

# Trustee agenda update: current legal issues

For February 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.

## ‘Stronger nudge’ requirements **NEW**

The government has confirmed that it will introduce a requirement for trustees 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. The regulations are expected to come into force on 1 June 2022 and The Pensions Regulator (TPR) has announced that it will publish guidance before then. **Read the consultation response and draft regulations.**

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

## Changes to transfer rights

Statutory transfer rules and processes changed from 30 November 2021: **read our briefing**. TPR has published guidance on the new rules, and 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

New climate change-related duties came into force on 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 to both schemes with an existing duty to report and schemes with £1 billion+ in assets (to which the duties will apply from 1 October 2022). **Read TPR’s guidance.**

It is expected that the requirements will be expanded from 1 October 2022 to include a portfolio alignment metric: **read more.**

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

## Restrictions on flat fees for small pots **NEW**

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 Bill **UPDATED**

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

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

- Further information on the dashboards rollout is expected shortly: **visit the information hub** and **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 the launch: **read the guidance**.
- The government has consulted on changes to the notifiable events regime: **read more**.
- TPR has consulted on its proposed single code of practice: **watch our webinar on the proposals; read TPR's interim response**.
- Consultation on new DB funding regulations is expected in the first half of 2022. TPR has announced that its second consultation on the revised DB funding code has been pushed back to late summer 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**.

## Dates for your diary

### **Pensions Academy Online: week commencing 7 March 2022, 9.30-10.30 a.m.**

The programme for our next Pensions Academy Online (an update on issues for pension schemes and the people that run them) is now available: please see the list below. If you are interested in registering for one or more sessions and haven't received our separate mailing, please let us know.

<b>Date</b>	<b>Topic</b>
7 March	Money laundering and proceeds of crime – what trustees need to know
8 March	Pension Schemes Act 2021: new offences and notifiable events – where are we now?
9 March	Handling an investigation
10 March	Legal update – including transfers, dashboards, single code, superfunds...
11 March	Climate change governance and reporting – theory and practice

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