

Trustee agenda update: current legal issues

For March 2022 meetings

DC schemes

Welcome to our monthly update on current legal issues for trustees of DC pension schemes, 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.

'Stronger nudge' requirements

The government has confirmed that it will introduce a requirement for trustees to give members a 'stronger nudge' to 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. The regulations are expected to come into force on 1 June 2022 and The Pensions Regulator (TPR) has announced that it will publish guidance before then. Read the **consultation response** and **draft regulations**.

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

Restrictions on flat fees for small pots

Regulations will come into force on 6 April 2022 restricting flat fees on small pots in default arrangements of DC auto-enrolment schemes. Read the **regulations** and **DWP's updated charge cap guidance**.

ACTION: Discuss with administrators how they will ensure fees aren't charged on small pots (if the relevant charge structures apply).

Finance Bill

Pensions-related measures include raising normal minimum pension age from 2028 and changes to the mandatory scheme pays facility: **read the Bill**.

HMRC has published guidance on the increased minimum pension age and transitional provisions (including protection for certain members): **read the guidance**.

ACTION: Check your rules to see whether members will have protection from the increased minimum pension age, and consider communications and administration changes.

Have your say

- The government is consulting on indicative draft regulations setting out requirements for pensions dashboards and occupational pension schemes working with those dashboards. The consultation closes on 13 March 2022: **read more**. The Financial Conduct Authority (FCA) is running a consultation on parallel proposals for personal and stakeholder pension schemes: **read more**.
- TPR is consulting on a new code of practice for the authorisation and supervision of collective DC schemes (CDC schemes, also labelled CMP or collective money purchase schemes). The consultation closes on 22 March 2022: **read more**.

Watch this space

- TPR has consulted on its proposed single code of practice: **watch our webinar on the proposals; read TPR's interim response**.
- 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.
- The government is considering solutions to the proliferation of small, deferred DC pension pots: **read more**.

Dates for your diary

Pensions Academy Online: week commencing 7 March 2022, 9.30-10.30 a.m.

The programme for our next Pensions Academy Online (an update on issues for pension schemes and the people that run them) is now available: please see the list below. If you are interested in registering for one or more sessions and haven't received our separate mailing, please let us know.

| Date | Topic |
|-------------|--|
| 7 March | Money laundering and proceeds of crime – what trustees need to know |
| 8 March | Pension Schemes Act 2021: new offences and notifiable events – where are we now? |
| 9 March | Handling an investigation |
| 10 March | Legal update – including transfers, dashboards, single code, superfunds and more |
| 11 March | Climate change governance and reporting – theory and practice |

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

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

Allen & Overy means Allen & Overy LLP and/or its affiliated undertakings. Allen & Overy LLP is a limited liability partnership registered in England and Wales with registered number OC306763. Allen & Overy (Holdings) Limited is a limited company registered in England and Wales with registered number 07462870. Allen & Overy LLP and Allen & Overy (Holdings) Limited are authorised and regulated by the Solicitors Regulation Authority of England and Wales. The term partner is used to refer to a member of Allen & Overy LLP or a director of Allen & Overy (Holdings) Limited or, in either case, an employee or consultant with equivalent standing and qualifications or an individual with equivalent status in one of Allen & Overy LLP's affiliated undertakings. A list of the members of Allen & Overy LLP and of the non-members who are designated as partners, and a list of the directors of Allen & Overy (Holdings) Limited, is open to inspection at our registered office at One Bishops Square, London E1 6AD.

© Allen & Overy LLP 2022. This document is for general information purposes only and is not intended to provide legal or other professional advice. | UKS1: 2007545578.2