

**STEPHENSON
HARWOOD**
pensions law group

CLEAR VIEWS

Quarter one 2021 update

OVERVIEW

2021 looks set to be a busy year for the pensions industry. Below is a high-level look at some of the most recent developments, together with areas we think are likely to be of importance in the coming months. Further information on all of these topics can be found in our additional materials, referenced in the table below, and at www.pensionshub.com.

KEY DEVELOPMENTS

Topic	Summary	Links to further information
The Pensions Regulator's new powers confirmed not to be retrospective	The Pension Schemes Bill contains new powers for the Pensions Regulator and criminal and civil sanctions for certain activities detrimental to defined benefit pension schemes. The Pensions Minister recently confirmed that these powers will not be retrospectively applied.	For more information on the Pension Schemes Bill and the proposed new powers of the Pensions Regulator, please see our briefing on the topic here . At the time of writing we are producing an updated briefing that will be uploaded to www.pensionshub.com
Potential expansion of environmental, social and governance obligations for occupational and personal pension schemes	<p>The DWP has consulted on introducing governance and disclosure obligations for certain occupational pension schemes in line with recommendations made by the Task Force on Climate-related Financial Disclosures.</p> <p>The Financial Conduct Authority (FCA) is proposing to consult to introduce similar disclosure requirements on FCA regulated pension providers.</p>	<p>For more information on the proposed new obligations on occupational pension schemes, please see our ESG guide here.</p> <p>For more information on the FCA proposals, please see our recent snapshot here.</p>

<p>Consolidation of defined contribution pension schemes</p>	<p>Proposed legislative changes are due to come into force on 5 October 2021 which aim to promote the consolidation of defined contribution pension schemes.</p>	<p>For more information please see our "top six topics for 2021" briefing here.</p>
<p>Brexit and pensions law</p>	<p>The Brexit transitional period ended on 31 December 2020. UK pensions law is largely unaffected by this. There are, however, a number of practical considerations that both trustees and employers should bear in mind as a result of the Brexit process.</p>	<p>Please see our briefing on pensions and Brexit here.</p>
<p>The Pensions Regulator to consult on defined benefit funding code in mid-2021</p>	<p>Last year the Pensions Regulator consulted on the principles for a new defined benefit funding code. In its interim response to this consultation, the Regulator notes that it expects to issue a second consultation, which will include the draft code of practice, in the second half of 2021.</p>	<p>For more information please see our recent snapshot here.</p>
<p>GMP equalisation and past transfers out</p>	<p>The most recent Lloyds judgment has given guidance on when past transfers out need (and need not be) equalised for the effects of unequal GMPs.</p>	<p>For more information please see our briefing on this topic here.</p>
<p>Superfunds</p>	<p>The Pensions Regulator has set out a framework to be followed by employers who are looking to transfer a defined benefit pension scheme to a superfund.</p>	<p>For more information on superfunds and the process for transferring, please see our superfund guide here.</p>
<p>Consultation to change pension scheme levy</p>	<p>The Department for Work and Pensions launched a consultation in December 2020 on proposals to re-structure and increase the pension scheme 'general levy' from April 2021.</p>	<p>For more information please see our recent snapshot here.</p>

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