Your Quarterly Pensions Update

Quarter 3 2020

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Welcome to your Quarterly Pensions Update

The purpose of this report is to update sponsors and trustees with recent pensions industry changes in the quarter.

For your convenience, Spence has summarised the key developments and highlighted the necessary actions sponsors and trustees may need to take.

The report combines brief written comment with links to any further relevant information and any deadlines you should be aware of. We trust you will find the update useful and informative. If you require further information about how any of the topics covered might impact on your scheme specifically, please get in touch with John Wilson (John_Wilson@spenceandpartners.co.uk) or your usual Spence contact.

NOTE

This document is aimed at providing you with generic information about recent developments in the pensions industry.

You should not take any action as a result of information included in this document without seeking specific advice in relation to the impact these matters might have on your scheme or company. Spence & Partners Limited accepts no liability for actions taken or not taken as a result of this document.

Investment Market Q3 Quarterly Update

Markets increased over the quarter as investors' risk appetites improved due to positive signs from Covid-19 vaccine trials and increasing economic activity. Globally equity markets continued their recovery and returned around 3% (in GBP) driven by gains in the US and Asia. Corporate bonds also posted gains and safe haven assets like sovereign debt were broadly flat.

UK equities fell approximately 3% over the period, driven by the higher exposure to oil and financial sectors in the index, which have underperformed. Investor sentiment was reduced by the increased prospects of a no deal Brexit and a second wave in Covid-19 infections with possible lockdown restrictions.

US equities were up by around 4% (in GBP) driven by tech stocks, which benefited from more people working and shopping from home as a result of the Covid-19 pandemic. The Federal Reserve announced an important new policy framework of inflation targeting an average of 2% over the long term, which will result in longer periods of higher inflation and lower interest rates. Investor optimism was dampened due to the uncertainty surrounding the upcoming US presidential election, as there may not be an orderly transition if President Trump is defeated and the result may be contested due to the increased use of postal votes and claims of potential fraud.

Emerging market equities increased by about 5% (in GBP) over the quarter, as economic data improved and the US dollar declined, making dollar denominated debts cheaper to service. Chinese economic growth rebounded more than expected despite US-China tensions escalating, with the US imposing additional restrictions on Chinese tech companies. Corporate bonds performed well, driven by positive investor sentiment as economic conditions improved, with riskier, high yield debt outperforming investment grade alternatives.

The price of gold again hit all-time highs in August, driven by loose monetary policy and the decline in the US dollar. Copper increased by 10% as a result of the improving outlook for global economic growth, while oil prices declined due to oversupply.

Nominal UK gilt yields increased (i.e. prices decreased) over the quarter as investors favoured riskier asset classes. All else being equal, this acts to decrease the value placed on pension schemes' fixed liabilities. UK long-term inflation expectations were unchanged over the quarter, as an improving economic outlook offset worsening Covid-19 news. Credit spreads decreased over the quarter, as riskier corporate bonds increased in price due to the improving economic outlook and continued government stimulus.

This quarter DB, DC and hybrid pension schemes with at least 100 members will be required to include an Implementation Statement in their next annual report and accounts. Implementation Statements are intended to explain how the scheme has invested in line with the policies detailed in the Statement of Investment Principles during the scheme year. This will include information on how investment managers followed the policies on ESG principles, including climate change, voting and engagement.

DB Superfunds

Last quarter we asked whether we have lift off for DB superfunds, and once again, despite all signs pointing in the right direction, we have yet to see the first superfund transaction. However, with The Pensions Regulator ("TPR") setting out their interim regime for superfunds in June and the Minister for Pensions and Financial Inclusion, Guy Opperman, making comments in support of superfunds, it is a matter of when, and not if, the first superfund transaction will happen.

Both Clara and The Pension Superfund are poised to make transactions as soon as TPR grants approval and it is expected that they will be the destination of choice for many schemes in the future. With this in mind, we decided that this quarter would be a good time to look at the steps schemes would need to take to get ready for a transition to a superfund and how this might compare to targeting buyout.

Data

Like a buyout transaction, there are a lot of benefits in ensuring that data is complete and of as high a quality as possible. Whilst superfunds may be more open to accepting data of lower quality, they will likely charge a higher premium to capture any data risk.

Member options

Member options represent an element of risk to both a superfund and an insurer, as they present the opportunity for members to select against the scheme. Running a member options exercise, such as a transfer value or trivial commutation exercise, may therefore reduce the premium while providing more flexibility to members.

One difference compared to an insurance buyout is that there will likely be less benefit in carrying out a pension increase exchange exercise, as the superfunds will be more flexible in the types of benefit they can take on than insurers.

Benefits

The approach to benefits is likely to be similar to data in a superfund transition. There will be advantages to having a detailed benefit specification that is signed off by the scheme's legal adviser. It will help with pricing and reduce the risk that the trustees become liable for any issues with the benefit structure discovered after the scheme has wound up.

In addition to this, ensuring that Guaranteed Minimum Pension ("GMP") data is fully rectified and an acceptable GMP equalisation method is in place will also be important ahead of any superfund transaction.

Investments

In the lead up to a buyout transaction it is generally appropriate to set a low risk investment strategy to try and "lock-in" the buyout deficit and provide more certainty about any additional funds required from the sponsor to meet the premium. The same principles will likely apply to a superfund transaction.

Where the approach on investments may differ is that superfunds appear to be more open to accepting a wider range of asset classes. As an example, superfunds are more likely to accept illiquid assets in specie, whereas these would need to be sold prior to a buyout transaction in most cases.

Helpful Links:

https://www.professionalpensions.com/feature/3079753/-db-consolidation-focusing-minds

The thorny problem of Net Pay vs Relief at Source

With a focus on defined contribution schemes, a "Call for Evidence", announced at Budget 2020, sought views on an unintended consequence in the way pension tax relief operates. While not well understood, around 1.75 million lower paid workers, of whom women represent around 75%, could be affected. The government is rightly concerned about this and keen to explore the issues to understand what options for change may exist. Responses were invited by 13 October.

Background

Pensions were originally provided through workplaces, which meant tax relief on pension contributions could be made from income that had not yet been taxed (a "Net Pay" arrangement). The introduction of personal pensions, however, meant another system for administering pensions tax relief was required, as pension contributions could now be made from taxed income ("Relief at Source", or "RAS").

In a RAS scheme, the employer deducts only 80% of the pension contribution from the employee's salary; the scheme then adds an amount equal to basic rate tax relief, which it then reclaims from HMRC. The key point to note is that the scheme adds this top-up to the employee's contribution, whether or not the employee is earning enough to pay tax in the first place.

How does this affect individuals?

For individuals in the basic rate income tax band or above, this only affects the paperwork. However, for those who earn less than the personal allowance (currently £12,500), there is a real impact.

By way of example, both John and Suzie earn £10,000 and have the same level of take-home pay. However, Suzie has a larger contribution going into her pension pot:

- ✓ Suzie is a member of a RAS scheme, and it is therefore assumed, for pension purposes, that she is at least a basic rate taxpayer. So, while Suzie also contributes £800 into her pension pot, her pension provider claims £200 in tax relief from HMRC to top up the total pension contribution to £1,000.
- ✓ John contributes to his pension scheme through a Net Pay arrangement. Over the year, £800 is deducted from his pre-tax salary of £10,000 and £800 goes into his pension pot. This leaves John with take-home pay of £9,200. Under this arrangement, John has missed out of £200 of tax relief.

As members of RAS pension schemes are granted basic rate tax relief of 20% on pension contributions of up to £2,880 a year, HMRC would top up a net contribution of £2,880 to £3,600. Over an entire working lifetime, and assuming 3% net investment growth, the difference this makes could be worth more that £50,000, or the equivalent of four years' salary.

No easy way out…

The Call for Evidence states: "The government considers that any administrative changes should be sustainable, long-term reforms that provide stakeholders with confidence and certainty. This means any changes need to be enduring and not create further unintended consequences and, as such, any changes need to be considered in the round alongside and within the wider context of pensions tax relief administration."

However, this is no easy task, as the Call for Evidence goes on to say: "To completely align the tax treatment for those contributing to pension schemes with the same incomes but using different methods of tax relief would require a number of steps. In addition to considering what the individual has saved in the scheme, it would be necessary to consider both the amount individuals receive in their pay packet and the amount of personal allowance available after the tax on their earnings have been calculated."

The main approaches suggested so far include paying a bonus based on real-time information, introducing a standalone charge on RAS schemes, and mandating the use of RAS. However, each approach has its pros and cons. For example, while mandating use of RAS, ensuring all low earners receive the top-up on their pension savings, would have significant appeal in terms of fairness and simplicity, challenges include potential significant investment in systems, changes to scheme and payroll processes, and a potential review of employment contracts to properly understand the impacts on employees.

Finally, we wonder whether, given the impact of Covid-19 on Government revenues, this tax relief debate could be a further reason for the Chancellor to announce a single rate of tax relief on all pension contributions?

Helpful Links:

Further information can be found in HM Treasury's 36 page "Pension tax relief administration: Call for Evidence" document at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902338/Pensions_tax_relief_administration_CfE_docx.pdf

New PASA Guidance

The Pensions Administration Standards Association ("PASA") has issued fresh guidance to pension scheme administrators, as we continue to live through the pandemic.

As an industry body focussed on driving up standards in pensions administration in the UK, PASA initially issued guidance in March this year when we entered lockdown. At that stage very few of us would have envisaged still being in this position some months later, and the guidance focussed on the immediate needs of both staff and scheme members. This updated guidance recognises that many of us will not be "returning to normal", and that some of the changes we have made during lockdown may now be adopted as the new normal. In developing their guidance, PASA has looked at best practice across the administration sector to support administrators in preparing and planning for the next important stages.

The guidance has been largely based on a survey carried out among both third-party administrators and schemes administered in house. It covers a number of key areas such as visibility and accessibility, digital workflow, homeworking and wellbeing and productivity. What can be seen in many of these areas is that lockdown has forced the administration industry into accelerating changes that were planned for the future, for example around online member access, advanced identity verification techniques and more flexible working patterns.

The guidance concludes that administrators have demonstrated that they can work just as efficiently from home, but that how permanent this becomes will differ between organisations. What is certain though is that we will not see a return to the office of 100% of staff on the same working patterns as before.

ACTION

Trustees and sponsors should be asking their scheme administrator what their plans are for returning to the office, and how their processes are being adapted to meet the needs of both their own staff and scheme members. Those administrators who initially prioritised and reported on only key activities should now be demonstrating that they can return to full work throughput with MI reporting reflecting this.

Helpful Links:

https://www.pasa-uk.com/wp-content/uploads/2020/08/PASA-Guidance-Covid-The-Road-Ahead-tables-FINAL.pdf

Safeway v Newton Equalisation Case – Court of Appeal Decision

The Court of Appeal has handed down its judgment in the long running case of Safeway Ltd ("Safeway") v Newton and Safeway Pension Trustees Ltd ("Newton").

The Court of Appeal held that the introduction of section 62 of the Pensions Act 1995 on 1 January 1996 was an effective measure to close the "Barber window" (the period from 17 May 1990 until pension schemes validly equalised their retirement ages – typically at age 65). Consequently, pension benefits earned from 1 January 1996 were payable from age 65 and not age 60, as would otherwise have been the case.

Background

On 17 May 1990, the European Court of Justice ruled that pension benefits were considered as "pay" and therefore it was unlawful for schemes to provide different retirement ages for men and women.

The Safeway Pension Scheme ("the Scheme") Case

By an announcement issued to members of the Scheme on 1 December 1991 ("the 1991 announcement"), Safeway notified members of the equalisation of retirement ages in the Scheme from age 60 to age 65. However, the change was not included in a formal deed of amendment until 2 May 1996 ("the 1996 Deed").

Nevertheless, the Scheme's amendment power meant that any amendments were allowed to take effect retrospectively from the date of an earlier written announcement to members.

The Scheme had been administered on the basis that benefits were equalised with effect from 1 December 1991.

However, previous judgments on the case determined that the 1991 announcement was not sufficient to equalise retirement ages and that the retrospective amendment under the 1996 Deed was prohibited.

The Latest Judgment

The latest judgment on the case dealt with a key question – when did the Barber window close?

It had been previously decided that benefits were not equalised until 2 May 1996, the effective date of the 1996 Deed.

However, the introduction of section 62 of the Pensions Act 1995 effectively wound the clock back and closed the Barber window when it came into force. In other words, the 1996 Deed was able to retrospectively equalise benefits from 1 January 1996, but not from 1 December 1991 as originally intended.

ACTION

Whilst there are no general actions for trustees at the moment, it may be beneficial for trustees to consider whether this decision of the Court of Appeal is relevant to their pension schemes.

If a scheme contains an amendment power which permits retrospective amendments and any retrospective amendments to equalise benefits were executed after 1 January 1996, then the Safeway v Newton case might be of interest.

Helpful Links:

https://www.wilberforce.co.uk/wp-content/uploads/2020/07/Safeway-v-Newton-approved-judgment-130720.pdf

Measures to help pension schemes tackle COVID-19 challenges

In our last Quarterly Update, we covered the latest guidance from The Pensions Regulator ("TPR") designed to help pension scheme trustees and employers cope with the financial impact of COVID-19. That guidance, effective from July, expired at the end of September and has now been replaced.

Trustees and employers should therefore assume that, from October, normal TPR requirements on issues such as reporting breaches and employee consultation will apply, in accordance with TPR's Codes and regulatory guidance. The updated guidance specifies that from 1 January 2021, defined contribution (DC) schemes and providers will be asked to resume the reporting of late contribution payments no later than 90 days after the due date (reduced from the maximum time frame of 150 days that was set at the start of the pandemic in March 2020). In other words, the normal timescales in TPR's Code of Practice on Late Reporting will apply from the start of next year.

Also, from 1 October 2020, other types of enforcement will start to return to normal. This includes the enforcement of the requirement for schemes to submit audited accounts and investment statement reviews.

According to Mel Charles, Director of Automatic Enrolment at TPR: "… now is the right time to return to our usual reporting and enforcement". We have been clear that employers continue to have to pay contributions in full and on time and schemes have continued to refer serious automatic enrolment breaches to us which may require enforcement action to ensure compliance and to protect savers."

Guidance for trustees considering employer requests for a reduction or suspension of Deficit Recovery Contributions ("DRCs") (last updated June 2020) remains unchanged at this time. However, according to TPR, "it remains under review, to be updated in line the evolving situation". While data shows around 10% of DB schemes have sought to defer DRCs, with discussions ongoing for others, TPR recognises that deferrals may continue to be appropriate in certain circumstances. This should be subject to trustees undertaking due diligence, particularly since TPR expects greater insight into an employer's short-term liquidity to have developed since the COVID-19 lockdown began.

ACTION

Note expiry and replacement of easements which applied between July and September (inclusive).

Helpful Links:

https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider

Guaranteed Minimum Pension (GMP) Equalisation

Guidance to help trustees understand the issues and explain them to members

Two recent guides to help pension schemes comply with their duties to equalise benefits for the effects of GMPs have been published.

The GMP Equalisation Working Group ("GMPEWG"), a cross-industry organisation chaired by the Pensions Administration Standards Association ("PASA"), has published new guidance on member communication. This Guidance, designed for schemes in the early planning stages of GMP Equalisation ("GMPE"), comprises four main sections:

- ✓ Broad principles schemes can follow when planning their communications to members. A key message (accompanied by do's, don'ts, and examples to follow) is: "rather than focus on everything we could tell members about GMP Equalisation, think about what they really need or want to know". An early question to consider is: "Do you need to say anything at all?". If you are going to communicate then think about what you want members to know, how you want them to feel and what you want them to do.
- ✓ Model Questions & Answers members might ask that schemes can use as a starting point to respond to members.
- ✓ A checklist of the communications to members which may need to be reviewed in light of GMPE, which schemes can use as a starting point. The checklist is broken down into different areas – general scheme information (including booklets and scheme rules), ongoing member communications, and admin and process communications.
- ✓ A jargon buster for schemes to use as a guide to help avoid using words and phrases members may find confusing. PASA "strongly encourage all schemes to use these definitions so that individuals have a consistent experience".

Also, the data sub-committee of the GMPEWG has published guidance on the data required for GMPE. The guidance considers the data aspects of a GMPE project and aims to help trustees understand the measures they can take to get their scheme data ready for equalisation. It is relevant regardless of whether a year-by-year comparison ('better of') or conversion approach to GMPE is taken.

On a related note, HMRC has published its second pensions newsletter on GMPE. This guidance, as with the earlier guidance, relates to adjustments where the reason for the adjustment is solely for GMPE. Pension schemes that have started to pay pensions and made lump sum payments may need to top-up those benefits because of GMPE. The guidance in the second newsletter covers tax issues in respect of lump sums previously paid and the payment of lump sums because of GMPE.

ACTION

It is now nearly two years since the High Court ruled that inequalities from GMPs must be addressed. Trustees, who have not already done so, should be taking steps to ensure members with GMPs accrued between 1990 and 1997 are being paid the correct entitlements.

Helpful Links:

https://www.pasa-uk.com/wp-content/uploads/2020/08/GMPEWG-Comms-Guidance-August-2020-FINAL-1.pdf
https://www.pasa-uk.com/wp-content/uploads/2020/07/GMPE-Data-Guidance-vFINAL.pdf
https://www.gov.uk/government/publications/guaranteed-minimum-pension-gmp-equalisation-newsletter-july-2020

Pensions and Inheritance Tax

Omission to take pension benefits by a terminally ill member was transfer of value for inheritance tax ("IHT") purposes

The Supreme Court has published its judgement in the matter of Commissioners for HMRC (Respondent) v Parry and others (Appellants). This long-running case is an appeal against the Court of Appeal decision that the pension scheme transfer by a terminally ill individual, six weeks before her death, and her omission to take income benefits which were then payable, were 'transfers of value', for the purposes of the Inheritance Tax Act 1984 ("IHTA 1984").

Five Supreme Court judges were involved and, in a majority decision (3 to 2), it was held that the Court of Appeal properly found that the individual's omission to draw lifetime benefits under her personal pension plan ("PPP") should be treated as a disposition under the IHTA 1984. However, the transfer of funds from an earlier section 32 pension policy to the PPP, whether taken alone or in the context of the omission, was not a transfer of value because an exemption in that legislation applies.

HMRC has updated its Inheritance Tax Manual following the decision

ACTION

For noting, only. This is an important decision as one of the reasons that transfers often take place is to improve the benefits that are payable on a member's death. That said, the proceedings in this case started over a decade ago and, since then, both IHT and pensions tax legislation have changed. In particular, on death before age 75, it is possible for death benefits, even if 'crystallised', to be passed on to dependants tax-free.

Helpful Links:

Link to judgment

https://www.bailii.org/uk/cases/UKSC/2020/35.pdf

Link to HMRC manual

https://www.gov.uk/hmrc-internal-manuals/inheritance-tax-manual/ihtm17108

PPF Levy 2020 – 2022

2020-21 Levy: 'Time to pay'

The Pension Protection Fund ("PPF") risk-based levy invoice is normally payable within 28 days of receipt. The PPF cannot routinely extend levy payment terms. However, in some good news for levy payers, the PPF has recently announced that those financially impacted by COVID-19 may apply for an extension of the payment terms. Details of those who may be eligible and the process for obtaining an extension are in the Helpful Links below. Applications can only be made once a levy invoice has been received. PPF levy invoices are issued in the Autumn.

In more positive news, the PPF has also stated that there are no current plans to increase the levy due to the impact of COVID-19 on the PPF. According to David Taylor, PPF Executive Director responsible for the PPF levy:

"Our members, levy payers and those protected by the PPF should not be concerned with speculation about our ability to weather the current economic situation. Our latest modelling shows that we are well placed to achieve our self-sufficiency target and our 2020/21 levy estimate remains unchanged from its announcement last year."

Finally, the previous quarterly update covered the 'Hughes' case on PPF compensation levels. It has been announced that both the PPF and the Department for Work and Pensions ("DWP") have applied for permission to appeal against the High Court's decision that the compensation cap constitutes unlawful age discrimination contrary to EU law. The DWP has lodged an appeal against the ruling that the compensation cap is unlawful. The PPF is appealing against part of the judgement concerning the approach it may adopt to meet the requirement for members to receive 50% of the value of their pension entitlement and how survivors' benefits should be dealt with.

2021-22 Levy: 'Draft determination'

The draft levy determination for 2021-22 was published at the end of September.

The PPF is proposing to collect £520m from the 2021-22 levy. This is a reduction of £100m relative to what it expects to collect in 2020-21. Reasons for the reduction include:

- ✓ A 50% reduction in uncapped levies for schemes with liabilities of less than £20m (tapering to no reduction for those with liabilities of £50m or more). This results in a reduction to the levy estimate of around £10m.
- ✓ A reduction in the risk-based levy cap from 0.5% to 0.25% of scheme liabilities; equating to a reduction in the levy of around £40m.
- ✓ Reflecting latest assumptions guidance, which improves schemes' funding positions.

It should be noted that the PPF has flagged that the proposed reduction for 2021-22 does not imply the 2022-23 levy will also reduce. It could increase, by up to 25%, dependent on claims experience which will be affected by COVID-19 related business failures, where those businesses operate a DB pension scheme. The PPF is also consulting on whether it should maintain the levy payment flexibility mentioned above.

The PPF is reviewing, with The Pensions Regulator, the asset information provided by schemes. This may lead to a change to the asset stresses and roll-forward indices for the 2022-23 levy. The PPF had indicated that the liability stress factors and risk factor stresses will also be reviewed for the 2022-23 levy.

Finally, the PPF is proposing some minor changes to contingent asset eligibility rules and to the exempt transfer rules.

ACTION

Consider eligibility and whether to apply for an extension to pay the PPF levy.

Look out for final levy determination for 2021-22

Helpful Links:

https://www.ppf.co.uk/help-paying-your-levy

https://www.ppf.co.uk/press-releases/ppf-consultation-levy-rules-202122

Coming Up Next…

"Wisdom oft times consists of knowing what to do next."

The words of Herbert Hoover. A man who could have sympathised with our current government, in terms of the struggles that the Covid-19 pandemic has thrust upon the country's finances. As 31st president of the United States, he was in the Oval Office only a matter of months before the US stock market crashed, bringing about the onset of the Great Depression of 1929, which dominated his one term in office.

While we would not be so bold as to claim wisdom, Hoover's words do hold a truth that preparing for what we are to do next is inherently wise. With so many factors out of our control, taking the time to examine what we know lies ahead of us in the coming weeks and months can only serve to enhance our preparedness, and ideally, help us to make some wise decisions.

With that goal in mind, here are some of the events on the horizon that we believe are worth considering, and will help sponsors and trustees alike in knowing what to do next.

- ✓ On 24 November the PPF's consultation on its draft **PPF levy determination for 2021/22** (published on 29 September here) is due to close. As discussed earlier, the changes to the levy determination are modest in terms of the overall impact on the levy, with a focus on only making necessary changes. However, it still makes sense to take advice and ensure that your scheme's risk-based levy is no more than it must be.
- ✓ The government's **Coronavirus Job Retention Scheme** will close on 31 October, with the Chancellor's Job Support Scheme ("JSS") to take its place for the next six months. For eligible employees (i.e. who work and are paid for at least a third of their normal hours), the JSS will result in them receiving at least 77% of their normal pay (unless a cap in relation to the government grant comes into effect). The JSS will be available to all small and medium sized businesses, with only larger firms that have seen their turnover fall during the pandemic being eligible. Employers should be preparing with their administrators for these changes. Under the JSS, pension contributions will remain the responsibility of the employer.
- ✓ While the **Pensions Schemes Bill 2019-21** continues to make its way through the Commons (see below), the Minister for Pensions and Financial Inclusion has surprised some by stating that he expects another pensions bill to be introduced in this parliamentary session, after the Pension Schemes Bill 2019-21 has received royal assent (probably, towards the end of 2020). The focus of this second bill would be a legislative regime for DB superfunds, which the minister stated was too substantial an issue to include in the 2019-21 Bill and that he hoped to be proceeding with the new bill "relatively quickly". Guidance for trustees on superfunds, from The Pensions Regulator, is expected in the next few weeks.

Trustees and sponsoring employers alike should also be aware of the following key dates in 2020 and beyond:

- ✓ **28 and 29 October 2020** – the latest Lloyd's Bank GMP equalisation hearing, covering past transfers-out from pension schemes, will take place, following on from proceedings left part-heard in May.
- ✓ **30 October 2020** – DWP consultation on improving the outcome for members of DC schemes (including consolidation proposals) closes.
- ✓ **31 October 2020** – The UK government's Coronavirus Job Retention scheme closes, with the Job Support Scheme to come into effect the following day, for six months.
- ✓ **3 November 2020** – The Commons Committee stage to commence for the Pensions Schemes Bill 2019-21 (with the Committee to report by 5 November 2020).
- ✓ **November/December 2020** – TPR consultation on implementation of a single code of practice for trusteeship, governance and administration standards is expected.
- ✓ **31 December 2020** – At 11:00pm the Implementation Period under the UK-EU Withdrawal agreement will end, unless an extension is sought (which seems unlikely).
- ✓ **1 January 2021** – The TPR requirement to report contribution payment failures shall revert to those failures that are 9 days outstanding, as opposed to the current 150 days currently in place.
- ✓ **Early 2021** – A consultation is expected regarding an update of the TPR's code of practice on trustee knowledge and understanding.
- ✓ **Early 2021** – The Pensions Regulator due to consult on contents of new DB funding Code.

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