

**The Pensions Regulator**  
**Department for Work and Pensions**  
**Non-qualifying regulatory provision assurance**  
**statement: confirmed**

The Regulatory Policy Committee (RPC) is content that, on the basis of the summary information provided, none of the measures or activities covered in the summary document should be considered as qualifying regulatory provisions for the purposes of the business impact target. The RPC has not been asked to provide a detailed view on any specific activity in this statement or comment on any activities not covered in either this summary document or a separate assessment of a qualifying regulatory provision.

**Comments on the non-qualifying regulatory provision summary**

To improve the assurance statement, it would be helpful if the regulator could provide a little more detail on its updates to guidance on automatic enrolment. Although the regulator has clearly stated that the updates 'do not set out our expectation of how the employer should comply with those changes' and the RPC is satisfied with its NQRP categorisation, a very short description of the contents of the guidance would nonetheless help provide a clearer assessment of whether it qualifies for exclusion.



**Michael Gibbons CBE, Chairman**

---

**Regulator: The Pensions Regulator**

**Business Impact Target Reporting Period Covered: 8 May 2015 – 26 May 2017**

<b>A – EU and International</b>	There were no measures in this area within this reporting period.
<b>B- Economic regulation</b>	Not applicable to TPR's remit.
<b>C- Price control</b>	Not applicable to TPR's remit.
<b>D- Civil Emergencies</b>	Not applicable to TPR's remit.
<b>E- Fines and penalties</b>	<p>We are responsible for the regulation of work-based pensions. We regulate occupational defined benefit and defined contribution schemes, limited aspects of work-based personal pensions, and the governance and administration of public service pension schemes.</p> <p>We are also responsible for maximising employer compliance with their duties relating to automatic enrolment into workplace pensions, as set out in the Pensions Act 2008.</p> <p>While our strategy is to educate and enable our regulated community so that they know what they need to do to comply with their legal duties, we also enforce using our powers where we see deliberate non-compliance. We have a number of powers to apply penalties in cases of non-compliance in relation to the regulation of work-based pension schemes and also in relation to the employers' duties and employment safeguards set out in the Pensions Act 2008.</p> <p>In respect of the regulation of work-based pensions schemes during this reporting period:</p> <p>We issued 72 penalty notices.</p> <p>In respect of the regulation of the automatic enrolment duties under the Pensions Act 2008:</p> <p>We issued 12,502 fixed penalty notices and 2038 escalating penalty notices.</p>
<b>F- Pro Competition</b>	Not applicable to TPR's remit.
<b>G- Large infrastructure projects</b>	Not applicable to TPR's remit.

<b>H- Misuse of Drugs / National Minimum Wage</b>	Not applicable to TPR's remit.
<b>K- Industry Codes</b>	There were no measures in this area within this reporting period.
<b>L1 – Casework</b>	<p>No activities listed in this section represent a change in the burden of regulation placed on business.</p> <p>In respect of the regulation of work-based pension schemes, our casework activities in this reported period included:</p> <p>1 inspection;  24 reports published on cases of non-compliance under section 89 of the Pensions Act 2004;  292 demands for information under section 72 of the Pensions Act 2004;  we appointed 1,055 trustees in to pension schemes, in accordance with our powers to do so;  we provided 6 clearance statements. A clearance statement gives assurance that, based on the information provided, the regulator will not use its anti-avoidance powers to issue to the applicants either contribution notices or financial support directions in relation to a defined benefit occupational pension scheme and a particular event. 'Events' include transactions, agreements, decisions, other acts and failures to act.</p> <p>In respect of the regulation of the automatic enrolment duties under the Pensions Act 2008 our casework activity included:</p> <p>35,078 compliance notices  1,379 unpaid contributions notices  147 inspections  1 report published on cases of non-compliance under section 89 of the Pensions Act 2004;</p> <p>During this reporting period a total of around 417,847 employers completed their mandatory declaration of compliance with us to let us know how they have complied with their legal duties under the Pensions Act 2008.</p>
<b>L2 – Education, Communications and promotion</b>	<p>A key aspect of our strategy is to educate and enable our regulated community so they can comply with their legal duties without needing to resort to paid advice. Consistent with this strategy we undertake presentations at different events, organise webinars and we conduct campaigns on specific topics.</p> <p>None of the communication materials or activities create a new regulatory standard that our regulated community is expected to follow; the materials and our presentations just describe what the legislation requires them to do. Attendance to events and roundtables and participation in our online webinars is not mandatory.</p>

---

In respect of the regulation of work-based pension schemes:

There were 4 campaign 'drops' since May 2015 supporting pension scams. This activity has pushed out messages around scams to trustees, administrators and advisers, predominately through email as well as paid for social media activity to reach consumers.

We carried out 82 email-campaigns in this period, which signposted trustees, administrators and advisers to products on our website such as news by email, key issues in governance and administration of DC schemes and Public Service schemes, etc.

We organised a total of 31 events to raise awareness of key areas of legislation such as the new provisions around Master Trusts (in the current Pensions Bill). Participants to these events are regular members of our stakeholder forums and they include employers, trustees and business advisers. Participation in these events is not mandatory for them.

In respect of the regulation of the automatic enrolment duties under the Pensions Act 2008:

We conducted 8 campaigns raising awareness among employers about their automatic enrolment duties under the legislation.

We conducted 12 webinars and participated at a total of 747 speaking events where we made presentations to raise awareness about the automatic enrolment employer duties.

We organised a total of 14 events and round tables to raise awareness about aspects of the automatic enrolment legislation with members of our regular stakeholder forums such as business advisers, payroll professionals and employer trade bodies.

Under the automatic enrolment legislation each employer in the UK is given a date on which they become subject to their automatic enrolment duties under the Pensions Act 2008, this is known as the "staging date." We sent over 4 million letters to around 1 million employers at different stages before the staging date to let them know about the requirements they must comply with under automatic enrolment legislation. These letters did not create a new standard or set out an expectation of what they need to do to comply but they just described what the legislation requires them to do and by when. We also sent over 1.6 million emails to employers, advisers and payroll professionals as part of our communications campaigns.

We updated our detailed guidance on automatic enrolment to reflect changes in legislation from April 2016 and April 2017. The updates describe what changes to legislation have been made in relation to automatic enrolment but they do not set out our expectation of how the employer should comply with those changes. For example, the changes update the threshold from which contributions must be calculated for automatic enrolment. This threshold changes every year by regulations made by the Secretary of State.

	<p>In respect of both the regulation of automatic enrolment and work-based pension schemes we published a total of 81 publications. These included, among others, monthly bulletins on declarations of compliance with the automatic enrolment duties, quarterly bulletins on the use of our powers, the landscape of DB and DC pensions, etc.</p> <p>We published an Annual Defined Benefit (DB) Funding Statement in May 2016. The statement is relevant for trustees of DB schemes and sponsoring employers of these schemes. The statement highlights the key principles already laid out in the Defined Benefit Code of Practice. Therefore, the statement does not create any new standard that trustees or employers are expected to follow.</p> <p>In respect of both the regulation of the automatic enrolment duties and work-based pension schemes, over this period we received and processed a total of 134 complaints. We also received and processed a total of around 130 Freedom of information requests.</p>
<p><b>L3 - Activities related to policy development</b></p>	<p>We carried out one consultation on our Monetary Penalty Policy. The Monetary Penalty Policy explains our approach to using our discretionary power to impose monetary penalties under section 10 of the Pensions Act 1995 and regulation 28 of the Occupational Pensions Scheme (Charges and Governance) Regulations 2015. Its aim is to provide transparency on how we will arrive at the decision to impose a fine and what factors we will consider when arriving at the amount of a monetary penalty drawing on existing guidance from our broader Compliance and enforcement policies. The purpose of the consultation was to seek views on the clarity of the policy and whether the framework for calculating penalties is in line with our penalty principles and likely to lead to penalties that are fair, proportionate and reasonable. We also sought views on specific aspects of the policy including our approach to professional trustees, professional providing services in relation to the scheme and targets who are not individuals.</p> <p>We consulted on changes to the DC code of practice and its accompanying guides. Feedback from this consultation was used in drafting the new code and accompanying guides. The Code and accompanying guidance are included in this submission as a Qualifying Regulatory Provision.</p> <p>We also consulted on the changes to the DC compliance and enforcement policy and to our prosecution policy, which explains how we will use our powers to prosecute.</p> <p>Finally, we carried out a consultation on the Innovation Plan. This Plan was a requirement for all regulators to undertake as part of the government plan to raise UK productivity. This government initiative looked at how the UK regulatory framework is set up to support innovation and disruptive business models.</p> <p>We undertake and publish research to understand better how our regulated community are complying with their legal duties, to describe specific developments in the pensions landscape and to know how our regulated community perceives us as a</p>

---

	<p>regulator.</p> <p>Regarding the regulation of work-based pension schemes, in this reporting period:</p> <p>We carried out 5 surveys on Defined Contribution (DC) schemes to understand compliance with the DC code and legal duties and also to support the changes to the DC code of practice. We also carried out a survey on Defined Benefit (DB) schemes to monitor behaviour from trustees and employers and inform our strategy.</p> <p>We undertook 2 surveys on Public Service Pension Schemes to understand the audience and the standards of governance of these schemes.</p> <p>We carried out a survey and further qualitative research to understand record keeping practices among trust-based schemes.</p> <p>We carried out three surveys on the use of the new pension flexibilities introduced by the government from April 2015 and on the exit charges applied by schemes to members who make use of some of these flexibilities.</p> <p>Regarding the regulation of automatic enrolment, in this reporting period:</p> <p>We carried out three surveys, over different stages, which looked at the level of employers' and intermediaries' understanding of the automatic enrolment duties.</p> <p>We carried out a survey, over eight stages, that employers must fill out once they complete their declaration of compliance with the regulator to inform us how they have complied with their duties. The aim of the survey was to gather their views on the support provided by TPR, the costs they incurred in and the challenges they faced.</p> <p>We carried out two surveys to support our communications with employers regarding their duty to re-enrol certain staff every three years. We also carried out two surveys and qualitative interviews to inform our communications strategy regarding employers of carers and employers who will be subject to automatic enrolment duty from the first time they employ someone from October 2017.</p> <p>We further developed two surveys on compliance issues and on the costs faced by micro employers in implementing automatic enrolment. We also carried out a specific survey on the ongoing costs for employers of complying with the duties under the automatic enrolment legislation.</p> <p>Finally, regarding TPR as a whole, we carried out surveys on our website, on Customer Service and on the perception among</p>
--	---

---

	our regulated community on our performance against our objectives and values.
<b>L4 – Changes to management of the regulator</b>	No measures to report in this period

\*Delete categories that do not apply in the reporting period

\*\* For certain excluded categories - such as A, B, C, F and I, it is good practice to provide narrative description of any significant measures. This will help provide greater transparency and assurance that BIT exclusions are being applied consistently and appropriately