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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make amendments to the requirements relating to the administration and governance of occupational pension schemes and correct an error in the Pensions Dashboards Regulations 2022 ([S.I. 2022/1220](#)).

These Regulations are being issued free of charge to all known recipients of the Pensions Dashboards Regulations 2022.

Regulation 1 sets out when the new requirements will apply to schemes.

Regulation 2 amends the Occupational Pension Schemes (Charges and Governance) Regulations 2015 ([S.I. 2015/879](#)) to exclude specified performance-based fees from the charge cap that applies to limit the charges that can be passed on to members of most occupational money purchase pension schemes. It also removes provisions allowing schemes to smooth or pro-rate the effects of performance-based fees for the purposes of the charge cap, as these are no longer required when most performance-based fees will be excluded from the charge cap.

Regulation 3 amends the Occupational Pension Schemes (Investment) Regulations 2005 ([S.I. 2005/3378](#)) to require schemes to include an explanation of their policy about investing in illiquid assets in their default Statement of Investment Principles or, in the case of qualifying collective money purchase schemes, in their Statement of Investment Principles.

Regulation 4 amends the Occupational Pension Schemes (Scheme Administration) Regulations 1996 ([S.I. 1996/1715](#)) to require trustees or managers of occupational money purchase schemes to report on specified performance-based fees incurred by the scheme and on the different classes of assets in which they invest in their annual chair's statement.

Regulation 5 amends the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ([S.I. 2013/2734](#)) so that the new disclosures about specified performance-based fees and asset allocation, which will be required in the annual chair's statement, are included within the list of disclosures that must be made publicly available free of charge on a website.

Regulation 6 corrects an error in the table in Part 1 of Schedule 2 to the Pensions Dashboards Regulations 2022, relating to the staging profile for master trust schemes that provide money purchase benefits only.

Regulation 7 provides for a review of the impact of regulations 2 to 5 every 5 years, in accordance with the Small Business, Enterprise and Employment Act 2015 ([c. 26](#)).

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available from [legislation.gov.uk](https://legislation.gov.uk). A hard copy of the impact assessment may be obtained from the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA.