

Trustee agenda update: current legal issues

For April 2022 meetings

DC schemes

Welcome to our monthly update on current legal issues for trustees of DC pension schemes, designed to help you stay up to date with key developments between trustee meetings, and to support the legal update item on your next trustee agenda.

TPR guidance on Russia's military invasion of Ukraine **NEW**

The Pensions Regulator (TPR) has issued guidance for trustees regarding Russia's military invasion of Ukraine, setting out its expectations in light of volatility in investment markets and an expected period of heightened uncertainty. It includes a number of action points for trustees to consider.

Read the guidance.

ACTION: Review TPR's guidance and consider whether there are any action points for your scheme; keep a watching brief on developments.

TPR climate change example **NEW**

TPR has published an illustrative example of how trustees might work through the requirements of the climate change governance and reporting regulations (which have applied to schemes with GBP5 billion+ of relevant assets since 1 October 2021 and will apply to those with GBP1 billion+ from 1 October 2022). The guidance emphasises that this is not a one size fits all checklist, but it will give schemes a good idea of TPR's expectations. **Read the example** and **watch our climate change governance and reporting webinar**.

ACTION: Check your processes against the example to identify any areas which may need further attention.

'Stronger nudge' requirements **UPDATED**

From 1 June 2022 trustees will be required to give members a 'stronger nudge' to pensions guidance. Among other things, this means that schemes will be required to offer to book a Pension Wise appointment for members over 50 who want to access flexible benefits.

TPR has updated its guidance for DC schemes on communicating and reporting, to reflect the new requirements. Read the **consultation response, regulations** and **TPR's guidance**.

ACTION: Discuss with administrators how they will implement the new requirements, and consider member communications.

Restrictions on flat fees for small pots

Regulations will come into force on 6 April 2022 restricting flat fees on small pots in default arrangements of DC auto-enrolment schemes. Read the **regulations** and **DWP's updated charge cap guidance**.

ACTION: Discuss with administrators how they will ensure fees aren't charged on small pots (if the relevant charge structures apply).

Finance Act 2022 **UPDATED**

The Finance Act 2022 has now received royal assent. Pensions-related measures include raising the normal minimum pension age from 2028 and changes to the mandatory scheme pays facility.

Read the Act.

HMRC has published guidance on the increased minimum pension age and transitional provisions (including protection for certain members). **Read the guidance.**

ACTION: Check your rules to see whether members will have protection from the increased minimum pension age, and consider communications and administration changes.

Watch this space

- TPR has consulted on its proposed single code of practice: **watch our webinar on the proposals; read TPR's interim response.**
- Regulations to replace the current regime on strategic objectives for investment consultancy providers and competitive tenders for fiduciary management services are now expected in the first half of 2022.
- The government is considering solutions to the proliferation of small, deferred DC pension pots: **read more.**

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