
STATUTORY INSTRUMENTS

2021 No. 839

**The Occupational Pension Schemes (Climate Change
Governance and Reporting) Regulations 2021**

PART 2

Climate Change Governance and Reporting

Interpretation

2. For the purposes of this Part—

“audited accounts” means the audited accounts which the trustees are required to obtain in accordance with regulation 2 of the Occupational Pension Schemes (Requirement to Obtain Audited Accounts and a Statement from the Auditor) Regulations 1996⁽¹⁾;

“authorised collective money purchase scheme” means a scheme which, or a section of which, is authorised in accordance with section 9 of the Pension Schemes Act 2021⁽²⁾ and to which Part 1 of that Act applies;

“authorised master trust scheme” means a scheme to which Part 1 of the Pension Schemes Act 2017⁽³⁾ applies and which is authorised in accordance with section 5(4)(a) of that Act;

“collective money purchase benefit” has the meaning given by section 1 of the Pension Schemes Act 2021;

“ear-marked scheme” has the meaning given by regulation 1(2) of the Occupational Pension Schemes (Requirement to Obtain Audited Accounts and a Statement from the Auditor) Regulations 1996;

“formerly authorised collective money purchase scheme” means a scheme which, after 1st October 2021, ceases to be an authorised collective money purchase scheme;

“formerly authorised master trust scheme” means a scheme which, on or after 1st October 2021, ceases to be an authorised master trust scheme;

“master trust scheme” means a scheme to which Part 1 of the Pension Schemes Act 2017 applies;

“relevant assets” means—

- (a) in the case of a scheme in respect of which the trustees are required to obtain audited accounts, the total of the amount of the net assets of the scheme recorded in the audited accounts for the scheme year less the value of the assets of the scheme represented by any relevant contract of insurance recorded in those accounts; or

(1) [S.I. 1996/1975](#), [S.I. 2000/833](#), [2005/2426](#), [2013/2734](#) and [2016/229](#) are relevant amending instruments; the application of regulation 2 of the Occupational Pension Schemes (Requirement to Obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 is modified in relation to the National Employment Savings Trust Corporation by [S.I. 2010/8](#).

(2) [2021 c. 1](#).

(3) [2017 c. 17](#).

- (b) in the case of a scheme which is an ear-marked scheme, the value of the assets of the scheme represented by any policies of insurance or annuity contracts that are specifically allocated to the provision of benefits for individual members or any other person who has a right to benefits under the scheme, less the value of the assets of the scheme represented by any relevant contract of insurance;

“relevant contract of insurance” means a contract of insurance entered into by the trustees of the scheme with an insurance company regulated in the United Kingdom by the Prudential Regulation Authority where—

- (a) the contract is an annuity contract which has secured the provision of a pension in payment to or in respect of a scheme member and, at all times before coming into payment, that pension was a benefit falling within section 181B(2) of the Pension Schemes Act 1993⁽⁴⁾; or
- (b) the contract provides for payments to be made by the insurance company which are intended, irrespective of future financial market conditions or scheme member longevity, to meet the cost of benefits specified in the contract—
- (i) which are not money purchase benefits under section 181(1) of the Pension Schemes Act 1993; and
- (ii) which are or will become payable to or in respect of a scheme member;

“scheme year” means—

- (a) a year specified for the purposes of the scheme in any document comprising the scheme or, if none, a period of 12 months commencing on 1st April or on such date as the trustees select; or
- (b) such other period exceeding 6 months but not exceeding 18 months as is selected by the trustees in connection with—
- (i) the commencement or termination of the scheme; or
- (ii) a variation of the date on which the year or period referred to in paragraph (a) is to commence;

“scheme year commencement date” means the date on which the scheme year commences;

“scheme year end date” means the date on which the scheme year ends.

Climate change governance etc. requirements

3.—(1) Trustees of a trust scheme which has relevant assets equal to, or exceeding, £5 billion on the first scheme year end date which falls on or after 1st March 2020 must comply with the requirements in Part 1 of the Schedule to these Regulations—

- (a) from 1st October 2021 where the scheme is an ear-marked scheme; or
- (b) where the scheme is not an ear-marked scheme, from 1st October 2021 or, if later, from the date on which the trustees obtain audited accounts in relation to that scheme year end date.

(2) Trustees of a trust scheme which does not meet the description specified in paragraph (1) and which has relevant assets equal to, or exceeding, £1 billion on the first scheme year end date which falls on or after 1st March 2021 must comply with the requirements in Part 1 of the Schedule to these Regulations—

- (a) from 1st October 2022 where the scheme is an ear-marked scheme; or
- (b) where the scheme is not an ear-marked scheme, from 1st October 2022 or, if later, from the date on which the trustees obtain audited accounts in relation to that scheme year end date.

(4) 1993 c. 48.

(3) Trustees of a trust scheme—

- (a) which does not meet the description specified in paragraph (1) or (2); and
- (b) which on a scheme year end date which falls on or after 1st March 2022 has relevant assets equal to, or exceeding, £1 billion,

must comply with the requirements in Part 1 of the Schedule to these Regulations from the scheme year commencement date which is one scheme year and one day after that scheme year end date.

(4) Trustees of a trust scheme—

- (a) in respect of which the requirements in Part 1 of the Schedule to these Regulations have ceased to apply in accordance with paragraph (5); and
- (b) which on a subsequent scheme year end date has relevant assets equal to, or exceeding, £1 billion,

must comply with the requirements in Part 1 of the Schedule to these Regulations from the scheme year commencement date which is one scheme year and one day after that subsequent scheme year end date.

(5) All requirements imposed on trustees in accordance with paragraphs (1) to (4) cease to apply with effect from any subsequent scheme year end date on which the scheme has relevant assets of less than £500 million.

(6) This regulation does not apply to trustees of a trust scheme—

- (a) which is a master trust scheme;
- (b) which provides collective money purchase benefits;
- (c) which is a formerly authorised master trust scheme; or
- (d) which is a formerly authorised collective money purchase scheme.

Climate change governance etc. requirements: authorised master trust schemes

4.—(1) Trustees of authorised master trust schemes must comply with the requirements in Part 1 of the Schedule to these Regulations from 1st October 2021, or, if later, from the date on which the scheme is authorised.

(2) The requirements imposed on trustees in accordance with paragraph (1) continue to apply where the scheme becomes a formerly authorised master trust scheme, unless—

- (a) the relevant assets of the scheme were less than £500 million on the scheme year end date immediately preceding the scheme year in which authorisation ceased; or
- (b) on a scheme year end date after authorisation ceased the scheme has relevant assets of less than £500 million.

(3) Where a scheme meets the description specified in paragraph (2)(a) or (b), the requirements imposed on trustees in accordance with paragraph (1) cease to apply—

- (a) with immediate effect where the scheme meets the description specified in paragraph (2)(a); or
- (b) from the scheme year end date on which the relevant assets were less than £500 million where the scheme meets the description specified in paragraph (2)(b).

(4) Trustees of a formerly authorised master trust scheme—

- (a) in respect of which the requirements in Part 1 of the Schedule to these Regulations have ceased to apply in accordance with paragraph (3) or (5); and
- (b) which on a subsequent scheme year end date has relevant assets equal to, or exceeding, £1 billion,

must comply with the requirements in Part 1 of the Schedule to these Regulations from the scheme year commencement date which is one scheme year and one day after that subsequent scheme year end date.

(5) Trustees of a formerly authorised master trust scheme—

(a) in respect of which the requirements in Part 1 of the Schedule to these Regulations apply in accordance with paragraph (4); and

(b) which on a subsequent scheme year end date has relevant assets of less than £500 million, cease to be subject to the requirements in Part 1 of the Schedule to these Regulations from that subsequent scheme year end date.

Climate change governance etc. requirements: authorised collective money purchase schemes

5.—(1) Trustees of authorised collective money purchase schemes must comply with the requirements in Part 1 of the Schedule to these Regulations from the date on which the scheme is authorised.

(2) The requirements imposed on trustees in accordance with paragraph (1) continue to apply where the scheme becomes a formerly authorised collective money purchase scheme, unless—

(a) the relevant assets of the scheme were less than £500 million on the scheme year end date immediately preceding the scheme year in which authorisation ceased; or

(b) on a scheme year end date after authorisation ceased the scheme has relevant assets of less than £500 million.

(3) Where a scheme meets the description specified in paragraph (2)(a) or (b), the requirements imposed on trustees in accordance with paragraph (1) cease to apply—

(a) with immediate effect where the scheme meets the description specified in paragraph (2)(a); or

(b) from the scheme year end date on which the relevant assets were less than £500 million where the scheme meets the description specified in paragraph (2)(b).

(4) Trustees of a formerly authorised collective money purchase scheme—

(a) in respect of which the requirements in Part 1 of the Schedule to these Regulations have ceased to apply in accordance with paragraph (3) or (5); and

(b) which on a subsequent scheme year end date has relevant assets equal to, or exceeding, £1 billion,

must comply with the requirements in Part 1 of the Schedule to these Regulations from the scheme year commencement date which is one scheme year and one day after that subsequent scheme year end date.

(5) Trustees of a formerly authorised collective money purchase scheme—

(a) in respect of which the requirements in Part 1 of the Schedule to these Regulations apply in accordance with paragraph (4); and

(b) which on a subsequent scheme year end date has relevant assets of less than £500 million, cease to be subject to the requirements in Part 1 of the Schedule to these Regulations from that subsequent scheme year end date.

Climate change reporting and publication requirements

6.—(1) Subject to paragraphs (2) and (3) trustees of a trust scheme must, within seven months of the scheme year end date of any scheme year in which they were required to comply with the requirements in Part 1 of the Schedule to these Regulations—

- (a) produce a report which contains the information specified in Part 2 of the Schedule in respect of—
 - (i) that scheme year; or
 - (ii) where the trustees were subject to the requirements in Part 1 of the Schedule for part of the scheme year, that part of the scheme year; and
 - (b) publish the report on a publicly available website, accessible free of charge.
- (2) Paragraph (1) does not apply—
- (a) in respect of any scheme year, or part of a scheme year, where the relevant assets of the scheme on the scheme year end date are zero, unless the scheme is an authorised master trust scheme or an authorised collective money purchase scheme; or
 - (b) where, in accordance with regulation 4(3)(a) or regulation 5(3)(a), the trustees of a scheme cease to be subject to the requirements in Part 1 of the Schedule.
- (3) The report required by paragraph (1)(a) must be signed on behalf of the trustees by—
- (a) the chair; or
 - (b) where no chair has been appointed, or the chair has ceased to hold office as chair for any reason and a replacement has not yet been appointed, a person appointed by the trustees to act as chair in the interim period for the purpose of signing the report,

but the trustees are not required to publish the manuscript signature of the person who has signed the report.

- (4) For the purposes of this regulation, “chair” means—
- (a) the person appointed as chair of the trustees in accordance with regulation 22 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (duty to appoint a chair of the trustees)⁽⁵⁾;
 - (b) the person appointed as chair of the trustees in accordance with section 221B(7) of the Pensions Act 2004 (statement of strategy)⁽⁶⁾;
 - (c) the person appointed as chair of the trustees by someone other than the trustees, in accordance with the trust deed or scheme rules; or
 - (d) in the case of a scheme established under section 67 of the Pensions Act 2008⁽⁷⁾ (duty to establish a pension scheme), the person appointed as chair of the trustee corporation established under section 75 of that Act (trustee corporation).

⁽⁵⁾ S.I. 1996/1715. Regulation 22 was inserted by S.I. 2015/879; S.I. 2016/427 is a relevant amending instrument.

⁽⁶⁾ 2004 c. 35. Section 221B was inserted by the 2021 Act, section 123(a) and Schedule 10, paragraph 2.

⁽⁷⁾ 2008 c. 30.