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PENSIONS BULLETIN

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In this month's Pensions Bulletin, we review two publications from the Pensions Regulator (TPR) - the Annual Funding Statement and consultation on a revised Code of Practice on Contribution Notices in the light of the extension of TPR's powers under the Pension Schemes Act 2021. Next, we report on the Government's finalised proposals on climate change governance and reporting and on governance and charges in defined contribution schemes. Finally, we cover two recent cases – a Court of Appeal decision on the meaning of a pension increase rule and a Pensions Ombudsman's determination on the need to update procedures promptly following changes in guidance on transfers. Our watch list is included at the end of the Bulletin.

THE PENSIONS REGULATOR'S ANNUAL FUNDING STATEMENT 2021

The Annual Funding Statement from the Pensions Regulator (TPR) focuses on the impact of recovery from the pandemic. Unless employers and trustees can demonstrate COVID-19 and Brexit continue to have a significant impact on the sponsor's business, TPR expects trustees to take a more assertive approach to setting recovery plans. Apart from in relation to the pandemic, the section on covenant assessment is largely unchanged from 2020 although, under risk management, there is a now a specific reference to climate change.

TPR has published its Annual Funding Statement 2021 for defined benefit (DB) schemes, for valuations with effective dates between 22 September 2020 and 21 September 2021 (Tranche 16), as well as schemes undergoing significant changes that require a review of their funding and risk strategies. As in recent years, there is a table of the key risks trustees and employers should focus on, and actions to take, divided according to the five levels of covenant strength and sub-divided according to whether the scheme is immature or mature.

TPR discusses the impact of the pandemic on the trustees' approach to valuation, assuming three categories:

1. Limited impact on the business – low balance sheet weakening and cash flow remains strong.
2. Initial impact was material but trading has, or is, recovering strongly. As measures introduced to support businesses end, sponsors could experience additional short-term liquidity pressures. Any weakening of the balance sheet can be repaired over a short period and the medium-term prospects have not been affected negatively.
3. Impact continues to be material – the recovery could take years and the business may never fully recover. The balance sheet is weakened due to measures taken to raise additional liquidity and secure covenant waivers. Medium-term prospects are unclear.

Where external developments such as the pandemic (and Brexit) have had a limited impact, TPR expects trustees to take a "business as usual" approach to setting recovery plans. For employers in category 1, trustees should try to reduce the length of recovery plans. For those in category 2, trustees should consider carefully any requests to accept a lower level of contributions. Where the employer has recommenced, or continued to make, shareholder distributions, TPR will view this as being inconsistent with the scheme having to agree lower contributions. TPR also expects any deferred deficit repair contributions to be repaid under such circumstances, ideally before any shareholder distributions restart. Where employers continue to request liquidity support from the pension schemes with deferrals or lower deficit repair contributions as part of a revised recovery plan, trustees should obtain suitable mitigations.

TPR suggests that trustees should consider undertaking stress testing or scenario planning, especially for trustees in category 3. Where the pandemic continues to have a material impact on the employer, trustees will need to decide whether there has been a material deterioration in the covenant. They should not assume that there would be a full recovery without good justification. As in the 2020 Statement, TPR notes that, in circumstances of employer stress and uncertain outlook, it expects covenant leakage to be minimised and for the employer to focus on protecting creditors, including pension schemes.

Other themes picked up by TPR include:

- **Inflation:** On the plan to align the Retail Prices Index with the Consumer Prices Index with owner-occupier housing costs (CPIH), from 2030, TPR comments that trustees will have to choose their assumptions carefully and any adjustments to market-implied inflation measures will need to be consistent with the scheme's exposure to inflation in their investment strategy.
- **Investment:** Where schemes use swaps-based discount rates in their valuations, they should ensure that there is no linkage to LIBOR (London Inter-Bank Offered Rate) or its European equivalent (EULIBOR), as both measures are being phased out.
- **Brexit:** Trustees should review the covenant to understand whether any impact on the employer's position is short-term or represents a more fundamental challenge. If the latter, trustees need to examine how the investment is funded, whether it affects the affordability of deficit repair contributions and how the scheme will benefit from the investment.
- **Tax changes:** Trustees may find employers asking for different contribution structures for non-COVID reasons, for example to take advantage of and/or accommodate tax changes such as the super-deduction capital allowance and increase in corporation tax announced in the March 2021 Budget. TPR expects trustees to treat any request consistently with its COVID-19 guidance.
- **Climate change:** Trustees and employers should be aware that guidance given to actuaries alerts them to the need to factor the effects of climate change in their advice. Trustees should also be aware of TPR's climate change strategy, which outlines TPR's expectations that all schemes will comply with existing requirements to publish their Statement of Investment Principles and implementation statement. These disclosures "*represent compliance with the basics of climate change and we will be using them to monitor how trustees are using scenario analysis, stewardship and engagement activities to identify and manage risk from climate change*".

Next steps for trustees and employers: Both employers and trustees should take account of the Statement and be prepared to justify the approach they take. Trustees will note that the Statement makes it clear that TPR does not want recovery plans to be extended without justification where external factors have not had a significant impact on the sponsoring employer.

CONSULTATION ON REVISED CODE OF PRACTICE ON CONTRIBUTION NOTICES

The Pensions Regulator (TPR) is consulting on a draft Code of Practice on the exercise of its Contribution Notice (CN) powers, given the introduction of two new tests under the Pension Schemes Act 2021 (PSA). The draft includes new examples reflecting the emphasis in the new tests on the employer covenant. The examples are quite generic in nature and not particularly helpful to practitioners that have to advise on the new tests. They range from cases where it is obvious that the sort of behaviour risks TPR intervention to other examples, such as dividend and other returns of capital, where the wording is so broad that it provides no direction of the approach TPR may wish to take.

TPR's anti-avoidance regime includes the power in certain circumstances to issue a CN, requiring the target (who might not otherwise have any direct legal obligation to the pension scheme) to contribute to a defined benefit (DB) scheme. The CN can be issued to a DB employer or any person who is "connected or associated" with an employer. From October 2021, there will be two new grounds for issuing a CN - an "employer insolvency" test and an "employer resources" test introduced under the PSA. The new tests are in addition to the existing "main purpose" and "material detriment" tests.

TPR is consulting (until 7 July 2021) on a draft Code of Practice 12: *Contribution Notices: Circumstances in relation to the material detriment test, the employer insolvency test and the employer resources test*. The new Code (which must be taken into account by a Court or tribunal where relevant) will come into force in October 2021 - the expected date for the PSA amendments to take effect.

The Code and accompanying guidance are updated to reflect TPR's experience of investigating and issuing CNs and to explain the circumstances in which TPR will consider issuing a CN on the basis of the new and existing tests. As with the existing tests, defences are available in relation to both tests and both are subject to the existing "reasonableness" test whereby TPR must be of the opinion that it was reasonable to impose a CN. The draft Code does not cover the statutory defences or the reasonableness test in any detail.

The consultation explains the policy intent behind the new tests - to measure the impact that an act/failure to act has had on the hypothetical insolvency outcome for the scheme (employer insolvency test) and on the value of the employer's resources relative to the scheme's deficit (employer resources test), on a "snapshot" basis - comparing the situation with and without the act. The Government recently published draft regulations on the calculation of employer resources test (see our Pensions Bulletin March 2021).

The draft Code lists circumstances in which the CN tests could be met (subject to the requirement for it to be reasonable for TPR to issue the CN):

- Sponsor support is removed, substantially reduced or becomes nominal (any of the tests)
- Weakening of the scheme's creditor position (material detriment and/or employer insolvency)
- Some instances of paying a dividend or a return of capital by the sponsoring employer (any of the tests)
- Payments favouring other creditors of the employer over the scheme (any of the tests).

The Code-related guidance includes illustrative examples of situations in which TPR is both likely and unlikely to pursue a CN. TPR considers that the following actions could be the subject of a CN, assuming no or inadequate mitigation was provided to the scheme:

- Substitution of sponsor – a parent company with no legal link to a scheme in deficit substitutes a profitable sponsor of a scheme with a shell company with no assets. The original sponsor is sold off and the proceeds pass directly to the parent company.
- Disposal - the sponsor transfers a profitable part of the business to another group company outside the employer covenant. The consideration due is settled by a declaration of dividends to the parent company.
- Transfer of scheme liabilities – the employer transfers employees and respective pension liabilities to a company offering a much weaker covenant.
- Restructuring – a sponsor transfers ownership of profitable company as part of a group restructure. The consideration is settled by way of an intercompany debt which is unsecured, non-interest bearing and has no repayment date.
- Manufactured insolvency – the management team of an otherwise viable company manufactures its unnecessary insolvency to buy its business out of administration without the scheme.
- Increase in debt/prior-ranking security - as part of a group restructure, all companies within a corporate group agree to be responsible for the group's increased borrowings. The restructuring provides no benefit to the employer's business.

- Leveraged acquisition – the employer is acquired by new owners, who raise debt secured on its assets and business to finance a dividend to the fund.
- Payment of unusual dividends to parent company (much larger than previous years and greater than the company's net profit).
- Unscheduled repayment of loan favouring other creditors, when the employer is facing financial difficulty.

Next steps for employers and trustees: Employers and trustees will want to undertake training on the new powers with their advisers. Employers will want to consider how the powers impact transactions that are being contemplated.

REVISED CLIMATE CHANGE GOVERNANCE AND REPORTING REGULATIONS

The Government has finalised its Regulations and Statutory Guidance on climate change governance and reporting. The main changes to the Regulations are to the definition of insurance contracts, the value of which is deducted from the scheme's assets when determining whether the scheme has assets above the £5 billion and £1 billion thresholds for the governance and reporting requirements, and the fact that schemes will not have to report on Scope 3 emissions (the most onerous requirement) in the first scheme year. There is also a welcome change of emphasis in the Statutory Guidance, linking the advice to trustees to the requirements of the legislation.

The DWP has published its response to its second consultation on climate change governance and reporting, confirming that it will legislate to implement the new requirements. (For the consultation, please see our Pensions Bulletin March 2021.) The response includes revised draft Climate Change Governance and Reporting Regulations, with a start date of 1 October 2021, and a link to the final version of draft Statutory Guidance. The DWP has made some changes to the Regulations including:

- The definition of "**relevant insurance contracts**" has been altered, so that in the case of bulk annuity contracts it does not require an exact matching of the cost of benefits. The previous definition did not appear to capture buy-ins where there was a mismatch between the benefits secured under the policy and the benefits payable under the scheme rules.
- **Scenario analysis** will still operate on a triennial cycle, but where trustees undertake fresh analysis within three years the cycle will be reset so that the next requirement is three years later.
- When setting and reporting on **metrics**, trustees will not have to collect and report on Scope 3 emissions (the most difficult of the three types to evaluate) in the first scheme year that they are subject to the requirements.
- **Target setting**: performance must be measured in each scheme year, rather than annually.
- **Governance**: The Regulations now make clear that the requirement is for trustees to have in place processes to satisfy themselves that third parties undertaking scheme governance activities take adequate steps to identify, assess and manage any climate-related risks and opportunities which are relevant to the governance activities they are undertaking and that trustees are not required to establish processes for matters not related to the scheme.

More generally, the DWP reiterates that it is not for the Government to direct trustees to sell or buy certain assets and the proposals do not create any expectation that schemes must divest or invest in a given way.

There are also changes to the emphasis of the Statutory Guidance, for example:

- **Trustee knowledge and understanding:** "Mastery of technical detail" is not required but trustees should have more than "basic" knowledge – they should be able to understand the analysis they receive. Instead of being required to "interpret" results, trustees should "understand" them.
- **Governance**: Trustees should satisfy themselves that those undertaking (or advising or assisting in relation to) scheme governance activities have adequate climate-related risk expertise and resources, but only to the extent necessary for that person's role. Trustees should ensure third parties to whom they have assigned climate-related responsibilities have "clear directions" on how and when they report to trustees, although trustees cannot delegate their responsibilities.

- **Understanding of risk**: On the requirement to have a good understanding of the climate-related risks and opportunities relevant to their scheme, the guidance now says that trustees should not spend time considering climate-related risk and opportunities "at the expense of considering other major risks".
- **TCFD report:** Trustees need only describe the various matters in their report "concisely".
- **Targets:** An "excessive focus" on optimising the scheme's investment portfolio to meet emissions-reduction targets at the expense of other scheme objectives could be contrary to trustees' fiduciary duties and there is "no expectation that trustees should set targets which require them to divest or invest in a given way".
- **Level of assessment of risk**: There is a change to the criteria determining what constitutes a "popular" default arrangement for a DC scheme for the purposes of the expected level of assessment when carrying out strategy, scenario analysis and metrics activities. Instead of having 250 members invested, it is now either holding at least £100m or comprising at least 10% of the scheme's DC assets. This means that default arrangements with limited assets, which have come into existence largely as a result of bulk transfer or because of administration and mapping, should not be included within scope for reporting if they have a relatively small number of members.

Next steps for trustees: Large schemes within scope now have little time to prepare for the new requirements, while schemes of all sizes will need to consider their governance of climate risk; the new regime is likely to increase engagement by members with their schemes on climate risk.

FURTHER PROPOSALS ON DC GOVERNANCE AND CHARGES

From October 2021, all defined contribution (DC) schemes will be required to publish net investment returns as part of their annual Chair's Statement. Smaller schemes will have to publish a detailed "value for members" assessment, starting from the end of the year. There are also measures to tackle charges in the default funds of DC schemes used for auto-enrolment. The Government's desire for consolidation of the DC market suggests this will not be the end of the increased governance burden on DC schemes.

The Government's response to last year's consultation on improving outcomes for members of DC schemes confirms that it will go ahead with proposals. (For details of the consultation, please see our Pensions Bulletin September 2020). New regulations will take effect, starting from October 2021:

- There is a new requirement for all DC schemes, regardless of size, to calculate and state the **return on investments** from their default and self-select funds, net of transaction costs and charges. This information must be recorded in the annual Chair's Statement for the first scheme year ending after 1 October 2021 and published on a publicly accessible website. Trustees should include as a minimum the net return for the scheme year but the accompanying statutory guidance, which trustees must have regard to when complying with their obligations under the regulations, recommends that figures for net investment returns should also be shown dating back at least five years, where possible. Where these figures are not provided (for example, because data is not available or is incomplete), trustees are advised to make members aware of the reasons for this in the Chair's Statement. There is more detail in the guidance on the method of calculating and reporting net returns.
- From 5 October 2021, all DC schemes, regardless of size, will be required to report to the Pensions Regulator (TPR), in their annual scheme return, the **total value of assets** held in the scheme for the purpose of providing benefits.
- From the first scheme year ending after 31 December 2021 (pushed back from the October 2021 proposed start date), trustees of schemes with assets below £100 million (based on net assets recorded in the audited accounts for the scheme year) that have been operating for at least three years are required to carry out an extended annual **"Value for members" assessment**. When carrying out the assessment, trustees must consider three factors:
    - costs and charges

  - fund performance (net investment returns)
  - administration and governance, under seven headings: promptness and accuracy of financial transactions; quality of record keeping; appropriateness of the default investment strategy; quality of investment governance; level of trustee knowledge, understanding and skills to operate the scheme effectively; quality of communication with members; and effectiveness of management of conflicts of interest.

Costs and charges and net investment returns must be assessed relatively, based on comparison with three other pension schemes (with assets of at least £100m). The guidance states that trustees should have a clear rationale for the schemes they have chosen as comparators and that the comparators should include a scheme that is different in structure to their own, where possible. The previous requirement that there must be "reasonable grounds" to believe that at least one of the larger schemes would accept a transfer in of the smaller scheme's members has been amended so that at least one of the larger schemes chosen must "have had discussions" with the smaller scheme over a potential transfer. This is in recognition that schemes may not always be able to agree in principle to the terms of transfer.

The guidance explains that trustees should not give excessive weighting to costs and charges in their assessment. However, in cases where the costs and charges are significantly higher than those that can be achieved in the market, without a demonstrable, material difference in governance and/or investment return, trustees should normally conclude that they are unable to deliver value for members.

The outcome and an explanation of the assessment must be reported in the annual Chair's Statement and published on a publicly accessible website. The outcome must also be reported to TPR via the annual scheme return, together with the trustees' intended action if the scheme does not represent good value for members.

Where value for members is not demonstrated, the guidance states that the trustees should look to wind up the scheme and consolidate members into a larger scheme, or set out immediate action to be taken to make improvements. Trustees should not wait until they report this in the annual scheme return before taking the necessary corrective action; they should start the wind up process or improvement plan immediately, and report this change in registrable information to TPR immediately. If the trustees do not take action to wind up/transfer the rights of members then they must state, in the annual scheme return, the reasons and provide details of the steps they will take to ensure that the scheme does deliver value for members.

Responding to its consultation on the **charge cap** (for funds of members who contribute to default arrangements of DC schemes used as auto-enrolment qualifying schemes), the Government has confirmed that it will draft regulations which will allow schemes to smooth the performance fee element of their charges regime over a five-year period, with the aim of allowing greater investment in illiquid assets. This will apply from October 2021.

Earlier this year, the Government decided to leave the charge cap unchanged but to introduce a £100 de minimis pot size below which flat fees cannot be charged (see our Pensions Bulletin January 2021). The DWP has now published a separate consultation: *Permitted charges within DC pension schemes* (ending on 16 July 2021) and draft regulations to implement this proposal.

DWP intends that the cap, which will come into force in April 2022, will initially be set at £100 and apply to all members – active and deferred. The level will be kept under review, with a view to raising it at some stage in the future. If a member has multiple pots within the provider's default arrangement, which charges a flat fee, the assessment of whether a flat fee can be charged will be based on the combined value of the pots. A flat fee can be levied only once per member. Where a member has several small pots with different pension providers, then the de minimis will be applied according to the value of the members pots, for each provider. The de minimis will relate only to the flat fee component of the combination charge used by providers - a percentage of funds under management charge can still be charged on all pots, irrespective of pot size.

The consultation also seeks views on a proposal to change the current three permitted charging structures within the charge cap to a universal charging structure based on a single percentage annual management charge. The

Government believes that varied charging structures within the same auto-enrolment market may be acting as a barrier to members' ability to compare the costs of their pension with other pension products and schemes.

Next steps for trustees: Trustees need to be ready for changes to the content of the annual Chair's Statement and new reporting obligations. There will be administration costs involved in monitoring small pots for the purposes of implementing the de minimis proposals.

PENSION INCREASE RULE ALLOWED EMPLOYER TO DECIDE ON A HIGHER OR LOWER RATE

The Court of Appeal has overturned a decision of the High Court, which means that the employer can unilaterally change the measure of inflation used in the pension scheme. As is well known, the precise wording of the pension scheme rules is key to determine whether inflationary increases are measured by reference to the Consumer Prices Index (CPI) or the Retail Prices Index (RPI), and whether the trustee or employer has any discretion to change the index. In this case, the Court adopted a more literal reading of the rule which meant the employer could choose to use CPI rather than RPI as the relevant measure of inflation.

In *Britvic plc v Britvic Pensions Ltd* , the Court of Appeal, overturning the High Court, held that the scheme rule dealing with increases to pensions in a defined benefit scheme should be interpreted to allow the sponsoring employer a discretion to award a higher or lower rate than RPI. The reference in the rules to "*or any other rate decided by the principal employer*" did not mean only some other higher rate. The drafting of the rule was unambiguous and there was no obvious mistake.

Facts: Britvic Pension Plan (BPP) was established in 2003 following a corporate demerger of Six Continents and was governed by a 2007 trust deed and rules. Rule C.10(2) stated that the rate of pension increase was the percentage increase in the RPI during the previous year but subject to a maximum of either 2.5% or 5% (depending on the date of service) "*or any other rate decided by the principal employer*". The rule was materially identical to that in the Six Continents 2002 pension plan. The High Court rejected the principal employer Britvic's argument that the Rule allowed it to substitute a rate that was higher or lower than would otherwise apply; it could only substitute a higher rate.

Decision: The Court of Appeal unanimously held that the words "*or any other rate decided by the principal employer*" qualified the rate of increase to be provided under Rule C.10(2), and allowed the employer to fix a rate of increase that was higher or lower than the capped LPI for which the Rule provided.

The Court said that the cases are clear that, in construing a pension scheme deed, it is necessary to start with the language used and identify its possible meaning by reference to the admissible context, to ascertain what a reasonable person with all the background knowledge reasonably available to the parties at the time would have understood the parties to have meant. If, however, the parties have used unambiguous language, the Court must apply it. The drafter had used the unambiguous words "*or any other rate*", which did not naturally mean "*or any higher rate*". The scope for importing a limitation on the words of Rule C.10(2) were limited, despite the practical difficulties caused by not doing so - the mismatch between the literal wording of the rule and what members considering whether to transfer to the scheme on a restructuring were told.

This was not a case where there had been sloppy or unclear drafting; the words used by the skilled professionals involved were clear. Even giving the factual matrix and the commercial consequences full weight, the High Court judge's interpretation could only properly be reached if there had been a clear mistake on the face of the instrument and it was clear, either from the instrument itself or from admissible extraneous evidence, what correction ought to be made in order to cure the mistake. The Court of Appeal concluded that there had not been such a mistake.

PENSIONS OMBUDSMAN'S VIEW ON UPDATING OF TRANSFER PROCEDURES

The Pensions Ombudsman (TPO) has indicated that it would generally expect pension providers to update their transfer procedures within "approximately one month" of new TPR guidance on scams being issued. In previous determinations, TPO had indicated that a three-month period would be acceptable. The comments were specifically on the 2013 Scorpion guidance, so it is not certain that the same approach would be taken to any new guidance on the more radical changes in the Pension Schemes Act 2021. The determination is also a reminder that TPO is not bound by previous decisions.

Facts: The complaint in *Mr R* (PO-24554) centred on a transfer of R's pension benefits. The receiving scheme submitted the transfer paperwork to the transferring scheme on 13 February 2013, the day before TPR updated its Scorpion regulatory guidance on pension scams. On 15 February, the funds were transferred. However, an administrative error in the receiving scheme bank caused it to be refunded. The transfer was completed on 19 March; one month and five days after TPR updated its literature. R complained that the administrators of the transferring scheme had not complied with the new due diligence expectations set out in TPR's Scorpion guidance document.

Determination: TPO did not uphold R's complaint, finding that the administrator had acted appropriately and it would not have been reasonable to expect it to have updated its transfer processes before the transfer was in fact made.

The administrator had quoted a previous determination from June 2020 where TPO stated that providers should be allowed a three-month period from 14 February 2103 to implement changes required by the guidance. The Ombudsman commented that he is not bound by previous determinations and having evaluated "*the evolving regulatory position*", he considered that "*a period of approximately one month*" would generally be sufficient for a provider to put in place any procedures necessary as a result of TPR's new guidance. TPO added that, where a provider was unable to meet this timeframe, he would expect them to consider suspending transfers until the necessary arrangements could be made, or contact TPR to request an extension on the stipulated transfer deadlines.

PENSION LEGISLATION AND REGULATION WATCH LIST

No	Topic	Expected effective date	Further information/action
1	Statement of Investment Principles (SIP) annual implementation statement	Annual reports which are signed off on or after 1 October 2020	This applies to all pension schemes required to have a SIP in place.
2	Include annual implementation statement on website	Annual reports which are signed off on or after 1 October 2020	For DC schemes only. (The requirement for DB schemes applies in part only, and later – see 7 below.)
3	Draft DB Funding Code of Practice	Regulations expected for consultation "later" in 2021 Part 2 of consultation on draft Code expected "towards the end" of 2021 and new Code expected to be operational in December 2022.	Once in force, the Code will apply to triennial valuations submitted thereafter.
4	Pension Schemes Act 2021: TPR powers; scheme funding; CMP schemes; pension dashboards	Different implementation dates expected for different parts	Regulations and further consultation expected. Climate risk provisions - see 8 below. Pension scams - see 10 below.
5	TPR consolidated Code of Practice	"Late 2021"	TPR consultation issued 17 March 2021 and closed 26 May 2021

No	Topic	Expected effective date	Further information/action
6	Trustee oversight of fiduciary managers and investment consultants	Under the Investment Consultancy and Fiduciary Management Market Investigation Order 2019, compliance statements, confirming the extent to which requirements have been met, had to be provided to CMA by 7 January 2021.	Consultation response and new DWP regulations have been delayed until June 2022.
7	Include annual statement on compliance with policy on stewardship and engagement activities, and voting behaviour, on website	1 October 2021	DB schemes only.
8	Climate risk governance and reporting requirements under the Pension Schemes Act	1 October 2021	Applies to schemes (DB and DC) with £5 billion or more in net assets on the first scheme year end date on or after 1 March 2020, as well as to all authorised master trusts and all collective DC schemes. They will be required to have governance for the scheme year underway from 1 October 2021 and publish the first annual report within seven months of the end of the scheme year. Regulations have been finalised.
9	Changes to DC scheme governance and disclosure, including changes to the annual Chair's Statement and to the charge cap	From October 2021; detailed value for money assessments for schemes with assets below £100m required for first scheme year ending after 31 December 2021	DC schemes only. Response to consultation together with final statutory guidance and final regulations published June 2021.

No	Topic	Expected effective date	Further information/action
10	Restrictions on transfers of a member's cash equivalent transfer value by trustees/managers of occupational or personal pension schemes unless prescribed conditions are met.	Autumn 2021	Consultation on draft regulations closed 10 June 2021.
11	DB superfunds	Interim regulatory regime in place from October 2020	New legislation promised.

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