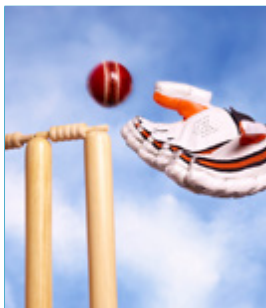


We have a long summer of sport ahead of us! Do you have a passion for watching sporting events or do you enjoy the challenge of taking part? We offer you a diverse range of sports in our Summer Hot Topics, as we run through a number of important pensions developments for your trustee and corporate agendas.



Do Not Be Stumped by the General Code

It is cricket season! Trustees should now have opened their innings and be building their run rate towards an effective system of governance, in line with legal requirements and The Pensions Regulator's (TPR) expectations in the [general code of practice](#). Our [resource hub](#) contains our recent blogs exploring the importance of adopting a proportionate approach and how this might be impacted by factors such as scheme size, journey plan or trustee structure. Compliance requires the endurance of test-match cricket; it is not a limited-overs game. If your progress has hit a sticky wicket, speak to us.



Driving Dashboards Onto the Fairway

Golfers work closely with their caddies to navigate the course ahead; trustees should work closely with their administrators or integrated service providers to ensure that their dashboards plans are aligned with the Department for Work and Pensions' (DWP) [connections guidance](#). Keep a clear audit trail of all compliance efforts – TPR may require evidence if the scheme is late to tee-off. Our [dashboards guide](#) covers some pertinent issues for trustees, including the need to carry out a data protection impact assessment, monitor administration service standards and seek advice on contractual terms. We hope that dashboards will eventually score a birdie with the general public.



Keeping Climate-related Disclosures on Course

Those attending Royal Ascot or Glorious Goodwood this summer will be keeping an eye on the weather. Will the going be soft or firm? Meanwhile, climate-related issues are a key focus for pension trustees. TPR has galloped along with its [second review](#) of climate-related disclosures (TCFD reports), which must be prepared for occupational schemes with assets of £1 billion or more, authorised master trusts and authorised collective defined contribution schemes. Our [#how2dopensions quick guide](#) canters through more information. Trustees should understand the range of climate-related risks and opportunities, and explain the results of their analyses in their TCFD report. Contact us if you would like help to saddle up for the ride ahead.



Le Grand Départ – Options for Defined Benefit (DB) Schemes

The *Tour de France* has regular course changes, but for the first time since the famous cycle race started in 1903, it will not finish in Paris in 2024. The government is planning a route change for DB pension schemes and has recently [consulted](#) on reforms to incentivise investment in productive finance. Proposals include a statutory override that would allow trustees to refund surplus to employers and members (even if a scheme's rules currently prevent either route), along with establishing a public sector consolidator run by the Pension Protection Fund (PPF). Which proposals will sprint to the finish, and which are destined to rejoin the peloton? We offer thoughts in our [response to consultation](#).



Carer's Rights on the Rostrum

The 10 million carers in the UK deserve Olympic gold medals for their dedication and sacrifices. From 6 April 2024, our national flag is raised on a new statutory right for eligible carers to take a period of unpaid leave equal to their usual working week, each year, to fulfil their caring responsibilities. Employers planning how this new right should be recognised in their HR policies should not overlook pension rights and should liaise with their scheme trustees or managers to assess whether amendments are required to scheme rules and member communications. It will require a real team effort.



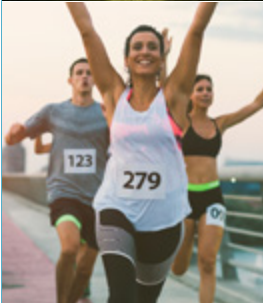
Take a Pit Stop to Consider Data Breaches

Are you heading to Silverstone? Precision is key for Formula 1 drivers, where success depends on split second timings. Precision is also key for pension schemes, but mistakes can happen. In a recent data breach [case](#), hundreds of benefit statements were sent to incorrect addresses. The court indicated it would only award compensation to the correct recipient of a misdirected statement if that individual could show the statement had been opened and read by an unauthorised third-party. Furthermore, the court would not draw an inference that this had happened if a missing statement had been addressed to a named recipient and marked "private and confidential". The inclusion of similar wording on pensions correspondence may offer some protection for trustees.



Companies House Can Show Red Cards and Award Penalties

Ahead of a summer of international football, the government has kicked-off [legislation](#) that moves the goalposts for Companies House when addressing non-compliance. While not reaching the maximum limits of £1 million that TPR is able to impose, Companies House now has power to issue financial penalties of up to £10,000. Penalties would be payable by trustee directors personally – they cannot use pension scheme funds and insurance is unlikely to provide cover. Directors of corporate trustees should keep their eye on the ball and ensure that their game plan includes processes to comply with their duties (such as speedy filing of documents).



The Challenging Route of Equitable Recoupment

The Pensions Ombudsman (TPO) recently took us through a triathlon of considerations when he [revisited](#) the circumstances in which past overpayments may be offset against future pension by way of "equitable recoupment". TPO's determination was clear that trustees should not crawl along when an overpayment error has been identified – they should get on their bikes and set the right pace to recover the overpayment. Communications with affected members should be prompt, and clearly run through the rest of the course to be taken. The remedy of equitable recoupment is tricky – seek legal advice to avoid injury.



A High Degree of Difficulty – Tucking Into McCloud Remedies

Olympic divers require both expertise and courage. The same attributes were needed by the Fire Brigades Union and the British Medical Association when they somersaulted into [Directions](#) that relate to the cost control mechanism (CCM) in some public sector pension schemes. The CCM measures certain costs of providing benefits and adjusts benefits or member contributions accordingly. The unions claimed that the cost of implementing the McCloud remedy (addressing age discriminatory provisions) by modification of the CCM to impose a cost on younger members who do not benefit from the remedy, was discriminatory and unlawful. The challenge had a splash-landing, but in an added twist the unions have applied for leave to appeal to the Supreme Court.



A Grand Slam Round-up (With Strawberries and Cream)

On centre court we have the general election. This will impact progress of pensions developments that rely on parliamentary approval – therefore, TPR will be calling "game, set and match" on the DB funding code of practice later than expected. In the meantime, TPR is continuing to focus on defined contribution schemes with less than £100 million in assets which are required to undertake detailed value-for-member assessments – TPR's recent [initiative](#) has had some success in identifying "faults" which have led to non-compliant schemes exiting the market. Separately, it remains to be seen whether a new government would serve an ace by delivering the long-awaited extension to automatic enrolment.

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