

codes of practice

Rachel Low
Opra

codes of practice and dealing with the regulator



- codes of practice
 - what will they cover?
 - what are they?
 - how will they affect me?
 - where are they?
 - give me an example
 - how will they work?

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- a new Pensions Act
- a new pensions regulator (the Pension Regulator)
- codes of practice

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

expected 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 (autumn)

example

- scheme specific funding
- regulations – legal requirements
- code – regulator's expectations of trustees
 - what trustees need to do to make funding choices
- still a moving story

- reporting to the Pensions Regulator
 - clause 64
- legal duty to report
 - reasonable cause to believe
 - likely to be of material significance
- code of practice – what this means
- underpinning guidance – benchmarks for reaching decision

codes of practice



- questions?