# Pension News Update (September 2021)

### New Pensions Regulator powers regulations published

1. On 24 August 2021, the Pension Scheme Act 2021 (Commencement No 3 and Transitional and Saving Provisions) Regulations 2021 were published. These bring into force the provisions relating to the extension of TPR’s powers under the Pension Scheme Act 2021 on 1 October 2021.
2. The new/extended powers covered in the Regulations include those relating to Contribution Notices, TPR’s information-gathering powers and the new financial penalty regime.
3. The regulations also contain transitional and saving provisions in relation to certain provisions, which make it clear that none of the new or extended powers apply in relation to duties arising before 1 October 2021.

### TPR publishes interim response to consultation on single code of practice

1. Earlier in 2021, TPR had published a consultation on a new single code of practice. The draft code consists of 51 shorter, topic-based modules and is intended to replace ten of the 15 existing codes of practice. The draft code includes new content on areas including the need for trustees to maintain effective systems of governance and to carry out an annual own risk assessment (ORA) introduced by the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018. Other new material includes sections on cyber security and climate change.
2. The code has been written to apply to ‘governing bodies’ of pension schemes (including trustees of occupational schemes and scheme managers of public service schemes) and is designed to be web-based. As well as material covered by the March 2021 consultation, TPR plans to review and incorporate other materials (both codes and guidance), including content relating to the Pension Schemes Act 2021, and TPR’s work on the future of trusteeship, in later phases.
3. In August 2021, TPR issued an initial response to the March 2021 consultation. The main points from the interim response include:
   1. Following ‘strongly argued’ comments concerning a limit on unregulated investments, often referred to as the 80% or 20% rule TPR will not be proceeding with this expectation in the way it is drafted. However, they will explore other options aimed at protecting members of poorly run, and typically small, schemes from investments in poor quality or inappropriate assets.
   2. TPR stated that concerns had been raised about the amount of work producing and reviewing annually the own risk assessment (ORA) would entail, the timeframe, what the finished product would look like and the burden it would place on smaller schemes. TPR remain of the view that trustees should prepare their first ORA in a timely fashion but will consider how often governing bodies should review the ORA.
4. TPR has indicated that it will continue to review the responses received and stated that they do not expect to lay the new code in Parliament before Spring 2022. Therefore, the new code is unlikely to become effective before Summer 2022.