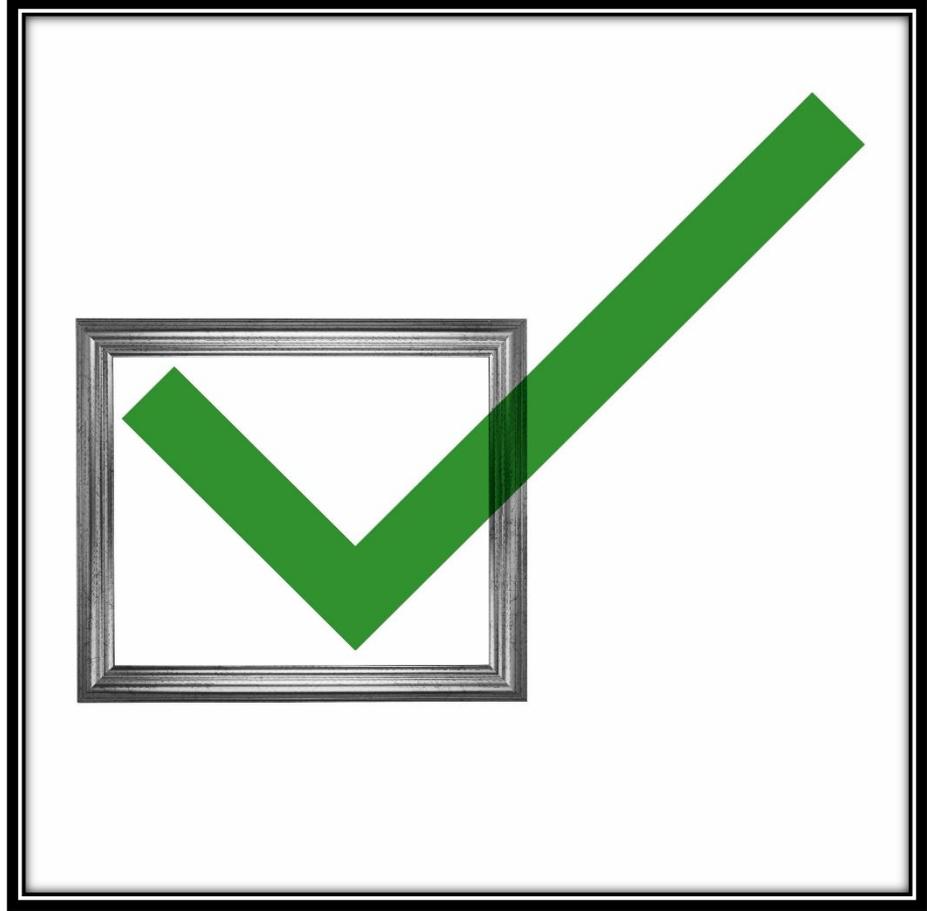


**Great
expectations**

DC Code –
compliance
checklist



DC Code – Compliance checklist

The Code of Practice on the governance and administration of occupational trust-based schemes with money purchase benefits sets out what the Regulator expects such schemes to do in order to comply with the law. Trustees are responsible for ensuring compliance and they are expected to assess and regularly review the extent to which their scheme is meeting the standards in the Code.

To assist with this, the checklist below summarises some of the key requirements set out in the Code. In particular, the Regulator expects schemes with money purchase benefits to:

1. Trustee board

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- assess the fitness and propriety of trustees during the recruitment process and regularly following their appointment and maintain appropriate records
 - assess the skills, knowledge, suitability and motivation of prospective trustees
 - as far as possible, have a diverse and well balanced trustee board in terms of the type, skills, experience and social demographics of the trustees
 - ensure the trustee board possesses and can demonstrate the right level of skills, knowledge and understanding to be able to run the scheme effectively
 - have a robust and documented process in place for the appointment of the Chair of trustees
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2. Training

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- have in place a suitable induction and training programme for new trustees
 - regularly assess the skills and knowledge gaps for all trustees and ensure they undertake regular training so that their skills and knowledge are kept relevant and up to date
 - have in place a training and development plan for every trustee
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3. Scheme management

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- ensure all the trustees have a working knowledge of the scheme's rules (including powers, discretions, benefit structure and decumulation options), policies and practices
 - operate internal controls to ensure the scheme is operated in accordance with the scheme rules and the law
 - ensure all the trustees understand the scope of the role and responsibilities delegated to third parties and maintain a record of this
 - ensure the trustees are able to manage the scheme's commercial relationships effectively and understand the terms and conditions entered into with service providers
 - ensure contracts with service providers enable the trustees to obtain all information and advice they need to make key decisions
 - have an adequate process in place to monitor the performance of service providers on a regular basis
 - ensure the trustees have a full understanding of the employer's role in respect of the scheme and work with the employer to ensure it understands its responsibilities and carries them out
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- carry out a data review exercise at least annually and document the process and outcome
 - ensure that contributions, investments and records relating to them (including member records) are reconciled at least monthly and any discrepancies resolved promptly
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4. **Administration**

- ensure all of the trustees have a clear understanding of the administrator's responsibilities and the tasks the administrator carries out
 - ensure the trustees receive regular information and stewardship reports from the administrator to allow effective monitoring of delegated tasks
 - consider administration as a substantive item at every trustee meeting
 - have in place procedures to check that whoever carries out administration for the scheme has appropriate training and experience
 - have suitable service level agreements in place with the administrator
 - ensure the trustees have a good knowledge of the procedures and controls the administrator operates to ensure that core financial transactions are processed promptly and accurately
 - regularly review processes to speed up core financial transactions, where appropriate
 - ensure contributions are invested within three working days (daily dealing) or within five working days (non-daily dealing), and after completion of a reconciliation exercise
 - have in place procedures to ensure a continuous and consistent service in the event of a change of administration personnel or provider
 - ensure there is an adequate business continuity plan in place which is reviewed at least annually and tested as appropriate
 - ensure the trustees understand the administrator's business continuity arrangements and determine that these adequately mitigate the risks to member data and benefits
 - have a process in place to ensure transfers out of the scheme can legally be paid
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5. **Investment**

- clearly document their investment governance, including the objectives, roles, responsibilities and reporting relationships of all parties involved
 - regularly engage with members about when and how they may wish to take their benefits
 - ensure members have access to enough information to make informed investment decisions
 - regularly assess the performance of each investment option and document the process
 - ensure that total unit reconciliations are carried out regularly with investment managers
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- ensure the trustees understand the security of the scheme's assets and the extent to which they are protected and communicate their overall conclusions to members

6. **Chair's statement**

- contemporaneously document and be able to evidence actions described in the Chair's annual governance statement

7. **Value for members**

- have in place a clear process for assessing annually the extent to which member-borne costs and charges represent good value and for documenting the outcome of this

8. **Managing risk and conflicts**

- identify, evaluate, record and regularly review the risks to which the scheme and members are exposed and the actions taken to address them

- have suitable processes in place to identify and manage conflicts of interest affecting the trustees, service providers and advisers

9. **Communication**

- ensure all member communications are accurate, clear, relevant and in plain English

- regularly review member communications and take account of innovations in technology

- ensure all communications issued to members about their retirement options set out the steps a member should consider taking in order to make an informed decision

Contact us

For assistance in understanding whether your scheme meets these standards or in carrying out an audit of your scheme speak to your usual Eversheds' adviser or contact a member of our DC team:



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