
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the law relating to the administration of occupational pension schemes. Regulation 2 amends the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (S.I. 1996/1715) to require trustees and managers to report on the return on investments their funds have achieved as part of the annual statement required on governance. It also requires the trustees and managers of schemes holding assets worth less than £100 million to compare the charges and transaction costs and the return on investments of their schemes with three other schemes and to assess the extent to which their schemes satisfy administration and governance criteria as part of their value for members assessment under regulation 25(1A) of those Regulations. Regulation 5 makes a consequential amendment to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (S.I. 2013/2734).

Regulation 3 amends the Register of Occupational and Personal Pension Schemes Regulations 2005 (S.I. 2005/597) to require additional registrable information to be sent to the Regulator for inclusion in the register of occupational pension schemes and personal pension schemes.

Regulation 4 amends the Occupational Pension Schemes (Investment) Regulations 2005 (S.I. 2005/3378) to ensure that transaction costs are taken into account with charges in a review by the trustees or managers of the return on investments in relation to the default arrangement, and to remove the obligation for the statement of investment principles of a wholly-insured scheme which is also a defined benefit scheme to include any information on the trustees' policy on asset managers.

Regulation 6 amends the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (S.I. 2015/879) to exclude costs attributable to holding physical assets from the charges which are subject to the charge cap imposed under those Regulations and also ensures that no account is taken of certain performance fees in calculating a charge under a single charge structure.

A full regulatory impact statement 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://www.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.