

#NATIONALPENSIONSWEBINAR

Welcome

National Pensions webinar

SH ∞ SMITHS

INTRODUCTION



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DEFINED CONTRIBUTION MATTERS



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Defined Contribution Matters

- Small pots
 - average pot size £1,000
 - $\frac{3}{4}$ DC pots <£1,000
- Small pots working group
- Governance and Consolidation

DB CONSOLIDATION IS THIS THE YEAR OF THE “SUPERFUND”?



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Background

- How did we get here?
- Legislative framework
 - Permissive not prescriptive...yet

Legislative Framework

- How do Superfunds work?
- No set business model
- An alternative to buy-out or a bridge to buy out?

The Pensions Regulator

- The Pensions Regulator
- Guidance issued in 2020 – primary legislation pending
 - Gateway Principles
 - Clearance
 - Trustees' due diligence
 - Conditions
 - Interaction with the PPF
 - Best interests of scheme members

PENSION LIBERATION AND PENSION SCAMS



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Pension Liberation and Pension Scams (I)

Background

- Pension scams: a 21st century phenomenon?
- Pensions Act 2004 and the meaning of "pension liberation"
- April 2014 Budget and "New" freedoms from 6 April 2015
- Increased incidence of (reported) scams – particularly between (April) 2015 and (November) 2020
- "Transferring members" required to take financial advice under certain circumstances
- 9 January 2019: ban on cold calling

Pension Liberation and Pension Scams (II)

- November 2019: the Pensions Regulator and Financial Conduct Authority and the ScamSmart campaign
- 2020-2021: a (further) change in circumstances
- 6 January 2021: report to Parliamentary Select Committee
- Insurance / IFA market
- What can trustees do?
- Beware of "wishful thinking"

GDPR 2021



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GDPR 2021

Key Actions

- Identify the legislation relevant to the data held – for most UK Trustees as data controllers will be the UK GDPR
- Update Privacy Notice to acknowledge the correct legislation
- Seek confirmation from third parties who process data for pension scheme as to whether they transfer data outside the UK
- If confirmed further questions to be raised as to the basis on which data is transferred SCC/BCR or adequacy decisions (subject to any conditions)
- Revisit contracts to ensure appropriate confirmations and commitments are in place
- Consider overseas trustees EU/EEA and US (Schrems II – privacy shield not a recognised basis)
- Review and monitor

ROUND UP OF OTHER NEWS



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Round up of other news...

- Pensions Schemes Act 2021 – Royal Assent on 11 February
 - New powers
 - Pensions dashboard
 - Collective defined contribution schemes
- Increase to normal minimum pension age consultation
- Auto enrolment earnings triggers 2021/2022
 - Earnings trigger £10,000
 - Lower qualifying earnings £6,240
 - Upper qualifying earnings up to £50,270
- Auto enrolment – lower earnings limit (probably) to be removed