

## Pensions: what's new this week

Welcome to your weekly update from the Allen & Overy Pensions team, bringing you up to speed on all the latest legal and regulatory developments in the world of occupational pensions.

Reminder: key changes in April | Parliamentary report on executive rewards | New EIOPA report on member communications | Updated HMRC newsletter |

### Reminder: key changes in April

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As a reminder, the following changes will come into effect on 6 April:

- **Disclosing information on pooled funds:** information must be provided, on request, to members of relevant DC schemes about the pooled funds in which members' pension savings are invested. To read more, see our briefing '[Pension scheme investing: keeping members informed](#)'.
- **Auto-enrolment changes:** an increase in the level of minimum contributions for DC schemes and personal pension schemes under the auto-enrolment regime – this is also relevant for DB schemes that meet the quality test by reference to the minimum DC requirement. In addition, a transitional easement for formerly contracted-out DB schemes in relation to the quality requirements will no longer be available. The earnings trigger remains unchanged at GBP10,000 for 2019/20, but the lower and upper limits of the qualifying earnings band will increase to GBP6,136 and GBP50,000 respectively. To read more, see WNTW, [4 February 2019](#) and [4 March 2019](#).

### Parliamentary report on executive rewards

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Executive pay and investment stewardship have been in the headlines over recent months. In the latest development, a new parliamentary [report](#) from the Business, Energy and Industrial Strategy Committee makes a number of recommendations in relation to executive rewards. These include:

- That a new regulator, which is expected to replace the Financial Reporting Council (FRC), should seek public explanations from any company that does not align pension contributions for executives with those for the majority of the workforce. This recommendation follows a statement in the 2018 Corporate Governance Code that pension contributions should be aligned in this way, and recent executive pay guidelines issued by the Investment Association (see [WNTW](#), 26 November 2018).
- That the new Stewardship Code should include a requirement for asset owners (including pension schemes) to provide much more detailed information about their objectives, including

those in relation to executive pay. The Committee considers the voluntary nature of the current Code to be a weakness, and recommends that the regulator replacing the FRC is 'given the necessary powers to take effective action against those asset owners that do not sign up to, or meet their responsibilities under the Code'. A consultation on a draft version of the new Stewardship Code has just finished (for more information see [WNTW](#), 4 February 2019). The FRC is proposing to publish the new Code in July 2019.

## New EIOPA report on member communications

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The European Insurance and Occupational Pensions Authority (EIOPA) has published a [report](#) containing guidance on information to be provided to members and prospective members – the report looks at national practices prior to the implementation of the IORP II Directive. It is intended to complement a report published last year by EIOPA on benefit statements (see [WNTW](#), 19 November 2018).

The latest report contains principles and guidance to support the consistent implementation of IORP II in four main areas: designing communications; providing information to prospective members on past investment performance; communicating with members in the lead-up to retirement; and communicating with pensioner members. The report may be of interest to schemes reviewing their communications.

## Updated HMRC newsletter

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HMRC has updated [issue 44](#) of its Countdown bulletin (see [WNTW](#), 11 March 2019) to provide additional information on the timing of refunds for schemes that are in surplus following its scheme financial reconciliation exercise.

## Contact information

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