

Appendix 1 – Legal requirements as detailed within the Pensions Regulator’s Code of Practice No. 14

Key local issues	Legal requirements	Paragraph in code
1) Governing your scheme		
Knowledge and understanding required by pension board members	A member of the pension board of a public service pension scheme must be conversant with: <ul style="list-style-type: none"> • The rules of the scheme; and • Any document recording policy about the administration of the scheme 	34
	A member of a pension board must have knowledge and understanding of: <ul style="list-style-type: none"> • The law relating to pensions, and • Any other matters which are prescribed in the regulations 	35
	The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board	36
Conflicts of interest and representation	A conflict of interest is a financial or other interest which is likely to prejudice a person’s exercise of functions as a member of the pension board. It does not include a financial or other interest arising merely by virtue of that person being a member of the scheme and any connected scheme for which the board is established.	61
	In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied: <ul style="list-style-type: none"> • That a person to be appointed as a member of the pension board does not have a conflict of interest and • From time to time, that none of the members of the pension board has a conflict of interest. 	62
	Scheme regulations must require each member or proposed member of a pension board to provide the scheme manager with such information as to any potential conflict of interest.	63
	Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.	64
Publishing information about schemes	The scheme manager for a public service scheme must publish information about the pension board for the scheme and keep that information up-to-date.	92
	The information must include: <ul style="list-style-type: none"> • Who the members of the pension board are; • Representation on the board of members of the scheme; and • The matters falling within the pension board’s responsibility. 	93
2) Managing risks		
Internal controls	The scheme manager must establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.	101
	For these purposes ‘internal controls’ means: <ul style="list-style-type: none"> • Arrangements and procedures to be followed in the administration and management of the scheme; • Systems and arrangements for monitoring that administration and management; and 	102

	<ul style="list-style-type: none"> • Arrangements and procedures to be followed for the safe custody and security of the assets of the scheme. 	
3) Administration		
Scheme record-keeping	Scheme managers must keep records of information relating to: <ul style="list-style-type: none"> • Member information; • Transactions; and • Pension board meetings and decisions. 	122
	The legal requirements are set out in the Public Services Pensions (Record keeping and Miscellaneous Amendments) Regulations 2014	123
Maintaining contributions	Employer contributions must be paid to the scheme in accordance with any requirements in the scheme regulations. Where employer contributions are not paid on or before the date they are due and the scheme manager has reasonable cause to believe that failure is likely to be of material significance to the regulator, the scheme manager must give a written report of the matter to the regulator as soon as reasonably practicable.	147
	Where employee contributions are deducted from a member's pay, the amount deducted must be paid to the scheme at the latest by the 19 th day of the month following deduction or by the 22 nd day if paid electronically or earlier if required by the scheme regulations.	148
	Where employee contributions are not paid within the prescribed period, if the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the regulator, they must give notice of the failure to the regulator and the member within a reasonable period after the end of the prescribed period.	149
Providing information to members	The law requires schemes to disclose information about benefits and scheme administration to scheme members and others.	187
	Managers (or any other person specified in the legislation) must comply with other legislation requiring information to be provided to members of the of public service pension schemes in certain circumstances. Not all requirements apply to all public service pension schemes and some may only arise in limited circumstances.	211
4) Resolving issues		
Internal disputes	Schemes must have an internal dispute resolution procedure (IDRP) to help resolved issues raised by members and others with an interest in the scheme. The IDRP can have one or two stages and decisions must be made and communicated within a reasonable period of the issue being raised under IDRP. The IDRP must state how someone can apply to have a pension dispute resolved (including any time limits), the details which must be included, and how and by when decisions are to be reached.	213-219
Reporting breaches of the law	Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that: <ul style="list-style-type: none"> • A legal duty which is relevant to the administration of the scheme has not been, or is not being complied with; • The failure to comply is likely to be of material significance to the regulator. 	241
	People who are subject to the reporting requirement for public service pension schemes are:	242

	<ul style="list-style-type: none"> • Scheme managers; • Members of pension boards; • Any person who is otherwise involved in the administration of a public service pension scheme; • Employers; • Professional advisers; • Any person who is otherwise involved in advising the managers of the scheme in relation to the scheme. 	
	The report must be made in writing as soon as reasonably practicable.	243