

2021 No.

PENSIONS

The Occupational Pension Schemes (Climate Change Governance and Reporting) (Miscellaneous Provisions and Amendments) Regulations 2021

Made - - - - - ***
Laid before Parliament ***
Coming into force - - - *1st October 2021*

The Secretary of State for Work and Pensions, in exercise of the powers conferred by sections 113(1)(d) and 182(2) and (3) of the Pension Schemes Act 1993(a) and sections 60(2)(h), 247(4)(c), 248(5)(c), 315(2) and (5) and 318(1) of the Pensions Act 2004(b), makes the following Regulations.

This instrument contains only regulations consequential upon section 124 of the Pension Schemes Act 2021(c) and the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021(d) and comes into force within 6 months of the coming into force of those enactments(e).

PART 1

Introduction

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Climate Change Governance and Reporting) (Miscellaneous Provisions and Amendments) Regulations 2021 and come into force on 1st October 2021.

(2) These Regulations extend to England and Wales and Scotland.

(a) 1993 c. 48. Section 113(1) was amended by the Child Support, Pensions and Social Security Act 2000 (c. 19), section 52(1).
(b) 2004 c. 35. Section 60(2) was amended by the Pension Schemes Act 2021 (c. 1), section 123 and Schedule 10, Part 2, paragraph 9. The application of section 248 is modified in relation to the National Employment Savings Trust Corporation by S.I. 2010/8. Section 318(1) is cited for the meaning given to “prescribed” and “regulations”.
(c) 2021 (c. 1).
(d) S.I. 2021/[XX].
(e) See section 185(2)(e) of the Pension Schemes Act 1993 (c. 48) and section 317(2)(d) of the Pensions Act 2004 (c. 35).

PART 2

Requirement for trustee knowledge and understanding

Requirement for trustee knowledge and understanding

2. For the purposes of sections 247(4)(c) and 248(5)(c) of the Pensions Act 2004 (requirement for trustee knowledge and understanding – other prescribed matters), the following matters are prescribed in the case of trustees to whom requirements specified in Part 1 of the Schedule to the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (climate change governance etc. requirements) apply—

- (a) the identification, assessment and management of risks arising to occupational pension schemes from the effects of climate change, including risks arising from steps taken because of climate change (whether by governments or otherwise); and
- (b) the identification, assessment and management of opportunities relating to climate change for occupational pension schemes, including opportunities arising from steps taken because of climate change (whether by governments or otherwise),

insofar as these matters are relevant to meeting those requirements.

PART 3

Amendments

Amendment of the Register of Occupational and Personal Pension Schemes Regulations 2005

3.—(1) The Register of Occupational and Personal Pension Schemes Regulations 2005(a) are amended as follows.

(2) In regulation 3(1) (registrable information), at the end insert—

- “(k) in the case of an occupational pension scheme in respect of which the trustees are required to publish a report in accordance with regulation 6(1)(b) of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (climate change reporting and publication requirements)—
 - (i) the website address where the most recent report has been published; or
 - (ii) where no report has been published, whether the period for publication specified in regulation 6(1) of those Regulations has ended;
- (l) in the case of an occupational pension scheme in respect of which the trustees are required to publish the information specified in regulation 29A(2), (2A) or (2B) of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (publishing charges and transaction costs and other relevant information), the website address where the information has been published.”

Amendment of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

4.—(1) The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013(b) are amended as follows.

(2) In Schedule 3, Part 5 (information that applies to the scheme), after paragraph 34 insert—

(a) S.I. 2005/597. Relevant amending instruments are S.I. 2006/1733, 2015/879, 2018/1102 and 2019/192.
(b) S.I. 2013/2734. Relevant amending instruments are S.I. 2015/879, 2018/233 and 2018/988.

“**34A.** Where the trustees are required to publish a report on a website in accordance with regulation 6(1)(b) of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (climate change reporting and publication requirements), the website address where the report for the year has been published.”.

(3) In Schedule 4 (summary funding statements), after paragraph 9 insert—

“**10.** Where the trustees are required to publish a report on a website in accordance with regulation 6(1)(b) of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (climate change reporting and publication requirements), in relation to the most recent report published—

- (a) the information specified in sub-paragraphs (a) to (d) of regulation 27(2) of these Regulations (provision of information on a website); and
- (b) a statement explaining any circumstances in which the report will be provided on request in hard copy form.”.

(4) In Schedule 5, Part 2 (information for active and deferred members), after paragraph 6 insert—

“**6A.** Where the trustees are required to publish a report on a website in accordance with regulation 6(1)(b) of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (climate change reporting and publication requirements), in relation to the most recent report published—

- (a) the information specified in sub-paragraphs (a) to (d) of regulation 27(2) of these Regulations (provision of information on a website); and
- (b) a statement explaining any circumstances in which the report will be provided on request in hard copy form.”.

(5) In Schedule 6, Part 1 (information for all money purchase members), after paragraph 5B insert—

“**5C.** Where the trustees are required to publish a report on a website in accordance with regulation 6(1)(b) of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (climate change reporting and publication requirements), in relation to the most recent report published—

- (a) the information specified in sub-paragraphs (a) to (d) of regulation 27(2) of these Regulations (provision of information on a website); and
- (b) a statement explaining any circumstances in which the report will be provided on request in hard copy form.”.

Signed by authority of the Secretary of State for Work and Pensions

Date

Name
Parliamentary Under Secretary of State
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe matters about which trustees of certain occupational pension schemes are required to have knowledge and understanding and make amendments to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (S.I. 2013/2734) (“the Disclosure Regulations 2013”) in consequence of section 124 of the Pension Schemes Act 2021 (c. 1) and new climate change governance and reporting requirements introduced by the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (S.I. 2021/xxxx) (“the Climate Change Governance and Reporting Regulations 2021”).

The Regulations also make consequential amendments to the Register of Occupational and Personal Pension Schemes Regulations 2005 (S.I. 2005/597) to prescribe additional “registrable information” for the purposes of sections 59 to 65 of the Pensions Act 2004 (c. 35).

Regulation 2 prescribes the identification, assessment and management of risks arising to occupational pension schemes from the effects of climate change and of opportunities relating to climate change, as matters about which certain trustees must have knowledge and understanding for the purposes of the Pensions Act 2004, section 247(4)(c) (requirement for trustee knowledge and understanding: individual trustees). It makes equivalent provision for the purposes of section 248(5)(c) (requirement for trustee knowledge and understanding: corporate trustees). Regulation 2 applies only to trustees who are subject to requirements specified in Part 1 of the Schedule to the Climate Change Governance and Reporting Regulations (climate change governance etc. requirements). Individual trustees must have knowledge and understanding of the prescribed matters insofar as they are relevant to meeting requirements specified in Part 1 of the Schedule. Corporate trustees must ensure that individuals exercising trustee functions have such knowledge and understanding.

Regulation 3 makes amendments to regulation 3(1) of the Register of Occupational and Personal Pension Schemes Regulations 2005 (registrable information) to add to the registrable information prescribed for the purposes of sections 59 to 65 of the Pensions Act 2004. Such registrable information must, in particular, be specified in a scheme return notice issued by The Pensions Regulator in accordance with section 63 of the Pensions Act 2004 and must be included in the scheme return which the trustees are required to provide in accordance with section 64 of that Act.

Inserted sub-paragraph (k) provides that in the case of an occupational pension scheme in respect of which the trustees are required to publish a report on a website in accordance with regulation 6(1)(b) of the Climate Change Governance and Reporting Regulations 2021 (which requires that the trustees publish the report on a publicly available website, accessible free of charge), the website address where the most recent report has been published, is registrable information. Where no report has been published, whether the period for publishing the report as provided for in regulation 6(1) of the Climate Change Governance and Reporting Regulations 2021 has ended, is registrable information.

To maintain a consistent approach with regard to registrable information, inserted sub-paragraph (l) makes similar provision to inserted sub-paragraph (k), where trustees are required to make information publicly available free of charge on a website in accordance with the Disclosure Regulations 2013. Inserted sub-paragraph (l) provides that in the case of an occupational pension scheme in respect of which the trustees are required to publish the information specified in the Disclosure Regulations 2013, regulation 29A(2), (2A) or (2B) (publishing charges and transaction costs and other relevant information), the website address where the information has been published, is registrable information.

Regulation 4 amends the Disclosure Regulations 2013, Schedule 3, Part 5 (information that applies to the scheme), Schedule 4 (summary funding statements), Schedule 5, Part 2 (information for active and deferred members) and Schedule 6, Part 1 (information for all money purchase members), to require information about the report which trustees of certain schemes are required to publish in accordance with the Climate Change Governance and Reporting Regulations 2021 to

be included in the scheme's annual report, summary funding statements (where relevant) and annual benefit statements issued to members.

An assessment of the effect that this instrument will have on the costs to business, the voluntary sector and civil society organisations has been made and is published with the Explanatory Memorandum alongside the instrument on www.legislation.gov.uk. Copies may be obtained from the Better Regulation Unit of the Department for Work and Pensions, Caxton House, Tothill Street, London, SW1H 9NA.