

Dear UK Pension Trustees,

You have a lot of activity to juggle this year. New regulations, consultations and changes to regulatory practices are happening on a weekly basis. Here we summarise some key challenges, action points and next steps. Click on the headings or on 'further resources' for more information.

Single Code of Practice

Status – The Pensions Regulator (TPR) intends the draft code to come into force in autumn 2022.

Current Action – Establish an action plan, reflecting a proportionate approach to compliance and spreading the activity so as to ensure that other key scheme activity is not disrupted

What Next? – Once the action plan is in place, start tackling some of the easier policy and procedure documents in order to establish the process and build momentum.

Further Resources

Pension Schemes Act 2021 – TPR Powers

Status – TPR's new powers under the Pension Schemes Act 2021 are largely in force, but we are still waiting for the new notifiable events regulations.

Current Action – Update policies, practices and procedures to reflect the new legislation. Update the scheme's risk register. Ensure that all scheme personnel and key company personnel are aware of their obligations.

What Next? – Consider training. Check insurance policies and indemnities – would a TPR fine be covered? Consider an information sharing protocol with the employer to reduce the risk of overlooking a notifiable event.

Further Resources

ESG

Status – Regulations requiring the largest schemes and authorised master trusts to undertake TCFD reporting came into force on 1 October 2021.

Current Action – The next cohort (schemes with assets of £1 billion or more) should be putting in place appropriate governance to facilitate compliance from 1 October 2022.

What Next? – Smaller schemes should be anticipating this requirement to flow down to them. Consider putting in place an ESG breach response plan to help address challenges by members or activists.

Further Resources

De-risking

Status – The de-risking market is growing and evolving. New options are emerging that may merit further consideration.

Current Action – If risk transfer is the long-term goal, speak to advisers to assess the options currently open to the scheme and any time-limited opportunities that might exist.

What Next? – Make sure that the scheme data is as accurate as possible and that you have an up-to-date benefit specification; this will allow the trustees to move quickly and cost-effectively.

Further Resources

Pensions Dashboards

Status – We await the DWP's response to consultation, but trustees can now identify the proposed date on which their scheme is scheduled to connect with the dashboards.

Current Action – Check your scheme's staging date and liaise with your administrators as to how this workstream can be integrated with other data management activity.

What Next? – Discuss the data requirements and the technical aspects of dashboards connection with service providers. Consider dashboard readiness and responsibilities when entering into contracts with third parties.

Further Resources