

Trustee agenda update: current legal issues

For your May 2022 meetings

DB and DC schemes

Welcome to our monthly update on current legal issues, 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.

GMP equalisation guidance **NEW**

HMRC has published a new GMP equalisation (GMPE) newsletter, with guidance on tax issues around making top-up payments to correct previous transfers which did not account for GMPE (as a top-up transfer or lump sum); and GMP conversion.

Read the newsletter.

The Pensions Administration Standards Association (PASA) has published FAQs designed to provide pragmatic guidance to administrators implementing GMPE. It has also released HMRC-approved guidance on tax treatment of interest on GMPE payments. **Read the FAQs and guidance on interest payments.**

ACTION: Consider the guidance as part of any ongoing GMPE project.

TPR climate change example

The Pensions Regulator (TPR) has published an illustrative example of how trustees might work through the requirements of the climate change governance and reporting regulations. This is not a one size fits all checklist, but will give schemes a good idea of TPR's expectations. **Read the example and watch our climate change governance and reporting webinar.**

ACTION: Check your processes against the example to identify any areas which may need further attention.

TPR guidance on Russia's military invasion of Ukraine

TPR has issued guidance for trustees regarding Russia's military invasion of Ukraine, setting out its expectations in light of volatility in investment markets and an expected period of heightened uncertainty. It includes a number of action points for trustees to consider. **Read the guidance.**

ACTION: Review TPR's guidance and consider whether there are any action points for your scheme; keep a watching brief on developments.

'Stronger nudge' requirements

From 1 June 2022 trustees will be required to give members a 'stronger nudge' to obtain 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. TPR has updated its guidance for DC schemes on communicating and reporting, to reflect the new requirements. **Read the consultation response, regulations and TPR's guidance.**

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

Have your say

- The government is consulting on ways of facilitating investment in illiquid assets by DC schemes. Responses must be submitted by 11 May 2022: **read more**. The consultation includes a response to the government's June 2021 call for evidence on consolidation of the DC market, confirming that there will not be any new regulatory requirements on consolidation in 2022.

Watch this space

- The government has consulted on changes to the notifiable events regime. The regulations that were expected to come into force on 6 April 2022 have been delayed; there has been no official update on a revised date, but the current industry expectation is that this may be October 2022: **read more**.
- TPR has consulted on its proposed single code of practice: **watch our webinar on the proposals; read TPR's interim response**. The interim response noted that TPR does not expect to lay the new code in parliament before spring 2022. It is, therefore, unlikely to become effective before summer 2022.
- 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.

Need help with a pensions dispute? Visit allenoverly.com/pensionsindispute.

Need help managing DB pension risk? Visit allenoverly.com/pensionrisk.

Contact us for more information or to be added to our mailing list.