SLAUGHTER AND MAY/

PENSIONS BULLETIN

JULY 2022

# PENSIONS BULLETIN

## QUICK LINKS


The Pensions Regulator's new Corporate Plan 2022 to 2024

Climate risk: New portfolio alignment metric

High Court challenge to pension scheme trustees' investment strategy

DWP finalised guidance on stewardship reporting

Pensions dashboards: the Pensions Regulator's initial guidance

Code of Practice on authorisation of CDC schemes

Pension legislation and regulation watch list



One Bunhill Row
London EC1Y 8YY
United Kingdom
T: +44 (0)20 7600 1200


In this month's Pensions Bulletin, we cover:

1. The Pensions Regulator's (TPR's) revised corporate plan provides some updates on timings for different regulatory priorities.
2. Trustees of £1 billion+ pension schemes must consider the requirement to use a fourth metric to measure climate risk, from 1 October 2022. In related developments, the High Court has considered an attempt to challenge a pension scheme's investment strategy on ESG grounds.
3. Also from 1 October 2022, trustees will need to take into account the Government's statutory guidance on stewardship in preparing Implementation Statements reporting on their Statement of Investment Principles.
4. Initial guidance from TPR on pensions dashboards emphasises that trustees must monitor the set-up work being done on their behalf by third parties.
5. TPR has finalised its Code of Practice covering its expectations when determining whether to grant authorisation to prospective Collective Money Purchase schemes (also known as Collective Defined Contribution schemes).

We cover a watch list of current and future developments.

## THE PENSIONS REGULATOR'S NEW CORPORATE PLAN 2022 TO 2024

*A new corporate plan from the Pensions Regulator (TPR) has a revised start date for the Defined Benefit (DB) Funding Code - September 2023 – and outlines a number of possible "regulatory initiatives", including on scheme management of risk and resulting covenant strength. TPR will target engagement with a number of schemes or employers on identified risks, potentially taking action against those that have not taken appropriate steps to address the risks.*

On 13 June 2022, TPR published its Corporate Plan 2022 to 2024, an update to its 2021-2024 plan published in 2021. Areas of particular interest to trustees and employers include:

- TPR plans to launch its second consultation on a new DB **Funding Code** in Autumn 2022, with the Code operational from September 2023, but these timings "remain subject to change". Changes in the new Code will be "forward-looking", so that only schemes with valuation effective dates on or after its commencement date will be affected. Before the Code becomes operational, TPR may run a regulatory initiative, focusing on scheme management of risk and resulting covenant strength.
- On **Notifiable Events** - the new notification requirements for DB scheme employers in relation to corporate and financing activity and changes to the notification process - TPR says the timing is still unconfirmed. There has been an unexpected delay on this; the Department for Work and Pensions has yet to respond to the consultation on draft regulations published in September 2021. TPR has said it will consult on an update to its Code of Practice on Notifiable Events and accompanying guidance once the regulations have been published.
- **Value for money assessments:** further consultation on developing a framework for assessing value for money in defined contribution (DC) schemes should be published by the end of 2022. This follows the recent feedback report from TPR and the Financial Conduct Authority (see our Pensions Bulletin June 2022).
- **Climate risk disclosure:** TPR will continue to implement the climate-related governance and reporting requirements introduced by the Pension Schemes Act 2021, including assessing TCFD (Taskforce on Climate-related Financial Disclosures) reports for the largest schemes and master trusts and, from 1 October 2022, for the second tranche of schemes (£1 billion or more in assets). In addition, and applicable to all schemes, TPR will develop a regulatory initiative to assess compliance with the requirements to record the consideration of Environmental, Social and Governance (ESG) factors in a scheme's Statement of Investment Principles (SIP) and in its Implementation Statements on how the SIP has been followed. Trustees' duties relate to both "financially material" considerations and the extent (if at all) to which "non-financial matters" - broadly, members' and beneficiaries' views, including on ESG - are taken into account. According to TPR's Plan, this will involve "high volume engagement" with schemes, including smaller schemes not subject to the Pension Schemes Act 2021 governance and reporting requirements. (Please see items below on the new fourth metric in TCFD reports and finalised statutory guidance on stewardship.)
- **Single (consolidated) Code of Practice:** to be published "during 2022".
- **Pensions dashboards:** Please see item below on TPR's initial guidance. TPR says it will have one-to-one communications with schemes at least 12 months before their connection deadline. It will also consult on its compliance and enforcement policy before the June 2023 implementation date.
- **Trustee boards:** TPR will conduct a regulatory initiative to establish a "current baseline" of trustee board diversity and expects to create an action plan to improve equality, diversity and inclusion in "the first half of 2022".
- **Regulatory initiatives:** In addition to the three initiatives mentioned above, TPR is planning two others during 2022/23 - on accuracy of contributions (this will start during 2022) and on regulation of smaller DC schemes now required to undertake a thorough value for money assessment.

**Next steps for trustees and employers:** The corporate plan provides a little more detail on potential timings to allow trustees and employers to prepare for regulatory developments. Trustees and employers will want to note the possibility of contact from TPR as part of their regulatory initiatives on compliance.

## CLIMATE RISK: NEW PORTFOLIO ALIGNMENT METRIC

*The Department for Work and Pensions (DWP) has confirmed it will make amendments to the Climate Change Governance and Reporting Regulations 2021 to add a new, fourth, metric. Trustees of schemes of £5 billion or more, who have been subject to the Taskforce on Climate-related Financial Disclosures (TCFD) governance and disclosure requirements from October last year, will have to adopt a fourth metric for measuring climate risk, from 1 October 2022. The new metric will also apply to trustees of schemes with assets of £1 billion or more becoming subject to the governance and disclosure requirements from the same date.*

One of the governance requirements in the Climate Change Governance and Reporting Regulations 2021 is for trustees to select and ("as far as they are able") calculate an absolute emissions and an emissions intensity metric for scheme assets, both measuring greenhouse gas emissions (GHG). Trustees must also select one additional climate change metric, not directly related to GHG. In October 2021, the DWP consulted on a proposal to require trustees to measure and report on a portfolio alignment metric, describing the extent to which their investments are aligned with the Paris Agreement goal of pursuing efforts to limit the global average temperature increase to 1.5 degrees Celsius above pre-industrial levels. In order to reach that goal, emissions attributable to scheme assets must reach net zero by 2050. We covered the consultation in our **Pensions Bulletin October 2021**.

On 17 June 2022, DWP responded to the consultation, confirming that it does not intend to make any changes to the original proposal, nor to the timing, transitional arrangements or scope (summarised in the table below).

| *Scheme net assets in billions (Bn)* | *Governance requirements apply from 1 October* | *Publish report within seven months of end of scheme year underway 1 October* |
|---|---|---|
| £5Bn+ on first scheme year end date on or after 1 March 2020 | 2021 (unless later audited accounts) | 2021 but, for new fourth metric on portfolio alignment only, 2022 |
| £1Bn+ on first scheme year end date on or after 1 March 2021 | 2022 (unless later audited accounts) | 2022 |

Two immediate issues remain:

- Trustees already in scope may have selected a portfolio alignment metric as their "additional climate change metric" for the part of the scheme year that falls before 1 October 2022. However, from 1 October 2022 onwards, trustees will need to select a further additional climate change metric to remain compliant with the Regulations (since the portfolio alignment metric will no longer be regarded as an additional climate change metric). Trustees in this position need to undertake a review of their current metrics.
- The amendment will not be phased in; the requirement to select a portfolio alignment metric will apply in the part scheme-year that runs from 1 October 2022. In other words, trustees in scope will have to report against the metric within seven months of end of the scheme year which is underway on 1 October 2022. There will be no requirement to report on the fourth metric for scheme years ending before 1 October 2022.

Respondents to the consultation pointed out that the Regulations would technically allow trustees still to choose as their additional climate change metric a Paris alignment metric (in addition to the required one), so long as the reference target is not 1.5 degrees. The DWP acknowledges this but says it believes there is adequate deterrence in the removal of portfolio alignment metrics from the list of the additional climate change metrics in the statutory guidance, to which trustees must have regard. Where trustees choose to calculate a portfolio alignment metric as their selected additional climate change metric, the guidance indicates that they should explain why they have done so in their TCFD report.

Meanwhile, TPR has published a blog – *Reporting on climate* - setting out TPR's approach to the first phase of TCFD reports by the largest schemes. TPR is mindful of the challenges for trustees presented by the availability, quality and consistency of data and the identification and selection of scenarios, as well as the difficulty of making disclosure accessible whilst meeting the level of disclosure required by the Regulations and statutory guidance. TPR does not therefore anticipate issuing any penalty notices, other than where the report has not been published (where a mandatory penalty would apply) or where it is clear that trustees have not made a genuine effort to comply with the requirements (where TPR has discretion to impose a penalty).

**Next steps for trustees and employers:** Schemes currently within scope or due to start TCFD reporting from 1 October 2022 will need to plan for use of the new metric. More broadly, although there is no requirement to do so, some large schemes are voluntarily targeting net zero, leading to pressure on other schemes to comply voluntarily.

## HIGH COURT CHALLENGE TO PENSION SCHEME TRUSTEES' INVESTMENT STRATEGY

*In another ESG development of interest to trustees, the High Court, in McGaughey v Universities Superannuation Scheme Ltd, has considered an attempt to challenge a pension scheme's investment strategy on climate risk grounds.*

As part of a number of claims, pension scheme members alleged breaches of fiduciary and statutory duty by the directors of the scheme's corporate trustee in continuing to invest in fossil fuels without an immediate plan for divestment, contrary to the long-term interests of the corporate trustee (and therefore those of the scheme).

The claimants tried to argue that the directors had breached their general duties under the Companies Act 2006, which require directors of companies to act within the company's constitution and their powers, and to promote the success of the company, and (included amongst other requirements) have regard to "*the impact of the company's operations on the community and the environment*". However, the Judge focussed on the statutory requirements of Regulation 4 of the Investment Regulations 2005, noting that it was consistent with the Court's approach in *Cowan v Scargill*, including that:

- trustees must invest in a manner calculated to ensure the security, quality, liquidity and profitability of the portfolio as a whole;
- assets have to be properly diversified; and
- assets must be invested "in the best interests of members".

The corporate trustee had provided evidence that it had complied with Regulation 4 in exercising its discretion to continue its investment in fossil fuel companies. In particular, it had taken legal advice, conducted a survey of members, and adopted an ambition of Net Zero by 2050 (and policies for working with the companies in which it invested in the meantime). The Judge found that these policies were well within the discretion of the corporate trustee in exercising its powers of investment.

The Judge noted that the claimants did not allege that the corporate trustee had a duty to sell its fossil fuel investments for ethical reasons. He commented that this was because the Court had rejected that argument in *Cowan v Scargill*. The *Cowan v Scargill* approach - broadly (a) to take into account financial considerations only, in investment decision-making and (b) only take account of non-financial considerations if there is some clear alternative benefit to members (such as supporting the strict moral views of all members) – would appear to remain good law despite the apparent confusion caused by the 2020 decision of the Supreme Court in *Palestine*. (In the *Palestine* case obiter comments were made in support of the Law Commission report's findings that non-financial factors can be taken into account by trustees in making investment decisions, subject to certain conditions. The Law Commission had suggested that non-financial factors can be taken into account provided they do not involve a risk of significant financial detriment to the fund and the trustees have good reason to think that members would share the concern.)

**Next steps for trustees:** The extent to which trustees can take into account non-financial factors in scheme investment remains an area of considerable uncertainty. The *McGaughey v USS* case highlights the need for trustees to take legal advice and to obtain investment advice, and the need to exercise caution when considering non-financial factors, such as ESG considerations.

## DWP FINALISED GUIDANCE ON STEWARDSHIP REPORTING

*New guidance from the Department of Work and Pensions (DWP) on reporting of stewardship and shareholder voting (for all sizes of scheme) means that, from 1 October 2022, trustees must be involved in the detail of their Implementation Statements. Trustees can no longer regard stewardship as exclusively the role of their asset managers.*

Under the Disclosure Regulations 2013, trustees of schemes with 100 or more members are required, in their published Statement of Investment Principles (SIP), to state their policy on the exercise of the rights attaching to the investments, and on undertaking engagement activities in respect of the investments. Trustees are also required to report on how and the extent to which they have followed this policy, and on significant votes, via an annual Implementation Statement (IS). (In addition, DC schemes – and hybrid schemes with a DC section – must publish a wider IS covering how and the extent to which they have followed policies in the whole of their SIP.)

Following consultation last year, the DWP has finalised its Guidance on SIP and IS reporting – Reporting on Stewardship and Other Topics through the SIP and IS: Statutory and Non-Statutory Guidance. The sections on SIPs are "best practice" not statutory guidance. However, guidance in relation to ISs does comprise statutory guidance, to which trustees must have regard when complying with the requirements in the Disclosure Regulations. The statutory guidance applies to ISs that trustees are required to prepare in respect of any scheme year ending on or after 1 October 2022; trustees are encouraged to consider the non-statutory parts from the date of publication (17 June 2022).

The DWP has attempted to deal with the inevitable confusion caused by the Guidance being a mixture of statutory and non-statutory guidance. Paragraphs that are statutory guidance are prefaced with "SG". The Guidance explains that "must" refers to a legislative requirement - failure to meet it may lead to enforcement action by the Pensions Regulator. A "comply or explain" approach applies: where "should" is used in relation to the preparation of the IS, trustees are expected to follow the approach set out. If they choose not to, they should provide a concise explanation in the IS.

The DWP has made some changes to the Guidance, in reply to responses to consultation. The proposal to include a vote reporting template, or a template to report engagement activities, has been shelved for the present. Other changes to the wording include:

- TPR is the primary audience for the SIP and the IS, not the "reasonably engaged and informed member". The latter is now referred to only in the context of encouragement to write in plain English.
- In the section on reporting on implementation of SIP policies in the IS, there is no longer a reference to a requirement to report how the approach taken was in members' best interests. The Guidance now says that trustees could describe how implementation of policies has driven long-term value for beneficiaries and trustees are "encouraged" to explain how their stewardship policies are in members' and beneficiaries' best interests.
- There is a little more detail on the requirement for the IS to contain a description of the trustees' "most significant" votes. The Guidance explains that "significant vote" is likely to be one that is linked to one or more of the scheme's stewardship priorities or themes, although it could also be significant for other reasons, such as the size of the shareholding. Examples are included in a table in the Guidance.
- The SIP must cover the trustees' policies on stewardship, including engagement and voting. The DWP refers to this as trustees "taking ownership" of stewardship. The draft guidance required trustees to set their own voting policy or "acknowledge responsibility for the voting policies that asset managers implement on their behalf". The DWP acknowledges that this went too far; the Guidance now states (in non-statutory guidance) that, if trustees have not set their own voting policy, they should explain in the SIP how they will monitor their asset manager's policy. Trustees "should" also summarise in the IS whether the asset manager's voting behaviour is aligned with the scheme's stewardship priorities. Where the trustees have an expression of wish in relation to an investment, they should indicate in the IS whether this has been taken into account by their asset manager.
- Once trustees have selected the scheme's stewardship priorities or themes, the Guidance recommends that they identify whether there are any particular aspects which are important to the scheme and members and beneficiaries.

- Under the Investment Regulations 2005, the SIP must cover the trustees' policy in relation to the extent (if at all) to which non-financial matters (members' views, in other words) are taken into account in investment selection, retention and realisation. The overview sections of the Guidance go further, covering the controversial issues raised by the Law Commission report on investment (also discussed in the item above on the High Court challenge to pension scheme trustees' investment strategy). However, the DWP acknowledged in its response to consultation that the financial and non-financial divide "may be unhelpful". The Guidance now clarifies that trustees are not expected to take non-financial factors into account in their stewardship priorities but may wish to do so. The overview section "encourages" trustees, where practical, to keep under review non-financial factors that may not immediately present as financially material but have the potential to become so, particularly for schemes with a long-term horizon.

**Next steps for trustees:** Trustees should check that, in preparing their SIPs and ISs, they are complying with their ESG and stewardship duties. Although some of the Guidance to explain how the SIP policies are in members' interests have been toned down, the focus remains on these documents being the trustees' statements, and "tick-box" compliance will not suffice. As flagged in the last item, there is a risk for trustees (of schemes of any size) wishing to take into account non-financial factors in their investment decision-making; they must take legal and investment advice.

## PENSIONS DASHBOARDS: THE PENSIONS REGULATOR'S INITIAL GUIDANCE

*Initial guidance from the Pensions Regulator (TPR) on trustees' dashboards duties emphasises that trustees must monitor the set-up work being done on their behalf by third parties – responsibility for connection on time in accordance with allocated staging dates and for ongoing compliance rests with the trustees.*

The Pension Schemes Act 2021 contains a statutory obligation on trustees of occupational pension schemes to provide information, to any qualifying pensions dashboard, about members' pension benefits and the scheme. The Regulations on pensions dashboards apply to all registerable UK-based occupational pension schemes with active and/or deferred members. Schemes outside the UK and non-registrable schemes will be out of scope of the Regulations. Following consultation earlier this year, the Government has decided to defer the connection deadline (the date by which trustees will be required to be connected to the pensions dashboards) for the first two staging cohorts, by two months. This affects master trusts with 20,000 or more members (whose connection deadline will change from 30 June to 31 August 2023) and defined contribution (DC) schemes used for auto-enrolment with 20,000 or more members (whose deadline will change from 31 July to 30 September 2023). The deadlines for other staging cohorts are unaltered, so DC schemes used for auto-enrolment with 10,000 or more members will have the same 30 September 2023 deadline as larger schemes, and the 30 November 2023 deadline for defined benefit (DB) schemes with 20,000 or more members is unchanged.

Meanwhile, the Pensions Regulator (TPR) has published initial guidance for trustees on their legal duties in relation to pensions dashboards. More detailed guidance will be published by TPR later this year, to reflect the final regulations and the technical standards being developed by the Money and Pensions Service (MaPS).

TPR's guidance sets out the core duties of trustees, to:

- Register the scheme with MaPS and connect to dashboards by the scheme-specific connection deadline.
- Receive personal information on members, and search and match members to their pensions ("find requests").
- Provide members with information about their pension through the dashboard of their choosing on request ("view requests").
- Co-operate with MaPS when preparing to connect, maintain records and report certain information to TPR and MaPS.

The guidance notes that, while they can use third parties, trustees will remain accountable for ensuring that the scheme is connected to dashboards on time and that the trustees remain compliant with the requirements. TPR says trustees will need to "*be available to make any decisions required for your suppliers to progress their work and you should put in place robust ways to monitor this progress*". The guidance mentions TPR's discretionary powers to issue compliance notices, improvement notices and penalty notices – up to £5,000 for individuals and £50,000 for corporates.

TPR's announcement advises that trustees should now:

- Check their connection deadline.
- Have pensions dashboards on their board agendas.
- Decide how they will connect - whether they will develop a solution in-house, or use a pensions administrator or integrated service provider.
- Take stock of and digitise their data.

**Next steps for trustees:** Trustees need to prepare for their scheme's deadline, when they will be required to connect and supply required information to the dashboard. (After master trusts, the first connection deadlines will be for DC auto-enrolment schemes - those with 10,000 or more members have a deadline of 30 September 2023. DB schemes of 20,000 or more members have a 30 November 2023 deadline.) Trustees have to assess what data will need to be supplied and their approach to matching data. The use of third parties to fulfil trustees' duties is permitted but trustees remain accountable for compliance.

## CODE OF PRACTICE ON AUTHORISATION OF CDC SCHEMES

*The Pensions Regulator's (TPR's) finalised Code of Practice includes some minor changes to TPR expectations when determining whether to grant authorisation to prospective Collective Money Purchase (CMP) schemes (also known as Collective Defined Contribution (CDC) schemes).*

TPR has finalised its Code of Practice for the authorisation and supervision of CDC pension schemes. This follows consultation earlier this year. The Regulations for CDC schemes are due to come into force on 1 August 2022; trustees will be able to apply for authorisation to operate a CDC scheme from that date.

Under the Pension Schemes Act 2021, trustees applying for authorisation must satisfy TPR that the scheme meets the criteria to be authorised. The Code outlines the criteria, TPR's expectations, and the procedures TPR expects to follow when determining whether to grant authorisation. The Code contains lists of matters that are "more likely" or "less likely" to satisfy TPR, under the headings of fitness and propriety, systems and processes, member communications, continuity strategy, financial sustainability and sound scheme design. The Code reflects the fact that, at this stage, only single or connected multi-employer CDC schemes are permitted by the legislation.

TPR has published its response to consultation on the draft Code. Changes made to the draft include:

- **Fitness and propriety** - in relation to trustees' individual competence, the Code sets out different expectations for a new or inexperienced trustee, and an experienced or professional one. TPR says it did not intend to limit the pool of CDC scheme trustees to professionals.
- **Member communications -** quality assurance does not need to be carried out for all member communications every year (for example, standard administrative letters such as change of address etc). The focus of the quality assurance should be on communications that explain how the scheme operates, the benefits, and how the benefits can rise and fall. TPR is not expecting schemes to develop a significant number of member communications as this could lead to overload. However, it expects communications to provide enough information for members to understand how the scheme operates, and to access further information easily (for example, by signposting to a scheme microsite or online member portal). In response to concerns about the requirement for a quarterly report to trustees on member feedback, TPR clarifies that it does not expect schemes to seek feedback quarterly.
- **Financial sustainability** - where the legislation requires an application to contain details of set-up costs, TPR confirms that any set-up costs that have already been incurred and settled by the employer need not be included in an application. However, applications must still contain details of any costs incurred but not yet settled, and any still expected to be incurred. The requirement for trustees to maintain reserves greater than the already prudent reserves that they would have calculated has been removed; TPR agrees that this measure was excessive.

- **Continuity strategy -** TPR does not expect new schemes to plan for continuing to run as a closed scheme at application, but does expect trustees to assess when it could become a viable option, unless the scheme's rules do not permit it.
- **Scheme design** – the expectation on trustees to have defined contingency plans to respond to periods of poor investment performance has been removed but TPR has added a more explicit explanation of the need for robust monitoring and governance.

TPR will publish guidance on the fitness and propriety criteria and on how fees are to be calculated for authorisation of additional sections of a CDC scheme. Other guidance may follow later.

**Next steps for employers and trustees:** Where appropriate, sponsors may want to explore CDC. Slaughter and May are advising the only employer currently establishing a CDC scheme.

## PENSION LEGISLATION AND REGULATION WATCH LIST

| No | Topic | Expected effective date | Further information/action |
|---|---|---|---|
| 1 | Changes to DC scheme governance and disclosure, including the annual Chair's Statement and the charge cap | First scheme year ending after 1 October 2021 - return on investments from default and self-select funds included in Chair's Statement; 5 October 2021 - total value of assets reported in annual scheme return; first scheme year ending after 31 December 2021 - detailed "value for members" assessments for schemes with assets below £100m.<br><br>Fee charging years ending after 6 April 2022: £100 de minimis pot size below which flat fees cannot be charged. | DC schemes only.<br><br>Consultation on requirements to include explanation of illiquid investment policies in SIPs and (for large schemes) asset allocation data in Chair's Statement closed 11 May 2022; further consultation to follow on removal of performance-based fees from charges cap. |
| 2 | DB superfunds | Regulatory regime was expected Winter 2021. | Interim regulatory regime in place from October 2020. |
| 3 | New notification requirements for DB schemes in relation to corporate and financing activity and change to the notification process | Draft Notifiable Events (Amendment) Regulations, with expected commencement date April 2022, published for consultation September 2021. Response to consultation expected Summer 2022. | Consultation closed 27 October 2021. TPR will consult on update to Code of Practice 2 (Notifiable Events) and accompanying guidance once DWP have published their finalised regulations and consultation response. |

| No | Topic | Expected effective date | Further information/action |
|---|---|---|---|
| 4 | Refer members to guidance before processing application to access or transfer flexible benefits | 1 June 2022. | For DC schemes only. |
| 5 | Draft DB Funding Code of Practice | DWP regulations were expected for consultation “late Spring 2022”. Part 2 of TPR consultation and draft Code expected Autumn 2022 and Code to be operational from September 2023. | Once in force, the Code will apply to triennial valuations submitted thereafter. |
| 6 | TPR Single Code of Practice | Revised Code to be issued “during 2022”. | All schemes. |
| 7 | Register certain trusts with the Trust Registration Service | Registration by 1 September 2022. | Applies to some trusts relating to pension and life assurance benefits where no exemption applies (e.g. bare trusts set up on distribution of a lump sum). |
| 8 | Trustee oversight of fiduciary managers and investment consultants | 1 October 2022. | All DB and DC schemes (with minor exceptions). Regulations will largely replicate existing regime under the Competition and Markets Authority Order 2019.<br>TPR guidance expected before 1 October 2022. |

| No | Topic | Expected effective date | Further information/action |
| --- | --- | --- | --- |
| 9 | Climate risk governance and reporting requirements | 1 October 2022. | 1 October 2022 for schemes with £1 billion or more in net assets, governance to be in place for the scheme year underway, and the first annual report to be published within seven months of the end of the scheme year.<br>(1 October 2021 deadline applied for all authorised master trusts and collective DC schemes and schemes with £5 billion or more in net assets; 1 October 2022 for the new fourth metric on portfolio alignment. ) |
| 10 | Simpler annual benefit statements | 1 October 2022. | DC schemes used for auto-enrolment. |
| 11 | Changes to the scheme asset information collected through scheme returns | Scheme returns from 2023. | DB schemes. |
| 12 | Pensions dashboards | Compulsory staging from June 2023. | All registerable UK-based schemes with active and/or deferred members. |

**London**
T +44 (0)20 7600 1200
F +44 (0)20 7090 5000

**Brussels**
T +32 (0)2 737 94 00
F +32 (0)2 737 94 01

**Hong Kong**
T +852 2521 0551
F +852 2845 2125

**Beijing**
T +86 10 5965 0600
F +86 10 5965 0650

Published to provide general information and not as legal advice. © Slaughter and May, 2022.
For further information, please speak to your usual Slaughter and May contact.

www.slaughterandmay.com

577496553