



# Pensions issues on the horizon for 2018

2018 is expected to be an interesting year in the world of pensions. We set out key dates, key legislation and key cases that are relevant to employers and trustees of defined benefit ('DB') and defined contribution ('DC') pension schemes.

## Key dates

When	What's happening	Relevant to schemes providing DB or DC benefits
5 March	<b>Anti-money laundering requirements:</b> Final deadline for trustees of schemes that pay certain taxes to register with the Trust Registration Service. For further details see our <a href="#">briefing</a> .	<b>Both</b>
5 April	<b>Protected rights:</b> Last day for trustees to use statutory modification powers under section 68 of the Pensions Act 1995 to remove scheme rules which make special provisions for protected rights.	<b>DC</b>
Spring	<b>Regulation of DB schemes:</b> The government is expected to publish its White Paper setting out the next steps for reforming the regulation of DB schemes. Originally this was expected by the end of February but the government announced in January that its publication would be delayed until the spring. A Green Paper published in February 2017 sought views on proposals for change including compulsory clearance and punitive fines where the Pensions Regulator exercises its anti-avoidance powers. For further details see our <a href="#">briefing</a> .	<b>DB</b>



# Key legislation

When	What's happening	Relevant to schemes providing DB or DC benefits
1 April	<b>PPF levy:</b> new rules for calculating the Pension Protection Fund ('PPF') levy will apply, which include a simplified process for certifying deficit reduction contributions. New standard form contingent asset documentation is expected to be published in January. New parent company guarantees entered into after January will have to be on the new form, but existing agreements will only need to move to the new basis from March 2019, in order for them to be taken into account in the levy from 2019/20 onwards.	DB
6 April	<b>Transfers without consent – DB schemes:</b> Legislation is expected to come into force to allow bulk transfers without consent of contracted out rights to schemes that have never contracted out. This should allow many transactions to proceed that are currently prohibited by contracting out legislation since contracting out was abolished in April 2016.	DB
6 April	<b>Transfers without consent – DC schemes:</b> Legislation is expected to come into force removing current restrictions that apply to bulk transfers without consent between two DC schemes. Instead of an actuarial certificate that benefits in the receiving scheme are 'no less favourable', trustees will need to obtain and consider advice from a suitably qualified independent professional (normally expected to be the scheme's investment manager).	DC
6 April	<b>Auto enrolment:</b> Minimum employer contributions to DC schemes will increase to 2% of qualifying earnings.	DC
25 May	<b>Data protection:</b> The General Data Protection Regulation will come into force and will apply to the processing of personal data relating to scheme members. Contracts with service providers/data controllers will need to be reviewed, privacy notices will need to be drafted and current data processing policies will need to be updated. For further details, see our <a href="#">briefing</a> .	DB
1 October	<b>Master trusts:</b> Legislation is expected to come into force which will govern the operation of master trusts, including the authorisation and supervision requirements to be enforced by the Pensions Regulator.	DC



# Key cases

When	What's happening	Relevant to schemes providing DB or DC benefits
January	<b>Indexation of pensions in payment – RPI v CPI:</b> The High Court decision on whether the BT Pension Scheme can use the consumer prices index ('CPI') instead of the Retail Prices Index ('RPI') to calculate increases to pensions in payment for part of the scheme is expected to be handed down this month, following a hearing in December last year. See also 'Indexation of pensions in payment – RPI v CPI' below.	DB
January/ February	<b>Closing to accrual:</b> The High Court decision in <i>Wedgwood Pension Plan Trustee Limited v Salt</i> is expected in the next few weeks, following a hearing in November last year. This case considers whether the proposed closure of the Wedgwood Pension Plan to future accrual would be effective and if so, whether the final salary link would be preserved due to the restrictions in the power of amendment.	DB
29 January - 9 February	<b>Financial Support Directions:</b> The first substantive hearing on the Pensions Regulator's anti-avoidance powers in relation to a financial support direction issued against ITV in respect of the Box Clever Pension Scheme will take place in the Upper Tribunal of the Tax and Chancery Chamber. Attempts by ITV to strike out part of the Pensions Regulator's case were rejected by the Upper Tribunal in 2016, following an appeal which was allowed by the Court of Appeal in 2015.	DB
February	<b>Amendments to formerly contracted out schemes:</b> The High Court decision in <i>Steria (Pension Plan) Trustees Ltd v Sopra Steria Ltd and others</i> could be handed down as early as February although we understand that the parties are in settlement discussions. The case considers whether a certificate under section 37 of the Pensions Act 1995 is required when making amendments to formerly contracted out schemes.	DB
1- 30 June	<b>GMP equalisation:</b> The High court hearing in <i>Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and others</i> is expected to take place in relation to the claim by the trustees to determine whether there is an obligation to equalise guaranteed minimum pensions (GMP) and, if so, how such equalisation should be achieved.	DB
12-13 June	<b>Indexation of pensions in payment – RPI v CPI:</b> The appeal in <i>Barnardo's v Buckinghamshire</i> is due to be heard by the Supreme Court. The Court of Appeal decided that the trustees only had the power to select an alternative index to the Retail Prices Index (RPI) when calculating pensions in payment when the RPI is replaced as an official index. For further details, see our <a href="#">briefing</a> .	DB



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