

Trustee agenda update: current legal issues

For your May 2022 meetings

DC schemes

Welcome to our monthly update on current legal issues, 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

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

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

From 1 June 2022 trustees will be required to give members a 'stronger nudge' to obtain 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.

Have your say

- The government is consulting on ways of facilitating investment in illiquid assets by DC schemes. Responses must be submitted by 11 May 2022: **read more**. The consultation includes a response to the government's June 2021 call for evidence on consolidation of the DC market, confirming that there will not be any new regulatory requirements on consolidation in 2022.

Watch this space

- TPR has consulted on its proposed single code of practice: **watch our webinar on the proposals; read TPR's interim response**. The interim response noted that TPR does not expect to lay the new code in parliament before spring 2022. It is, therefore, unlikely to become effective before summer 2022.
- 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.

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