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## EXPLANATORY NOTE

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

These Regulations impose requirements on trustees of certain occupational pension schemes, including trustees of authorised master trust schemes and trustees of schemes authorised to provide collective money purchase benefits, with a view to ensuring that there is effective governance of those schemes with respect to the effects of climate change. The Regulations also impose associated reporting and publication requirements on the trustees.

Part 1 contains general provisions.

Part 2 contains provisions about the requirements relating to governance, reporting and publication of the effects of climate change on a scheme and which trustees are subject to the requirements.

Regulations 3, 4 and 5 specify which trustees are subject to the requirements relating to governance contained in Part 1 of the Schedule.

Regulation 3 applies to trustees of certain trust schemes which are not master trust schemes or schemes providing collective money purchase benefits, and which were not formerly authorised as such. Regulation 3(1) to (3) provides for the requirements to be introduced on a phased basis from 1st October 2021, according to the value of relevant assets of the scheme at the end of a particular scheme year. Regulation 3(5) specifies the circumstances in which the requirements will cease to apply. Regulation 3(4) specifies the circumstances in which the requirements will subsequently re-apply.

Regulations 4 and 5 make provision in relation to trustees of authorised master trust schemes and trustees of authorised schemes providing collective money purchase benefits, respectively. Regulations 4 and 5 also make provision for trustees of schemes which subsequently cease to be authorised.

Regulation 6 specifies the reporting and publication requirements and which trustees are subject to those requirements. Part 2 of the Schedule sets out the information to be contained in a report required to be produced and published under regulation 6.

Part 3 contains provisions about compliance with requirements imposed by these Regulations.

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](http://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.