

The Pension Schemes Act 2021

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Keeping the right side of the regulatory line



Existing regulatory landscape

- Contribution notices and financial support directions introduced in PA04 to protect calls on PPF
- CNS initially focussed on avoidance activity in relation to DB schemes, FSDs focussed on insufficient sponsor support for DB schemes
- Significant high-profile failures, such as BHS and Carillion put pressure on the regulator to be quicker and tougher in its approach
- After significant consultation and debate resulted in the PSA21 enacted in February – introduction of significant additional powers, new criminal sanctions, widely drawn

- Why the need for additional powers?
- Why did the new legislation take so long to introduce?

What are the new powers?

- Two new triggers for contribution notices – employer insolvency and employer resources tests
- More oversight from tPR of corporate deals – accompanying statement
- New criminal offences
- More information gathering powers
- Punitive fines

- How do the triggers work?
- Who is at risk of criminal sanctions?
- How is it going to affect my upcoming deal with a DB scheme?

What is the impact and on who?

- Impact is not fully known, as we are waiting for regulations and guidance
- When do the criminal sanctions apply?
- What about the new contribution notice tests?
- When do I have to involve the trustees and possibly the Pensions Regulator?
- What fines could I be exposed to?

- Will I have to apply for clearance?
- How do I structure my deal?
- As a sponsor of a well run scheme presumably this doesn't affect me?

Key contacts



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