

codes of practice

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codes of practice and dealing with the regulator

- codes of practice
 - what will they cover?
 - what are they?
 - how will they affect me?
 - how are we doing in developing them?
 - can you give me an example?
 - how do they fit in with legislation and guidance?

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- The Pensions Act 2004
- a new pensions regulator (The Pensions Regulator)
- codes of practice (CoPs) (section 90)

codes of practice

- mandatory codes - regulator required by law to issue
- non-mandatory codes - regulator chooses to issue

mandatory codes

- notifiable events
- reporting breaches
- scheme funding – defined-benefit schemes
- payments to money-purchase schemes
- payments to personal pension schemes
- member-nominated trustees/directors of trustee company
- trustees' knowledge and understanding
- internal dispute resolution
- notification and exercising of rights for early leavers of occupational pension schemes
- restrictions on powers to alter occupational pension schemes (s67)
- internal controls

what are codes of practice?

- legal effect – but not legislation
- combine characteristics of legislation and guidance
- follow the code and comply
- standards of behaviour

how codes of practice are prepared

- formal consultation
- approved by Secretary of State
- laid before Parliament
- come into force

where are the codes now?

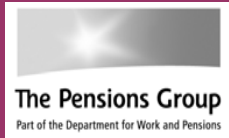
- being developed
- liaison with users:
 - generally
 - reporting to the regulator
 - drafting code
 - liaison meetings held:
 - identify issues
 - iron out wrinkles
 - formal consultation and more liaison (winter)

example

- scheme specific funding (Part 3 of Act, sections 221 to 233)
- regulations – legal requirements
- code – regulator's expectations of trustees
 - what trustees need to do to make funding choices

example

- reporting to The Pensions Regulator
 - section 70
- legal duty to report
 - reasonable cause to believe
 - likely to be of material significance
- code of practice – no regulations
- underpinning guidance –
benchmarks for reaching decision
(traffic light principle)



codes of practice

- any questions?