

# THE UK PENSIONS REGULATOR: KNOCKING ON THE BOARDROOM DOOR

As the final stages of the BHS and Tata Steel sagas play out, the UK Pensions Regulator has said that it will transform the way it regulates defined benefit (DB) pension plans. Following a consultation in 2017, the Government is due to issue a White Paper in 2018 that could significantly increase the Regulator's powers and restrict companies' actions where DB plans are involved. The key issues and their potential implications are summarised here.

“ With more than £1.5 trillion invested in them, people need to have confidence that [DB schemes] are resilient and robustly regulated.”

SECRETARY OF STATE FOR WORK AND PENSIONS, DAVID GAUKE



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2015

### MARCH

Sale of BHS to Dominic Chappell's Retail Acquisitions Group for £1.

2016

Report published by the Work and Pensions Committee and the Business, Innovation and Skills Committee into the collapse of BHS.

### APRIL

BHS files for administration leaving pension schemes with a combined estimated funding deficit of £570 million (buy-out basis).

### JULY

The Government publishes its Green Paper and consultation. Includes discussion of punitive fines, pre-authorization of deals and the possibility that scheme sponsors should be required to consult with trustees before paying dividends in certain circumstances.

The Regulator reaches settlement with Sir Philip Green in relation to the BHS pension scheme for £363m.

2017

### DECEMBER

The Work and Pensions Committee publishes a report looking at the DB sector. Recommendations include, major changes to the Regulator's powers, including the power to impose punitive fines and pre-authorization of deals, which together would act as a "nuclear deterrent" to scheme sponsors avoiding their pension obligations.

### FEBRUARY

The Regulator publishes initial report from its TPR Future work. Regulator sets out its new regulatory approach, including its intention to become quicker and tougher.

### MAY

The Regulator publishes its 2017 Annual Funding Statement. Regulator confirms that it is likely to intervene where it believes schemes are not being treated fairly compared to shareholders, including, potentially, in the context of the payment of dividends.

The Government's manifesto includes pledge to give the Regulator increased powers in relation to the pre-authorization of deals, together with the power to issue punitive fines.

### JULY

2018

### SPRING

White Paper due to be published.