Pensions Weekly Update – 19 June 2024

Here is our weekly summary of key legal and regulatory developments relevant to occupational pension schemes that you might have missed, with links for further information.

- Following on from last week's update, the Green Party and Labour Party have now published their respective election manifestos, both of which contain pensions pledges. The Labour Party has said that it will act to increase investment from pension funds in UK markets by ensuring that workplace pension schemes take advantage of consolidation and scale. Its pledges also include a review of the pensions landscape, retaining the triple lock and mandating UK-regulated financial institutions, including pension funds, to develop and implement credible transition plans that align with the 1.5 degrees Celsius goal of the Paris Agreement. Meanwhile, the Green Party has pledged that UK pension providers will be required to remove fossil fuel assets from investment portfolios, securities transactions and balance sheets by 2030, and the Financial Conduct Authority (FCA) will be required to develop targets to eliminate all equities relating to fossil fuel exploitation from the UK stock market and prohibit the issuing of any new shares for these purposes. The Green Party also pledges to uprate pensions in line with inflation and wage rises and that pension contributions across the board will receive tax relief at the basic rate of income tax.
- 8 August 2024 is fast approaching. It is a key dashboards deadline for some pension trustees. If, for example, a scheme embarked on a buy-in/buyout programme before 9 August 2023, and the ultimate buyout date is likely to be after 31 October 2026, an extension to the deadline for connecting to pensions dashboards, of up to 12 months, can be applied for (on the grounds that the buyout will constitute a transfer of the data held by the pension scheme to a new administrator). The application goes to the secretary of state and must establish that it would be disproportionately burdensome to meet the 31 October 2026 connection date or that it would put member personal data at risk. If the buyout completes before the extension expires, the obligation to connect will fall away because the scheme will have zero relevant members. The application deadline for an extension is 8 August 2024, so urgent action and legal advice is recommended if this applies to your scheme.
- While there is a legislative lull, there are still a few pensions-related developments expected over the summer. We await the FCA's overdue consultation on value-for-money rules for contract-based pension schemes. The rules are expected to include proposals announced by the chancellor to require defined contribution funds to disclose their level of investment in UK business. We are expecting consultation from The Pensions Regulator (TPR) on new covenant guidance, and the Financial Reporting Council is expected to run a public consultation as part of the second stage of its review of the UK stewardship code. If TPR sticks to the government's consultation principles, TPR should publish a response to its consultation on statement of strategy by 9 July 2024. Finally, on 31 July 2024, consultation closes on the future of the Pension Scams Industry Group.
- Our UK Labour & Employment team has produced its quarterly board briefing, which features a tracker to provide corporate boards with a guide to key upcoming legal changes, including critical dates, suggested actions and an assessment of any risk/opportunities arising. Topics appearing

this quarter include changes to the flexible working regime, smarter regulation (employment law reform), consultation on the statutory code of practice on dismissal and reengagement, and the use of AI in recruitment processes.

If you would like specific advice on any of these issues or anything else, please contact a member of our Pensions team.