



Pension Schemes Bill

Following our In4orm last month, the Pension Schemes Bill received Royal Assent on the 11 February 2021, meaning that it is now an Act. The new Act will bolster protections for savers, further the government's green agenda and provide the Pensions Regulator (TPR) extended powers to protect pension savers.

The Act also discusses the long-awaited pensions dashboards, which will provide savers with the option of seeing all of their pension pots on one single platform, and allow them to explore how much they can expect to receive each month during retirement. It will also help them to discover ways in which they can potentially improve their retirement prospects.

The Pensions Regulator (TPR) will be granted extended powers to protect pension savers under the Act and will be able to issue civil penalties up to a maximum of £1 million. A tough new sentence has also been created - with a maximum penalty of seven years in prison - for bosses who run pension schemes into the ground, or plunder pots to line their own pockets. This will deter employers from making reckless decisions with their defined benefit schemes and strengthen the Regulators' powers to take efficient and timely actions to protect members' hard-earned savings.

Under the Act, pensions must play their part in the transition to a net zero future, via climate risk reporting, and amendments to requirements around pension scheme funding to improve financial sustainability.

The Act also legislates for the creation of a new style of pension scheme - Collective Defined Contributions (CDCs). Developed in cooperation with trade unions, CDCs have the potential to increase returns for millions, whilst being more sustainable for both workers and employers.

Guy Opperman, Minister for Pensions, said: *"This is a historic day for UK pensions, and I'm thrilled that after more than 12 months, amidst all the challenges we've faced, the Bill has now received Royal Assent.*

This Act makes our pensions safer, better and greener, as we look to build back better from the pandemic. Its passage will reassure savers that they can, and will, have a retirement they deserve."

If you have any queries please contact your usual 44 Consultant or email admin@44benefits.co.uk

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