

# FYI<sup>®</sup> Alert

## For Your Information<sup>®</sup>

### COVID-19 – Regulator reporting easements are ending

The Pensions Regulator has announced an end to the last of the reporting easements introduced as a response to the pandemic.

Volume 2020

Issue 37

30 September 2020

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#### Background

Since the advent of the COVID-19 pandemic the Regulator has maintained a suite of guidance aimed at assisting both trustees and employers in navigating this crisis. While most of the reporting easements came to an end on 1 July 2020, the Regulator is keen to get back to business as normal and is ending the outstanding easements.

#### Reporting to the Regulator

The Regulator previously announced that from 1 July 2020, most reporting requirements would resume as normal, including for:

- Suspended deficit recovery contributions - trustees will need to submit a revised recovery plan or a report of missed contributions.
- Late valuations and recovery plan not agreed.
- Delays in cash equivalent transfer value quotations and payments.
- Failing to prepare audited accounts.

#### Exception for defined contribution (DC) arrangements

There was an exception in the July 2020 announcement; trustees and providers continued to have 150 days to report late payment of contributions, where normally the Regulator must be informed within 90 days. This extension gave struggling employers more time to work with trustees and providers to bring late, or missing, payments up to date before enforcement action was taken.

From 1 January 2021, DC schemes and providers will have to resume reporting late contributions no later than 90 days after the due date.

### Chair's statements and audited accounts (master trusts)

Where the Regulator received any chair's statements during the COVID-19 crisis, it was returning them unread. The Regulator does not have a discretion about imposing a fine for a defective chair's statement or a failure to sign it off in time. It was, however, taking a pragmatic view on the late preparation of audited accounts (in which a relevant chair's statement must be included).

From 1 October 2020 it will be reverting to reviewing chairs' statements submitted on and after that date as usual. It will also be enforcing the requirement to submit audited accounts on time and adopting its normal enforcement approach from the same date.

### Investment governance

The Regulator previously announced it would not be taking any regulatory action if a review of a statement of investment principles (including statements in relation to any default arrangement) is not delayed beyond 30 September 2020. From 1 October 2020 the Regulator will resume its normal enforcement approach where a review of a statement of investment principles is delayed.

### Comment

The Regulator has tried to be as pragmatic as possible as the COVID-19 crisis has unfolded. It has, however, clearly decided now is the time to get back to business as usual on reporting requirements.

Notice of a further three-month period before the normal reporting requirements are restored in respect of DC contributions is sensible as the effects of the COVID-19 second wave are still uncertain.

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