

CYNGOR SIR POWYS COUNTY COUNCIL

**Powys Pension Board
10th February 2023**

REPORT BY: Board Secretary

SUBJECT: Legislation and Guidance Update

REPORT FOR: Information

1. Summary

Since the last Pension Board meeting, the LGA have published Bulletins 229 - 233, which contain important updates for administering authorities and scheme employers. It also provides a general update for all LGPS stakeholders.

This report provides the Board with an update on any new legislative changes and guidance that has been issued recently, including the above.

2. LGPS Updates

2.1 Scheme Advisory Board (SAB) Letters to Local Government Pension Scheme (LGPS) Minister

The Chair of the SAB sent several letters to the Local Government Minister recently, the first of which recommends an amendment to the LGPS regulations relating to death grants and survivor benefits.

The current regulations restrict death grant payments to cases where the scheme member dies before Age 75, which the SAB feel may be at risk of legal challenge and should be removed.

The others invite the Minister to a future SAB meeting (which has now happened) and ask for an update on the Fair Deal consultation which ran between 10 January and 4 April 2019.

2.2 Chancellor announces the 'Edinburgh Reforms'

On 9 December, the Chancellor of the Exchequer announced a set of reforms to drive growth and competitiveness in the financial services sector. In the statement, the Chancellor also confirmed that the Government will consult on:

- new guidance to the LGPS on asset pooling in early 2023
- requiring LGPS funds to ensure they are considering investment opportunities in illiquid assets such as venture and growth capital, as part of a diversified investment strategy

2.3 SAB Scheme Valuation Report

The SAB is currently planning for the Board's 2022 Scheme Valuation Report. The report is aggregated using data from individual fund valuation reports.

2.4 SAB Statement on Employer Contributions

At the meeting of 10 October 2022, the SAB discussed emerging results from the current round of triennial local fund valuations. The Board asks that administering authorities and other Scheme employers to have regard to the desirability of long-term stability in pension contributions when considering whether reductions in employer contributions are desirable as a result of an improved funding position.

The Powys Fund has been in regular contact with the Pension Fund Actuary when considering employer contribution rates.

The Triennial Valuation will be covered as a separate item later in the agenda.

3. Pensions Dashboards

The Pension Dashboard Regulations 2022

On 21 November 2022, the Department for Work and Pensions made [The Pensions Dashboards Regulations 2022](#). They came into effect on December 12, 2022.

The Regulations set out requirements for relevant occupational pension schemes to connect to pensions dashboards, and what organisations must do to provide a qualifying pensions dashboard service.

The LGA plan to produce guidance for administering authorities in early 2023.

Progress Update Report

On 26 October 2022, the Pensions Dashboards Programme (PDP) published its sixth [progress update report](#), which covers:

- programme activity in the six-month period from April 2022,
- focus areas to April 2023
- updates from PDP's partners: DWP; the Financial Conduct Authority (FCA); and TPR.

The PDP have also published research into the value of that people attach to pension dashboards and their likelihood of using them. More information is available [here](#).

4. The Pensions Regulator (TPR)

4.1 Pension Dashboards

TPR consultation on dashboard enforcement

On 24 November 2022, the Pensions Regulator (TPR) launched a consultation on its draft dashboards compliance and enforcement policy.

TPR is responsible for ensuring that occupational pension schemes comply with their dashboard duties. The draft policy sets out how it intends to do so. The policy covers:

- the key risk areas it will focus on
- what it expects schemes to do when complying with their dashboard duties
- how it will monitor compliance
- how it will approach non-compliance.

The policy reiterates the powers TPR has to deal with non-compliance. This includes compliance notices and penalty notices. These can also be issued to third parties, such as employers, administrators and Integrated Service Providers (ISPs).

The policy also includes illustrative scenarios, setting out how it may approach particular examples of non-compliance. The consultation closes on 24 February 2023.

4.2 Enforcement and prosecution policies updated

On 25 October 2022, TPR published the following:

- [revised enforcement policy](#)
- [updated prosecution policy](#)
- [new enforcement strategy](#)

TPR guidance will be updated accordingly to reflect the above.

These policies aim to give clarity on what those who are subject to enforcement action can expect from TPR.

The enforcement policy sets out TPR's approach to investigating cases and any subsequent enforcement action. It is web-based and divided into standalone chapters, each with links to other relevant documents. The policy also consolidates previous policies in respect of defined benefit, defined contribution and public service pension schemes.

The prosecution policy explains how TPR will approach prosecuting workplace pension criminal offences. The policy has been brought up to date to reflect the new criminal powers in the Pensions Schemes Act 2021 and other developments.

The enforcement strategy sets out the overarching aims of TPR's enforcement work (excluding automatic enrolment). It also provides an insight into the framework TPR applies when selecting cases for enforcement action.

4.3 TPR Blogs

TPR published two blogs in November 2022:

- TPR blog on automatic enrolment considers the successes of ten years of automatic enrolment, urges employers to ensure they comply with their re-enrolment duties and looks forward to improved member engagement.
- TPR blog on equality diversity and inclusion outlines TPR's strategy to move towards a fairer and more inclusive culture within their organisation and across the pensions industry

4.4 Joint regulatory strategy update

On 7 December 2022, TPR and the Financial Conduct Authority (FCA) published an update to their 2018 joint regulatory strategy. The strategy sets out how the two bodies work together to tackle issues in the pensions sector.

The update outlines their progress on the strategy's regulatory objectives and next steps in light of their new respective strategic priorities. The update sets out eight ongoing workstreams covering:

- productive finance
- value for money
- regulatory framework for effective stewardship
- pension scams strategy
- defined benefit (DB) transfer advice
- DB schemes and transfer activity
- pensions dashboards
- supporting consumer decision-making.

4.5 New version of Transfer Guidance

On 12 January 2023, TPR published a new version of the [Dealing with transfer requests guidance](#), with updates made to the 'Direct members to mandatory guidance from MoneyHelper' section.

The guidance assists pension schemes when applying the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021.

5. Recommendation

Board are asked to note the contents of this report.