

Trustee agenda update: current legal issues

For January 2022 meetings

DB and DC schemes

Welcome to our monthly update on current legal issues for trustees of DB and hybrid 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. We also have a separate DC-only briefing.

Changes to transfer rights

Statutory transfer rules and processes changed from 30 November 2021: **read our briefing**. The Pensions Regulator (TPR) has published guidance on the new rules; an updated industry code of practice on scams is expected soon.

ACTION: Review the changes with administrators and ensure all transfers are handled under the appropriate process.

Climate change-related duties **UPDATED**

New climate change-related duties came into force from 1 October 2021 – read more at our information hub: **Sustainability and UK pension schemes: Preparing for the new TCFD requirements**.

TPR has now published regulatory guidance and details of its enforcement approach. The guidance is relevant both for schemes with an existing duty to report and for schemes with £1 billion+ in assets (to which the duties will apply from 1 October 2022).

The government is consulting on expanding the requirements from 1 October 2022 to include a portfolio alignment metric (see *Have your say*). **Read more**.

ACTION: Ensure that training and appropriate measures are in place.

Reminder: CMA reporting deadline

Trustees of many schemes are subject to rules on setting strategic objectives for investment consultancy providers and tendering for fiduciary management services. Trustees of relevant schemes need to submit an annual compliance statement and signed certificate to the Competition and Markets Authority by 7 January 2022 – in-scope schemes will be familiar with this from last year.

ACTION: Complete and submit the statement and certificate before the deadline.

Simpler annual benefit statements

New requirements for simpler annual statements will be implemented from 1 October 2022. The requirements will apply to statements provided to members by DC automatic enrolment schemes (where the member is not in receipt of benefits).

Read the regulations and statutory guidance.

ACTION: Discuss with administrators.

Finance Bill

Pensions-related measures include raising normal minimum pension age from 2028 and changes to the mandatory scheme pays facility: **read the Bill**.

ACTION: Maintain a watching brief.

Changes to asset class information

TPR plans to introduce changes to the asset class information provided by DB schemes in scheme returns from 2023.

ACTION: Discuss with investment consultants, so that appropriate information-gathering processes are in place ahead of the first reporting deadline.

First DB superfund listed

TPR has announced the first DB superfund under its interim assessment regime (inclusion on TPR's list does not mean that a transfer will be given automatic clearance). **Read more**

ACTION: Trustees and employers considering a transfer to a superfund should seek professional advice, including legal advice, at an early stage.

Have your say

- The government is consulting on introducing Paris alignment reporting for trustees in scope for the new climate change-related duties, plus new guidance on statements of investment principles and the implementation statement. The consultation closes on 6 January 2022. **Read more.**
- The government is consulting on proposals to remove certain performance fees from the charge cap that applies to default arrangements in DC schemes used for auto-enrolment. The consultation closes on 18 January 2022. **Read more.**

Watch this space

- Further information on the dashboards rollout is expected shortly: **visit the information hub; read the latest progress report.** Onboarding is expected from 2022 (voluntary) and 2023 (mandatory). PASA has published guidance on data matching to help schemes prepare for launch: **read the guidance.**
- New requirements for a 'stronger nudge' to pensions guidance are expected from April 2022: **read more.**
- The government has consulted on changes to the notifiable events regime: **read more.**
- From April 2022, the government will restrict the charging of flat fees on small pots in default arrangements of DC auto-enrolment schemes: **read more.**
- TPR has consulted on its proposed single code of practice: **watch our webinar on the proposals.** The consultation response is expected next year: **read TPR's interim response.**
- Consultations on new DB funding regulations and TPR's draft code are expected in the first half of 2022: **read more.**
- 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.**

Need help with a pensions dispute? Visit [allenoverly.com/pensionsindispute](https://www.allenoverly.com/pensionsindispute).

Need help managing DB pension risk? Visit [allenoverly.com/pensionrisk](https://www.allenoverly.com/pensionrisk).

Contact us for more information or to be added to our mailing list.