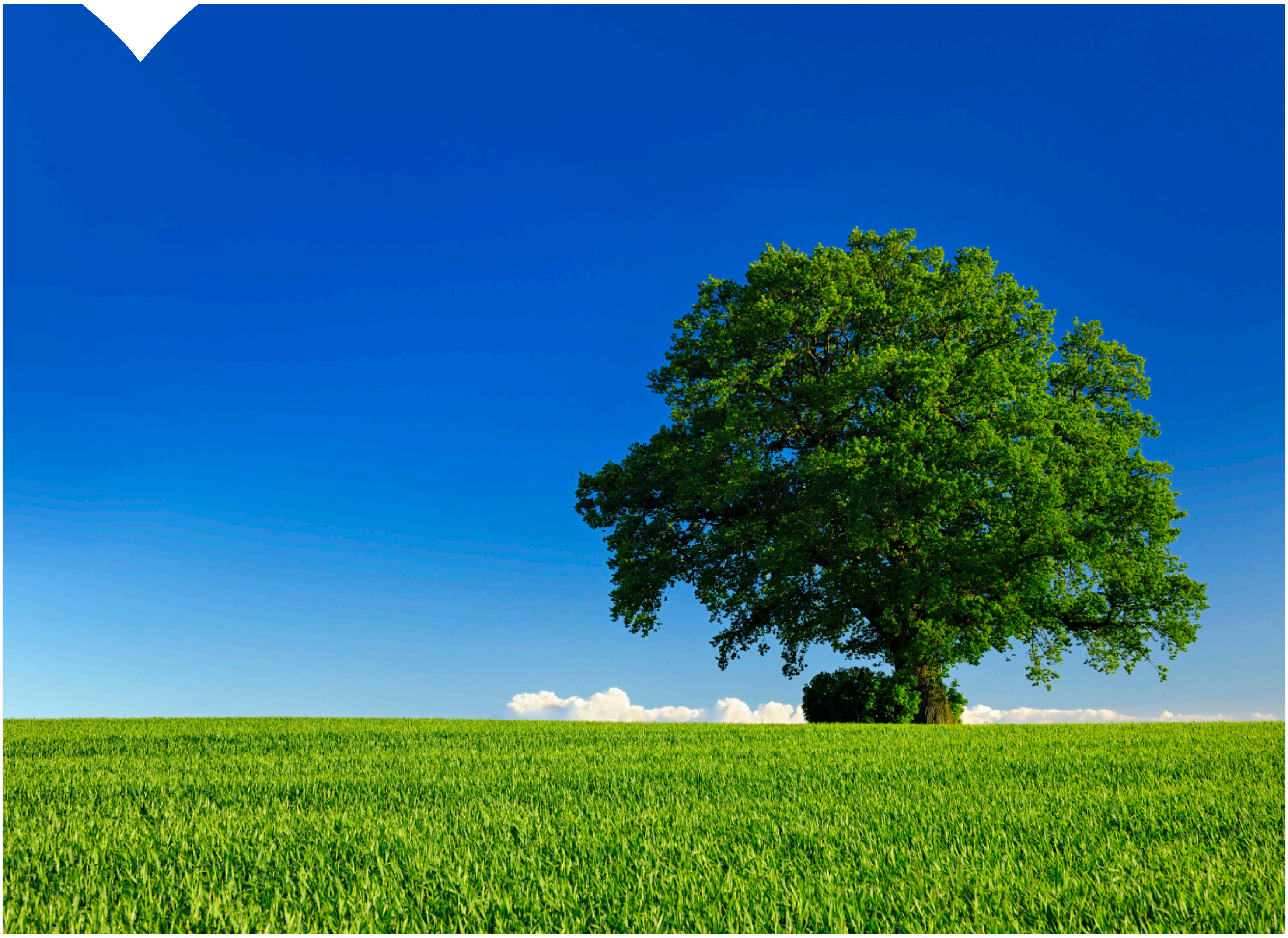
MAYER • BROWN

November 2017

Trustee Quarterly Review

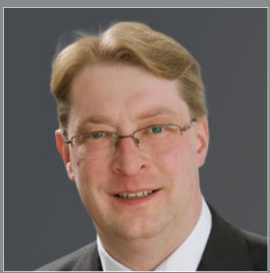
Quarterly update for pension scheme trustees



Introduction

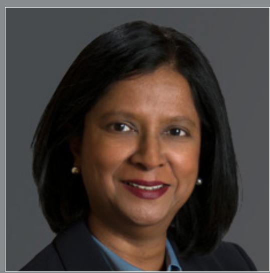
Welcome to the November 2017 edition of our Trustee Quarterly Review. The Review is published by the Mayer Brown Pensions Group each quarter, and looks at selected legal developments in the pensions industry over the previous quarter that we believe are of particular interest to trustees of occupational pension schemes. Each article summarises the relevant development and provides a short commentary on its likely implications for trustees. The Review also includes details of upcoming Pensions Group events at Mayer Brown, and a timeline of important dates and expected future developments.

Please speak to your usual contact in the Pensions Group if you have any questions on the issues covered in this edition of the Review.



Ian Wright

Co-Head of Pensions, London
E: iwright@mayerbrown.com



Jay Doraisamy

Co-Head of Pensions, London
E: jdoraisamy@mayerbrown.com

Contents

PPF – third levy triennium policy statement and consultation on 2018/19 levy rules

In September, the Pension Protection Fund ("**PPF**") published a policy statement in response to its March consultation on the framework for the next PPF levy triennium covering the 2018/19 to 2020/21 levy years. It is also consulting on some small changes to the 2018/19 levy rules.

Summary

Following its consultation on proposed changes to the PPF levy framework for the 2018/19 to 2020/21 levy years, the PPF has published a policy statement setting out the results of that consultation, along with a second consultation on the 2018/19 levy rules and a small number of additional proposals aimed at improving the PPF's assessment of underfunding. The second consultation closed on 1 November, and the PPF aims to publish its conclusions and the final levy rules in December.

The PPF is seeking to collect £550m for the 2018/19 levy. The PPF recognises that stakeholders value stability and that the current levy framework works well, so is seeking only to make changes that it thinks are necessary and beneficial. The PPF has confirmed that it will implement the proposals consulted on in March with only limited changes.

The PPF recognises that the proposed changes will result in some schemes, particularly those with larger employers, paying a higher levy, but it expects that the new levy rules will mean approximately two thirds of schemes will actually see a reduction in their levy.

The changes that the PPF has decided to implement in the next levy triennium are summarised below.

Scorecards

The PPF uses scorecards to assess the risk of a sponsoring employer's insolvency. It currently has eight scorecards for different types of sponsoring employer. In order to reflect actual insolvency experience that it has seen, in its March consultation the PPF suggested changing the scorecards to ensure more accurate insolvency risk scores. In brief, the PPF suggested revising how employers are allocated to scorecards, to ensure that scorecards are tailored to employer size, and to amend the scorecards for employers who file small accounts to provide more predictability. Having regard to the responses to its March consultation, the PPF intends to implement this change with some modifications, such as recalibrating the group scorecards and smoothing low values (both positive and negative where relevant).

In addition, the PPF asked for views on whether it would be sensible to calculate the levy using scores as at 31 March each year, rather than continuing to average monthly scores, as this would be simpler. The PPF has decided to retain monthly averages for now in light of concerns that a single point could encourage gaming.

Assessing insolvency risk

The PPF suggested in its March consultation that there could be significant benefits in using credit ratings and industry scorecards for the largest employers, as well as taking a different approach to insolvency risk assessment for smaller schemes such as those with proximity to the Government or with no substantive employer. The PPF is adopting this new approach in the levy rules, and has clarified that the proximity to the Government can include foreign governments.

Small schemes

In its March consultation, the PPF wanted to simplify the levy system and, in particular, to find ways of reducing the administrative burden for smaller schemes (which lack the same resources as schemes with larger employers). The PPF has concluded that it will focus on improved information flow to small schemes rather than designing different levy rules.

Certifying risk reduction

The PPF proposed changes to the risk reduction certification in its March consultation. The changes included requiring a guarantor strength report (to demonstrate that the guarantor would be able to satisfy the guarantee on its insolvency) to be prepared in advance of certification for very high value Type A contingent assets (group company guarantees), as well as making it easier for guarantor employers to have a guarantee taken into account and for multiple guarantors to be accepted so that more employers can benefit from levy reductions. The PPF is proposing to adopt these changes, but has amended the threshold so the report requirement will only apply to schemes where the expected levy saving from a guarantee is £100,000 or more.

The PPF has also confirmed that it will, as proposed, review the template contingent asset agreements. The PPF has said that, in order to be recognised, existing contingent assets will need to be amended or re-executed on the new standard terms to ensure consistency. However, in light of the responses to the March consultation, the PPF has decided that existing contingent assets will not have to be moved to the new templates until the 2019/20 levy year. The PPF is consulting further on the amended forms before it publishes the final versions with the levy rules for 2018/19.

Good governance levy discount

Finally, the PPF sought views in its March consultation on the possibility of introducing a levy reduction for good governance. The PPF has concluded that this should be kept under review, but no changes should be made at present as it is hard to measure governance objectively in a way that translates into a levy factor, and the positive benefits of good governance are likely to have been captured already.

The consultation

The PPF has also consulted on the levy rules for 2018/19, which seek to implement the PPF's decided policy. The PPF was particularly interested in feedback on its proposals:

- to narrow the levy rates – there would also be an adjustment to the scaling factor for certain bands so that schemes with employers remaining in the same band or seeing a single band worsening will see a lower levy; and
- to change the measure of investment risk – there would be a move to using real and nominal stress factors to derive interest rates and inflation stress factors.

The final levy rules and associated documents will be published in December. The PPF is looking to improve customer service and to simplify certain types of block transfers.

Comment

Most DB schemes will welcome the fact that, for the most part, the PPF has decided to leave the current levy rules unchanged. However, the changes to contingent assets could potentially be more controversial: while there are plans to enable employers to more readily benefit from levy reductions using contingent assets, the requirement that existing contingent assets are moved onto the new templates could be onerous. Although the PPF has taken account of concerns from stakeholders and confirmed that for existing agreements, the new templates will not need to be used until 2019/20, new contingent assets will need to use the new templates for the 2018/19 levy year.

Beth Brown

Pension fund management services provided by regulated insurance companies – change to VAT treatment

HM Revenue & Customs ("**HMRC**") has published a brief announcing a change to the VAT treatment of fund management services provided to pension schemes by regulated insurance companies. The change is likely to result in a significant increase in fund management costs for DB pension schemes.

The brief

Currently, fund management services provided by regulated insurance companies to pension schemes are exempt from VAT (the **"exemption"**). The brief announces that, with effect from 1 January 2018, this exemption will be discontinued, with the result that regulated insurance companies will be required to charge VAT on the pension fund management services that they provide.

Since publication of the brief, HMRC has informed the Institute of Chartered Accountants in England and Wales that it will delay discontinuation of the exemption until later in 2018 or the first half of 2019 to give insurance companies more time to implement the change.

Impact for DC schemes

There is a separate VAT exemption for fund management services provided to "special investment funds" (**"SIFs"**). In 2013, the Court of Justice of the European Union (**"CJEU"**) ruled in the *ATP* case that DC pension schemes are SIFs. As such, fund management services provided to DC pension schemes are exempt from VAT, and this exemption will not be affected by the change of policy announced in the brief.

Impact for DB schemes

In 2013, the CJEU ruled in the *Wheels* case that DB pension schemes are not SIFs. Fund management services provided to DB pension schemes do not therefore benefit from the VAT exemption for services provided to SIFs. As such, with effect from the date that the exemption is discontinued, regulated insurance companies providing fund management services to DB pension schemes will be required to charge VAT on those services.

Comment

DB schemes should confirm with their investment consultants the extent to which the scheme's fund management services are provided by regulated insurance companies in order to assess how their fund management costs will increase as a result of the brief.

James Hill

Charges and investment disclosure in DC schemes – proposed new obligations

The Government has published a consultation on draft regulations introducing a range of additional charges and investment disclosure requirements for occupational pension schemes providing DC benefits, and draft accompanying statutory guidance.

Background

In April 2015, the Government introduced a number of measures concerning costs and charges in occupational pension schemes providing DC benefits. These included a 0.75% cap on charges in default funds in schemes being used for automatic enrolment, a requirement for trustees to conduct an annual calculation of member-borne charges and transaction costs and an assessment of the extent to which those costs and charges represent good value for members, and a requirement to disclose the following in a governance statement in the scheme's annual report:

- the level of member-borne charges and transaction costs applicable to the scheme's default arrangement or, where there is more than one default arrangement, the range of levels of charges and transaction costs;
- the range of levels of member-borne charges and transaction costs applicable to non-default funds in which member assets are invested during the scheme year;
- any information on member-borne transaction costs that trustees have been unable to obtain, and the steps being taken to obtain this information in future; and
- an explanation of the trustees' value for members assessment.

Further charging restrictions were imposed on occupational pension schemes providing DC benefits in April 2016 (bans on active member discounts and member-borne commission arrangements), and in October 2017 (a cap on early exit charges and an extension of the ban on member-borne commission arrangements).

The draft regulations

Among other things, the draft regulations:

- Amend the requirements concerning the information on costs and charges that trustees of schemes providing DC benefits must include in the annual governance statement so that trustees will be required to:
  - state the level (rather than the range) of member-borne charges and transaction costs applicable to each default arrangement and to each non-default fund which members can select and in which member assets are invested during the scheme year; and
  - include an illustrative example of the cumulative effect over time of the application of member-borne charges and transaction costs on the value of a member's accrued DC benefits.
- Introduce a requirement for schemes providing DC benefits to publish free of charge on a website those parts of the annual governance statement that deal with:
  - information relating to the default arrangement(s); and
  - information relating to member-borne charges and transaction costs.

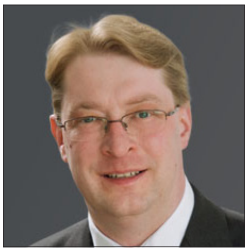
  Schemes must also include in members' annual benefit statements the fact that members can access this information on the website and details of how they can do so, including the website address.
- Introduce a requirement for schemes providing DC benefits to prepare a document containing certain information in relation to pooled funds in which member assets are invested. This document must be prepared within seven months of the end of the scheme year, and must be disclosed on request from a member or recognised trade union. Schemes must also include details of how members can obtain a copy of this document in members' annual benefit statements.

Trustees must have regard to the draft statutory guidance when complying with the requirement to include information on the scheme's default arrangement(s) and on member-borne charges and transaction costs in the scheme's annual governance statement. They must also have regard to the guidance when preparing the pooled funds document.

The consultation closes on 6 December, and the regulations are intended to come into force on 6 April 2018.

Comment

Currently, schemes are not required to disclose information on charges and transaction costs in relation to the investment of non-DC benefits. The Government believes that as the costs and risks of providing such benefits are borne by the sponsoring employer rather than the members, the employer is incentivised to monitor and, where appropriate, limit such charges and costs. However, it will consider in future whether to extend the requirements to apply in relation to non-DC benefits as well.



Ian Wright

DC bulk transfers without consent – proposed new rules

The Government has published a consultation on draft regulations making changes to the rules governing bulk transfers of DC benefits without member consent.

Background

Currently, a bulk transfer of benefits can only be made from an occupational pension scheme without member consent if certain conditions are satisfied. These include the following:

- A requirement for actuarial certification that the transfer credits to be acquired for each member in the receiving scheme are broadly no less favourable than the rights being transferred.
- A requirement for the transferring and receiving schemes to have one of the following connections:
  - both schemes relate to members who are (or were) in employment with the same employer; or
  - the transfer is being made as a result of a financial transaction between the employers; or
  - the employers are, broadly, part of the same corporate group.

In December 2016, the Government published a call for evidence on whether changes should be made to the rules governing bulk transfers of DC benefits without member consent.

The draft regulations

The changes proposed in the draft regulations include:

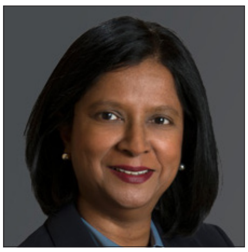
- removal of the actuarial certification requirement for "pure" DC to DC transfers without consent (i.e. where there are no potentially valuable guarantees or options attaching to the DC benefits);
- removal of the scheme connection requirement for pure DC to DC transfers without consent;
- introduction of a requirement for trustees making a pure DC to DC bulk transfer without consent to a scheme other than an authorised master trust scheme to obtain the advice of a professional with appropriate DC investment knowledge who is independent of the receiving scheme; and
- introduction of a requirement for the receiving scheme to continue to apply the DC charges cap where this applied in the transferring scheme to the benefits being transferred.

The consultation closes on 30 November, and the draft regulations are intended to come into force on 6 April 2018.

Comment

The current requirements that must be met in order to make a bulk transfer of DC benefits without member consent have caused a number of issues for schemes – for example, a scheme that only provides DC benefits is not required to have a scheme actuary and so will need to appoint one especially for the purposes of providing the required actuarial certificate. It is also not clear exactly how the actuary is expected to approach the comparison between the two schemes in the DC context, and the scheme connection requirement makes little sense in the DC context where employer covenant is of no relevance.

The proposed removal of the actuarial certification and scheme connection requirements should therefore simplify DC bulk transfers without consent significantly, while the proposed new requirement for trustees to take advice before making a transfer (except for transfers to authorised master trust schemes) should, when combined with the trustees' fiduciary duties, ensure that members' interests are protected.



Jay Doraisamy

Pension scams – Government consultation response

The Government has published a response to its consultation on tackling the problem of pension scams. The response sets out a multi-pronged approach to make it more difficult for scammers to open, market and receive transfers into fraudulent schemes. There is to be a ban on cold calling in relation to pensions, new restrictions on statutory pension transfers, and new requirements for companies who wish to set up pension schemes.

Cold calling ban

The Government will be introducing a ban on cold calling and unsolicited electronic communications (e.g. text messages and emails) in relation to pensions. Cold calling is the most common method used by scammers to initiate pension fraud. It is hoped that the introduction of the ban will send a clear message to consumers that unsolicited communications about pensions are intrinsically linked to pensions fraud. In practice, the success of this initiative will depend in large part on making the public aware of the ban. As well as raising awareness via government organisations, respondents to the consultation also suggested mass media campaigns through various channels, as well as targeting the older population via GP surgeries and post offices.

It is intended that the ban will be enforced by the Information Commissioner's Office. In the consultation response, the Government said it intends to work on the details of the ban during 2017, and will put forward legislative proposals when parliamentary time allows. Subsequently, during the passage of a separate bill to establish a single public financial guidance body, the House of Lords extended that body's remit to require it to advise the Government to ban pension cold calling if it considers a ban to be conducive to its functions. This amendment to the bill was made in spite of Government opposition, and there has been no word from the Government as to whether it will be retained or reversed, but the Government had previously said that this would ultimately delay implementation of the proposed ban.

Restrictions on statutory transfer rights

The statutory right to transfer pension benefits is to be restricted to make it more difficult for fraudulent schemes to receive pension transfers. Statutory transfers will be limited to receiving schemes that are:

- personal pension schemes that are operated by firms authorised by the Financial Conduct Authority;
- authorised master trust schemes; and
- occupational pension schemes where there is evidence of a genuine employment link between the member and the receiving scheme employer.

The Government plans to work with the pensions industry to finalise the details of this proposal. In particular, further thought needs to be given to the evidence that will be required to demonstrate a genuine employment link, and how the statutory right can include legitimate transfers to qualifying recognised overseas pension schemes.

In conjunction with the tightening on statutory transfer rights, the Government will be considering whether to give schemes a power to make non-statutory transfers, where their rules do not already allow this, and will also consider whether there is call to underline in legislation the need for trustees to undertake due diligence for non-statutory transfers.

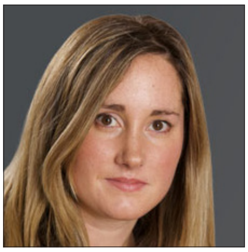
Introduction of these new restrictions will be co-ordinated with the roll-out of the master trust authorisation regime, which is expected to start in late 2018 and to be completed in 2019.

Opening a new scheme

It will generally not be possible for a dormant company to register a new pension scheme. In addition, HM Revenue & Customs will be able to decide to de-register an existing scheme if they are registered with a dormant sponsoring employer. This is intended to make it more difficult for fraudsters to set up and operate registered pension schemes. These changes will be included in a Finance Bill later this year, and draft Finance Bill clauses have been published for consultation. The new registration and deregistration powers are expected to come into force on 6 April 2018.

Comment

The consultation response sets out some positive steps to try to make it more difficult for pension scammers to operate. In the short term, the results of this response are unlikely to have much impact on the public, as the Government has not committed to timeframes for introducing the relevant legislation. It is hoped that these steps, particularly the ban on cold calling (and an associated awareness campaign), can be implemented speedily.



Olivia Caird

Retrospective equalisation – the Court of Appeal asks for the EU view

The Court of Appeal has handed down its judgment in the *Safeway* case which looked at whether the normal pension age ("**NPA**") of men and women in the Safeway pension scheme was equalised at age 65 with effect from 1 December 1991 or only from 2 May 1996.

Background

Prior to the *Barber* decision, the Safeway scheme had an NPA of 65 for men and 60 for women. A written announcement was issued in September 1991, together with a letter to members dated 1 December 1991, which were said to introduce an equal NPA of 65 for both men and women with effect from 1 December 1991. However, the scheme's trust deed and rules were not amended to reflect this until 2 May 1996.

If the new NPA was effective only when the trust deed and rules were formally amended, then members' NPA would not have been equalised at 65 until 2 May 1996. Rules about equal treatment would have meant that any pension earned by either a man or a woman between 17 May 1990 and 2 May 1996 would be payable from age 60 without any reduction for early retirement.

In the High Court, Safeway argued that the announcement and letter changed the NPA with effect from 1 December 1991. This raised two issues – one of domestic English law and the other of EU law.

The High Court decision

The first issue concerned the interpretation of the scheme's amendment power (which was contained in Clause 19 of the scheme's trust deed), in particular the meaning and effect of wording which permitted amendments "to take effect from ... the date of such Deed **or the date of any prior written announcement to Members**" (emphasis added). This issue was decided by applying English law principles on the interpretation of documents.

The High Court judge rejected Safeway's argument that Clause 19 meant that an amendment was effectively made by issuing an announcement, with a formal amendment to the scheme documentation to follow thereafter. The amendment power did not deem the scheme to be amended in line with the announcement pending execution of the deed.

The judge found that there was a clear requirement in Clause 19 that any amendment must be made by deed and that, on its terms, until there is a deed, there is no amendment. The correct reading of Clause 19 was that an amendment made by deed could have retrospective effect back to the date of an earlier announcement – subject to the usual controls that the law places on retrospective amendments. (It should be noted that in 1996, s67 Pensions Act 1995, which places statutory restrictions on the amendments that can be made to accrued benefits, was not yet in force.)

The second issue concerned the operation of one of those controls on retrospective amendments. The High Court had to consider whether the exercise of the Clause 19 power in 1996 could be used to achieve equal NPAs from 1991 as a matter of EU law. This involved consideration of whether the High Court's analysis in the *Harland & Wolff* case (as it happens, heard by the same judge as this case) was correct, and whether it would have been decided differently had the arguments advanced on behalf of Safeway been before the High Court.

Following an examination of the relevant EU treaty provisions on equal treatment and the EU cases in which the principles were developed, the High Court judge found that his decision in *Harland & Wolff* was correct. The EU cases on equal treatment establish a general principle against achieving equality by retrospectively changing the position of the advantaged class so that it was in the same position as the disadvantaged class (known as "levelling-down"). The form of the amendment power cannot override the application of this principle, so it did not matter that Clause 19 provided for amendments to have retrospective effect.

Safeway appealed the High Court's decision.

The Court of Appeal's decision

The Court of Appeal agreed with the High Court judge's ruling that the Safeway scheme's amendment power required equalisation to be effected by means of a deed of amendment, and that the 1991 announcement was not therefore sufficient in itself to amend the scheme.

However, the Court of Appeal did not consider that EU case law had clearly established a general principle against retrospective levelling-down where this was possible under domestic law. In particular, in the main case that the High Court judge had relied on in reaching his decision, *Smith v Avdel Systems*, the Court of Justice of the European Union (**"CJEU"**) did not consider the question of whether a power to retrospectively level down existed. The Court of Appeal therefore referred the question of whether EU law prohibits retrospective equalisation to the CJEU.

Safeway had raised a separate argument that s62 Pensions Act 1995, which implies an equal treatment rule into occupational pension schemes, had the effect of equalising the scheme's NPA automatically, and that the 1996 deed of amendment simply raised the scheme's equalised NPA to 65 for both sexes as a second step. The High Court rejected this argument, but the Court of Appeal declined to answer the question pending the outcome of its reference to the CJEU.

Comment

The *Harland & Wolff* case was decided by the High Court in 2006 and has not been challenged since. The Court of Appeal's decision to refer the question of retrospective equalisation to the CJEU therefore re-opens a question which many in the pensions industry had considered settled. It remains to be seen, however, when (or, in light of Brexit, if) the CJEU will hear the case, given that there are three other pensions-related references from the UK courts before it, none of which has been given a hearing date yet.

Safeway Limited v Newton and another [2017] *EWCA Civ 1482*

Stuart Pickford

Katherine Carter

In other news...

Finance Bill – reduction to money purchase annual allowance

A new Finance Bill has been laid before Parliament. Among other things, it provides for:

- reduction of the money purchase annual allowance from £10,000 to £4,000; and
- replacement of the current £150 income tax and National Insurance contributions exemption for employer-funded pensions advice with a new £500 exemption that also covers advice on general financial and tax issues relating to pensions.

Both measures will have retrospective effect from 6 April 2017. These measures were originally included in the Finance Act 2017, but were removed during that Act's passage through Parliament in order to ensure that the Act received Royal Assent before the June 2017 general election.

Data protection – UK legislation

A Data Protection Bill has been laid before Parliament that:

- repeals the Data Protection Act 1998;
- sets new standards for protecting personal data, in accordance with the European General Data Protection Regulation; and
- preserves existing tailored exemptions in the Data Protection Act 1998.

Brexit – legislation

Legislation has been laid before Parliament that:

- repeals the European Communities Act 1972 with effect from the date the UK leaves the EU;
- converts EU law as it stands at exit into domestic law before the UK leaves the EU; and
- creates powers to make secondary legislation, including temporary powers to enable corrections to be made to the laws that would otherwise no longer operate appropriately once the UK has left the EU and to implement a withdrawal agreement.

The legislation also provides that retained EU case law will have the same binding, or precedent, status in domestic courts and tribunals as existing decisions of the Supreme Court, but that the Supreme Court will not be bound by either retained general principles or retained EU case law.

"End of contracting-out" statements will not now be published

HM Revenue & Customs (**"HMRC"**) has announced that it will not now send "end of contracting-out" statements to members once the guaranteed minimum pension (**"GMP"**) reconciliation process is completed in December 2018. These statements had originally been intended to form the final part of the GMP reconciliation process and, although HMRC never confirmed what information the statements would contain, it had been suggested that they should contain details of the member's contracted-out rights according to HMRC records.

Pensions Regulator monetary penalties and professional trustee description policies

The Pensions Regulator has published its finalised monetary penalties policy and professional trustee description policy. The fact that an individual is a professional trustee is a factor that the Regulator will take into account when deciding what level of monetary penalty to impose.

The Regulator considers a professional trustee to include any person, whether an individual or a company, who acts as a trustee in the course of the business of being a trustee. The Regulator will not normally consider a paid trustee to be acting as a professional trustee if:

- they are or have been:
  - a member of the pension scheme or a related pension scheme; or

– employed by, or a director of, a participating employer (or an employer in the same corporate group); and

- they do not act, or offer to act, as a trustee in relation to any unrelated scheme.

21st century trusteeship campaign launched

The Pensions Regulator has launched a "21st Century Trusteeship" campaign to raise standards of scheme governance. Measures to be taken as part of the campaign include:

- targeted emails to direct trustees, scheme managers, employers and advisers to a new page on the Regulator's website with specific and relevant content setting out clear standards that the Regulator expects schemes to meet;
- signposting to supporting resources, including guidance and practical tools to help trustees raise their scheme governance standards; and
- extra content on the Regulator's website, covering key governance themes.

Employee/member support on financial matters – guidance

The Pensions Regulator and the Financial Conduct Authority have published a joint guide on what support employers and trustees can provide to employees/members on financial matters without needing FCA authorisation.

Investment consultancy and fiduciary management market – market investigation

The Competition and Markets Authority (**"CMA"**) has launched a market investigation into investment consultancy and fiduciary management services provided to institutional investors (in particular, pension schemes). The investigation was launched following a market investigation reference by the Financial Conduct Authority about the competitive functioning of the asset management industry, about which it expressed concerns in the final report on its asset management market study. The CMA will investigate whether there has been any adverse effect on competition in the market and, if so, what remedial action should be taken.

Recovery of overpayments – successful defence

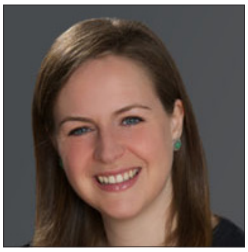
The Ombudsman has decided that a scheme could not recover overpayments from a member where she had been assured following a previous pension calculation error that the pension payments she was receiving were correct, and she had spent the overpayments in good faith on items she would not otherwise have purchased.

Mrs S (PO-10270)

Late payment of lump sum – loss of investment opportunity

The Deputy Ombudsman has directed a scheme to compensate a member for lost investment opportunity where the scheme took nearly a year to pay the member's pension commencement lump sum. The Deputy Ombudsman held that, based on evidence provided by the member of his previous investment history, he would have invested 90% of the lump sum in two particular investments. The Deputy Ombudsman therefore directed the scheme to compensate the member for the investment return that he would have received from those investments over the period between when the lump sum should have been paid and when it was actually paid.

Mr D (PO-13219)



Katherine Carter

Upcoming Pensions Group events at Mayer Brown

If you are interested in attending any of our events, please contact Katherine Carter (kcarter@mayerbrown.com) or your usual Mayer Brown contact. All events take place at our offices at 201 Bishopsgate, London EC2M 3AF.

- **Trustee Foundation Course**
  5 December 2017
  27 February 2018
  15 May 2018
  11 September 2018
  11 December 2018

Our Foundation Course aims to take trustees through the pensions landscape and the key legal principles relating to DB funding and investment matters, as well as some of the specific issues relating to DC schemes, in a practical and interactive way..

- **Trustee Building Blocks Classes**
  12 June 2018 – topic to be confirmed
  13 November 2018 – topic to be confirmed

Our Building Blocks Classes look in more detail at some of the key areas of pension scheme management.

The View from Mayer Brown – Pensions Podcasts

Every month Richard Goldstein, a partner in our Pensions Group in London, places a spotlight on key developments that could affect your scheme in a podcast. Just 10-15 minutes long and available on iTunes, the podcasts provide a quick and easy way to stay on top of the current issues in pensions law.

Listen to or subscribe to The View from Mayer Brown Pensions Podcasts via iTunes here:

Subscribe via iTunes

Please note – subscribing above will only work on a device with iTunes installed. Alternatively, if you don't have iTunes, you can access the podcasts via our website.

A Global Guide to Retirement Plans & Schemes

We have recently launched the latest in our series of global guides, A Global Guide to Retirement Plans & Schemes.

The Guide provides an overview of the laws relating to the regulation of retirement plans and schemes in 50 key countries. Each chapter provides a general outline of the country's social security system and the main rules governing employer-sponsored retirement plans/schemes.

The Guide draws on the input of lawyers from across our global Employment & Benefits Group, as well as our network of best friend law firms. It is available via the Mayer Brown website as an eBook/web reader and as an interactive PDF.

Dates and deadlines

2017
Government review of automatic enrolment, including review of level and scope of DC charges cap

5 April 2018
Deadline for making resolution under s68, Pensions Act 1995 to remove protected rights provisions from scheme rules

6 April 2018
- Automatic enrolment - 2% employer contributions required for DC schemes
- CPI indexation of lifetime allowance to be introduced
- Introduction of new valuation requirements for transfers/ conversions of safeguarded benefits and new risk warning requirements for transfers/conversions and lump sum payments of safeguarded-flexible benefits
- New charges and investment disclosure requirements for DC schemes expected to come into force
- New rules on DC bulk transfers without consent expected to come into force
- New HMRC scheme registration and deregistration powers expected to come into force

21 May 2018
Deadline for implementation of Portability Directive into UK law

25 May 2018
EU General Data Protection Regulation comes into force

October 2018
Roll-out of new authorisation and supervision framework for master trusts expected to start

13 January 2019
Deadline for implementation of IORP II Directive into UK law

6 April 2019
Automatic enrolment - 3% employer contributions required for DC schemes

5 April 2021
Deadline for employers to exercise statutory power to amend their schemes to reflect increase in employer NICs resulting from abolition of contracting-out

Key:

Important dates to note

For information

About Mayer Brown

Mayer Brown is a global legal services organization advising clients across the Americas, Asia, Europe and the Middle East. Our presence in the world's leading markets enables us to offer clients access to local market knowledge combined with global reach.

We are noted for our commitment to client service and our ability to assist clients with their most complex and demanding legal and business challenges worldwide. We serve many of the world's largest companies, including a significant proportion of the Fortune 100, FTSE 100, CAC 40, DAX, Hang Seng and Nikkei index companies and more than half of the world's largest banks. We provide legal services in areas such as banking and finance; corporate and securities; litigation and dispute resolution; antitrust and competition; US Supreme Court and appellate matters; employment and benefits; environmental; financial services regulatory and enforcement; government and global trade; intellectual property; real estate; tax; restructuring, bankruptcy and insolvency; and wealth management.

Please visit www.mayerbrown.com for comprehensive contact information for all Mayer Brown offices.