

One Step at a Time

A Roadmap for Compliance with the Pensions Single Code of Practice

The Pensions Regulator's (TPR) new Single Code of Practice (the [New Code](#)) is expected to come into force in autumn 2022. The final code is not expected to change significantly from the draft issued for consultation. Each pension scheme should plan its route to compliance. There is no simple "one size fits all" solution.

Here is our eight-step plan that trustees can use as a base for their scheme specific project plan. This is purely a guide, and trustees should take legal advice on their own compliance.

1. Basic Preparation

Gather together all current scheme policies, practices and procedures.

3. Responsibilities

Decide who will lead this project. If a sub-group is formed, ensure that clear terms of reference are in place and that frequent progress reports are provided to the trustee board. Establish your **Risk Management Function** and **Internal Audit Function**.

5. Proportionality and Prioritisation

Speak to legal advisers about a reasonable and proportionate approach for your scheme and the extent to which it is necessary to amend existing policies, practices and procedures where these are working well.

You could mark each area identified by the gap analysis as red, amber or green priorities.

7. Implementation

Implement your Project Plan, using your advisers to support you as necessary. This is a huge task and will be a team effort!

8. Programme of Regular Review

You will need to establish a programme for regularly reviewing and refreshing your policies, practices and procedures in line with the expectations of the New Code.

The Own Risk Assessment must be carried out annually, so trustees should schedule this into their business plan.

A timetable should be established to ensure that each element of the **Effective System of Governance** is reviewed at least every three years, or more frequently if required under law or code of practice.

2. Training

The New Code is a fundamental part of Trustee Knowledge and Understanding. Consider whether group training on the New Code is appropriate.

4. Gap Analysis

Identify all areas where the scheme will need to take action to comply with the New Code. To kick-start this gap analysis, consider a facilitated workshop, including key advisers.

6. Project Plan

Plan the scheme's route to compliance, adopting the prioritisation from step 5. Agree a detailed action plan with clear timelines, responsibilities and reporting criteria. Any low priorities or "quick wins" could also be targeted for early action.

The plan could also include the first **Own Risk Assessment**, which must be completed within 12 months of the New Code coming into force. TPR expects this to be a "substantial process" so consider blocking out time well in advance.

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