

A&O SHEARMAN

Pensions: DC Trustee Update for July 2024 meetings

25 June 2024

Welcome to our monthly update on current legal issues for trustees of DC pension schemes, designed to help you stay up to date with key developments between trustee meetings and to support the legal update item on your next trustee agenda. We have a separate update for DB/hybrid schemes.

TPR review of climate change reporting

The Pensions Regulator (TPR) has published a review of pension scheme climate change reports, providing commentary on its expectations. TPR's comments will be useful for schemes when drafting future reports ([read more](#)).

ACTION: Read TPR's report and consider whether any updates are required to your climate change reporting.

Further adjustments to rules replacing LTA

From April 6, 2024, the lifetime allowance was replaced by a new framework featuring two key allowances: the lump sum allowance and the lump sum and death benefit allowance.

Further changes to the legislation are expected in due course, with retrospective effect; HMRC has also published numerous FAQs explaining various practical and technical details of the new rules ([read more](#)).

ACTION: Update member communications and processes as appropriate to reflect the changes.

Pensions dashboards: staging timetable and standards published

The government has published the staging timetable for schemes to connect to pensions dashboards ([read more](#)).

The mandatory deadline for all in-scope schemes and providers to be connected to the pensions dashboards ecosystem is October 31, 2026, but schemes are expected to connect by the earlier date in this timetable. Trustees and providers are legally required to have regard to the guidance and should be able to demonstrate, if required, how they have complied with this requirement.

Separately, the Pensions Dashboards Programme has published updated data standards for pensions dashboards, setting out the data requirements for finding and viewing pensions information ([read more](#)).

Other technical, reporting and design standards will follow.

ACTION: Confirm the staging date for your scheme and ensure that plans are in place to connect to the pensions dashboards ecosystem and meet the standards by that date.

Carer's leave: new right from April 6, 2024

From April 6, 2024, employees who have a dependant with a long-term care need have a right to take one week's unpaid leave to provide or arrange care in any 12-month period ([read more](#)).

All terms and conditions apart from the right to remuneration continue during carer's leave, meaning that accrual and employer contributions also continue (based on notional pay). This differs from the position for other types of unpaid family leave.

Scheme rules will, in many cases, provide sufficient flexibility to cover this, but you may wish to address it specifically as part of a future rule amendment.

ACTION: Note the position for carer's leave and consider whether a rule amendment may be required.

Watch this space

The Chair of the House of Commons Work and Pensions Committee has identified key areas for potential Parliamentary intervention, including whether TPR's remit should be extended to cover pensions administrators and whether TPR should have direct rule-making powers to enable it to respond more quickly to emerging risks ([read more](#)).

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