

The Pensions Brief

At a glance...

Issues affecting all schemes

▲ **DASHBOARDS – REGULATIONS**

Regulations receive parliamentary approval

▲ **DASHBOARDS – STANDARDS**

Finalised standards and guidance

▲ **DASHBOARDS – ENFORCEMENT**

Pensions Regulator consultation on compliance and enforcement policy

PENSION SCAMS

Warning of increased scam risk

EQUALITY, DIVERSITY AND INCLUSION

Pensions Regulator blog post

▲ Action required

▲ Follow development and keep under review

Issues affecting DB schemes

▲ **LIABILITY-DRIVEN INVESTMENT**

Pensions Regulator statement on maintaining resilience

▲ **REVALUATION**

Statutory final salary method percentages



Issues affecting all schemes

Pensions dashboards – regulations

The [regulations](#) setting out the detailed requirements for pension dashboards that occupational pension schemes and dashboard providers must comply with have received parliamentary approval and will come into force on 12 December 2022.

Action

Trustees and administrators should review the regulations and update their dashboards preparations as necessary.

Pensions dashboards – standards

The Pensions Dashboards Programme (PDP) has published the following finalised standards:

- [Code of connection](#) – this sets out how schemes and dashboard providers are to connect to the dashboards ecosystem and what they need to do to remain connected. It details the security, service and operational standards to which schemes and dashboard providers must adhere.
- [Data standards](#) – these set out the data formatting requirements that schemes must follow when returning pensions data.
- [Technical standards](#) – these are what schemes and dashboard providers will use to interface with the central technical architecture of the dashboard ecosystem and each other.
- [Reporting standards](#) – these set out the data that schemes and dashboard providers must supply to the Pensions Regulator, the Financial Conduct Authority, the PDP (on behalf of the Money and Pensions Service) and the government.

Schemes and dashboard providers must comply with these standards when meeting their obligations under the dashboards legislation. The standards will come into force once they receive ministerial approval.

The PDP has also published the following finalised guidance:

- [Data usage guide](#) – this describes how data is used, and when to send each section of data. It is designed to help schemes understand how to choose which data items held in their systems are required. An [appendix](#) provides worked examples of how schemes might fill out the data required in the view message.
- [Early connection guidance](#) – this sets out when schemes can apply to connect to the dashboard ecosystem earlier than their staging deadline and the process they need to follow. It is statutory guidance to which schemes must have regard if they wish to connect early.
- [Approach to governance of standards](#) – this sets out how the PDP has developed the standards, outlines their scope, and describes the process for making any future changes to them.

Action

Trustees and administrators should review the standards and guidance and update their dashboards preparations as necessary.

Pensions dashboards – enforcement

The Pensions Regulator is consulting on its draft pensions dashboards compliance and enforcement policy. The policy sets out the Regulator’s expectations on how schemes should comply with the dashboards legislation and its approach to regulating compliance. The consultation closes on 24 February 2023.

Action

Trustees and administrators should keep the progress of the consultation under review.

Equality, diversity and inclusion progress

The Pensions Regulator has published a blog post on equality, diversity and inclusion (EDI). The post notes that while progress has been made on the Regulator’s EDI objectives, a significant amount of work remains.

Action

No action required.

Pension scams – regulatory warning

The Pensions Regulator, the Financial Conduct Authority and the Money and Pensions Service have issued a joint warning to trustees and savers of a potential increased risk from scammers seeking to cash in on the current economic uncertainty. The three organisations are concerned that:

- Fears over the economy, such as the recent extreme movements in gilt yields, may prompt savers to incorrectly decide that there is a risk to their retirement pots and make rushed decisions about their finances.
- Cost of living increases and interest rate rises may make savers more likely to look for ways to shore up their finances, potentially leaving them exposed to scams.

Action

No action required, but trustees and administrators should ensure that they keep up to date with, and follow, industry good practice around identifying scams and warning members of the risks of scams.



Issues affecting DB schemes

Liability-driven investment – maintaining resilience

The Pensions Regulator has published a [guidance statement](#) setting out its recommended actions for trustees of DB schemes that use liability-driven investment (LDI) in light of the recent gilt market volatility. The Regulator expects trustees with investments in segregated leveraged LDI mandates and/or single client LDI funds to:

- Maintain a specified level of liquidity buffer to withstand a fast and significant rise in gilt yields.
- Review and, where necessary, improve their scheme’s operational governance.

The Regulator is continuing to monitor this area and to discuss it with a range of external stakeholders. It plans to issue a further update in its 2023 annual funding statement and will issue further statements and investment guidance as necessary. For more information, please see our [legal update](#).

Action

Trustees of DB schemes which have investments in segregated leveraged LDI mandates and/or single client LDI funds should review the statement and consider what changes they may need to make to their investment and governance arrangements in light of the statement. Trustees should take advice from their investment consultants and, where relevant, their legal advisers in this respect.

Deferred pensions – revaluation

An [order](#) specifying the percentages to be used when revaluing deferred pensions using the statutory final salary method has been made and will come into force on 1 January 2023.

Action

Trustees and administrators of schemes that use the final salary revaluation method should ensure that the percentages specified in the order are applied.



Mayer Brown news

Upcoming events

For more information or to book a place, please contact [Katherine Carter](#).

- **Trustee Foundation Course**
 - 8 March 2023
 - 7 June 2023
 - 6 September 2023
 - 6 December 2023
- **Trustee Building Blocks Classes**
 - 17 May 2023 – topic to be confirmed
 - 8 November 2023 – topic to be confirmed
- **Quarterly webinars**
 - 13 December 2022 – [Corporate refinancings and the Pension Schemes Act 2021: \(almost\) everything you wanted to know, but were too afraid to ask](#)

Recent Mayer Brown work

[Edward Jewitt](#) and [Liam Kellett](#) (from our pensions team) and [Tim Shepherd](#) (from our insurance team) advised the trustee of the TT Group (1993) Pension Scheme on its £400 million buy-in securing the benefits of around 5,000 members. As a result of this transaction, the scheme's liabilities are now matched by insurance policies.

Mayer Brown media comment

[Duncan Watson](#) and [Katherine Carter](#) wrote an [article](#) for Lexis PSL on the government's recent consultation on draft regulations implementing a range of measures designed to encourage DC schemes to invest in illiquid assets.

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

For more information about the Pensions Group, please contact:



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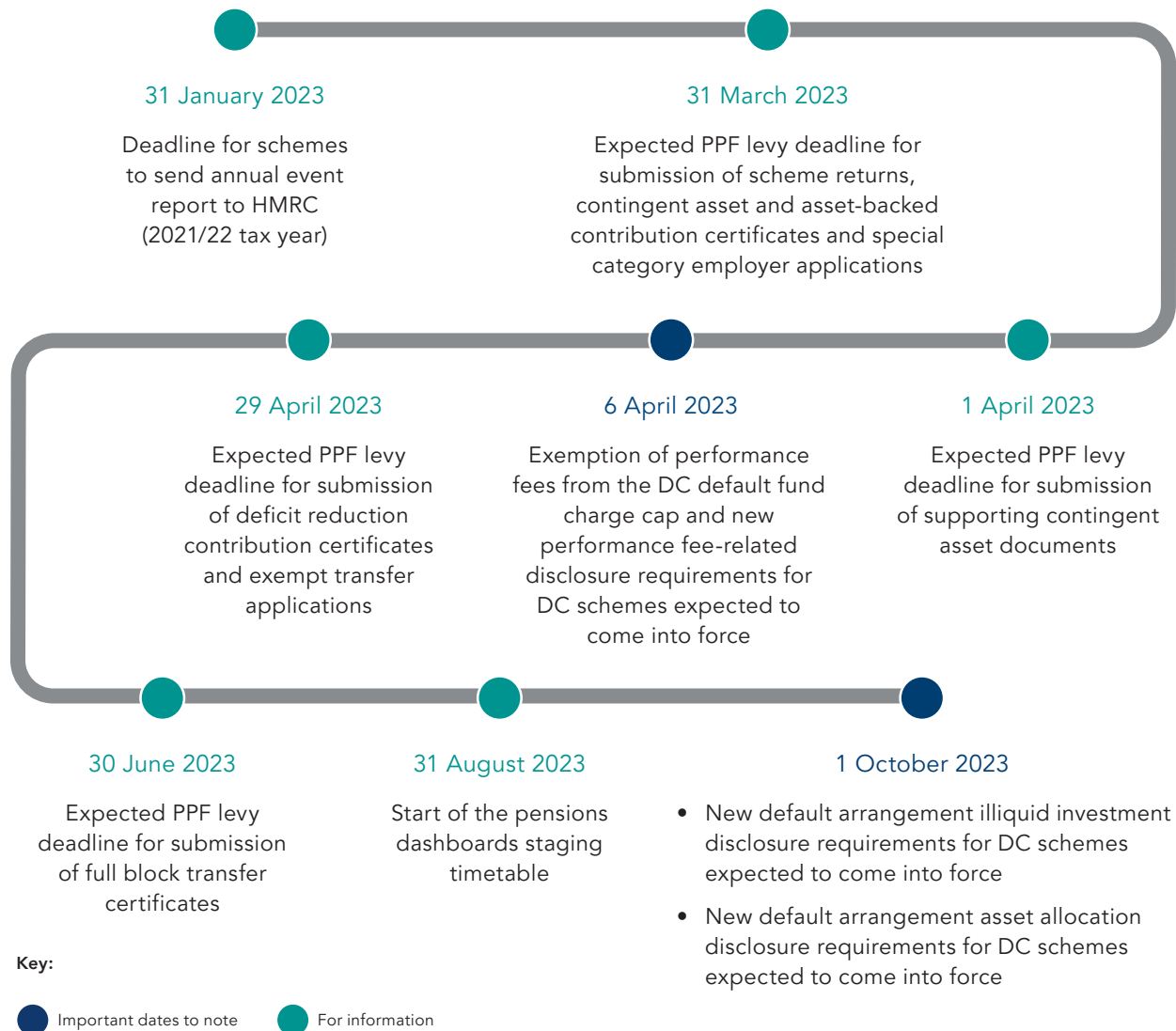
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Dates to note over the next 12 months



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