

The Pensions Brief

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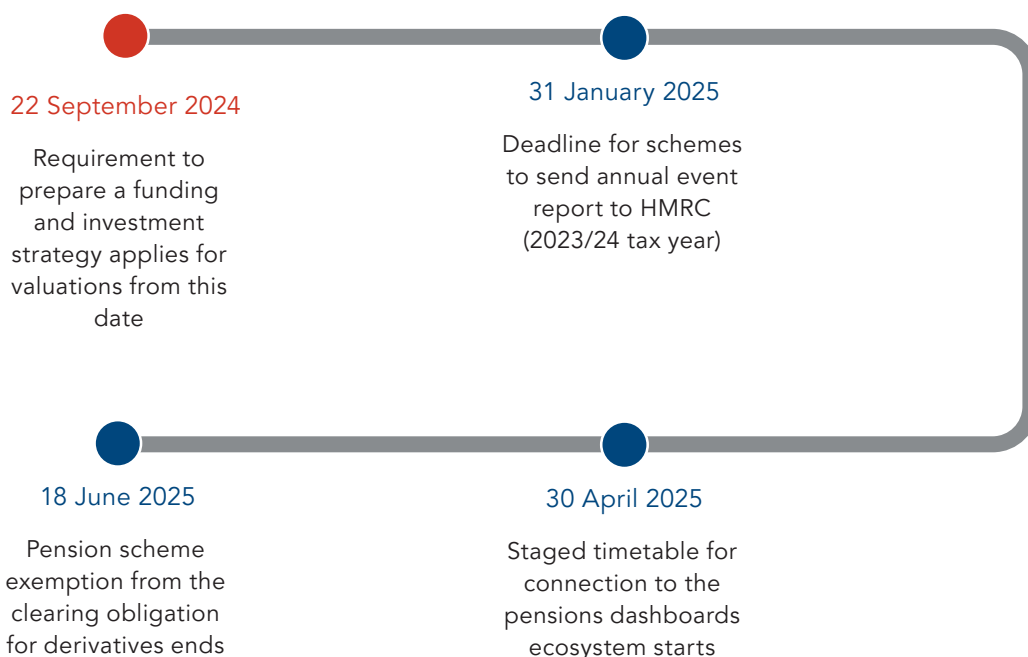
Consultation on new framework

▲ Action required

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Dates to note over the next 12 months



Key:

- Important dates to note
- For information

Issues affecting all schemes

Pensions dashboards – updated code of connection

The Pensions Dashboards Programme (PDP) has published an updated version of the pensions dashboards [code of connection](#). The code sets out how schemes and dashboard providers are to connect to the dashboards ecosystem and what they need to do to remain connected. It details the mandatory requirements that must be met, as well as the recommended ways in which they should be implemented. The code remains subject to ministerial approval. The PDP has also published [FAQs](#) on the updated code.

Action

Trustees and administrators of schemes that are subject to the dashboards requirements should review the updated code and factor its contents into their dashboards preparations.

Abolition of the lifetime allowance – further regulations

HMRC has consulted on draft regulations making further technical changes in connection with the abolition of the lifetime allowance and the introduction of the new lump sum regime. The consultation closed on 14 August 2024, and it is not clear when the regulations will come into force.

Action

Trustees and administrators should monitor publication of the finalised regulations.

Pensions review – terms of reference

The government has published [terms of reference](#) for phase one of its pensions review. These confirm that the review will focus on DC workplace pension schemes and the Local Government Pension Scheme (LGPS). Ongoing policy development with respect to DB schemes will remain separate from the review.

Phase one of the review will focus on investment and in particular on developing policy in four areas:

1. Driving scale and consolidation of DC workplace pension schemes.
2. Tackling fragmentation and inefficiency in the LGPS through consolidation and improved governance.
3. The structure of the pensions ecosystem and achieving a greater focus on value to deliver better outcomes for future pensioners, rather than cost.
4. Encouraging further pension investment into UK assets to boost growth across the country.

Phase one's initial findings will be reported later this year, ahead of the introduction of the Pension Schemes Bill. Phase two will start later this year and, alongside investment, will consider further steps to improve pension outcomes, including assessing retirement adequacy.

Action

Trustees and employers should monitor the progress of the review.

Normal minimum pension age – guidance on 2028 increase

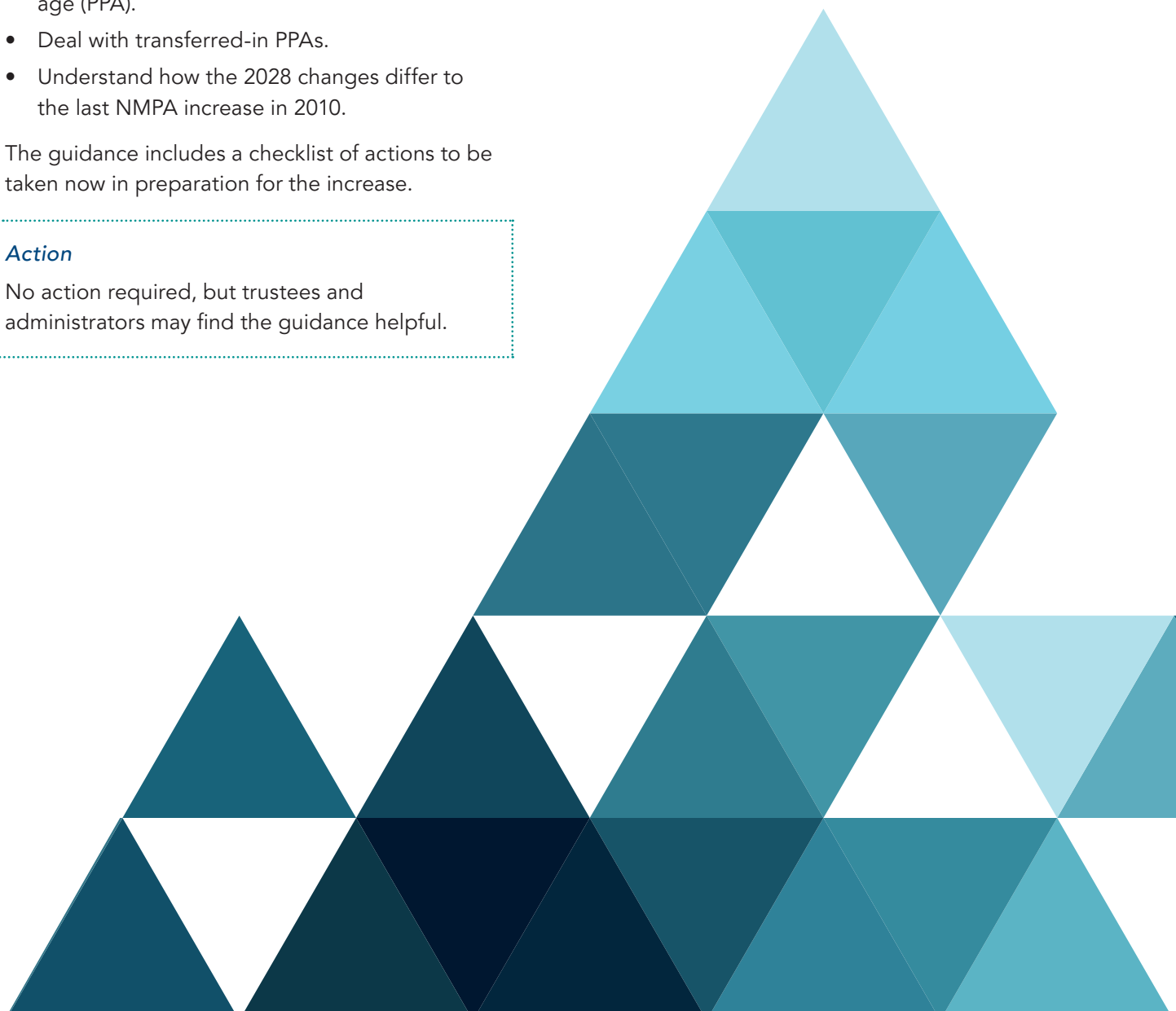
The Pensions Administration Standards Association has published [guidance](#) on preparing for the 2028 increase to normal minimum pension age (NMPA). The guidance is designed to help trustees and administrators:

- Identify members with a protected pension age (PPA).
- Deal with transferred-in PPAs.
- Understand how the 2028 changes differ to the last NMPA increase in 2010.

The guidance includes a checklist of actions to be taken now in preparation for the increase.

Action

No action required, but trustees and administrators may find the guidance helpful.



Issues affecting DB schemes

Scheme funding – new regime

The Society of Pension Professionals has published a [practical guide](#) to the new DB funding regime.

Action

No action required, but trustees and employers of DB schemes may find the guide helpful.



Issues affecting DC schemes

Value for money – new framework

The Financial Conduct Authority (FCA) is consulting on a new value for money (VFM) framework for default arrangements in workplace contract-based DC pension schemes. The government intends to legislate so that the framework also applies to occupational pension schemes and the Pensions Regulator (TPR) has urged trustees to respond to the consultation.

The proposed framework consists of four elements whereby schemes will be required to:

- Annually measure and publicly disclose their default arrangement's investment performance, costs and service quality against specified metrics.
- Assess their default arrangement's performance against at least three other arrangements using a specified assessment process.
- Publicly disclose the outcome of that assessment.
- Take specified actions where an arrangement does not provide VFM.

The consultation closes on 17 October 2024. The FCA will consider implementation timings following stakeholder feedback and in discussion with the government and TPR.

Action

Trustees should monitor the progress of the consultation.



Mayer Brown news

Upcoming events

For more information or to book a place, please contact [Katherine Carter](#).

- **Trustee Foundation Course**
[11 September 2024](#)
[11 December 2024](#)
- **Trustee Building Blocks Classes**
[13 November 2024 – DB funding](#)
- **Quarterly webinars**
[24 September 2024 – Preparing for a buy-in: selling illiquid investments](#)
[27 November 2024 – topic TBC](#)

Recent Mayer Brown work

We are delighted to have advised the trustee of the Merchant Navy Ratings Pension Fund on its appointment of Schroders Solutions as the Fund's fiduciary manager. The project was led by partner [Duncan Watson](#) and he was assisted by other members of our Pensions Investment team, predominantly associate [Joel Silverstein](#) and our Derivatives specialist [Ed Parker](#).

Pro bono and CSR

Along with six other colleagues, [Giles Bywater](#) and [Edward Jewitt](#) took part in a "bike-a-thon" challenge to raise money for the firm's charity partner, Weavers Adventure Playground. This was part of a number of fundraising challenges within the firm in celebration of Weavers' 50th anniversary. Weavers make a huge difference to children across Tower Hamlets, which has the highest child poverty rate in the UK.

Mayer Brown updates

Jay and Andrew are delighted that [Lucy Moore](#) has joined the Pensions Group as an associate. Lucy joins us from another leading pensions advisory practice and we look forward to introducing her to our clients.

Mayer Brown Insights

All our Insights are available [here](#).

Please speak to your usual contact in the Pensions Group if you have any questions on any of the issues in this Brief.

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