



1. Climbing the Beanstalk of GDPR

Trustees should be making good progress with data mapping and have an action plan to achieve compliance with the General Data Protection Regulation (GDPR) by 25 May 2018. The action plan should include updating contracts with data processors and controllers. Trustees are reminded that the GDPR imposes specific duties directly on data processors for the first time and data processors may seek to limit their own liability in updated contracts. Trustees should seek legal advice to ensure that all contracts meet the new GDPR requirements and adequately protect the trustees' position.



2. The Pantomime Villain (Boo! Hiss!) – Money Laundering

It's behind you! (The date on which trustees became subject to new record-keeping and reporting duties under the anti-money laundering regime.) All trustees of private occupational pension plans should identify the "beneficial owners" of their plans and check that they have the requisite information for each beneficial owner. We have a checklist that can assist with this process. See our [communication](#) for further information on both the record-keeping requirements and the tax reporting deadlines.



3. Shining the Spotlight on Record Keeping

On this year's scheme return, trustees will need to confirm when they last reviewed common and conditional (i.e. plan specific) data and how complete and accurate the data is. The Pensions Regulator's (TPR) [checklist](#) and [guidance](#) provide more information. TPR may engage with individual pension plans on their data score. This is part of TPR's focus to drive up governance standards and it dovetails with the action that trustees should be taking in light of GDPR and anti-money laundering legislation.



4. LEI Required? "Oh No, It Isn't!" "Oh Yes, It Is!"

Trustees should check with their investment managers whether they are required to have a Legal Entity Identifier (LEI) in place by 3 January 2018. This is a new requirement imposed on financial institutions and investment managers that are subject to the financial instrument reporting requirements under the Markets in Financial Instruments Regulation to aid transparency and prevent fraud. If a pension plan does not have an LEI, investment firms may not be able to provide investment services to the plan from 3 January 2018.



5. Does the Glass Slipper Fit? Transfer Exercises

The recent increase in transfer values has prompted a resurgence of interest for employers of defined benefit plans to consider transfer exercises as a risk-reduction method. Transfer exercises, and indeed any other pensions exercise in which benefit specifications are required, involve an interpretation of the pension plan rules and legal advice should be sought as part of the process. Compliance with the Code of Practice for Incentive Exercises is also encouraged.



6. No Time for Ice Cream – Curtain Up on PPF Progress

The Pension Protection Fund (PPF) has consulted on its proposed new form [contingent asset agreements](#), with plans to release the final form documents in January 2018. The main focus of the consultation was how to deal with the liability cap in guarantees and legal charges, and how any cap should work in respect of multi-employer schemes. Do not forget that this year any certification for a guarantee giving a levy saving of £100,000 or more will need to be accompanied by a guarantor strength report.



7. Heigh Ho! Heigh Ho! And Off to Work We Go on ... DC to DC Bulk Transfers

The Department for Work and Pensions (DWP) has proposed that the requirement for an actuarial certificate and a "scheme relationship condition" on bulk transfers of defined contribution (DC) benefits without consent should be abolished. Hurrah, we hear you cry. Unfortunately, Grumpy Dwarf the DWP does not think DC trustees are the "fairest of them all" and so there will be no statutory discharge for this type of transfer. Where the transfer is not to a master trust, the DWP proposes that trustees should first obtain independent investment advice.



8. The Ugly Sisters – Costs and Charges

From 3 January 2018, the Financial Conduct Authority's new policy requires asset managers to disclose transaction costs and administration charges to trustees in a standard form, where trustees request this information. This will help trustees of DC plans to assess "value for money". The DWP is proposing new regulations, which, from 6 April 2018, will require costs and charges information to be disclosed to members and will include an expansion of the chair's statement. The DWP also proposes increased investment disclosure to DC members.



9. Abracadabra! Open Sesame! The Issue of RPI/CPI Is Reopened

Your wish is my command. The courts have revisited the circumstances in which pension plans can switch from RPI to CPI for calculating benefit increases. In a recent case, the court held that there had been a material change in the compilation of RPI allowing the trustees, under the plan rules, to use the next closest index, which in this case was still the RPI (as amended). Employers and trustees may wish to dust off the advice previously received on this issue to see if recent developments can reveal a helpful magic lamp.



10. A Thigh-slapping Round Up

Two reminders: (1) Trustees of pension plans contracted-out on the protected rights basis before 6 April 2012 have until 5 April 2018 to modify the rules by resolution to reflect the abolition of protected rights. (2) Trustees and employers should ensure that rules and practices correctly reflect anti-discrimination legislation for same sex-spouses and civil partners following recent case law (see our [communication](#)). Also, we are still awaiting regulations to come into force enabling multi-employer plans to allow the deferral of employer cessation debts (was due 1 October 2017).



Final Encore

Legislation is now in force, retrospective to 6 April 2017, which reduces the money purchase annual allowance to £4,000 and extends the income tax exemption for employer-related pensions advice.

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