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**Response from the Pensions Management
Institute to DWP consultation:
*'Strengthening The Pensions Regulator's
Powers: Notifiable Events (Amendments)
Regulations 2021'***





Pensions Management Institute

Moving pensions forward

Registered Office:
Devonshire House
60 Goswell Road
London
EC1M 7AD

T: +44 (0) 20 7247 1452
W: www.pensions-pmi.org.uk

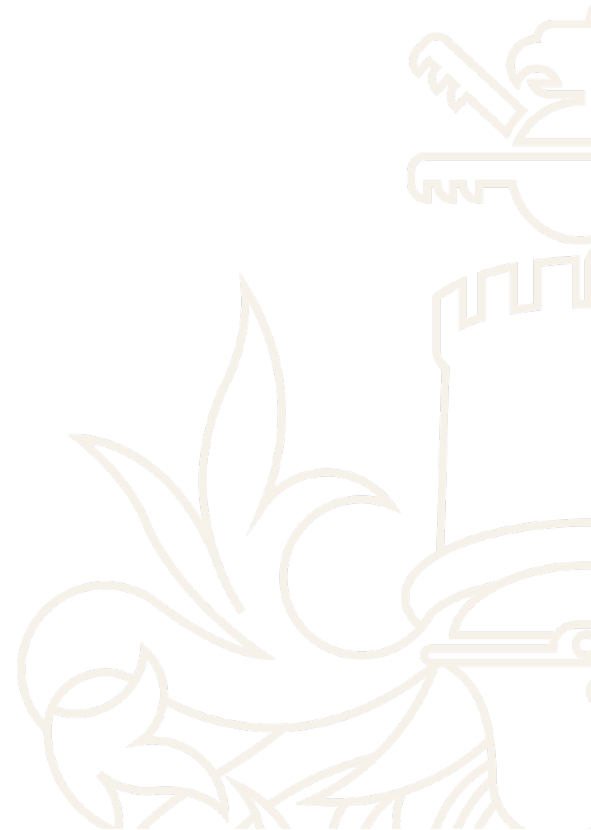
Response from the Pensions Management Institute to DWP consultation: 'Strengthening The Pensions Regulator's Powers: Notifiable Events (Amendments) Regulations 2021

Introduction

PMI is the professional body which supports and develops those who work in the pensions industry. PMI offers a range of qualifications designed to meet the requirements of those who manage workplace pension schemes or who provide professional services to them. Our members (currently some 6,000) include pensions managers, lawyers, actuaries, consultants, administrators and others. Their experience is therefore wide ranging and has contributed to the thinking expressed in this response. Due to the wide range of professional disciplines represented, our members represent a cross-section of the pensions industry as a whole.

PMI is focused on supporting its members to enable them to perform their jobs to the highest professional standards, and thereby benefit members of retirement benefit arrangements for which they are responsible.

We trust that the feedback in the following pages proves helpful.



1. Do you think that the definitions capture the policy intention? If not, please explain why.

We consider that the definition of a “Decision in principle” (specifically, the inclusion of “negotiations”) is too ambiguous and could potentially cover a wide range of unintended actions which might routinely be conducted (including with third parties or advisors) as part of normal business operations. For example, where is the line drawn between conversations/discussions (which presumably are not covered) and negotiations (which are)? A consequence could be a material increase in the number of notifiable events, which may put pressure on TPR’s resources.

2. Can you see any unintended consequences of these amendments?

No.

3. Are there any unintended consequences of this approach? What is the impact on multi-employer schemes and the employers? Is there a simple way of apportioning liabilities which would work for all multi-employer schemes?

The consequence of this approach could be a material increase in the number of notifiable events (including many which have little or no impact on a scheme). This may remove TPR’s resources from other, more impactful, areas.

4. Do you agree that “when the main terms have been proposed” is an appropriate point for the notice and statement to be issued? Can you see any unintended consequences of using this definition? At what point would it be reasonable for employers to have discussions with the trustees about the intended transaction?

Similar to our response to Q1, we consider that the phrase “main terms” is too ambiguous. Guidance should also be given on expectations for reporting where a “Decision in principle” or “main terms have been proposed” prior to the regulations coming into force, but the corresponding “event” does not take place until after this point.

5. Does the definition of relevant security meet the intention that it will apply to granting of security which may affect the employer’s ability to support the scheme? Are there any unintended consequences? Should other specific types of security be included or excluded? Is it appropriate to specify a 25 per cent threshold by reference to revenues or assets as proposed?

Yes, although we would wish to see the Pensions Regulator’s accompanying guidance in order to comment fully.

6. Do you agree this is a reasonable definition of revenue and assets? If not, how do you consider they should be defined?

Yes.

7. Do you consider that 25 per cent of the revenue or assets is an appropriate level? If not, please indicate what you think is an appropriate level and why?

Yes.

8. Do you agree that disposals which have taken place or agreed within 12 months of the date of the notifiable event should be taken into account when calculating the 25 per cent threshold? If not, please explain why.

Yes.

9: Does this list provide all the information which should be notified to The Pensions Regulator? If not, what else should be included?

Yes.

10: Do you think that this meets the policy intention or are there any unintended consequences?

As per our concerns elsewhere, this could result in multiple notifications in relation to a single event (with associated pressure on TPR resources), as terms can often change during the course of a negotiation. The assumption in the drafting is that such changes will be detrimental to a scheme, which will not always be the case.