER CODE:**

- COMPLETED DATASHEET IN ADVANCE 1
- DID NOT COMPLETE DATASHEET 2

**b) INTERVIEWER USE DATASHEET TO FILL IN:**

- COUNT EACH INQUIRY ONLY ONCE AT THE HIGHEST LEVEL IT REACHED

**Q1) In the last 2 years,**

- **inquiries referred to:**
  - a. The Pension Ombudsman
  - b. The Insurance/Personal Investment Ombudsman
  - c. OPAS
  - d. An industrial Tribunal
  - e. ACAS

**APART FROM ANYTHING ABOVE:**

- **(Q2) In last 12 months,**

- **inquiries referred to:**
  - a. A pension lawyer
  - b. A pension consultant/actuary/accountant
  - c. A pension management co./a pension manager
  - An independent financial/pension adviser
  - e. The scheme trustees

**APART FROM ANYTHING ABOVE:**

- **(Q3) In last 6 months,**

- **inquiries dealt with by respondent**

**INTERVIEWER ASK ABOUT MAXIMUM OF 4 RECENT INQUIRIES:**

- **IN PRIORITY ORDER (see numbers to right of TOTAL column: 1 = highest priority)**

<table>
<thead>
<tr>
<th>Code</th>
<th>Question</th>
<th>Selection Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Benefit entitlements earned to date</td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>Benefit entitlements on retirement</td>
<td></td>
</tr>
<tr>
<td>03</td>
<td>Definition of pensionable pay</td>
<td></td>
</tr>
<tr>
<td>04</td>
<td>Nature of survivors' benefits</td>
<td></td>
</tr>
<tr>
<td>05</td>
<td>Value of transfers in</td>
<td></td>
</tr>
<tr>
<td>06</td>
<td>Value of transfers out</td>
<td></td>
</tr>
<tr>
<td>07</td>
<td>Effects of career interruptions</td>
<td></td>
</tr>
<tr>
<td>08</td>
<td>Effects of early retirement</td>
<td></td>
</tr>
<tr>
<td>09</td>
<td>When expected payments will be made</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Eligibility to join scheme</td>
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</tr>
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<td>11</td>
<td>Pensions in payment</td>
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</tr>
<tr>
<td>12</td>
<td>Level of contributions</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Whether company contributes to personal pension</td>
<td></td>
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<td>14</td>
<td>Discretionary payments</td>
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</tr>
<tr>
<td>15</td>
<td>Sex equality</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Ownership/use of surplus assets</td>
<td></td>
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<tr>
<td>17</td>
<td>Failure or delay in supply of information or documents</td>
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<td>18</td>
<td>Calculation of benefits</td>
<td></td>
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<td>19</td>
<td>Rights under TUPE</td>
<td></td>
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<td>20</td>
<td>Exercise of discretion by trustees or employer</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Other (PLEASE SPECIFY)</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>(Not/able to deal with all inquiries)</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>(This situation hasn't arisen as yet)</td>
<td></td>
</tr>
<tr>
<td>98</td>
<td>(Don't know)</td>
<td></td>
</tr>
</tbody>
</table>

**G-1**

**G: RECENT CASES (1)**

**INTERVIEWER CODE FROM Elb Q3 (yellow):**

- IF NUMBER 3 CODED
  - ALL OTHERS

- 1) **ASK G1_2**
- 2) **GO TO H1 (green)**
G-2

G1 3a. Was the inquirer ... READ OUT ...

CODE ONE ONLY

... a current active member, 01
a deferred pensioner, 02
a current pensioner, 03
an employee/potential member, 04
a spouse/survivor or other dependent, 05
an outside professional, 06
a trustee, 07
or, someone else? (PLEASE SPECIFY) 08

b And was the inquirer ... READ OUT ...

Interviewer note:
acting on his/her own behalf, 1
acting on someone else's behalf, 2
or, as part of a group? 3

CARD G7

G 1 4a. Looking at this card, what was the first thing you did?
CODE ALL THAT APPLY

Refer him/her to the scheme booklet/ give them a copy of the scheme booklet to read through 01
Go through the pension scheme's/arrangement's provisions with him/her 02
Make calculations of an individual's entitlement 03
Discuss the options 04
Bring in/send person to someone else 05
Other (PLEASE SPECIFY) 06

b INTERVIEWER CHECK G1 4a:

IF CODE 5 AND/OR 5 AND ANY OTHER CODE 1 ASK c
IF CODES 1-4 OR 6, AND NOT CODE 5 2 GO TO G1 5

CARD G2

c Who did you bring in or refer them to?
PROBE: ANYONE ELSE?
CODE ALL THAT APPLY

A scheme trustee 01
Someone in this organisation with specialist knowledge of the scheme/arrangement 02
The insurance/assurance company/ pensions providing/administering company 03
An independent financial/pension adviser 04
An external lawyer/accountant/actuary 05
Someone from the relevant trade union 06
Other (PLEASE SPECIFY) 07

G-3

IF NUMBER 3 CODED (see G1 1a)

G1 5 When did you or your organisation become involved with this inquiry (MONTH AND YEAR)? WHICH EVER FIRST

G1 6a Has the inquiry been resolved or is it still on-going?

b When was the inquiry resolved (MONTH & YEAR)?

CODE PERIOD OF TIME

Number: (Don't know) 98

Hours 2
Days 3
Weeks 4
Months 5

G1 7a In total, how much time (did you personally spend/have you spent so far) upon the matter?
BEST ESTIMATE WILL DO

IF NUMBER 3 CODED (see G1 1a)

In total, how much time (did you personally spend/have you spent so far) upon the matter?
BEST ESTIMATE WILL DO

NUMBER: (Don't know) 98

b CODE PERIOD OF TIME

CODE: Minutes 1
Hours 2
Days 3
Weeks 4
Months 5

G1 8 To what extent, in your view, did the inquiry centre upon the inquirer having misunderstood his/her rights, obligations or entitlements?

CARD G3

Entirely (100%) 1
Largely (75%) 2
Partly (50%) 3
Slightly (25%) 4
Not at all (0%) 5
G_2_1 INTERVIEWER CODE FROM Flb Q3 (yellow):

IF NUMBER 8 CODED

<table>
<thead>
<tr>
<th>ASK G2_2</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL OTHERS 2</td>
</tr>
</tbody>
</table>

G_2_2 Now I would like to ask about the second most recent inquiry which you have dealt with yourself.

CARD AI What did the inquiry involve?
CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)
ASK RESPONDENT TO READ OUT NUMBER

| Benefit entitlements earned to date | 01 |
| Benefit entitlements on retirement | 02 |
| Definition of pensionable pay | 03 |
| Nature of survivors' benefits | 04 |
| Value of transfers in | 05 |
| Value of transfers out | 06 |
| Effects of career interruptions | 07 |
| Effects of early retirement | 08 |
| When expected payments will be made | 09 |
| Eligibility to join scheme | 10 |
| Pensions in payment | 11 |
| Level of contributions | 12 |
| Whether company contributes to personal pension | 13 |
| Discretionary payments | 14 |
| Sex equality | 15 |
| Ownership/use of surplus assets | 16 |
| Failure or delay in supply of information or documents | 17 |
| Calculation of benefits | 18 |
| Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment) | 19 |
| Exercise of discretion by trustees or employer | 20 |
| Other (PLEASE SPECIFY) | 21 |
| (Unable to deal with all inquiries) | 22 |
| (This situation hasn't arisen as yet) | 23 |
| (Don't know) | 98 |

G_2_3a Was the inquirer ... READ OUT ...
CODE ONE ONLY

| a current active member | 01 |
| a deferred pensioner | 02 |
| a current pensioner | 03 |
| an employee/potential member | 04 |
| a spouse/survivor or other dependent | 05 |
| an outside professional | 06 |
| a trustee | 07 |
| or, someone else? (PLEASE SPECIFY) | 08 |

G_2_3b And was the inquirer ... READ OUT ...

[... acting on his/her own behalf, 1]
[... on someone else's behalf, 2]
[or, as part of a group, 3]

Interviewer note:
individual acting on behalf of their

G_2_4a Looking at this card, what was the first thing you did?
CODE ALL THAT APPLY

| Refer him/her to the scheme booklet/ give them a copy of the scheme booklet to read through | 01 |
| Go through the pension scheme/arrangement's provisions with him/her | 02 |
| Make calculations of an individual's entitlement | 03 |
| Discuss the options | 04 |
| Bring in/send person to someone else | 05 |
| Other (PLEASE SPECIFY) | 06 |

G_2_4b Who did you bring in or refer them to?
CODE ALL THAT APPLY

| A scheme trustee | 01 |
| Someone in this organisation with specialist knowledge of the scheme/arrangement | 02 |
| The insurance/assurance company/ pensions providing/administering company | 03 |
| An independent financial/pension adviser | 04 |
| An external lawyer/accountant/actuary | 05 |
| Someone from the relevant trade union | 06 |
| Other (PLEASE SPECIFY) | 07 |
G-6

IF NUMBER 8 CODED (see G2_1a, page G-4)

When did you or your organisation become involved with this inquiry (MONTH AND YEAR)?

WHICH EVER FIRST

Don’t know 98

G3_1

INTERVIEWER CODE FROM F11 Q3 (yellow): 1

ASK G3_2 2

6431

IF NUMBER 9 CODED

ALL OTHERS

6432

NOW I WOULD LIKE TO ASK ABOUT THE THIRD MOST RECENT INQUIRY WHICH YOU HAVE DEALT WITH YOURSELF:

CARD A1

What did the inquiry involve?

CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)

ASK RESPONDENT TO READ OUT NUMBER

Don’t know 98 98

G3_2

6432-39

Benefit entitlements earned to date 01

Benefit entitlements on retirement 02

Definition of pensionable pay 03

Nature of survivors’ benefits 04

Value of transfers in 05

Value of transfers out 06

Effects of career interruptions 07

Effects of early retirement 08

When expected payments will be made 09

Eligibility to join scheme 10

Pensions in payment 11

Level of contributions 12

Whether company contributes to personal pension 13

Discretionary payments 14

Sex equality 15

Ownership/use of surplus assets 16

Failure or delay in supply of information or documents 17

Calculation of benefits 18

Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment) 19

Exercise of discretion by trustees or employer 20

Other (PLEASE SPECIFY) 21

6433

6434-35

(Don’t know) 98

6436

6437-38

6439

6440-41

6442-43

6444-45

6446-47

6448-49

6450-51

6452-53

6454-55

6456-57

6458-59

6460-61

6462-63

6464-65

6466-67

6468-69

6470-71

6472-73

6474-75

6476-77

6478-79

6480-81

6482-83

6484-85

6486-87

6488-89

6490-91

6492-93

6494-95

6496-97

6498-99

7000

G-7

CARD G3

G2_8

To what extent, in your view, did the inquiry centre upon the inquirer having misunderstood his/her rights, obligations or entitlements?

Entirely (100%) 1

Largely (75%) 2

Partly (50%) 3

Slightly (25%) 4

Not at all (0%) 5
G-8

G-9

b. And was the inquirer acting on his/her own behalf, acting on someone else's behalf, or as part of a group?

G3_4a. Looking at this card, what was the first thing you did?

CARD G1

C. Who did you bring in or refer them to?

CARD G2

C. CARD G3

G3 B

To what extent, in your view, did the inquiry centre upon the inquirer having misunderstood his/her rights, obligations or entitlements?

Entirely (100%) 1
Largely (75%) 2
Partly (50%) 3
Slightly (25%) 4
Not at all (0%) 5
Looking back over the past 12 months, you have told us there (has/have) been (NUMBER at F1b Q2) inquiries which you referred to colleagues within your organisation or to an external organisation.

CARD AI
(Starting with the most recent one:)
What did the inquiry involve?
_CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)_
ASK RESPONDENT TO READ OUT NUMBER

- Benefit entitlements earned to date
- Benefit entitlements on retirement
- Definition of pensionable pay
- Nature of survivors' benefits
- Value of transfers in
- Value of transfers out
- Effects of career interruptions
- Effects of early retirement
- When expected payments will be made
- Eligibility to join scheme
- Pensions in payment
- Level of contributions
- Whether company contributes to personal pension
- Discretionary payments
- Sex equality
- Ownership/use of surplus assets
- Failure or delay in supply of information or documents
- Calculation of benefits
- Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment)
- Exercise of discretion by trustees or employer
- Other (PLEASE SPECIFY)

(Intable to deal with all inquiries)
(This situation hasn't arisen as yet)
(Don't know)

H-1  
H: RECENT CASES (2)

H1_1a  
INTERVIEWER CODE FROM F1b Q2 (yellow):

<table>
<thead>
<tr>
<th>IF NUMBER 2 CODED</th>
<th>ASK b</th>
<th>ALL OTHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6507</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GO TO H3_9 (H-12)</td>
</tr>
</tbody>
</table>

CARD B1  
Was the inquirer... READ OUT...
_CODE ONE ONLY_

- a current active member, 01
- a deferred pensioner, 02
- a current pensioner, 03
- an employee/potential member, 04
- a spouse/survivor or other dependent, 05
- an outside professional, 06
- a trustee, 07
- or, someone else (PLEASE SPECIFY) 08

CARD B2  
Can I check, to whom or what organisation did you refer this inquiry?
_CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)_

- A scheme trustee 01
- Someone in your organisation with specialist knowledge of the scheme/arrangement 02
- The insurance/assurance company/pensions providing/administering company 03
- An independent financial/pension adviser 04
- An external lawyer/accountant/actuary 05
- Someone from the relevant trade union 06
- Other (PLEASE SPECIFY) 07

CARD B3  
When did you or your organisation become involved with this inquiry?
_CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)_

- Don't know 98

Interviewer note: individual acting on behalf of their
acting on someone else's behalf
or, as part of a group?
H1_5a What was the length of time between this inquiry first being raised and you calling upon this/these individual(s)/organisation(s)?

**BEST ESTIMATE WILL DO**

<table>
<thead>
<tr>
<th>NUMBER:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know) 98</td>
</tr>
</tbody>
</table>

b. **CODE PERIOD OF TIME**

<table>
<thead>
<tr>
<th>CODE: Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
</tr>
<tr>
<td>Days</td>
</tr>
<tr>
<td>Weeks</td>
</tr>
<tr>
<td>Months</td>
</tr>
</tbody>
</table>

H1_6a Has the inquiry been resolved or is it still on-going?

<table>
<thead>
<tr>
<th>Resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-going 2</td>
</tr>
</tbody>
</table>

b. When was the inquiry resolved (MONTH & YEAR)?

<table>
<thead>
<tr>
<th>MONTH</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know) 98</td>
<td>98</td>
</tr>
</tbody>
</table>

c. What was the length of time between this inquiry being raised and an outcome being reached?

**BEST ESTIMATE WILL DO**

<table>
<thead>
<tr>
<th>NUMBER:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know) 98</td>
</tr>
</tbody>
</table>

d. **CODE PERIOD OF TIME**

<table>
<thead>
<tr>
<th>CODE: Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
</tr>
<tr>
<td>Days</td>
</tr>
<tr>
<td>Weeks</td>
</tr>
<tr>
<td>Months</td>
</tr>
</tbody>
</table>

H1_7a. In total, how much time (did/have you and any colleagues in your organisation spend/spent so far) upon the matter?

**BEST ESTIMATE WILL DO**

<table>
<thead>
<tr>
<th>NUMBER:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know) 98</td>
</tr>
</tbody>
</table>

b. **CODE PERIOD OF TIME**

<table>
<thead>
<tr>
<th>CODE: Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
</tr>
<tr>
<td>Days</td>
</tr>
<tr>
<td>Weeks</td>
</tr>
<tr>
<td>Months</td>
</tr>
</tbody>
</table>
b. Now I would like to ask about the second most recent inquiry which you referred to colleagues within your organisation or to an external organisation.

CARD A1
What did the inquiry involve?
CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)
ASK RESPONDENT TO READ OUT NUMBER

Benefit entitlements earned to date 01
Benefit entitlements on retirement 02
Definition of pensionable pay 03
Nature of survivors’ benefits 04
Value of transfers in 05
Value of transfers out 06
Effects of career interruptions 07
Effects of early retirement 08
When expected payments will be made 09
Eligibility to join scheme 10
Pensions in payment 11
Level of contributions 12
Discretionary payments 14
Sex equality 15
Ownership/use of surplus assets 16
Failure or delay in supply of information or documents 17
Calculation of benefits 18
Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment) 19
Exercise of discretion by trustees or employer 20
Other (PLEASE SPECIFY) 21

b. And was the inquirer ... READ OUT ...

... a current active member, 01
... a deferred pensioner, 02
... a current pensioner, 03
... an employee/potential member, 04
... a spouse/survivor or other dependent, 05
... an outside professional, 06
... a trustee, 07
or, someone else (PLEASE SPECIFY) 08

CARD B2
Can I check, to whom or what organisation did you refer this inquiry?
CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)

A scheme trustee 01
Someone in your organisation with specialist knowledge of the scheme/arrangement 02
The insurance/assurance company/pensions providing/administering company 03
An independent financial/pension adviser 04
An external lawyer/accountant/actuary 05
Someone from the relevant trade union 06
Other (PLEASE SPECIFY) 07

H2_4.
When did you or your organisation become involved with this inquiry (MONTH AND YEAR)?
WHICH EVER FIRST

DON’T KNOW 98
H2 5a. What was the length of time between this inquiry first being raised and you calling upon this/these (types of individual(s)/organisation(s))?  

**BEST ESTIMATE WILL DO**

<table>
<thead>
<tr>
<th>NUMBER:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know)</td>
<td>98</td>
</tr>
</tbody>
</table>

b. **CODE PERIOD OF TIME**

<table>
<thead>
<tr>
<th>CODE: Minutes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
<td>2</td>
</tr>
<tr>
<td>Days</td>
<td>3</td>
</tr>
<tr>
<td>Weeks</td>
<td>4</td>
</tr>
<tr>
<td>Months</td>
<td>5</td>
</tr>
</tbody>
</table>

H2 6a. Has the inquiry been resolved or is it still on-going?

<table>
<thead>
<tr>
<th>Resolved</th>
<th>ASK b</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-going</td>
<td>2 GO TO H2_7a</td>
</tr>
</tbody>
</table>

b. When was the inquiry resolved (MONTH & YEAR)?

<table>
<thead>
<tr>
<th>MONTH</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Don't know)</td>
<td>98</td>
</tr>
</tbody>
</table>

H2 6b. Has the inquiry been resolved or is it still on-going?

| Yes | ASK c |
| No | 2 GO TO H3_1a |

c. Is your organisation responsible for paying for the services of (this/these) external organisation(s)?

| YES | ASK d |
| NO | 2 GO TO H3_1a |

d. How were the services of (this/these) external organisation(s) paid for or covered?

**CODE ALL THAT APPLY**

| Sponsoring organisation billed by hour or day | 01 |
| Costs covered by annual fee | 02 |
| Costs covered by commission payments | 03 |
| Small inquiries part of regular service (no extra charges) | 04 |
| Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/specialist) | 05 |
| Sponsoring organisations billed if inquiry takes more than certain amount of time | 06 |
| Other (PLEASE SPECIFY) | 07 |

H2_7a

**IF NUMBER 6 CODED (see H2_1a, page H-5)**

In total, how much time (did/have) you and any colleagues in your organisation (spend/spent so far) upon the matter?

**BEST ESTIMATE WILL DO**

<table>
<thead>
<tr>
<th>NUMBER:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>None 00</td>
<td>90</td>
</tr>
<tr>
<td>None (Don't know)</td>
<td>98</td>
</tr>
</tbody>
</table>

b. **CODE PERIOD OF TIME**

<table>
<thead>
<tr>
<th>CODE: Minutes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
<td>2</td>
</tr>
<tr>
<td>Days</td>
<td>3</td>
</tr>
<tr>
<td>Weeks</td>
<td>4</td>
</tr>
<tr>
<td>Months</td>
<td>5</td>
</tr>
</tbody>
</table>
Now I would like to ask about the third most recent inquiry which you referred to colleagues within your organisation or to an external organisation.

CARD A1
What did the inquiry involve?

CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)

ASK RESPONDENT TO READ OUT NUMBER

- Benefit entitlements earned to date
- Benefit entitlements on retirement
- Definition of pensionable pay
- Nature of survivors' benefits
- Value of transfers in
- Value of transfers out
- Effects of career interruptions
- Effects of early retirement
- When expected payments will be made
- Eligibility to join scheme
- Pensions in payment
- Level of contributions
- Whether company contributes to personal pension
- Discretionary payments
- Sex equality
- Ownership/use of surplus assets
- Failure or delay in supply of information or documents
- Calculation of benefits
- Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment)
- Exercise of discretion by trustees or employer
- Other (PLEASE SPECIFY)

CARD B2
Can I check, to whom or what organisation did you refer this inquiry?

CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)

- A scheme trustee
- Someone in your organisation with specialist knowledge of the scheme/arrangement
- The insurance/assurance company/pensions providing/administering company
- An independent financial/pension adviser
- An external lawyer/accountant/actuary
- Someone from the relevant trade union
- Other (PLEASE SPECIFY)

H2_4
When did you or your organisation become involved with this inquiry?

MONTH YEAR

DON'T KNOW 98 98
H-11

H3.5a. What was the length of time between this inquiry first being raised and you calling upon this/these
(types of individual(s)/organisation(s))? BEST ESTIMATE WILL DO

NUMBER:

(Don't know) 98

b. CODE PERIOD OF TIME

CODE: Minutes 1

Hours 2

Days 3

Weeks 4

Months 5

H3.6a. Has the inquiry been resolved or is it still on-going?

Resolved 1 ASK b

On-going 2 GO TO H3_7a

CARD A2

In total, how much time (did/have) you and any colleagues in your organisation (spent/spent so far) upon the matter?
BEST ESTIMATE WILL DO

NUMBER:

None 00

(Don't know) 98

b. CODE PERIOD OF TIME

CODE: Minutes 1

Hours 2

Days 3

Weeks 4

Months 5

H-12

INTERVIEWER CHECK ANSWER AT H3.3 (page H - 10):

IF CODES 3, 4 OR 5 (AND ANY OTHER CODES) ALL OTHERS

1 GO TO b

2 GO TO H3_9

b. INTERVIEWER CODE:

SAME ORGANISATION

1 GO TO d

EXTERNAL ORGANISATION

2 ASK c

c. Is your organisation responsible for paying for the services of (this/these) external organisation(s) paid for or covered?

Yes 1 ASK d

No 2 GO TO H3_9

d. How were the services of (this/these) external organisation(s) paid for or covered?

CODE ALL THAT APPLY

Sponsoring organisation billed by hour or day 1

Costs covered by annual fee 2

Costs covered by commission payments 3

Small inquiries part of regular service (no extra charges) 4

Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/specialist) 5

Sponsoring organisations billed if inquiry takes more than certain amount of time 6

Other (PLEASE SPECIFY) 7

CARD A2

INTERVIEWER FROM F1b Q1 (yellow):

IF NUMBER 1 CODED ALL OTHERS

1 ASK IF (booklet)

2 GO TO K1a
J: RECENT CASES (3)

IF NUMBER 1 CODED (see F1b Q1 -yellow)

Looking back over the past two years, you have told us there (has/have) been___ (NUMBER at F1b Q1) inquiries with regard to the pension (scheme/arrangement) which have involved either OPAS, the Pensions Ombudsman, the Insurance Ombudsman, an Industrial Tribunal, ACAS or a court of law.

CARD 69

(Starting with the most recent one.)
What did the inquiry or disagreement involve?
CODE ALL THAT APPLY
(PROBE: ANYTHING ELSE)

ASK RESPONDENT TO READ OUT NUMBER

Benefit entitlements earned to date 01
Benefit entitlements on retirement 02
Definition of pensionable pay 03
Nature of survivors' benefits 04
Value of transfers in 05
Value of transfers out 06
Effects of career interruptions 07
Effects of early retirement 08
When expected payments will be made 09
Eligibility to join scheme 10
Pensions in payment 11
Level of contributions 12
Whether company contributes to personal pension 13
Discretionary payments 14
Sex equality 15
Ownership/use of surplus assets 16
Failure or delay in supply of information or documents 17
Calculation of benefits 18
Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment) 19
Exercise of discretion by trustees or employer 20
Other (PLEASE SPECIFY) 21
(Notable to deal with all inquiries) 22
(This situation hasn't arisen as yet) 23
(Don't know) 98

J1 2. Was the inquirer ... READ OUT ...
CODE ONE ONLY

a current active member, 01
a deferred pensioner, 02
a current pensioner, 03
potential member, 04
a spouse/survivor or other dependent, 05
an outside professional, 06
a trustee, 07
or, someone else (PLEASE SPECIFY) 08

b. And was the inquirer ... READ OUT ...

READ OUT ...

Interviewer note: individual acting on behalf of their

acting on his/her own behalf, 1
acting on someone else's behalf, 2
or, as part of a group? 3

J1 3. When did you or your organisation become involved with this inquiry (MONTH AND YEAR)? MONTH YEAR

WHICH EVER FIRST

Don't know 98 98

J 1a. Can I check, which of these organisations or bodies were involved ... READ OUT ...

CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)

NAME OF ORGANISATION/BODY

OPAS, 1 6923-26
the Pensions Ombudsman, 2 6927-31
the Insurance/Personal Investment Ombudsman, 3 6932-36
an Industrial Tribunal, 4 6937-41
ACAS, 5 6942-46
or, a court of law? 6 6947-51

b. And when did you or your organisation become involved (MONTH AND YEAR)?

NAME OF ORGANISATION/BODY

OPAS, 1 6923-26
the Pensions Ombudsman, 2 6927-31
the Insurance/Personal Investment Ombudsman, 3 6932-36
an Industrial Tribunal, 4 6937-41
ACAS, 5 6942-46
or, a court of law? 6 6947-51
**J-3 J-4**

b. Upon whom did you call?

<table>
<thead>
<tr>
<th>CODE ALL THAT APPLY</th>
<th>SAME ORGANISATION ONLY:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The insurance/assurance company/pensions administering company</td>
</tr>
<tr>
<td></td>
<td>A pension consultancy</td>
</tr>
<tr>
<td></td>
<td>A lawyer/accountant/actuary</td>
</tr>
<tr>
<td></td>
<td>An independent financial/pension adviser</td>
</tr>
<tr>
<td></td>
<td>Other (PLEASE SPECIFY)</td>
</tr>
</tbody>
</table>

---

c. INTERVIEWER CODE:

<table>
<thead>
<tr>
<th>SAME ORGANISATION (codes 1 or 2 at A3)</th>
<th>GO TO e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXTERNAL ORGANISATION (codes 3 or 4 at A3)</td>
<td>ASK d</td>
</tr>
</tbody>
</table>

---

d. Is your organisation responsible for paying for the services of (this/these) external organisation(s)?

<table>
<thead>
<tr>
<th>CODE ALL THAT APPLY</th>
<th>Spontaneously billed by hour or day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Costs covered by annual fee</td>
</tr>
<tr>
<td></td>
<td>Costs covered by commission payments</td>
</tr>
<tr>
<td></td>
<td>Small inquiries part of regular service</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/specialist)</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organisations billed if inquiry takes more than certain amount of time</td>
</tr>
<tr>
<td></td>
<td>Other (PLEASE SPECIFY)</td>
</tr>
</tbody>
</table>

---

e. How were the services of (this/these) external organisation(s) paid for or covered?

<table>
<thead>
<tr>
<th>CODE PERIOD OF TIME</th>
<th>Spontaneously billed by hour or day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Costs covered by annual fee</td>
</tr>
<tr>
<td></td>
<td>Costs covered by commission payments</td>
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<tr>
<td></td>
<td>Small inquiries part of regular service</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/specialist)</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organisations billed if inquiry takes more than certain amount of time</td>
</tr>
<tr>
<td></td>
<td>Other (PLEASE SPECIFY)</td>
</tr>
</tbody>
</table>

---

**CARD A2**

<table>
<thead>
<tr>
<th>IF NUMBER 1 CODED</th>
<th>Spontaneously billed by hour or day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Costs covered by annual fee</td>
</tr>
<tr>
<td></td>
<td>Costs covered by commission payments</td>
</tr>
<tr>
<td></td>
<td>Small inquiries part of regular service</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/specialist)</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organisations billed if inquiry takes more than certain amount of time</td>
</tr>
<tr>
<td></td>
<td>Other (PLEASE SPECIFY)</td>
</tr>
</tbody>
</table>

---

**INTERVIEWER CHECK J1_6a:**

<table>
<thead>
<tr>
<th>INQUIRY STILL ON-GOING (code 2)</th>
<th>1 ASK J1_9a</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL OTHERS</td>
<td>2 ASK J1_9a</td>
</tr>
</tbody>
</table>
IF INQUIRY HAS BEEN RESOLVED (code 2 at J1_6a)

INTERVIEWER CHECK ANSWER AT J1_4a (page J-2):

PENSION OR INSURANCE/PERSOINAL INVESTMENT OMBUDSMAN
(codes 2 or 3)

ALL OTHERS (codes 1, 4-6)

b. Has the (Pensions/Insurance/Personal Investment) Ombudsman made a determination in relation to this inquiry?

Yes 1 ASK b

No 2 GO TO J1_10a

When was this determination made (MONTH & YEAR)?

MONTH YEAR

(Don't know)

And did the determination lead to any change in administrative arrangements or operational procedures?

Yes 1 ASK f

No 2

(Prefer not to say) 7

(Don't know) 8

IF NO DETERMINATION MADE (code 2 at J1_9b)

d. Did the outcome of the inquiry lead to any change in administrative arrangements or operational procedures?

Yes 1 ASK f

No 2

(Prefer not to say) 7

(Don't know) 8

IF YES AT J1_9d OR J1_9e

e. What was this change? PROBE FULLY

f. Was the outcome of the inquiry or disagreement... READ OUT...

... in the scheme's/arrangement's favour, 1
in the member's favour, 2
or, was the outcome a compromise? 3
(Prefer not to say) 7
(Don't know) 8

GO TO J2_1a, p.J-7
b. Now I would like to ask about the second most recent inquiry which involved either OPAS, the Pensions Ombudsman, the Insurance Ombudsman, an Industrial Tribunal, ACAS or a court of law.

CARD AI
What did the inquiry or disagreement involve?
CODE ALL THAT APPLY
(PROBE: ANYTHING ELSE)
ASK RESPONDENT TO READ OUT NUMBER

| Benefit entitlements earned to date | 01 |
| Benefit entitlements on retirement | 02 |
| Definition of pensionable pay | 03 |
| Nature of survivors’ benefits | 04 |
| Value of transfers in | 05 |
| Value of transfers out | 06 |
| Effects of career interruptions | 07 |
| Effects of early retirement | 08 |
| When expected payments will be made | 09 |
| Eligibility to join scheme | 10 |
| Pensions in payment | 11 |
| Level of contributions | 12 |
| Whether company contributes to personal pension | 13 |
| Discretionary payments | 14 |
| Sex equality | 15 |
| Ownership/use of surplus assets | 16 |
| Failure or delay in supply of information or documents | 17 |
| Calculation of benefits | 18 |
| Rights under TUPE (TOPE = Transfer of Undertakings - Protection of Employment) | 19 |
| Exercise of discretion by trustees or employer | 20 |
| Other (PLEASE SPECIFY) | 21 |

b. And was the inquirer...

INTERVIEWER CODE FROM Fib Q1 (yellow):
IF NUMBER 4 CODED 1
ASK b
ALL OTHERS 2 GO TO K1a

J2_2 Was the inquirer...

INTERVIEWER CODE FROM Fib Q1 (yellow):
IF NUMBER 4 CODED 1
ASK b
ALL OTHERS 2 GO TO K1a

J2_3 When did you or your organisation become involved with this inquiry?

MONTH YEAR

WHICH EVER FIRST

b. And was the inquirer...

INTERVIEWER CODE FROM Fib Q1 (yellow):
IF NUMBER 4 CODED 1
ASK b
ALL OTHERS 2 GO TO K1a

J2_4a Can I check, which of these organisations were involved...

INTERVIEWER CODE FROM Fib Q1 (yellow):
IF NUMBER 4 CODED 1
ASK b
ALL OTHERS 2 GO TO K1a

CARD 71
J-9

J2_6a. Did you call in external assistance?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>ASK b</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>GO TO J2_6a</td>
</tr>
</tbody>
</table>

J-10

If NUMBER 4 CODED (see J2_1a, page J-7)

Has the inquiry been resolved or is it still on-going?

<table>
<thead>
<tr>
<th>Resolved</th>
<th>1</th>
<th>ASK b</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-going</td>
<td>2</td>
<td>GO TO J2_7a</td>
</tr>
</tbody>
</table>

b. Upon whom did you call?

CODE ALL THAT APPLY

SAME ORGANISATION ONLY:
The insurance/assurance company/
pensions administering company

| A pension consultancy | 2 |
| A lawyer/accountant/actuary | 3 |
| An independent financial/pension adviser | 4 |
| Other (PLEASE SPECIFY) | 5 |

b. When was the inquiry resolved (MONTH & YEAR)?

(Month & Year)

| (Don't know) | 98 |

b. What was the length of time between this inquiry being raised and an outcome being reached?

BEAST ESTIMATE WILL DO NUMBER:

*(Don't know)* | 98 |

d. Is your organisation responsible for paying for the services of (this/these) external organisation(s)?

Yes | 1 | ASK e |

No | 2 | GO TO J2_6a |

c. INTERVIEWER CODE:

SAME ORGANISATION (codes 1 or 2 at A3)

| 1 | GO TO e |

EXTERNAL ORGANISATION (codes 3 or 4 at A3)

| 2 | ASK d |

d. CODE PERIOD OF TIME

| CODE: Minutes | 1 |
| Hours         | 2 |
| Days          | 3 |
| Weeks         | 4 |
| Months        | 5 |
| Years         | 6 |

e. How were the services of (this/these) external organisation(s) paid for or covered?

CODE ALL THAT APPLY

Sponsoring organisation billed by hour or day | 01 |
Costs covered by annual fee | 02 |
Costs covered by commission payments | 03 |
Small inquiries part of regular service (no extra charges) | 04 |
Sponsoring organisation billed if have to consult outside agency/Individuals (actuary/lawyer/specialist) | 05 |
Sponsoring organisations billed if inquiry takes more than certain amount of time | 06 |
Other (PLEASE SPECIFY) | 07 |

CARD A2

J2_9a.

INTERVIEWER CHECK J2 6a:

INQUIRY STILL ON-GOING (code 2) | 1 |

ALL OTHERS | 2 | ASK J2_9a |
IF INQUIRY HAS BEEN RESOLVED (code 2 at J2_8)
INTERVIEWER CHECK ANSWER AT J2_4a (page 8):

J2_9a  PENSION OR INSURANCE/PERSONAL INVESTMENT OMBUDSMAN
(codes 2 or 3)
ALL OTHERS (codes 1, 4-6)

b. Has the (Pensions/Insurance/Personal Investment)
Ombudsman made a determination in relation to
this inquiry?

Yes  ASK c  7208
No   GO TO e  7209

(Don't know)  98  98

J2_10a

IF NOT PENSION/INSURANCE OMBUDSMAN (code 2 at J2_9a)
Was the outcome of the inquiry or
disagreement ... READ OUT ...

b. Did the outcome lead to any change in the
(scheme's/arrangement's) rules?

Yes  1  ASK c  7225
No (not yet)  2
(Prefer not to say)  7  GO TO J3_1 a
(Don't know)  8

J3_1a

IF INQUIRY STILL ON-GOING (code 2 at J1_6a)
Although still on-going, has this inquiry lead
to any change in administrative arrangements or
operational procedures?

Yes  1  ASK b  7234
No  2
(Prefer not to say)  7  GO TO J3_1 a
(Don't know)  8

b. What was this change?
PROBE FULLY  7235-42
b. Now I would like to ask about the **third most recent** inquiry which involved either OPAS, the Pensions Ombudsman, the Insurance Ombudsman, an Industrial Tribunal, ACAS or a court of law.

**CARD Al**

What did the inquiry or disagreement involve? **CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)**

**ASK RESPONDENT TO READ OUT NUMBER**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Benefit entitlements earned to date</td>
</tr>
<tr>
<td>02</td>
<td>Benefit entitlements on retirement</td>
</tr>
<tr>
<td>03</td>
<td>Definition of pensionable pay</td>
</tr>
<tr>
<td>04</td>
<td>Nature of survivors’ benefits</td>
</tr>
<tr>
<td>05</td>
<td>Value of transfers in</td>
</tr>
<tr>
<td>06</td>
<td>Value of transfers out</td>
</tr>
<tr>
<td>07</td>
<td>Effects of career interruptions</td>
</tr>
<tr>
<td>08</td>
<td>Effects of early retirement</td>
</tr>
<tr>
<td>09</td>
<td>When expected payments will be made</td>
</tr>
<tr>
<td>10</td>
<td>Eligibility to join scheme</td>
</tr>
<tr>
<td>11</td>
<td>Pensions in payment</td>
</tr>
<tr>
<td>12</td>
<td>Level of contributions</td>
</tr>
<tr>
<td>13</td>
<td>Whether company contributes to personal pension</td>
</tr>
<tr>
<td>14</td>
<td>Discretionary payments</td>
</tr>
<tr>
<td>15</td>
<td>Sex equality</td>
</tr>
<tr>
<td>16</td>
<td>Ownership/use of surplus assets</td>
</tr>
<tr>
<td>17</td>
<td>Failure or delay in supply of information or documents</td>
</tr>
<tr>
<td>18</td>
<td>Calculation of benefits</td>
</tr>
<tr>
<td>19</td>
<td>Rights under TUPE (TUPE = Transfer of Undertakings - Protection of Employment)</td>
</tr>
<tr>
<td>20</td>
<td>Exercise of discretion by trustees or employer</td>
</tr>
<tr>
<td>21</td>
<td>Other (PLEASE SPECIFY)</td>
</tr>
<tr>
<td>98</td>
<td>(Don’t know)</td>
</tr>
</tbody>
</table>

**J3 4a**

Can I check, which of these organisations or bodies were involved ... **READ OUT** ... **CODE ALL THAT APPLY (PROBE: ANYTHING ELSE)**?

b. And when did________ (NAME OF ORGANISATION/BODY) become involved (MONTH AND YEAR)?
J-15

Did you call in external assistance?

Yes 1  ASK b
No 2  GO TO J3_6a

b  Upon whom did you call?

CODE ALL THAT APPLY

SAME ORGANISATION ONLY:

- The insurance/assurance company/pensions administrations company 1
- A pension consultancy 2
- A lawyer/accountant/actuary 3
- An independent financial/pension adviser 4
- Other (PLEASE SPECIFY) 5

b  Has the inquiry been resolved or is it still on-going?

Resolved  ASK b
On-going 2  GO TO J3_7a

b  When was the inquiry resolved (MONTH & YEAR)?

MONTH YEAR

(Don't know) 98 98

J-16

c  What was the length of time between this inquiry being raised and an outcome being reached?

BEST ESTIMATE WILL DO

NUMBER

(Don't know) 98

CODE PERIOD OF TIME

- CODE: Minutes 1
- Hours 2
- Days 3
- Weeks 4
- Months 5
- Years 6

INTERVIEWER CODE:

SAME ORGANISATION (codes 1 or 2 at A3) 1  GO TO e
EXTERNAL ORGANISATION (codes 3 or 4 at A3) 2  ASK d

d  Is your organisation responsible for paying for the services of (this/these) external organisation(s)?

Yes 1  ASK e
No 2  GO TO J3_6a

e  How were the services of (this/these) external organisation(s) paid for or covered?

CODE ALL THAT APPLY

Sponsoring organisation billed by hour or day 01
Costs covered by annual fee 02
Costs covered by commission payments 03
Small inquiries part of regular service (no extra charges) 04
Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/specialist) 05
Sponsoring organisations billed if inquiry takes more than certain amount of time 06
Other (PLEASE SPECIFY) 07

INTERVIEWER CHECK:

INQUIRY STILL ON-GOING (code 2) 1  GO TO J3_1a
ALL OTHERS 2  ASK J3_9a
J-17

IF INQUIRY HAS BEEN RESOLVED (code 2 at J3_9b)
INTERVIEWER CHECK ANSWER AT J3_4a (page J -14):

PENSION OR INSURANCE/PERSONAL INVESTMENT OMBUDSMAN
(codes 2 or 3)
ALL OTHERS (codes 1, 4-6)

b. Has the (Pensions/Insurance/Personal Investment) Ombudsman made a determination in relation to this inquiry?

Yes ASK c T350
No 2 GO TO J3_10a

When was this determination made (MONTH & YEAR)?

Month Year

(Don't know) 98 98 T352-55

And did the determination lead to any change in administrative arrangements or operational procedures?

Yes 1 , ASK f T356
No 2
(Prefer not to say) 7 GO TO g
(Don't know) 8

IF NO DETERMINATION MADE (code 2 at J3_9b)
e. Did the outcome of the inquiry lead to any change in administrative arrangements or operational procedures?

Yes ASK f T356
No 2
(Prefer not to say) 7 GO TO g
(Don't know) 8

IF YES AT J3_9d OR J3_9e 1
What was this change? PROBE FULLY T358-65

J-18

IF NOT PENSION/INSURANCE OMBUDSMAN (code 2 at J3_9a)
Was the outcome of the inquiry or disagreement ... READ OUT ...

... in the scheme's (arrangement's) favour, 1 T367
... in the member's favour, 2
or, was the outcome a compromise? 3
(Prefer not to say) 7
(Don't know) 8

b. Did the outcome lead to any change in the (scheme's/arrangement's) rules?

Yes ASK c T388
No (not yet) 2
(Prefer not to say) 7 GO TO K1a
(Don't know) 8

c. What was this change?

PROBE FULLY T369-76

GO TO K1a

IF INQUIRY STILL ON-GOING (code 2 at J1_6a)
Although still on-going, has this inquiry lead to any change in administrative arrangements or operational procedures?

Yes ASK b T407
No 2
(Prefer not to say) 7 GO TO K1a
(Don't know) 8

b. What was this change?

PROBE FULLY T408-15

GO TO K1a
K-1

K: INFORMING MEMBERS

ASK ALL

K1a. Finally, I would like to ask you some more general questions about the procedures which apply to this pension scheme (arrangement) and the way in which employees, and deferred and current pensioners are kept in touch with changes in terms and conditions.

Can I check, do you have a formal procedure for dealing with members' inquiries or concerns or do you deal with inquiries on an ad hoc basis? By formal I mean laying down the steps through which an employee or pensioner should proceed, and publishing these in the members' handbook, newsletter, trustees report, etc.

Yes - formal procedure
1 ASK b

No - ad hoc
2 GO TO K2a

Both
3 ASK b

K1b. When was this formal procedure introduced?

YEAR: 19

Too long to remember/when scheme/arrangement was set up
96

(Don't know)
98

CARD K1

c. What were the reasons for the introduction of this formal procedure? CODE ALL THAT APPLY

Required by law
01

Organisation too large to rely on informal methods
02

Pressure from participants/members/pensioners for greater clarity
03

Organisation wanted to make procedures clearer
04

Organisation wanted to make procedures quicker/more efficient
05

Advice/ruling of OPAS/Ombudsman
06

Necessity apparent from a recent inquiry
07

Other (PLEASE SPECIFY) ______________________________________________________
08

(Don't know)
98

INTERVIEWER CHECK ANSWER AT K1 b:

IF LESS THAN TWO YEARS
1 ASK e

ALL OTHERS
2 GO TO K3a

K2a. Have you any definite plans to introduce greater formality in how you deal with members' inquiries/concerns in the future? By definite I mean you plan to introduce a formal procedure for dealing with inquiries in the next two years.

Yes 1 ASK b

No 2 GO TO c

CARD K1

b. Why have you considered introducing greater formality? CODE ALL THAT APPLY

Required by law
01

Scheme/arrangement too large to rely on informal methods
02

Pressure from members/pensioners for greater clarity
03

Want to make procedures quicker/more efficient
04

Advice/ruling of OPAS/Ombudsman
05

Necessity apparent from a recent inquiry
06

Other (PLEASE SPECIFY) ______________________________________________________
07

(Don't know)
98

INTERVIEWER CHECK ANSWER AT K1 b:

IF NO AT K2a

IF NO FORMAL PROCEDURE (code 2 at K1 a)
Have you considered introducing greater formality in how you deal with members' inquiries/concerns in the future? By definite I mean you plan to introduce a formal procedure for dealing with inquiries in the next two years.

PROBE FULLY

K-2

K1a. What would you say has been the effect of the introduction of new procedures on how inquiries/concerns are dealt with?

PROBE FULLY

IF NO FORMAL PROCEDURE (code 2 at K1 a)
Have you any definite plans to introduce greater formality in how you deal with members' inquiries/concerns in the future? By definite I mean you plan to introduce a formal procedure for dealing with inquiries in the next two years.

PROBE FULLY
K-3

K3a. The government has issued several regulations concerning disclosure of information by pension schemes/arrangements. These are often referred to as the disclosure regulations. How much of the content of these regulations are you aware of? READ OUT ... CODE ONE ONLY

... all or most, "ASK " 1
quite a lot, "ASK " 2
a little, "ASK " 3
or, none at all? 4 GO TO K4

b. Did these regulations have any effect upon the ...NAME OF SCHEME/ ARRANGEMENT)’s procedures?

Yes 1 ASK c
No 2 GO TO K4

c. Looking at this card, in what ways have they affected the (scheme’s/arrangement’s) procedures? CODE ALL THAT APPLY

Required us to send members more information about more things 01
Required us to send members more detailed information 02
Required us to send members information more quickly 03
Permitted members to make additional requests 04
Permitted members to request responses more quickly 05
Required an increased staff/management input 06
Required greater use of external manager/administrator 07
Required installation of new information systems 08
Required a revision of scheme handbook 09
Other (PLEASE SPECIFY) 10

(Don’t know) 98

K-4

ASK ALL

K4 Can I ask how you personally would wish to see the process of informing members changed or improved? PROBE FULLY

Any other comment you wish to make regarding pension inquiries or this survey?

INTERVIEWER WRITE IN:

TIME INTERVIEW COMPLETED (24 HOUR CLOCK) 7625-36
LENGTH OF INTERVIEW IN MINUTES 7639-41
DATE OF INTERVIEW (DD/MM) 7642-45
INTERVIEWER NAME/NO 7646-49

INTERVIEWER: IF ANYONE ELSE PRESENT DURING INTERVIEW, CODE 1 (IF YES, EXPLAIN WHY?) 7650
7651
CARD A

DEFINITION OF INQUIRY

By inquiry we mean a request for information, clarification, statement of policy or intent of the scheme or pension arrangement ...

... made to you by an employee, member or participant, a former member (including those now retired and/or drawing a pension) or a survivor of one of the above ...

... which you may or may not have been able to satisfy and where your answer may or may not have been accepted.

CARD A1

Benefit entitlements earned to date 01
Benefit entitlements on retirement 02
Definition of pensionable pay 03
Nature of survivors' benefits 04
Value of transfers in 05
Value of transfers out 06
Effects of career interruptions 07
Effects of early retirement 08
When expected payments will be made 09
Eligibility to join scheme 10
Pensions in payment 11
Level of contributions 12
Whether company contributes to personal pension 13
Discretionary payments 14
Sex equality 15
Ownership/Use of surplus assets 16
Failure or delay in supply of information or documents 17
Calculation of benefits 18
Rights under TUPE 19
(TUPE = Transfer of Undertakings - Protection of Employment) 19
Exercise of discretion by trustees or employer 20
Other (PLEASE SPECIFY) 21

CARD A2

Sponsoring organisation billed by hour or day 01
Costs covered by annual fee 02
Costs covered by commission payments 03
Simple/Routine/Small inquiries part of regular service (no extra charges) 04
Sponsoring organisation billed if have to consult outside agency/individuals (actuary/lawyer/other specialist) 05
Sponsoring organisations billed if inquiry takes more than certain amount of time 06
Other (PLEASE SPECIFY) 07

CARD A3

Organisation as a whole 01
A subsidiary company 02
A branch/single site 03
Headquarters only 04
Only white collar/staff employees 05
Only blue collar/work employees 06
Other (PLEASE SPECIFY) 07
CARD B1

Refer him to the scheme booklet/give him a copy of the scheme booklet to read through 01

Go through the pension scheme's/arrangement's provisions with him 02

Make calculations of his entitlement 03

Discuss the option 04

Bring in/send him to someone else 05

Other (PLEASE SPECIFY) 06

CARD B2

A scheme trustee 01

Someone in this organisation with specialist knowledge of the scheme or arrangement 02

The insurance/assurance company or pensions providing/administering company 03

An independent financial/pension adviser 04

An external lawyer, accountant or actuary 05

Someone from the relevant trade union 06

CARD B3

Tell him that you had provided all the information or helped him all you could 01

Try to resolve the matter yourself, eg. talk through the situation or scheme/arrangement rules again 02

Make (further) calculations of his entitlement 03

Discuss the options 04

Refer him to someone else 05

Something else (PLEASE SPECIFY) 06

CARD B4

Say there was nothing more you could do/this was the way the scheme/arrangement worked 01

Consult with colleagues/boss 02

Seek advice from the trustees 03

Advise him to contact the trustees 04

Advise him to consult an outside body 05

Something else (PLEASE SPECIFY) 06
### CARD B5

<table>
<thead>
<tr>
<th>OPAS</th>
<th>01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions Ombudsman</td>
<td>02</td>
</tr>
<tr>
<td>Insurance/Personal Investment Ombudsman</td>
<td>03</td>
</tr>
<tr>
<td>Pensions Registry</td>
<td>04</td>
</tr>
<tr>
<td>Trade Union/staff association (not internal)</td>
<td>05</td>
</tr>
<tr>
<td>Citizens' Advice Bureau</td>
<td>06</td>
</tr>
<tr>
<td>An Industrial Tribunal/ACAS</td>
<td>07</td>
</tr>
<tr>
<td>The insurance/assurance company/pensions providing/administering company</td>
<td>08</td>
</tr>
<tr>
<td>Other (PLEASE SPECIFY)</td>
<td>09</td>
</tr>
</tbody>
</table>

### CARD C1

<table>
<thead>
<tr>
<th>A scheme trustee</th>
<th>01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Someone in this organisation with specialist knowledge of the scheme or arrangement</td>
<td>02</td>
</tr>
<tr>
<td>The insurance/assurance company or pensions providing/administering company</td>
<td>03</td>
</tr>
<tr>
<td>An independent financial/pension adviser</td>
<td>04</td>
</tr>
<tr>
<td>An external lawyer, accountant or actuary</td>
<td>05</td>
</tr>
<tr>
<td>Someone from the relevant trade union</td>
<td>06</td>
</tr>
<tr>
<td>A doctor</td>
<td>07</td>
</tr>
<tr>
<td>Other (PLEASE SPECIFY)</td>
<td>08</td>
</tr>
</tbody>
</table>

### CARD E1

| Refer him to the scheme booklet/give him a copy of the scheme booklet to read through | 01 |
| Go through the pension scheme's/arrangement's provisions with him | 02 |
| (Make calculations of his entitlement) | 03 |
| Discuss the option | 04 |
| Bring in/send him to someone else | 05 |
| Other (PLEASE SPECIFY) | 06 |

### CARD E2

<table>
<thead>
<tr>
<th>A scheme trustee</th>
<th>01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Someone in this organisation with specialist knowledge of the scheme or arrangement</td>
<td>02</td>
</tr>
<tr>
<td>The insurance/assurance company or pensions providing/administering company</td>
<td>03</td>
</tr>
<tr>
<td>An independent financial/pension adviser</td>
<td>04</td>
</tr>
<tr>
<td>An external lawyer, accountant or actuary</td>
<td>05</td>
</tr>
<tr>
<td>Someone from the relevant trade union</td>
<td>06</td>
</tr>
<tr>
<td>Other (PLEASE SPECIFY)</td>
<td>07</td>
</tr>
</tbody>
</table>
Tell her that you had provided all the information or helped her all you could 01
Say there was nothing more you could do/this was the way the scheme/arrangement worked 01
Try to resolve the matter yourself, eg. talk through the situation or scheme/arrangement rules again 02
Consult with colleagues/boss 02
Make (further) calculations of her entitlement 03
Seek advice from the trustees 03
Discuss the options 04
Advise her to contact the trustees 04
Refer her to someone else 05
Advise her to consult an outside body 05
Something else (PLEASE SPECIFY) 06
Something else (PLEASE SPECIFY) 06

CARD E5

OPAS 01
Refer him/her to the scheme booklet/give him a copy of the scheme booklet to read through 01
Pensions Ombudsman 02
Go through the pension scheme's/arrangement's provisions with him/her 02
Insurance/Personal Investment Ombudsman 03
Make calculations of an individual's entitlement 03
Pensions Registry 04
Discuss the option 04
Trade Union/staff association (not internal) 05
Bring in/send person to someone else 05
Citizens' Advice Bureau 06
Other (PLEASE SPECIFY) 09
An Industrial Tribunal/ACAS 07
The insurance/assurance company/pensions providing/administering company 08
Other (PLEASE SPECIFY) 09
### CARD G3

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>(100%)</td>
<td>Entirely</td>
</tr>
<tr>
<td>(75%)</td>
<td>Largely</td>
</tr>
<tr>
<td>(50%)</td>
<td>Partly</td>
</tr>
<tr>
<td>(25%)</td>
<td>Slightly</td>
</tr>
<tr>
<td>(0%)</td>
<td>Not at all</td>
</tr>
</tbody>
</table>

### CARD G2

- A scheme trustee
- Someone in this organisation with specialist knowledge of the scheme or arrangement
- The insurance/assurance company or pensions providing/administering company
- An independent financial/pension adviser
- An external lawyer, accountant or actuary
- Someone from the relevant trade union

### CARD K1

- Required by law
- Organisation too large to rely on informal methods
- Pressure from participants/members/pensioners for greater clarity
- Organisation wanted to make procedures clearer
- Organisation wanted to make procedures quicker/more efficient
- Advice/ruling of OPAS/Ombudsman
- Necessity apparent from a recent inquiry
- Other (PLEASE SPECIFY)

### CARD K2

- Required us to send members more information about more things
- Required us to send members more detailed information
- Required us to send members information more quickly
- Permitted members to make additional requests
- Permitted members to request responses more quickly
- Required an increased staff/management input
- Required greater use of external manager/administrator
- Required installation of new information systems
- Required a revision of scheme handbook
- Other (PLEASE SPECIFY)
DEPARTMENT OF SOCIAL SECURITY

RESEARCH REPORT No 66

DEALING WITH INQUIRIES AND DISPUTES

PART TWO • FINDINGS FROM A QUALITATIVE STUDY OF PENSION SCHEMES

Mark Chetwynd and Andrew Thomas

A report of research carried out by the Social and Community Planning Research (SCPR) on behalf of the Department of Social Security
SUMMARY OF FINDINGS

Introduction

The Department of Social Security (DSS) commissioned Social and Community Planning Research (SCPR) to gather information on the number and types of inquiries and disputes relating to occupational pension schemes, and on how such disputes are dealt with and resolved. The research was designed to gather background information and baseline data prior to changes in internal dispute resolution procedures introduced by the Pensions Act 1995 and which came into effect in April 1997. These require schemes to set up their own formal two-stage Internal Dispute Resolution (IDR) procedures, to have a named individual with responsibility for dealing with members’ disputes in the first instance and for the trustees to provide a second decision if the member is dissatisfied with the first.

The study comprised two components. First, a quantitative study was carried out, designed to establish the number of occupational pension schemes which have established formal internal mechanisms for dealing with inquiries and disputes, and the types of inquiries and disputes dealt with. This is reported in Part One. The second component comprised a small-scale qualitative study designed to elucidate the processes involved when internal mechanisms are unable to resolve disputes, and the circumstances under which disputes come to involve external agencies.

Research aims

The qualitative research had the following research objectives:

* to consider why inquiries arise;
* to examine pension schemes’ own procedures for dealing with inquiries;
* to explore why inquiries are not resolved internally;
* to look at how and why inquiries come to involve external agencies;
* to explore how inquiries are dealt with once external agencies have become involved;
* to examine ways in which inquiries might be resolved without the need for any involvement by external agencies; and
* to gather views on the likely effect of the provisions in the Pensions Act 1995 on Internal Dispute Resolution procedures.¹

Research methodology

Exploratory, in-depth interviews were conducted with 29 professionals working in the area of occupational pension schemes. These included pensions managers within schemes, pensions lawyers and consultants, insurance companies, trustees and small and large employers. Scheme members were not interviewed. The study respondents were often able to

¹ This last objective was introduced in the second half of the study.
comment on issues from more than one perspective: from their direct experience with pension schemes, and from the perspective of their professional organisation, or, in some cases, as Occupational Pensions Advisory Service (OPAS) advisers. Fieldwork was conducted between November 1995 and January 1996.

Respondents were generally keen to distinguish between the terms ‘inquiry’ and ‘dispute’. They defined the latter essentially as an inquiry which involves some degree of argument between the scheme member and the scheme. Respondents also noted that disputes were rare. ‘Inquiries’ took any one of three forms:

- simple requests for clarifications or explanations of points not understood by the member;
- hypothetical questions or requests for advice; or
- more problematic issues, where members were concerned that they had suffered some form of disadvantage.

As the research did not include interviews with scheme members, the report can offer only the pensions professionals’ perceptions of why inquiries arise in the first instance. While they attributed the reasons for the occurrence of some inquiries to scheme members, they also identified ways in which inquiries were the result of shortcomings within the pension scheme. These reasons included:

Pension scheme members’ lack of knowledge of scheme rules

Respondents felt that some inquiries were made because members did not fully understand how their pensions worked. They felt that this was due to members’ lack of interest in pensions and to poor communication of information relating to pensions.

Genuine mistakes by pension schemes

Respondents felt that mistakes made by pension schemes could arise: from time pressures, poor administration, and the complexity of pensions laws.

Inappropriately designed pension schemes

‘Off-the-peg’ schemes, run by insurance companies, could cause problems where the scheme rules did not quite match the intentions of the employer.

Scheme rules rest on an element of interpretation of rules, or on the trustees exercising discretion, respondents felt that this could lead to members feeling that they had been treated unfairly, or inconsistently, by the scheme. One example of the type of case where this sometimes happened

2 The problem of pension scheme members’ lack of knowledge of scheme rules is also discussed in Pension Law Review Committee (1993), Pension Law Reform: The report of the Pension Law Review Committee, Volume II: Research, HMSO.
concerned members wishing to retire early on the grounds of ill health, when the schemes did not pay the pension benefits because they considered that the medical grounds for early retirement were insufficient.

As a way of expressing against an employer Some respondents had experience of cases where they felt that scheme members had initiated inquiries as a means of expressing a grievance against their employer, even if the grievance was not related to the pension scheme.

3 1 lone pension schemes Procedures for dealing with pension inquiries varied according to the nature of the pension scheme and to the size of the company.

- Formal procedures for dealing with inquiries were more likely to exist in larger pension schemes than in smaller ones.

Among small companies, which operated insurance-backed schemes and which did not have their own dedicated pensions staff, the tendency was to direct all but the most simple inquiries to their pensions brokers or advisers.

- Although these small companies did not generally have a recognised procedure, respondents felt that members of the schemes knew who they should contact within the company if they had a query.

- In larger organisations which employed pensions staff to manage schemes in-house, resolution procedures varied according to the size and type of organisation, and to the type of inquiry. Within organisations employing many staff, inquiries were likely to undergo a filtering process, within and between layers of administration.

- Insurance companies felt that, where their contracts were with the trustees of the scheme, rather than the scheme members, it was inappropriate for them to deal directly with members.

Some respondents felt that scheme members quite often accepted what they were told by their schemes, so that second opinions were fairly seldom requested. Where a second decision was required by a member, this would usually involve the trustees or a senior pensions manager. Where this was not possible because there were not enough staff to conduct a meaningful review of an original decision, the second decision may be made by the same individual.

Scheme trustees tended to become involved in inquiries where members were dissatisfied with the scheme's original response, or where a decision required some degree of discretion to be exercised.

There was some feeling that trustees relied too heavily on the advice given to them by pensions staff. However, respondents who were trustees themselves disagreed that trustees 'rubberstamped' decisions; they felt that they made sensible decisions in accordance with scheme rules and legislation, and did not need to have a detailed knowledge of pensions.
Inquiries which came to involve external agencies only after attempts had been made to resolve them internally, using the pension scheme's own procedures, did so for a number of reasons:

- Members required a second opinion, either because they did not entirely trust the pension scheme, or because they wanted independent reassurance that the scheme's decision had been correct.

- Respondents felt that sometimes a powerful motive for a member to continue to pursue an inquiry, after an internal procedure had failed to bring them a satisfactory outcome, was simply the financial need that the member had to win the case.

- Members were said to take cases to OPAS or other external parties if they felt that the pension scheme had not taken their inquiry seriously.

- Where members had been disappointed by a scheme's decision, respondents felt that a request for OPAS or the Pensions Ombudsman to intervene was seen by members as a way of encouraging the scheme to concede, in order to save time and costs.

As the incidence of pension inquiries seeking external resolution was felt to be very small, respondents' experience of dealing with external agencies was limited. Their commentary was, therefore, based on how they thought the procedures would operate. A number of features common to such disputes were identified:

- Trustees, or a sub-committee of the trustee: board, would be informed of any cases which had come to involve external resolution.

- The involvement of external agencies created work for the pension manager within a scheme: checking the scheme's decision, providing information to the external body, and corresponding with the external body.

- Where cases involved the Pensions Ombudsman, some schemes hired their own legal advice as a matter of course.
Because of the time spent in dealing with external agencies, such inquiries carried a cost to the scheme. However, the time and cost could vary, depending on the scheme, and possibly on the external body. In particular, it was felt that schemes found it much more difficult and expensive to deal with private solicitors than with (OAS.

Respondents felt that it was generally preferable for inquiries to be resolved internally. This was partly due to a desire to avoid extra work and expense, and partly to a feeling that it was more satisfactory for disputes to be resolved by the parties that were immediately involved.

Respondents did not perceive a need for major action in this area, although they did feel that some inquiries involved external agencies unnecessarily, and that where possible, steps should be taken to prevent this happening:

- Clearer information about inquiry and dispute resolution procedures should be made available to members.
- Access to internal resolutions procedures needed to be available to all scheme members, including those who no longer had links with the employer.
- Pensions staff should spend time explaining schemes’ decisions to members, rather than simply presenting decisions to them.
- Trustees should have a greater knowledge of pensions matters, so that they could more easily question decisions taken in their name by pensions staff.

Respondents from all professions felt that there would always be some situations in which internal decisions would be challenged. For this reason, there would always be a need for external agencies.

Some way into the study, and in response to a specific request by the DSS, about, the Pensions respondents were asked about their knowledge of, and views on, the provisions in the Pensions Act 1995 on internal dispute resolution (IDR). Some respondents also gave their opinions of the Pensions Act spontaneously. The Act’s provisions came into effect in April 1997, and require pensions schemes to set up a two-stage formal IDR procedure.

Small employers running insurance-backed schemes had little awareness of the IDR provisions, although it should be noted that the research was carried out before publicity information was sent to trustees, managers and employers. They tended to assume that their pensions brokers would manage any, new legal requirements.

In larger schemes, where schemes were run in-house, pension administrators tended to feel that the Act would effectively formalise procedures which already existed.
Generally, the principles of the Act were welcomed by respondents, although they were concerned that, in practice, a series of rules and regulations might be a ‘sledgehammer to crack a nut,’ with very simple inquiries being led unnecessarily through complex resolution procedures.

Respondents expressed some doubts about the viability of requiring schemes to offer the opportunity to review decisions internally, since in smaller organisations there might be only one individual qualified to make a decision. Any review would, therefore, have to be undertaken by the same individual. In very large organisations, respondents felt trustee boards did not have time to act as a review body.
1.1 Background

Occupational pension schemes are currently not required to establish internal mechanisms for dealing with inquiries or disputes, or to provide information to scheme members about any procedures which may be in place. Similarly, there is no such requirement of organisations which arrange Group Personal Pensions (GPPs) or contribute to Appropriate Personal Pensions (APPS) for their employees.

The Department of Social Security (DSS) commissioned Social and Community Planning Research (SCPR) to gather information on the number and types of inquiries and disputes relating to occupational pension schemes, and how they are dealt with. The research was designed to gather background information and baseline data prior to changes in internal dispute resolution procedures introduced by the Pensions Act 1995 which came into effect in April 1997. The Act requires schemes to set up their own formal Internal Dispute Resolution procedures, to have a named individual with responsibility for dealing with members’ inquiries and to provide a second decision if the member is dissatisfied with the first.

The study comprised two components. First, a quantitative study was carried out, designed to establish the number of occupational pension schemes which have established formal internal mechanisms for dealing with inquiries and disputes, and the types of inquiries and disputes dealt with. This is reported in Part One. The second component comprised a qualitative study designed to elucidate the processes involved when internal mechanisms are unable to resolve disputes, and the circumstances under which inquiries and disputes come to involve external agencies. This report contains the findings of the qualitative study.

2 The aims of the research

The qualitative study had the following broad research objectives:

- to consider why inquiries arise;
- to examine pension schemes’ own procedures for dealing with inquiries;
- to explore why inquiries are not resolved internally;
- to look at how and why inquiries come to involve external agencies;
- to explore how inquiries are dealt with once external agencies have become involved;

1 The term ‘inquiry’ is used in this report to mean seeking clarification of points, requests for advice or an expression of concern that a member has suffered some form of disadvantage. Dispute refers to a disagreement about the way in which the scheme is being administered.
1.3 Research methodology

Exploratory, in-depth interviews were conducted with 29 individuals working in the area of occupational pension schemes. These included pensions managers within schemes, pensions lawyers and consultants, insurance companies, trustees and small and large employers. Representatives of the Occupational Pensions Advisory Service (OPAS) and the Pensions Ombudsman were also interviewed. Pension scheme members were not included in this study.

Respondents were recruited through a variety of channels. Employers and pension schemes were identified from the quantitative survey of employers; pensions consultants and pension lawyers, insurance companies and trustees were, in part, recruited through their professional umbrella organisations, and in part through the suggestions of other respondents. The study respondents were often able to comment on issues from more than one perspective: from their direct experience with pension schemes, as OPAS advisers, and from the perspective of their professional organisation. The sample profile is shown in Table 1.1.

Table 1.1 Sample profile-

<table>
<thead>
<tr>
<th>Role</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions managers in large organisations</td>
<td>7</td>
</tr>
<tr>
<td>Representatives 4 of small employers, using insurance-backed schemes</td>
<td>6</td>
</tr>
<tr>
<td>Pensions administrators in insurance companies</td>
<td>4</td>
</tr>
<tr>
<td>Pensions lawyers</td>
<td>4</td>
</tr>
<tr>
<td>Pensions consultants</td>
<td>3</td>
</tr>
<tr>
<td>Trustees</td>
<td>3</td>
</tr>
<tr>
<td>Representatives of external mediation and arbitration agencies</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29</strong></td>
</tr>
</tbody>
</table>

3 Several of the respondents had more than one role. Some were able to speak both as practitioners in their field and as representatives of relevant professional organisations. A number of the respondents had experience of working as OPAS advisers.

4 These included company accountants, personnel managers, a company director and a head of internal legal services.

The interviews were carried out over the period November 1995 to January 1996, using a topic guide to inform the flow of the interview. A copy of the topic guide may be found in the Appendix. All interviews were tape-recorded and subsequently transcribed verbatim. These formed the basis of a systematic content analysis, arranging the interview material under subject headings. These headings broadly set the structure of the report, with each
area covered using both interpretative commentary and the recorded words of the respondents themselves.

1.4 Structure of the report  Following this introduction, the report describes the nature of pension inquiries and the reasons for their occurrence (Chapter Two), together with the internal mechanisms that are used to deal with inquiries (Chapter Three). Chapter Four considers why inquiries and disputes are not resolved internally, with Chapter Five discussing the relative merits of internal versus external resolution procedures. The report ends (Chapter Six) with a number of suggestions for change that arise directly from the research.
2 THE NATURE OF PENSION INQUIRIES

2.1 Definition of terms To fully understand how inquiries are answered by pension schemes, it is necessary first to explain what respondents understood by the word `inquiry'. This is a point which respondents themselves raised and which they felt was important. They were particularly keen to stress the difference between what they saw as `inquiries' and `disputes'.

*But I mean, by definition, "dispute" means there's something that's beyond an inquiry, it seems to nie ... It implies there is some argument, for want of a better word, between the two parties, that's not an inquiry ... [Asking what the final pension will be is] a straight inquiry, and the answer is x or y - if as a result of that you don't agree with it then it may become a dispute, but as such it seems to me that you want to be careful that you don't get the two rolled up into one.* (Pensions lawyer)

One of the reasons why respondents were so keen to highlight the variety of types of inquiry, and to explain why they were different from disputes, is that they thought the latter were comparatively very rare.

*7 would say that 99% of the queries are trivial and can be answered by the member himself looking at the scheme rules ... We've had a lot of genuine inquiries as to, say, spouses' benefits and so on, but ... disputes, there's very few disputes.* (Pensions manager)

Three broad types of inquiry, initiated by scheme members were identified: 5

**Clarifications** The most simple inquiries were those in which members sought an explanation of a point relating to their pension which they had not understood, or which they wanted to have confirmed. Often this was in response to a written communication from the scheme administrators; on other occasions, members simply wanted to check details about their pensions contributions.

**Hypothetical questions** Respondents also reported that they were sometimes asked questions by members about the effect on their pensions of particular actions, for instance increasing their additional voluntary contributions (AVCs) or retiring early. Another common query came from new employees who were considering transferring funds from a previous pension to the occupational scheme at the new workplace, and who wanted to know whether it would be advantageous to do so.

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5 The focus of this report is with inquiries which are initiated by members rather than trustees or pensions administrators.
**Problematic issues** These tended to arise from situations in which members were concerned that they had suffered some form of disadvantage. Typically these arose from disappointments: for instance, that their final pension was worth less than they had expected, or that transfer values were poor; or from changes in members’ circumstances, which led to disagreement over the member’s pension entitlement.

2.2 Who raises inquiries Respondents felt that inquiries were initiated by active members of schemes, deferred members and scheme pensioners. Active members were likely to raise only the simplest of inquiries, with most people only developing an interest in their pensions when they come to draw them, or just before they retire. Members who had left the company’s employment were also felt to be more likely to have a complaint because of the potential for loss of value when their deferred benefit is transferred into a cash equivalent.

Certain types of pension scheme were also felt to present greater opportunities for queries and disputes to arise than others. In particular, some trustees and small employers felt that money purchase schemes presented less scope for disputes than final salary schemes, since, they thought, they were simpler to operate and gave trustees less scope for discretion.

> We’re a money purchase scheme - providing we pay what we say we’ll pay, I don’t see what dispute there can be. (Director of a small firm)

The types of issues perceived to be the main sources of problematic inquiries were: transfer values; ill health benefits; and the winding-up of schemes.

2.3 Why inquiries arise. In Chapter Three we consider the procedures by which inquiries are dealt with. Before that, however, it is useful to note the respondents’ perceptions about why inquiries arise at all. As the research was designed to elucidate the schemes’ internal processes and the circumstances in which external agencies would become involved, it did not include interviews with scheme members. The report therefore offers professionals’ perceptions of why inquiries arise in the first instance. They put forward five main reasons, some relating to scheme members, and others to shortcomings within the design and administration of pension schemes:

**Members’ lack of knowledge** Respondents believed that one important factor which led people to raise queries with pensions managers and administrators was their lack of understanding of their own schemes. Had they been better informed they would not have needed to ask many of the simpler sorts of questions. Moreover, they felt that problematic inquiries would be less likely to occur because members would not be surprised by

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6 The quantitative survey found that two-thirds of inquiries were not thought by respondents to be a result of misunderstandings on the members’ behalf. However, this figure relates only to those inquiries which were dealt with by internal procedures, not to all types of inquiries.
decisions made by the scheme’s managers and trustees. Respondents explained this lack of understanding in several ways:

Lack of interest While there was a general view that the public have in recent years been made more aware of issues relating to both personal and occupational pension schemes, respondents nevertheless thought that most people with pensions tend not to be very interested in them, at least until they come to prepare for retirement. The consequence of this was that, in the experience of many of the respondents, pension scheme members often did not read the information that was offered to them about their pension scheme.

Poor communication of information Respondents criticised pension schemes which did not provide members with sufficient information. They felt that small employers, in particular, were not producing the required information, despite the recent introduction of disclosure regulations.

Moreover, when schemes did provide information, there was sometimes a temptation to overload scheme members with inaccessible and superfluous information. One of the reasons for this was the complex nature of pension schemes rules, which pensions scheme managers and administrators found hard to summarise accurately and reliably. There was a balance to be struck between the need to cover all circumstances, and the need for brevity and conciseness. Faced with this difficult balance, pension scheme booklets often came down on the side of comprehensive coverage. As a result, members were felt to be less likely to read them.

Conversely, there was thought to be a danger that pension scheme members are exposed to over-simplified explanations of pensions, particularly through the media. This can lead them to make incorrect assumptions about their own pensions.

“Pensions are a very complex subject... extraordinarily large amount of legal provision and documentation... for the ordinary member it is very, very difficult to understand what the issue is. But also equally for pension scheme administrators that is a problem as well.” (Pensions consultant)

Pension scheme's mistakes Respondents were keen to point out that inquiries, and particularly disputes, could arise out of mistakes made by those operating the pension scheme. So-called ‘genuine mistakes’ occurred because of time pressures on staff, and also because of the complexity of the pensions legislation.

7 Other research studies have demonstrated this tendency among scheme members to have very little interest in their pension schemes. See, for instance, Pension Law Review Committee (1993), Pension Law Reform: The Report of the Pension Law Review Committee. Volume II (see p.9): Research. HMSO.
Inquiries could also arise from members when pension schemes were poorly administered. For example, poor record-keeping could lead to both delays and inaccuracies. This was felt to be more commonly a problem with smaller pension schemes.

Inappropriately designed pension schemes Pension consultants felt that ‘off-the-peg’ pension schemes which were run by insurance companies for smaller employers could sometimes be problematic. Difficulties could occur where the design of such schemes proved not to match exactly the wishes of the employer.

Scheme rules requiring interpretation or discretion Decisions which require interpretation or discretion are almost, by definition, liable to court controversy and disagreement. An example which respondents cited concerned early retirement on the grounds of ill health. Schemes sometimes left it to the judgement of trustees whether or not benefits should be paid in such cases, and where this happened trustees did not necessarily follow precedent.

As a way of ‘expressing a grievance’ against an employer Respondents felt that scheme members sometimes initiated inquiries as a way of ‘expressing a grievance’ against their employer, very often their former employer. In some cases, the query did not relate to the pension scheme, but scheme members had a complaint relating to some other aspect of their employment, and saw the pensions scheme as a useful vehicle for expressing their complaint. In this respect, pensions managers and administrators felt that scheme members made a very strong connection between the pension scheme and the sponsoring organisation, despite these being separately administrated.
This chapter explores how pensions schemes deal with members' inquiries internally, and whether their methods are part of a set of established procedures. The chapter focuses on the evidence of those respondents who were working in companies which provided occupational schemes, that is, small and large employers, and insurance companies. However, other respondents, who had an 'external' perspective of inquiry and dispute resolution in many schemes, also made general comments. Their main point was that formal procedures were much more likely to exist in the very large pension schemes than in smaller ones. Asked to give an overview of what steps would ordinarily be taken, within a scheme, to resolve a problematic inquiry, one such respondent identified precisely this difference between larger and smaller schemes.

The difficulty is that if you are talking about the BP's or the ICI's of this world, or you are talking about Joe Bloggs with his corner shop and two employees, obviously they are manifestly different. The large schemes will have a procedure ... You would approach someone in the pensions administration department, if it's big enough, or alternatively somebody in the personnel department who knows about pensions, or somebody in the finance department ... Obviously if you've got a very small company with only a few dozen employees, you just do not have a set-up on that basis. You go and see the boss and complain about it and then the boss would either go to his insurance company or pensions consultant to advise on what the answer is.' (Pensions consultant)

3.1 Small employers Practice was broadly similar amongst all the small employers represented in the study, which operated insurance-backed schemes and did not have their own dedicated pensions staff. Typically they did not have any formal procedure, and they tended to direct all but the most straightforward inquiries to their pensions brokers or advisers.

Although, amongst this group of employers, there was no recognised procedure for processing inquiries, respondents tended to feel that they, in their roles as company accountants, personnel managers or company directors, were recognised by scheme members as being the member of staff to whom they should address any inquiries regarding pensions. This was either because these individuals had been named as someone to approach when new employees were considering joining the scheme, or because employees made an association between the payroll function and the pension scheme. While respondents did not seem concerned about the absence of a recognised procedure, there was some acknowledgement that it might be difficult for a company to operate the scheme if key individuals (usually the respondents themselves) left the company.
As part of their duties the respondents in these smaller companies spent some of their time dealing with the general administration of the pension schemes. This tended to be concerned with administration of AVCs and routine paperwork, and rarely required more than an hour or so of their time in any week. For example, one company accountant said that, as far as his involvement with it was concerned, the company scheme ‘runs itself’. Most of the administration of the schemes tended to be left to the insurance companies or to the brokers who acted as ‘buffers’ between the insurance companies and the employers. There was quite a close relationship between the employers and their brokers; one accountant described the broker as ‘an extension of the company’. Respondents reported that the brokers were locally based and that they made fairly regular visits to the employer’s site. In some cases the brokers were responsible for dealing with all aspects of the company’s finances. Some were retained by a fee, while others operated on a commission basis.

Some inquiries were dealt with internally by the company. These tended to be simple inquiries which could be answered very quickly, usually over the telephone or by the dispatch of a particular form. However, queries which were ‘technical’ or which required any kind of specialised knowledge were referred directly to the broker.

In some cases, scheme members took their inquiries directly to the brokers, without first approaching the sponsoring organisation. Generally, respondents saw this as an acceptable procedure; they were pleased to be able to delegate pensions-related work to professional organisations. They felt that they had neither the time nor the necessary knowledge and expertise to make decisions in what they described as a very complex field; they saw the brokers as existing precisely to operate in that role.

With the exception of one pension scheme, which was run by an insurance company without any broker or intermediary, employers and employees had little or no direct contact with the insurance companies. Indeed, there was some indication that employees would probably not have the confidence to deal with a large insurance company, and would prefer to take their queries to the broker or the employer, with whom they had some regular contact.

With no formal dispute resolution procedures in place, the small employers in the study were not entirely sure what would happen if a member was not satisfied with an answer from the broker. There was an assumption that senior management would become involved and would make a decision, usually with the advice of the brokers. However, it was noted that where no precedent existed, it was impossible to know how the scheme would respond. The directions in which pension inquiries and disputes are taken in insurance-backed schemes are shown in Figure 1 on page 160.
32 Larger employers In larger organisations which managed their pension schemes in-house, and which employed staff with specific responsibilities for pensions, procedures for dealing with inquiries varied, depending on the size and type of sponsoring organisation, and the type of inquiry. The routes taken by inquiries relating to schemes managed in-house are illustrated in Figure 2 on page 161.

3.2.1 The size and type of organisation

In smaller, single-site organisations, there may be only one layer of pensions administration. In very large organisations, with several hundred staff, and usually with many sites, a central department for dealing with the administration of the pension scheme might be quite distant from scheme members, and there might be filtering structures in place between pension departments at the local sites and those in the headquarters.

In common with the practice in smaller, insurance-backed schemes, the pensions departments of larger organisations tended not to have what respondents saw as formal, set procedures. With some exceptions, the procedures for dealing with inquiries were ‘understood’, rather than being established in writing. However, it was usually the case that there was a named individual or department, to which members’ inquiries could be addressed. Members would usually be made aware of these names, for instance through pensions newsletters, or other publicity.

Where organisations had large central pensions departments, they could be reached either directly, or indirectly through union representatives, line managers, or personnel staff at the local sites. Central departments sometimes had teams of staff who would be allocated to particular sites or regions, in order to strengthen the links between the centre and the regions. In smaller, single-site organisations, access to the pensions administrator or the pensions department was more direct.

3.2.2 The type of inquiry

In both large and small pensions departments, very simple inquiries were normally dealt with quickly, and usually over the telephone. If a member had a query requiring a written response, for instance an early retirement calculation, the procedure for responding would vary according to the size of the office. In the large, central offices, both horizontal and vertical filtering took place. Thus, relatively simple queries would be allocated to different members of staff, as part of the distribution of the work-load. These could then be dealt with using standard procedures and in some instances with standard letters and leaflets. Problematic or very technical queries would be passed to a more senior member of staff.

In the smaller organisations, where there was perhaps only one person responsible for responding to pension inquiries, there would be no horizontal filtering of queries and they would make the first reply alone. A characteristic of these employers was that the pensions managers felt that they had sufficient knowledge and expertise to answer the majority of
questions relating to their pension schemes. There were, however, certain cases in which they would consult third parties before responding. For instance, a pensions manager might seek advice from an external solicitor or actuary if the query touched on issues outside the workings and rules of the scheme. Alternatively, if a query quite clearly touched on what the pensions manager saw as a matter for the trustees, the trustees would be brought in at that stage. Nevertheless, the trustees would usually be acting in conjunction with the pensions manager, and the reply to the scheme member would be dispatched through the pensions department. Inquiries which were directly addressed to the Board of Trustees would ordinarily be redirected to the pensions department or pensions manager in the first instance.

3.2.3 Further stages of inquiries

There was a general view that scheme members usually accept what they are told by the pensions scheme, so that second opinions were not often asked for.

‘[With] pensions there is not a lot of knowledge around and people tend to take what they’re given and treat it as gospel unless they’ve got good reason for disputing it.’ (Pensions manager)

In this context, pension schemes varied little in their approach to delivering a second opinion. In general, if a member was dissatisfied with the scheme’s response to an inquiry, and wished to pursue it further, the next stage would usually be the involvement of the trustee board, a sub-committee thereof, or the pension manager’s ‘superiors’. Their response would be made with the assistance of the pensions manager or pensions department, and would be given to the member through them. In one large organisation, scheme members had the opportunity of taking their inquiry through the company’s general employee grievance procedure. At this stage pensions managers tended to make their scheme members aware of the existence of OPAS, either through general pensions newsletters and literature, or by directly approaching the member, after he or she had failed to get satisfaction from the pension scheme.

3.2.4 Trustees and second-stage decisions

The reasons for trustees becoming involved in pension inquiries differed from one scheme to another, although there were a number of reasons which were common to most. These included: ill health, early retirement requests, applications for membership from ineligible people, and, generally, in the words of a pension manager, ‘anything over and above the normal rules and anything that requires some discretion, where there’s a cost to the scheme or the company involved’. Trustees were also called upon to give their decisions in other types of inquiry or dispute, where the member had been dissatisfied by a decision given earlier by a pension manager.

The role of trustees in providing decisions on pension inquiries and disputes drew considerable comment. On the one hand, there was some feeling that the involvement of member-nominated trustees often injected a degree of discipline into trustee meetings, and that employee trustees were often very
conscientious. Conversely, amongst the non-trustee respondents there was a view that, since trustees generally do not have detailed pensions knowledge, and because their sole source of information is the pensions office, there is a danger that any decisions that they come to are likely to amount to a ‘rubberstamping’ of those decisions already made by the pensions office. The respondents felt that the second-stage decision would be heavily influenced by the individual responsible for the original decision, especially in companies where only one member of staff had responsibility for pensions.

The people who are acting as trustees ... [are] doing it on the back of an existing job and they just haven't got the time to sit down and ferret out the information necessary to decide what happens in any given set of circumstances when there's more than one option ... There are enormously good Boards of Trustees and there are bad Boards of Trustees. There are some who take a notice and an interest, and there are some who don't ... ’ (Pensions lawyer)

However, the respondents who were themselves independent trustees did not share this view. They acknowledged that it might seem like rubberstamping when trustees upheld decisions made by pensions staff, but in their view the trustee meetings provided an opportunity to thoroughly check the information provided. Moreover, they pointed out that, with the Pensions Act 1995 requiring that trustee meetings be formally minuted, and with the personal liability of trustees, they would be likely to take great care in making their decisions. A further point was that trustees do not need to have a detailed knowledge of pensions, since they are required to give their decisions solely on the basis of the evidence given to them, and in accordance with scheme rules and regulations, in the manner of lay magistrates.

'Tie trustee body is there to take sensible decisions on the basis of the evidence presented to it. And the clerk of the court, or in this case the pensions manager, is sitting at their right hand saying "Under the rules this is what you can do. As a matter of precedent if you avant to take it into account we had a similar case last year and this is what we did do", ... The trustees should be taking sensible decisions in the tight of what the rules say they can do.’ (Independent trustee)

3.3 Insurance companies

Respondents working in the insurance sector suggested that they had little experience of receiving inquiries from individual scheme members. This was because their contract was with the trustees of the scheme, not with the scheme members. In these circumstances, they felt that it would be a breach of confidence to deal directly with members. Their normal practice was to redirect any members’ inquiries to the scheme trustees or to the scheme’s broker or financial adviser. They would also recommend that a member

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8 It was felt that many trustees have neither the time nor the knowledge of pensions legislation to act fully independently of the pensions staff who advise them, despite the fact that, under trust law, they bear personal responsibility for the decisions taken in their name.
contact OPAS if they were unable to obtain satisfaction through these channels.

With group personal pensions, however, the contract would be with individual members, and in these circumstances, direct communication between members and insurers was possible. A representative of the insurance company who had helped set up the scheme would usually be the individual to whom members would, in the first instance, address their concerns. Staff in the central offices would then deal with any unresolved queries.

Insurance companies could, however, deal with inquiries which came from trustees. A respondent from a large insurance company explained that, as with some of the very large employer-administrated pension schemes, it had a central office to which inquiries would be sent. These would be filtered horizontally between teams of pensions staff who represented different regions. Within the central office, staff were organised in layers of seniority and expertise, so that the more problematic inquiries could be passed vertically up the chain. Queries which were addressed directly to the senior layer would ordinarily be redirected to the lowest tier, and would work their way up the chain, if necessary. Employers were felt to be unaware of the internal procedures used by the insurance companies because it was ‘not necessary’ for them to know.
Figure 1 Inquiry/dispute resolution for (small) insurance-backed pension schemes

- **Broker/external scheme administrator - only links with insurance company**
- **If member dissatisfied or trustee approval required**

**SCHEME**
- Simple and complex

**MEMBER inquiries**

- **Personnel manager/Accounts** complex inquiries

- **Broker/external scheme administrator**

- **OPAS**
  - Pensions Ombudsman
  - Legal advice

- **If member dissatisfied**
  - **Trustee(s)**
    - Senior managers/directors with advice from brokers/external scheme administrators

**usual route**

**alternative route**
Figure 2 Inquiry/dispute resolution for in-house pension schemes

Legal advice/CAB
Medical advice
OPAS
Pensions Ombudsman
M.P.
Industrial tribunal

Line manager
Personnel manager
Union representative
Friend

Employer

if extra funding required

if trustee discretion/approval
or if member dissatisfied
if advice/opinion required

Trustee board or sub-committee

OPAS
Pensions Ombudsman

If member dissatisfied
or if scheme requires legal action

Actuarial/legal/medical
May be from within company or external

Pensions administrator/manager/department
Allocation dependent on size of pensions department and complexity of inquiry

usual route
alternative route

SCHEME
MEMBER
4.1 Types of external In this chapter we consider how and why parties that are external to pension involvement schemes become involved in the resolution of scheme inquiries that become disputes. Respondents identified a number of ways in which external agencies might participate in resolving an inquiry:

- Pension scheme managers and trustees sometimes sought the advice of external solicitors and actuaries before giving a response to a member's inquiry.

- Small employers sometimes passed on members' queries to a broker or adviser acting as an intermediary between the employer and the insurance company that operated the pension scheme.

- Scheme members approached OPAS, the Pensions Ombudsman, solicitors and other legal experts, in an attempt to have their inquiry answered or their dispute resolved.

4.1.9 Actuarial and legal advice

Pension scheme managers and trustees sometimes asked for the advice of pensions consultants, lawyers and actuaries in order to deliver a response to members’ inquiries. In large companies, pensions staff could sometimes draw on such advice internally, from staff in other departments. In smaller organisations, pensions staff would have to seek advice from individuals working outside the company. Often this would be from a company which regularly gave legal or financial advice to the organisation on a range of issues, not always related to pensions. There might, therefore, be a fairly established and close relationship between the two parties. In addition to legal and actuarial advice, trustees sometimes needed to take medical advice in cases where they were deciding whether to pay a pension early on the grounds of ill health. For the purpose of this research it is important to draw a distinction between advice and a more active involvement in the resolution of inquiries and disputes. The focus of this report is on the latter.

4.1.2 Small employees and brokers

Chapter Three described how small employers, who had pension schemes run externally by insurance companies, tended to make quite extensive use of the brokers who had helped to set up their schemes, and who were the intermediaries between the employer and the insurance company. In some cases these brokers also handled other company matters, such as their insurance policies. Inquiries from pension scheme members which the employer could not easily deal with were routinely directed to the brokers for their attention. In many cases, the broker could answer the inquiry without further involvement of the employer. Employers saw it as the broker's role to deal with such inquiries, and that this was one of the services which they were buying from the broker.
The third type of external involvement discussed by respondents was that of bodies such as OPAS and the Pensions Ombudsman, and of private solicitors. These were recognised by respondents as being properly ‘external’ to pension schemes and their sponsoring organisations. Approaches to external bodies such as these would be made by scheme members, rather than by employers or trustees. The remaining sections of this chapter are concerned with this external involvement in inquiry resolution.

The kinds of issues which respondents saw as the main causes of inquiry requiring external help were broadly similar to those outlined in Chapter Two: ill-health benefits; transfer values; and scheme wind-ups. More generally, respondents also felt that external bodies become involved in cases that hinged on interpretations of ambiguous pension scheme rules.

‘The [cases going to OPAS] we had have been that sort of thing where it’s been interpretations of what the rules said or didn’t say, or should have said, or might have said.’ (Trustee)

A particular type of pension scheme which some respondents saw as problematic was the small, self-administered scheme (SSAS), in which company directors were the sole trustees. Such schemes were sometimes ‘regarded as a tax exercise’ rather than as a pensions exercise and were liable to cause problems in cases of disagreement between the directors.

‘We tend to find that with executive pensions plans you might have a company with two directors and the directors fall out and they start butting heads.’ (Insurance company)

There was a general view that active members of pension schemes were less likely to take an inquiry to an external agency than deferred members and pensioners would. Respondents thought that there were several reasons for this:

• People are unlikely to take public action against their current employer, for fear of jeopardising their career prospects within the company.

• There tends to be less of a bond of trust and loyalty between an individual and his or her former employer.

• Pensioners and deferred scheme members tend to have weaker links with the employer sponsoring the scheme. Poorer communication both increases the opportunity for members’ misunderstanding of scheme rules, and reduces the likelihood that they will try to resolve disputes through, or even address initial inquiries to, their former employers.

In 1994-95, OPAS’s Report and Accounts showed that the main type of inquiries dealt with by OPAS were: winding-up, mergers, and use of surplus fields (25%); clarification of entitlements/membership conditions (24%); benefits on leaving service/transfer values (19%); ill health/early retirement (8%).
Formal complaints often happen in conjunction with a perceived injustice (e.g. the payment of a reduced benefit). For active members, grievances were more potential than real. The act of leaving a scheme, however, opened up a range of possible sources of dispute.

While people are at work the pension is just a promise, it's a bit of paper, it's a booklet, and nothing has really happened to make people focus on how much it is or what its characteristics should be. So it really only tends to be when they retire, they become too ill to work, they're made redundant, the company goes bust, or they take another job that they actually focus at all on the pension scheme rights.' (Pensions consultant)

4.3 Reasons for involving

In understanding how external agencies become involved in resolving external agencies inquiries and disputes it should be recognised that some cases involve external agencies without first involving representatives of the pension scheme or the sponsoring organisation. Generally, pension scheme members with inquiries would first approach someone within their scheme, and would only involve external bodies if the scheme could not satisfy their query. The Pensions Ombudsman, which has a statutory function, generally only accepts those cases in which the member has already attempted to resolve the inquiry or dispute, either through the scheme's internal procedures or through OPAS. OPAS, which advises and conciliates, rather than making binding decisions, does not share the Ombudsman's requirement that scheme members approach the appropriate parties within the scheme. Nevertheless, respondents (some of whom were speaking with experience of acting as OPAS advisers) reported that members did try to bypass the pension scheme and go straight to bodies such as OPAS, or, much less frequently, the Pensions Ombudsman.

Occasionally, members addressed their concerns to solicitors, who were not necessarily very involved in the pensions field. However, respondents noted that organisations such as the Citizen's Advice Bureaux and the Association of Pension Lawyers generally recommended that private individuals should seek advice from OPAS instead. Moreover, they felt that individuals preferred OPAS to private solicitors because the OPAS service was free. The employers interviewed in this study tended to make their members aware of the existence of OPAS, although there were some exceptions. A small employer, for example, did not know whether scheme members were informed about OPAS.

Some of the reasons which respondents felt explained why scheme members took their inquiries to external agencies applied both to those who went directly to outside agencies, and to those who moved there following attempts at internal resolution. However, there were also reasons that were specific to each:

4.3.1 Inquiries that involve external agencies directly

Lack of awareness of internal contact points and procedures As other research has shown there was a general feeling that scheme members do not
try to resolve their inquiries internally because they were not always aware that it was possible to do so. They either had no idea that there was some form of internal resolution procedure, or they did not know how to go about using it. They may not have been informed about how to raise inquiries with the scheme, or they may simply not have read, or remembered, information that had been provided. Overall, respondents felt that this problem was probably more likely to occur in schemes sponsored by small employers.

**Problems of access to internal resolution procedures** A related point concerned the difficulties of using schemes’ internal procedures to pursue an inquiry for those people whose links with the company which operated the scheme were tenuous - people who had left the employment of the company concerned, and who had few or no dealings with it. However, some of the respondents observed that, in very large companies, the pensions department which dealt with inquiries and disputes might be located at some distance from where the active member worked. This too could give rise to difficulties in accessing and using the scheme’s internal procedures.

**Lack of trust in employer/ wish for "independent" view** Respondents identified a key factor behind people’s approaches to external parties as being their suspicion that decisions made, and opinions given, by anyone connected with their employer could be subject to bias. Respondents from a variety of sectors saw the scheme member’s concern to get objective and independent advice as an explanation for rejecting the outcomes of internal resolution mechanisms, or for bypassing them altogether. This suspicion could sometimes be grounded in a strained relationship between the parties, particularly in cases where the scheme member had left the organisation in unhappy circumstances, such as involuntary redundancy. However, respondents also suggested that an individual’s doubts about the employer, or former employer, could be based on nothing more than the perception that, in a conflict of interests, it would be reasonable to expect that a company’s first obligation would be to itself.

Whatever their reasons for questioning the company’s decisions, or potential decisions, members wishing to pursue inquiries and disputes wanted the opinion of a disinterested third party. Almost by definition, this would mean a party which was entirely independent of the scheme and the employer; this was thought by respondents (from all sectors) to be the principal appeal of the Pensions Ombudsman, of private solicitors, and of OPAS. However, whilst some felt that members might not trust anyone who could be a part of an internal resolution procedure, others thought that members distinguished between the employer and, for instance, the pensions trust or the scheme trustees.

As one pensions consultant pointed out, while trustees are legally independent from the employer, there is quite often a fair commonality of individuals across [the two parties]. He noted that in final salary schemes, employers have the right to choose two-thirds of the membership of the trustee board; an individual member might well see the trustee board as being little more than the employer in another form.

Conversely, from the perspective of the independent trustees in the study, they felt that their role was seen by members as being entirely separate from the employer.

'Now we can write on our own separate letterhead, we are demonstrably separate from the company. We have absolutely no connection and to that extent where disagreements have arisen the fact that we're not the company has enabled us to knock the thing on the head.' (Trustee)

Using the pension scheme to pursue a wider 'grievance' against the company Respondents thought that there was a tendency among scheme members to view their pension scheme as being very closely connected to the employer that sponsors the scheme. Because of this, they felt, individuals with grievances against their employer, or more often their former employer, sometimes used their pension scheme as a vehicle for pursuing their grievance. For example, they suggested that a scheme member who had been made redundant by the employer might want to exact some measure of retribution against the employer. In some cases, there might be a genuine dissatisfaction with the pension provided as a result of the redundancy terms, but in others, the pension may simply provide discontented employees with a means of 'harassing the employer, or of seeking some form of compensation.

'A lot of disputes aren't really with the pension scheme, they're often with the employer ... people feel they've been dismissed or something [else] has happened that they don't agree with and it's the pension scheme they're getting at, but ... it's the employer they need to be pushing for because they don't think they were dismissed fairly and all that sort of thing. [They think] 'Oh well, we'll have a go at the pension scheme and see if we can get something out of them'.' (Pensions manager)

Providing an example of a very extreme case a pensions manager in the study had found that a former employee had been so upset by their employer that they wanted no contact with them, to the point that they objected to receiving correspondence from the employer. Almost by definition, such people would want to use an external procedure rather than an internal one, to resolve their inquiry, or 'to cause deliberate hassle'.

Pension matters can also become drawn into wider disputes through the actions of other parties. An example that was given in the course of the study was of cases heard at an industrial tribunal, which while primarily concerned
with unfair dismissal, sometimes drew in the pension scheme as one of several aspects of the case.

4.3. The fundamental reason underpinning a member’s decision to bring in external parties after attempts at internal resolution, is his or her dissatisfaction with the scheme’s response. More specifically, respondents felt that one or more of the following factors could often explain why a member would pursue a dispute externally:

A need for a second opinion A primary reason why disputes come to involve external bodies was members’ disappointment with the scheme’s response and the need for a second opinion. This may be because they did not trust the scheme, or because they wanted reassurance that what they had been told by the scheme was correct and proper. That is to say, members went to OPAS, the Pensions Ombudsman, solicitors or other external agencies either because there was no opportunity to get a second opinion internally or because they wanted a second opinion from a party which they could feel confident was entirely independent.

For smaller schemes in particular, it could be difficult to obtain a second opinion from within the pension scheme. This was either because of the absence of a second stage in any internal resolution process, or because the second opinion would be given to the member by the same person (the pensions manager or pensions administrator) who delivered the opinion on the first occasion. Because of this, respondents believed that members were often unconvinced that this represented a thorough review of their case.

For any review to be meaningful, it had to be independent, objective, and undertaken by a party which was not in any way connected with the pension scheme. Respondents acknowledged that even this might not be enough for certain, very determined, members who if disappointed by OPAS might then proceed to the Pensions Ombudsman, their MPs, the press and the law courts (even, in one case, the Prime Minister). However, there was a strong feeling that where protagonists had been told by an OPAS adviser that they did not have a substantial case they tended to accept this, and pursued the dispute no further; it was easier for a member to accept a disappointing decision from someone unconnected with the scheme.

‘There are occasions when the OPAS adviser would say, or come down on the same basis as the scheme administrator and say, “Yes, but the scheme simply does not encompass this situation”. In those circumstances, the member can quite often still feel aggrieved, but they accept if an impartial person who’s gone through it with them comes to the same conclusion ... the OPAS adviser doesn’t have the same sort of personal involvement in the way that a scheme administrator does.’

(Pensions consultant)

The importance of winning the case Some of the respondents pointed out that a highly pragmatic reason for continuing to pursue an inquiry was
simply the member's great need to win their case. While some members would seek out OPAS on their own initiative, others were said to repeatedly challenge internal decisions until the pensions managers themselves had told the members to go to OPAS as this was the only remaining course available. Once members had got the 'bit between their teeth', respondents thought it almost inevitable that members would continue to look for ways to pursue their dispute.

A feeling that a member's inquiry was not taken seriously by the scheme/company Some of the respondents had experience of cases which had involved OPAS because the scheme member concerned had felt that their inquiry or dispute had not been taken seriously by the scheme, and that they had been 'fobbed off with a hastily prepared answer. Other examples included members who had been left waiting for months for a reply from their pension schemes, and those who thought that the scheme administrator had made no attempt to fully explain the issue in question. Members would then seek the advice of OPAS in an attempt to obtain a full answer.

To exert external pressure on the pension scheme Disappointment with the result of internal inquiry resolution methods could sometimes lead members to approach bodies such as OPAS and the Pensions Ombudsman in the hope that they could then encourage the company or the pension scheme to make a concession. This strategy was underpinned by the belief that large public bodies, but also private solicitors, would carry more weight than individual scheme members. Respondents felt that this process was occasionally invoked mischievously, with scheme members knowing that they did not have a strong case, but hoping that the pension scheme would choose to concede defeat rather than enter into time-consuming correspondence.

In addition to being seen by most people as impartial, respondents noted that the other attractions of OPAS advisers were: they were seen as having expertise in pensions matters; and their services were free, so that in going to them, the member had nothing to lose.
Questions about the relative merits of internal and external resolution hold a particular pertinence for those likely to be involved in resolving disputes within their own schemes. Pensions managers, and perhaps to a lesser extent, company accountants in very small organisations, would be in this position. In a sense, lawyers and pension consultants were, like the external organisations themselves, removed from the concerns of the pensions administration. Nevertheless, they were well placed to see the advantages and disadvantages that external involvement posed for those who operated schemes.

5.1 Advantages of internal resolution

"It's obviously better to resolve it internally ... In any dispute it must be better that it's resolved sooner rather than later, or at a lower level before it goes to appeal or what have you." (Trustee)

Amongst the study participants there was a general view that, if it was at all possible, it would always be desirable to answer inquiries and resolve disputes within the framework of the pension scheme. They saw it as being axiomatic that it was better to deal with disputes at the earliest possible stage. The reasons for this were, in part, practical: disputes that were dealt with by the pension scheme itself were less time-consuming, required less administrative work, and were less expensive to the pension scheme.

Beyond the practical benefits, there was also a strong sense, from respondents both within and outside pension schemes, that it was self-evidently better to resolve problems internally because this was less ‘painful’ for all parties. When disputes drew in external bodies, such as solicitors, OPAS and the Pensions Ombudsman, the parties were left with a ‘nasty taste in the mouth’, since it implied a failure of the scheme and the member to reach agreement.

While there was an acceptance amongst respondents that external involvement was sometimes inevitable, and that some members would never accept the decisions of pension schemes, there was equally a feeling that it was the pension manager’s job to try to bring disputes to satisfactory conclusions.

"I mean, obviously no-one likes [disputes] going outside because we believe as professionals, well I do, that we should be able to answer all the queries to the satisfaction of the members ... " (Pensions manager)

5.2 Disadvantages of external resolution

The corollary of respondent’s views about internal resolution was that external resolutions should be avoided if it was possible. While some of the respondents from small schemes had no experience of cases requiring external involvement, they agreed that it would be preferable to deal with disputes within the framework of the scheme. However, it was by no means
the case that respondents, whether pension managers, trustees, lawyers, or others, were in any sense opposed to external resolution *per se*. Whilst acknowledging the disadvantages associated with external resolution, they also noted a range of positive features. Moreover, in thinking of the problems of external resolution, they did not see all external bodies as a homogeneous mass, but instead preferred to discriminate between, on the one hand, organisations with pensions expertise such as OPAS and the Pensions Ombudsman, and on the other, private solicitors.

Some of the respondents’ main concerns about external resolution were related only to disputes in which members had enlisted the support of private solicitors, although other potential problems also applied to OPAS and some to the Pensions Ombudsman. They included:

Ignorance of pensions matters There was some feeling amongst the pensions managers and consultants that it could be quite difficult to deal with solicitors because they often had little or no experience of pension issues: they were seen to lack the necessary understanding of pension legislation, had little awareness of how pension schemes operated and may have little recognition of the technical vocabulary used by pension professionals. This made corresponding with them both time-consuming and frustrating.

> *It’s very hard dealing with solicitors at times, because they don’t understand pensions, and, you know, you could write to a solicitor and explain what you’ve done and you get some weird questions back, and you think “Well, you obviously don’t know what you’re asking”.... There’s nothing worse than that and you feel this poor man is sitting there, gone for advice, [to] somebody who doesn’t really know what they’re asking.* (Pensions manager)

This criticism was levelled essentially at ordinary high-street solicitors who did not specialise in pension work. Pensions lawyers and OPAS advisers, on the other hand, were thought by the respondents to have a good understanding of pension matters.

Confrontational nature of correspondence between parties In addition to lacking an understanding of pension-related matters, solicitors were described by some of the respondents who had had dealings with them as sometimes being unnecessarily aggressive and belligerent. This had the effect of putting the two parties firmly in opposition to each other, obscuring the true nature of the complaint, and making it more difficult to reach amicable agreement. Specialist pension lawyers, as well as high-street solicitors, were, according to the other respondents in the study, liable to ‘thrive on aggression’. OPAS advisers tended to escape this criticism. Their role was not to decide a case, but rather to take a view on a particular issue, which could either be followed or ignored by the parties.
Scheme's unfamiliarity with external organisations  This point applied to private solicitors, rather more than to external organisations in general. Respondents who were pensions managers described such solicitors as working according to their own codes and rules, which they, the pensions managers, found difficult to understand and follow. One respondent described solicitors as being an ‘unknown quantity’, noting that there was no known management structure to which one could appeal ‘over their heads’ in the same way that one could within the same organisation, or within OPAS.

Potential work-load and expense for company  A complaint which was made about all types of external resolution concerned the time and the expense which companies and pension schemes incurred, although respondents varied in the level of concern that they expressed.

On the one hand, there was some feeling that where a case was being handled by OPAS pensions managers or administrators would be required to spend additional time in finding and preparing the documents required by OPAS. Indeed, one respondent, working for a large insurance company, was concerned that a ‘full-blown case’ with the Pensions Ombudsman would ‘tie us up in knots’. In this case it was because their complaints handling procedure was highly labour intensive and the company’s IT system lacked the flexibility to cope with demands which it was not designed to meet. On the other hand, for others this was not an onerous task, since all the relevant documentation would ordinarily have been assembled and was available already. Although dealing with an OPAS adviser was something which took time, respondents tended not to see this as being overly demanding on a pension manager’s time.

Overall, the preference was for dealing with OPAS advisers, who were felt to be fully conversant with pensions issues, rather than non-specialist solicitors.

Pensions managers appeared rather more worried about the expense of external resolution when the external party concerned was either a solicitor or the Pensions Ombudsman. This was because, in such cases, the pension scheme would seek its own legal advice, possibly from outside solicitors, thereby incurring costs. Legal advice would generally be sought for all cases that were referred to the Pensions Ombudsman, even when the pension manager, and the trustees, were entirely convinced that they had made the correct decision.

Slight on professional reputations  Several of the respondents were concerned that they should not be associated with too many cases which required external resolution, since this implied that they, as professionals, were not carrying out their jobs properly.
5.3 Advantages of external resolution

Respondents appeared to value the work of OPAS because they felt that OPAS advisers tended to offer:

An independent and objective view of a case  Respondents took the view that OPAS advisers were generally fair and objective, and that they usually knew their role was one of conciliation, rather than representation of a member against a scheme.

Expertise in pensions matters  Respondents attached considerable importance to the fact that OPAS advisers had a good depth of knowledge and understanding of pensions matters.

Ability to use the same technical language  Being pensions managers and consultants themselves, OPAS advisers were able to talk in the same technical language as the representatives of the pension schemes.

Partly because of these qualities, pensions managers reported that, far from trying to prevent cases going to OPAS, or ultimately the Pensions Ombudsman, there were sometimes situations in which they preferred disputes to be considered by them. This tended to be either because the scheme itself could not be sure of the position it should take on an issue or because it could not convince a member that their decision was the correct one.

By way of example, several respondents had experience of situations in which members refused to concede a point and repeatedly took their disputes back to the scheme without any new evidence. There was a point where it became less expensive for a pension scheme to direct a member towards OPAS, and to assist OPAS in its investigations, than to repeatedly go over the same issue with the member directly. This was based on the view that such members often tended to accept a clear statement of the position from an expert third party such as OPAS, or if necessary the Pensions Ombudsman, and was the only realistic way of resolving very difficult disputes such as these.

There were also occasions when pension schemes welcomed the opportunity to hear an opinion on a difficult issue, and about which their scheme had found it difficult to come to a decision. While schemes were under no obligation to act in accordance with OPAS’s view, it could be very helpful to gain the opinion of a respected body such as OPAS in formulating their own position. This was particularly so where there was some division within the pension scheme trustee board as to what that position should be, or where the issues in question were felt to have wider implications for the
scheme as a whole, rather than an individual member. OPAS, in particular, was seen as well placed to help resolve these ‘class-type actions’. In addition to being well informed, such advice had the added attraction of being offered free of charge.

*If you have a court case which ventilates this question (an inquiry has implications for a class of beneficiaries) quite often it is brought as a class-type action, and it will bind the trustees and everybody else involved. So although the nominal disputant in court is Mr X, the result will bind everybody else in the pension scheme who is under that particular situation. Now that is to the benefit of both the trustees and the beneficiaries.* (Pensions lawyer)

5.4 The need for **In** thinking about how and when inquiries should be resolved externally, external resolution respondents expressed a broad degree of consensus. Essentially, they took the view that there would always be a need for an independent body which could give objective opinions on disputes which, for whatever reason, could not be resolved internally. While they were aware that some inquiries which had gone to OPAS could, and should, have been dealt with by pension schemes themselves, the study respondents did not consider that this was a major problem.

Respondents working in companies where the pension scheme was insurance-backed were no exception to this general picture. However, if the definition of ‘external’ covered the brokers and advisers who looked after much of the running of these schemes, they felt that external resolution should be the norm for all but the simplest inquiries. The reasons why they relied so heavily on brokers are documented in Chapter Three. They included the fact that brokers had the necessary knowledge of pensions issues, that they were independent of the company, and that they tended to be faster than insurance companies in dealing with inquiries. Where ‘external’ was taken to mean bodies such as OPAS, there was agreement that it would be ‘silly’ for inquiries to reach that stage unnecessarily, and without any attempt at internal resolution.

Pensions managers, who were directly involved in internal resolution procedures, were clear that there was a place for external resolution. Rather than identifying particular types of issue which would need the involvement of external parties, they felt that members should always have the option of taking their inquiry or dispute to OPAS, or other outside agencies, if they could not gain satisfaction directly from their schemes. External resolution was important both for the reassurance that it provided to members, and for the back-up it offered in reviewing schemes’ mistakes. Some felt that external resolution was particularly important in checking the actions of small schemes, where staff have little experience or understanding of pensions, and where information on pensions might not be well communicated to members.
While pension managers felt that attempts to resolve disputes should be made internally in the first instance, they were aware that, in some members’ eyes, a truly independent decision could only be made by an external party.

These sentiments were echoed by trustees, consultants, and lawyers. While there was a view that in an ideal world there would be no need for external resolution, there was equally a recognition that, for a variety of reasons, there had to be a way for members to hear a second opinion, which was seen to be independent.

If it's somebody within the company [who looks at the dispute] you could argue [that] he's not going to say "Yes, I criticise my company, I even criticise my department, and in the end I'm criticising me because I signed the letter, I did it wrong". You're only going to get that kind of adjudication if it comes from a third party. (Insurance company)

The great value of OPAS in all this is that for the first time ever, an external independent body and somebody totally unconnected with the employer is seen to be casting a dispassionate eye on the issue. And time after time OPAS gets the response from their individual inquiries "Oh I'm so glad, I wasn't certain that my numbers had been calculated correctly, you've told me it's quite right and thank you very much". It is this objectivity which is terribly necessary. (Pensions lawyer)

Although there was some feeling that for members who did not trust their employers, they should not necessarily be expected to go through internal resolution procedures, the general view was that external resolution should be seen as a second stage, to be used only after the possibility of internal resolution had been exhausted. Indeed there was a view that if members wanted to have justice on the cheap, through the heavily subsidised Pensions Ombudsman and OPAS, they should first have gone through an in-house procedure.

Those respondents with experience of working as OPAS advisers felt that members sometimes took very simple questions to OPAS which could, or should, have been easy for the respective scheme to have answered. It was not appropriate for OPAS advisers to be expected to answer basic questions which should have been dealt with through scheme literature, or through a telephone inquiry to a personnel manager or pension scheme administrator. However, respondents tended to display a fairly relaxed attitude to this problem, with some even remarking that it was surprising how many inquiries were dealt with internally.
While overall, little need for major action in reducing the number of inquiries and disputes which were resolved externally emerged, there were felt to be measures that could be introduced which could reduce both the number of external inquiries and the incidence of inquiries generally. Respondents also commented on what they saw as the strengths and weaknesses of the Pensions Act 1995, and its measures for internal dispute resolution, which will be implemented in April 1997.

6.1 Reducing the incidence of simple inquiries Underpinning much of the commentary about pension scheme inquiries and disputes were two primary features. First, simple inquiries about pension schemes would not need to be made if the public had a greater understanding of how their pensions work. Second, the regulations which affect scheme members are becoming increasingly complex. Consequently, it was suggested that inquiries and disputes could be reduced if a single, comprehensive piece of legislation were created to replace the 'hotchpotch' of rules and regulations that bodies like the Department of Social Security and the Inland Revenue have produced.

Recognising that such a step may be unlikely, the alternative is to ensure that members are better informed about their occupational pensions. This would require better communication on the part of pension schemes, and a willingness on the part of scheme members to take account of the information provided to them. In delivering this information, schemes would need to strike a fine balance between, on the one hand, making the information simple enough to be accessible, and on the other, sufficiently comprehensive and detailed as to be accurate.

'Legislation in a sense leads [schemes] to communicate in a fairly legalistic way and that sort of document doesn't get understood. But if you communicate in a non-legalistic way in an attempt to get a message over you leave yourself exposed to being pursued for promising something you didn't intend to promise. So that's a problem ... If you reduce the level of communication again so that it's a message simple enough for the individual to understand, then you risk over-simplifying it.'

(Pensions consultant)

6.2 Reducing the incidence of external being ill-informed about pensions, respondents suggested that much could be done both to prevent internal disputes coming to involve external agencies, and to encourage members to use internal procedures instead of OPAS in the first instance.

Respondents placed great emphasis on the need for pension schemes to make it clear to members what they needed to do if they had an inquiry. It was important that members knew the name of a contact person either within the scheme or the employer. Access to internal resolution procedures
needed to be available both to current employees and to scheme members
who had left the employer and who may no longer have any links with it.
In addition, there had to be, as far as possible, a sense of trust between
the scheme and its members. By way of example, one pension manager felt that
one of the reasons why there were so few cases of external resolution in his
company scheme was that members could approach him with their questions
without ‘feeling silly’. Moreover, he thought it was important to spend time
explaining scheme rules or decisions to members, so that they fully
understood them. This also encouraged employer-member trust. Time
pressures sometimes made this difficult, especially as some organisations had
made redundancies in their pensions departments during the last recession.
However, there was still scope for improvement with better training, so that
pensions staff could both identify potentially difficult cases, and respond
more sympathetically to members.

Respondents made few detailed and specific recommendations for the
improvement of internal resolution procedures. Indeed, they recognised that
there were limits to what could be achieved through making changes to
procedures. For instance, they felt that, while there was value in developing
a sense of trust between members and schemes, there was no measure which
schemes could take that would always be able to persuade members that
internal decisions were made entirely independently of the scheme and the
employer. Thus, procedural or policy changes within schemes could not
remove the need for external resolution altogether.

Nevertheless, one area of procedure which was identified as being in need
of attention was the role of trustees. In particular, the question of trustee
training was raised, since there was a view that trustees were ‘only as good
as their pensions manager makes them’. For this issue, there was an apparent
paradox: lay trustees are asked to bear heavy legal responsibilities for the
actions of their schemes, without necessarily having any real knowledge of
pensions. In this context, there was some feeling that trustees should be
given training in pensions issues, if only to make them more aware, and
more questioning, of decisions taken in their name. While there was some
support for the principle of trustee training, the need for trustees to know
what was being done in their name was also seen as important.

6.3 The Pensions Act 1995 Forming a significant part of the context in which this research was carried
out were the provisions in the Pensions Act 1995 on internal dispute
resolution, which were implemented in April 1997. These require pension
schemes to establish internal procedures of their own.” Although discussion

11 From 6 April 1997, schemes are required to set up a two-stage formal
Internal
Dispute Resolution (MR) procedure. These stages are:
(i) There must be a named individual who is responsible for dealing with disputes.
Details of this individual must be made available to scheme members. Their
response(s) to complainants must be in writing.
(ii) If a complainant is dissatisfied or disagrees with the response(s) they receive, pro-
vision must be made for them to refer to their dispute to the scheme trustees or
scheme manager, although trustees are not required by the IDR to explain discre-
tionary decisions. Trustees/managers response(s) to inquirers must be in writing.
of the Pensions Act 1995 was only formally included half-way through the study (in response to a specific request by the DSS) many respondents made spontaneous comments about the perceived measures included in the Act. Respondents' comments on the Act's provisions were based entirely on their own understanding of it, which may not necessarily be correct. The research was carried out before publicity information was sent to trustees, managers and employers.

Amongst the respondents whose schemes were insurance-backed, there was little awareness of the Act's provisions on internal dispute resolution, or what they entailed. This supported the view of an insurer, who said that in most pension schemes there was `complete and utter apathy' about the Pensions Act. Moreover, they were not expecting to have to take very much action in response to the Act.

Such employers tended to rely very heavily on their brokers for information, and they felt that it would be the brokers who would take care of any changes that were required by the Act. Similarly they did not anticipate that the Act would have a significant impact on their own schemes, if only because they felt that they did not have disputes. While they did not feel any pressing need for formal procedures in their schemes, they did think that, in the event of there being a dispute, it would be helpful to have a written procedure for dealing with it. This written procedure would, they felt, amount to a confirmation of what already existed informally.

'I would assume that our pension people would tell us what we've got to do, that's what they're there for. My job is running the books of this company if you like, not implementing Pensions Acts - that's for them to tell us what to do ... A well laid-out procedure for anything is an advantage ... If next week somebody came up and started being bolshie I might need one, you know... But yes, anything that makes life simpler.' (Accountant)

Pensions managers tended to feel that, from what they knew of the Pensions Act provisions, the provisions appeared to be formalising what already existed in their own schemes, and they welcomed this. The same was broadly true of the other respondents. There was support for the idea of having formal internal procedures, and for the idea that members should have to go through an internal procedure before taking their disputes to external bodies. Overall, positive comments were made about the Act at a general, rather than specific, level. However, the requirement that trustees would now be required to provide their reasons for making certain decisions in writing (see footnote 11), was specifically praised.

While the basic principles behind the Act were welcomed, some shortcomings were also noted. For instance, it would be unrealistic to expect that there could be a meaningful two-stage process for many schemes, in which an original decision would be reviewed by a second person within the scheme. This would be particularly true for very small schemes:

'(In a company of, for example, less than 10 employees, to think that you have a pensions manager and ... separate trustees is probably living in cloud-cuckoo
land. The pensions calculation was probably done by the part-time wages clerk when he or she came in on a Thursday afternoon for two hours, the trustee is the managing director who's already made up his mind whether or not he wants to be helpful to the individual complainant, and it's merely going to repeat the bureaucracy of actually going through it.' (External mediator)

This problem was not limited solely to very small schemes.

Even in an employer of 500 people, 300 in the pension scheme, you're just going to have one person who really understands the pension scheme. They're going to be the original point of contact and quite candidly they're going to be leant on fairly heavily at the review stage, I would have thought ... It would be slightly unsatisfactory because they're going to be there rather defending their original decision.' (Lawyer)

Conversely, there was a view that it was in the middle-sized schemes that members had the best chance of getting a meaningful review of an original decision. This was because, unlike the smaller schemes, there would be enough 'distance' between the employer and the trustees, and unlike the large schemes, the trustee board would meet frequently enough to hear individual grievances. For large schemes however, with tens of thousands of beneficiaries, trustee boards were not felt to have the time to be acting as the review panel for internal dispute procedures. This kind of work might be devolved to sub-committees of the trustee board, but the feeling remained that this would lead to the 'great temptation to delegate the decision-making to the person who's taking the decision at the first stage'.

In setting out a series of rules and regulations for dealing with pension inquiries, there was some feeling that the Pensions Act might be in danger of becoming a 'sledgehammer to crack a nut'; it could mean an unnecessary bureaucratisation of matters which were too trivial to deserve such attention. A further consequence, which was predicted by one trustee, was that lawyers would become more involved in internal disputes, and at an earlier stage, as pension managers sought to make sure that they complied with the letter of the law. This would inevitably increase costs, and would represent 'another nail in the coffin of pensions schemes'.

Some respondents questioned the use of the very word 'dispute', since it implied that any issue which went through a procedure was a serious 'full-blown dispute'. This might often be inappropriate. For example, new retirees who find that their pensions are worth less than they had expected, and who want to check that they are receiving the correct amount may fall foul of the schemes' internal procedures, as this would be 'more of an inquiry bordering on a polite form of complaint' than a dispute.

There was an inherent difficulty in drawing the line between issues which should go through an internal dispute procedure, and those which did not need to, because they were 'just everyday routine problems'. Consequently there was some concern that too many basic and routine inquiries, which could easily be answered informally, might be pushed through a system
which was designed for more formal and complex problems, and which would produce responses much more slowly.

Finally, some of the respondents thought that the Pensions Act did not recognise sufficiently the important role of employers in dispute resolution. In dealing with disputes, there is a triangular relationship between the parties: the member, the scheme trustees and the employer. The employer has a central role, in that it, and not the trustees, has ultimate control of the "purse-strings" and also that in many schemes, it acted as the filter of information from the member to the trustees. It was therefore not appropriate for the Act's provisions to focus only on the trustees and the scheme member.

*I would have thought any dispute or internal disagreement procedures which don't bind or involve formally, the employer is going to be useless ... It's the same as having [an] emasculated Ombudsman - you cannot get justice.* (Pensions lawyer)

Similarly, a further group which was perceived to be excluded from the Pensions Act provisions was ex-members. Respondents felt that ex-members who had tried to transfer their funds from their old scheme to a new one should be able to use the internal dispute resolution procedure of the old scheme where problems with the transfer value were experienced.

Overall, while respondents expressed broad support for the principle of ensuring that pension schemes had their own resolution procedures, there were some misgivings about the details of the policy. However, it should be noted that these misgivings were based on respondents' understanding of the DSS consultation documents, rather than the final provisions of the Act itself.
PENSION SCHEME INQUIRY RESOLUTION

TOPIC GUIDE

Aims

° To explore how and why inquiries are not resolved internally.

To look at how and why inquiries come to involve external agencies.

To explore how inquiries are dealt with once external agencies have become involved.

To examine ways in which inquiries might be resolved so as to avoid the need for any involvement by external agencies.

The focus of the study is neither on particular pension schemes, nor particular types of scheme problem that may arise. Indeed the discussion should include cases in which respondents may not themselves have been involved, to focus on HOW inquiries are dealt with and resolved, and on the reasons why they are not dealt with internally.

NOTE: 1. The study is primarily concerned with occupational pension schemes, but it should also cover personal pensions and group personal pensions where possible.

2. Focus on an individual's actual experience of the resolution process rather than using hypothetical vignettes.

1. ABOUT THE RESPONDENT

• Professional role regarding occupational pensions

• Pension scheme inquiries

  . familiarity with

  . experience of

  . awareness of

2. PENSION SCHEME INQUIRIES

a) For pension scheme managers/administrators

  [Try to get a picture of how inquiries arise, are dealt with, and why and how they come to involve external agencies]

• Why do inquiries arise
[Focus less on detail, more on the reasons why external agencies sometimes become involved in inquiries...and the issues involved]

• Procedures for dealing with inquiries
  - are there any
  - what are they
  - how formalised are they
  - any problems with/areas not covered by existing procedures
  - suggestions for change

• Dealing with inquiries
  [Does this differ for different groups, e.g. potential members, active members, deferred pensioners, current pensioners, dependents ?]
  - who deals with inquiries
  - who makes the decisions
    - non-discretionary
    - discretionary
    - implications of discretionary
    - which is easier

EXPLORE areas where decision-making is not clear

• Referral to: internal individuals/trustee board
  external organisations (e.g. insurance companies)
  external individuals (e.g. lawyers)
  other external bodies (e.g. OPAS)
  - at what point are inquiries referred on
  - who makes the decision to refer
  - why unable to resolve inquiry internally
  - how/why do cases get to this point
  - (e.g. parties pressing for 'higher authority' /internal procedures inadequate/failed)
  - what needs to be in place to stop/restrict the need for referral to external parties [PROBE Actual experience and 3rd party experience]
  - could this cope with all types of issues

• Views about referral to external agencies
  - merits of internal vs external resolution
  - under what circumstances SHOULD referral to external agencies occur
  - what are the relative costs of involving external agencies
    - does external agency involvement affect the parties to inquiry ? How ? How does it affect the process ?
  - will there always be a need for external resolution
    - under what circumstances
• Awareness/knowledge of inquiries relating to personal pensions and group personal pensions (if any)
  - types of issues raised in relation to these arrangements
    - (e.g.) employee/employer contributions not being paid to pension provider
    - (e.g.) delays in contributions being paid to pension provider

b) For external agencies

[Lawyers, OPAS, courts of law]

• When do they become involved
  - at what point does this occur
  - what has usually happened for them to become involved

• Could issues have been resolved earlier
  - in their view, why were they not resolved
    should issues get this far, why do they
  - what should have happened, why doesn’t it
  - what should be in place to stop/restrict the need to refer to, or involve, external agencies
    - could this cope with all types of issues

• Dealing with inquiries
  - how do they deal with inquiries
  - do they have set procedures
    - how have these come about
    - efficacy of procedures
  - would they involve other agencies
    - which ones
    - under what circumstances
    - why couldn’t they resolve the inquiries

• Views about involvement of external agencies (i.e. themselves)
  merits of internal vs external resolution
  - does external involvement affect: the parties to inquiry
    the process of the inquiry
  - under what circumstances SHOULD external agencies become involved
  - under what circumstances do external agencies become involved when they SHOULDN’T
  - will there always be a need for external resolution
    - under what circumstances
  - when SHOULD issues be referred to: lawyers
    OPAS
    Pensions Ombudsman

• Awareness/knowledge of inquiries relating to personal pensions and group personal pensions (if any)
- types of issues raised in relation to these arrangements
  - (e.g.) employee/employer contributions not being paid to pension provider
  - (e.g.) delays in contributions being paid to pension provider

ALL

3. OVERVIEW

How might procedures be improved to increase their ability to resolve inquiries without the need for the involvement of external agencies?

• What needs to be in place to avoid/limit the development of issues.
  - need for legislation?
  - how would this operate
  - Pensions Act - Internal Dispute Resolution (IDR) procedure (April 97)
    - level of awareness of this
    - views on likely impact
  - are there examples of good practice which might be replicated?
  - need for formal procedures?
    - how would these work

• Under what circumstances will involvement of external agencies still be required
PENSION SCHEME INQUIRY RESOLUTION

Synopsis of research study

Social and Community Planning Research (SCPR) have been commissioned to conduct a programme of research to provide the Department of Social Security (DSS) with information to evaluate policy changes in the Pensions Act relating to occupational pension scheme dispute and inquiry resolution procedures.

This programme of research consists of two parts:

- A quantitative survey of occupational pension schemes of various sizes and types has collected information on the number and types of inquiries and disputes, on the nature of internal arrangements for their resolution and on information provided to scheme members about these arrangements.

- Qualitative interviews, conducted with a range of parties involved at key stages in the life of inquiries relating to occupational pension schemes, will gather information on the processes involved when internal arrangements are unable to resolve inquiries, and on the circumstances under which they come to involve external agencies or individuals. Interviews will be conducted with trustees, scheme managers, pensions lawyers and representatives of the sponsoring organisation.

The study is not concerned with particular pension schemes, nor with particular types of scheme problem that may arise. Rather, we aim to focus generally on how inquiries are dealt with and resolved, and on the reasons why external agencies become involved. We recognise that confidentiality is crucial; the names of respondents will be known only to the research team, and neither individual respondents, nor the organisations which they represent, will be named in the report. The report will be written in such a way as to make it impossible for individuals or organisations to be identified.

The coverage of the qualitative interviews will be broadly as follows:

- procedures for dealing with inquiries within the pension scheme and any problems arising from these;
- the reasons why inquiries are not resolved internally, and how and why they come to involve external agencies;
- the perceived need for, and role of, external agencies;
- suggested procedures that might aid internal resolution of pension inquiries, and perceptions about the circumstances where external advice and action are essential.
The qualitative component of the research is being conducted by a team from SCPR’s Qualitative Research Unit. If you would like to discuss the research, please contact either Dr Andrew Thomas or Mark Chetwynd, at SCPR, on 0171 250 1866, or Grahame Whitfield, at DSS, on 0171 962 8271.

SOCIAL AND COMMUNITY PLANNING RESEARCH

An Institute for Social Survey Research

The Institute

Social and Community Planning Research (SCPR) was founded in 1969 and is Britain’s largest independent social research institute. It specialises in social survey research for the development and evaluation of social and public policy. Particular emphasis is placed on sustaining and improving high quality survey methodology.

SCPR has an international reputation for undertaking large-scale and complex sample surveys with its own research, interviewing, coding and computing resources. There are trained panels of over 1,000 survey interviewers; and 40 coders, expert in data preparation and classification.

The institute has facilities for carrying out both ad hoc and continuous surveys using personal interviews, telephone interviews and postal or self-completion methods. A high proportion of SCPR’s work is carried out through computer-assisted interviewing (CAPI and CATI) and the institute is now responsible for some of its most advanced applications.

Complementing its quantitative project work, SCPR has a Qualitative Research Unit, which undertakes in-depth and investigative research; and a Survey Methods Centre which has a programme of methodological research, consultancy and teaching. Many of SCPR’s studies combine statistical and qualitative research and incorporate methodological innovation.

A number of other specialist research units are based at SCPR. These include the Joint Health Surveys Unit, set up in collaboration with University College, London, to run the Health Survey for England, and other socio-medical studies; the Centre for Research into Electoral and Social Trends (CREST), a joint-centre with Nuffield College Oxford; and the European Consortium for Comparative Social Surveys (COMPASS), a joint-initiative with similar institutes in four other EU countries.

The institute has two offices sited in London and Brentwood, Essex. It has around 140 employees of whom around half are researchers and technical specialists.
Status and funding

SCPR is an independent, non-profit institute, registered as a charitable trust. Its funding is generated through a combination of commissioned projects and research grant awards. Its annual research income totals around nine million pounds.

Much of SCPR’s work is undertaken on behalf of government departments. It also carries out research on behalf of health authorities and NHS Trusts, local authorities, voluntary organisations, universities and other research institutes. A significant part of the research programme each year is initiated by the institute itself and funded by research councils and foundations.

The research programme

SCPR’s research programme spans a wide range of policy areas, including housing, employment, health, social care, social security, education, leisure, planning and the environment. The institute also designs and runs regular studies on social and political attitudes and behaviour, including the well-known British Social Attitudes Survey series and the British Election Studies.

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SCPR’s research work is published through reports, books and articles. A full publications list is available on request.

Educational and other activities

SCPR has a long-standing interest in developing and enhancing survey research practice. Members of its research staff regularly teach and write about research methods, and give advice to other research teams and institutions. Courses in both survey research and qualitative methods are run, aimed primarily at the needs of government and academic researchers.

Confidentiality

All of SCPR’s work is subject to a strict code of confidentiality. This ensures that no participating individual or institution can be identified, either directly or by implication, in any published or disseminated survey evidence. All respondents are given a clear guarantee to this effect.
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