



August 2024 Pensions Law Update

This month we report on the King's Speech, Pensions Bill and the Government's pension review. We also look at the BBC judgment, the DB Funding Code and much more

13 August 2024

Welcome to the August edition of our Pensions Law update.

One would have been forgiven for thinking that there might have been a bit of a lull in the pensions world following the Election. Think again!

Firstly, there was the King's Speech on 17 July. Whilst it was generally expected that it might include a Pension Bill, confirmation of that fact led to a flurry of excitement and, dare we say it, cautious optimism within the pensions industry.

That announcement was shortly followed by the Chancellor, Rachel Reeve's, announcement regarding the pensions review and the kick-off of the first stage of that looking at investments. It is hoped that the Bill and the pensions review will lead to meaningful change in some key areas such as: value for money for defined contribution pension savers; increasing pensions adequacy; consolidation of small pots; retirement solutions; and productive investment of pension funds.

We reported in our last newsletter that two key pensions appeal cases were heard at the end of June. Both judgments were swiftly published thereafter, with the *BBC* judgment first, followed by *Virgin Media* towards the end of July. Both appeals were rejected and both may now have significant implications for pension schemes with restrictions in their amendment power similar to that in *BBC* and/or schemes who have made amendments affecting Section 9(2B) rights between 1997 and 2016.

Another key development was the laying before Parliament of the DB Funding Code. It has been eagerly awaited and, on the whole, has been broadly welcomed for its flexibility and reflection of industry responses.

And that wasn't all! There were other developments as well including: TPR announcing a new regulatory approach to master trusts; a settlement being reached in the long running TPR Box Clever regulatory case, TNFD report recommendations adoption increasing significantly since January and ED&I continuing to be a hot topic within the pensions industry.

Read about all of this, and more, below.

New government pension initiatives

Pension Schemes Bill

As was widely anticipated by the pensions industry in the lead-up, the King's Speech revealed plans for a Pension Schemes Bill which will take forward many of the initiatives conceived under the previous Government's Mansion House reforms.

Our colleagues, [Steven Hull](#) and [Louise Pettit](#), look at which pension reform measures the Bill includes, and which appear to have been dropped (for now).

[Read more >](#)

New government employer perspective

As outlined above, there have been significant pension announcements and developments regarding pensions since the election of the new Labour government. With the Pension Schemes Bill and the commencement of the wide-ranging pensions review with stage one of that looking at investments, it is going to be a busy time for the industry.

However, what are the particular implications for employers? Our colleague, [Chris Brown](#), considers what key topics employers should be looking out for.

[Read more >](#)

Regulatory

TPR's DB Funding Code is laid before Parliament

The pensions industry was starting to think it would never be published. But it took us all by surprise when it was laid before Parliament in the last week of July.

Whilst it could still be changed during the 40-day Parliamentary scrutiny process and will then need to be officially brought into effect, schemes with valuation dates shortly after 22 September 2024 will need to start getting to grips with its requirements, and quickly.

[Read more >](#)

TPR announces new approach to its regulation of master trusts

The Pensions Regulator (TPR) has recently [announced](#) an evolution in its approach to the supervision of master trusts. Master trusts are an important part of the UK's pension provision, with a significant number of employers choosing these schemes for their employees.

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Pensions Disputes

BBC

As mentioned above, the BBC judgment was issued surprisingly quickly after the appeal hearing in the last week of June. The Court of Appeal dismissed the appeal and upheld the previous High Court decision that the restriction on the amendment power (which turned on the meaning of the word “interests”) protects future service benefits, not just past service benefits.

Our colleague, Mairi Carlin, took a look at what it might mean for pension schemes with similar amendment power restrictions.

[Read more >](#)

A settlement is reached in the long-running Box Clever TPR

After the long running regulatory saga between ITV and the Pensions Regulator, TPR reported on its website last week that *“All members of the Box Clever pension scheme are expected to receive their pension benefits in full following an in principle deal agreed between The Pensions Regulator (TPR) and ITV transferring to the ITV scheme”*

There could still be a further twist in the tale however as it is reported that ITV does have “certain termination rights” which it could exercise. Read our [update](#) here.

Boots pensions dispute rumbles on

Boots are currently in the middle of a dispute with its Union and pension scheme members regarding whether a right to an unreduced pension from age 60 was a member right or a discretionary benefit.

Whilst it is not clear yet regarding the status of the benefit in question, what is clear is that the dispute is far from settled, with a TPO complaint and possible Court action being mentioned.

[Read more >](#)

Pensions Ombudsman overpayment cases

There has been a plethora of TPO overpayment cases in the last few months, one of which is likely to have laid down key precedent for future overpayment cases. Our colleague, [Louise Pettit](#), looks at the lessons to be learnt from those cases, in particular the case involving BIC and Mr E.

[Read more >](#)

ESG – TNFD update

TNFD recently reported that the number of organisations who are adopting TNCD’s reporting recommendations has risen by 30% since the start of 2024 with new participants.

Our colleagues, [Kate Granville Smith](#) and Harvey Spencer, take a look at this and related new guidance that has been issued by TNFD.

[Read more >](#)

News round up

ED&I – only increasing in importance in the pensions arena

ED&I in pensions remains a hot topic and high up the agenda for both trustees and industry bodies, with the charge being led the Pensions Regulator. Our colleague, [Amy Davies](#), takes a look at how good communication can assist and why it matters.

[Read more >](#)

TPO publish its 2024/25 Corporate Plan

TPO recently published their 2024/25 Corporate Plan outlining key priorities and strategic goals for the upcoming year. Our colleagues, [Clive Pugh](#) and Callum Duckmanton summarise the key points here.

[Read more >](#)

Events round-up

BS hosts SPP Early Career Professionals events in London office

At the end of July we were delighted to support SPP's event for Early Career Professionals which we hosted in our London office. Our very own [Helen Norman](#) chaired the main session at the event and a number of our other junior lawyers attended.

With a fabulous lineup of industry experts, the panel explored a range of topical issues including a post-election review, illiquids/productive finance, DB risk transfer versus run-on and cyber risk and AI in pensions.

BS' participation in joint LGPS seminar with Spence & Partners

Also toward the end of July our colleagues, [Michael Hayles](#) and [Ed Curtis](#), were joint speakers at a webinar hosted by Spence & Partners entitled "Scottish LGPS Funds: Navigating Discretionary Refunds of Surplus from July 2024 Onwards".

Michael and Ed were delighted to be presenting on the topic alongside Spence & Partners [Alistair Russell-Smith](#) and [Sean Campbell](#) and enjoyed a thought-provoking session.

Public Sector Pensions Quarterly

The Autumn edition of our dedicated newsletter for public service pension schemes will be published in a few weeks. If you would be interested in receiving a copy of our summer edition published in the middle of July please do get in touch. If you'd like to receive a copy direct to your inbox please do follow the [link](#) to sign up to our public sector pensions mailing list.

We hope you find the above helpful but, as always, please do get in touch if have any questions or you would like to discuss anything further.

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