

Regulatory Healthcheck

Regulatory expectations leave the DC landscape looking both crowded and confusing for trustees.

The regulatory expectations of trust-based DC occupational pension plans now include compliance with the Government's new Minimum Governance Standards. This will place a number of additional obligations on you.

There is a lack of clarity as to how the various pieces of legislation, codes of practice and other demands interact, as well as which are mandatory requirements and which are simply examples of best practice.

Under the new legislative Minimum Governance Standards from April 2015 trust-based DC pension plans will be required to appoint a Chair of Trustees. The Chair will have responsibility for signing off a Chair's Governance Statement to evidence compliance with the new rules. This Governance Statement will need to demonstrate that a scheme meets the required minimum standard of administration and investment governance, as well as knowledge and competence. You will also be required to justify and explain for the first time how the pension plan represents value for money for your members.

Meeting the regulatory requirements

Building on our existing governance services, we now bring to you a new Regulatory Healthcheck, providing practical guidance on how to comply with the new requirements of the DC pensions legislation.

The Healthcheck will:

- Provide you with an insight into the regulatory demands for trust-based occupational DC pension schemes, including the new Minimum Governance Standards
- Ensure you have the necessary documentation available to evidence compliance to the Pensions Regulator
- Assist you in developing and publishing a compliant Chair's Governance Statement
- Simplify your regulatory compliance activities – therefore making more time for you to focus on other valuable governance activities
- Assess your ability to demonstrate that the funds offered by your scheme are appropriate for the membership
- Support you in ensuring the scheme meets the needs of your members and improving their retirement outcomes

Our Governance Planner, in conjunction with our new Regulatory Healthcheck, will allow you to identify and remedy any areas that fall short of the required standards, as well as improve working practices towards the overarching aim of helping members achieve better retirement outcomes. In conjunction with meaningful membership and scheme analytics, this is a powerful tool in understanding the impact your decisions have on member outcomes.

We have recruited Glenn Fallows into our DC team, who was formerly a Policy Lead at the Pensions Regulator. Glenn was involved in the development of the new DC pensions requirements, including advising the Department for Work and Pensions on the new Minimum Governance Standards. This means we are uniquely placed to help you to achieve clarity around trustee duties, along with your governance aspirations. We'll note the areas where you already undertake good practice, as well as the areas where improvement or further action is required, adding guidelines and timelines where appropriate.

To discuss your specific needs, or to clarify whether your scheme falls within the scope of new requirements, contact Glenn.Fallows@capita.co.uk

Our process

1 Review



2 Where you are now and where you need to be



3 Chairmans Statement achieved



“In the case of non-compliance with the chair's statement requirement the Regulator can issue a fine against the board of trustees...”

(The Pensions Regulator)

**Delivering DC excellence:
Better compliance supporting better member outcomes**