

Pension Schemes Bill

RUNNING LIST OF ALL AMENDMENTS IN GRAND COMMITTEE

Tabled up to and including

22 December 2025

The amendments are listed in accordance with the following Instruction –

Clauses 1 to 118	Clauses 119 to 123
Schedule	Title

[Amendments marked ★ are new or have been altered]

Before Clause 1

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Before Clause 1, insert the following new Clause –

“Purpose of the Act

- (1) The purpose of this Act is to –
 - (a) deliver higher and more sustainable returns for pension savers;
 - (b) address fragmentation across the pensions sector;
 - (c) improve transparency and comparability in value for money;
 - (d) enable clearer and fairer communication with members;
 - (e) support greater consistency across pension provision;
 - (f) support innovative and flexible approaches to saving;
 - (g) provide employers with greater clarity to support their employees' pension provision;
 - (h) enable responsible and innovative use of pension scheme surplus;
 - (i) improve understanding of pension liabilities and costs for local authorities;
 - (j) strengthen actuarial transparency and routes to challenge contribution rates in the LGPS.
- (2) The Secretary of State, and any other persons taking actions under the provisions of this Act, must have regard to the purpose specified in subsection (1).”

Member's explanatory statement

This amendment sets out the overarching purposes of the Act, including improving returns for pension savers, addressing fragmentation, strengthening value for money and transparency, supporting innovation and flexibility in pension provision, and improving outcomes for members, employers, and local authorities.

Clause 1

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 1, page 1, line 10, leave out subsections (2) to (8)

Member's explanatory statement

This amendment seeks to probe why the Secretary of State requires the power in subsection (2) to direct scheme managers to participate in, or withdraw from, particular asset pool companies, given the need to preserve their independence and fiduciary duty to act in members' best interests.

Clause 2

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 2, page 4, line 1, leave out paragraph (b)

Member's explanatory statement

This amendment seeks to probe why transitional arrangements are not set out on the face of the bill.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 2, page 4, line 12, leave out paragraph (c)

Member's explanatory statement

This is a probing amendment to determine how, and through what process, strategic authorities and scheme managers can develop appropriate investment opportunities.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 2, page 4, line 16, leave out subsections (3) and (4)

Member's explanatory statement

This is a probing amendment which seeks to challenge why regulations made under subsection (1) may include provision about where administering authorities must take advice from when developing their strategies.

LORD DAVIES OF BRIXTON

★ Clause 2, page 4, line 23, after “investments” insert “including social housing”

Member's explanatory statement

This is a probing amendment that seeks to explore how and to what extent LGPS assets might be used to provide social housing as an investment.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 2, page 4, line 24, at end insert –

- “(4A) Scheme managers must publish a report annually on the local investments within their asset pool company.
- “(4B) A report published under section (4A) must include the –
 - (a) extent, and
 - (b) financial performance,
of these investments.”

Member's explanatory statement

This amendment requires scheme managers to publish an annual report on local investments held within their asset pool company, including the extent and financial performance of those investments, in order to improve transparency and accountability.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 2, page 4, line 25, leave out subsection (5)

Member's explanatory statement

This is a probing amendment to ensure that the term “strategic authorities”, as defined in subsection (5), is sufficiently agile to reflect changes introduced by the English Devolution Bill.

After Clause 2VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 2, insert the following new Clause –

“Interim reviews of employer contribution rates in the Local Government Pension Scheme

- (1) The Secretary of State must by regulations made under section 3 of the Public Service Pensions Act 2013 (scheme regulations) amend the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356) as follows.

(2) After regulation 58(4) insert –

“(5) The funding strategy statement must comply with regulation 64A(2) and be published in a form accessible to non-specialist readers.”

(3) Regulation 64A (revision of rates and adjustments certificate: scheme employer contributions) is amended as set out in subsection (4).

(4) For paragraphs (1) and (2), substitute –

“(1) The administering authority may obtain a revised rates and adjustments certificate where the funding strategy statement sets out the administering authority’s policy on revising contributions between valuations and one or more of the following conditions is met –

- (a) there has been a significant change in the liabilities arising or likely to arise since the last valuation;
- (b) there has been a significant change in the employer’s ability to meet its obligations to the Scheme, consistent with that employer’s obligations to deliver value for money and services for local taxpayers;
- (c) the employer requests a review and agrees to meet the reasonable costs of that review.

(2) The funding strategy statement must include a clear and accessible policy on revising contributions between valuations, including –

- (a) the process and evidential requirements for employers to request a review,
- (b) indicative timescales for the administering authority to determine such a request,
- (c) the criteria the administering authority and fund actuary will apply (including risk appetite and prudence levels), and
- (d) the approach to apportioning reasonable costs of any review.

(3) Where an employer makes a request under paragraph (1)(c), the administering authority must –

- (a) acknowledge the request within 10 working days,
- (b) determine the request within 12 weeks (or such longer period as is agreed with the employer), and
- (c) provide written reasons for its decision.

(4) For any review under this regulation, the fund actuary must prepare an Actuarial Methods Statement which –

- (a) explains, step by step, the models and methodologies used to project liabilities, assets and funding needs,
- (b) sets out all material assumptions, including discount rates, inflation, salary growth, mortality, longevity improvements and any smoothing or damping mechanisms,
- (c) specifies the level of prudence applied and how that prudence has been determined, and

- (d) provides sensitivity and scenario analysis showing potential outcomes under varying market conditions and employer covenant assessments.
- (5) The administering authority must publish the Actuarial Methods Statement alongside the decision under paragraph (3)(c), subject only to the redaction of information which is commercially sensitive or relates to individuals.
- (6) The Secretary of State must issue statutory guidance on—
 - (a) how councils and other employers may make requests under paragraph (1)(c),
 - (b) the matters administering authorities should take into account when considering such requests, including the balance between Scheme solvency and local taxpayers' interests in the continued delivery of core services, and
 - (c) the minimum standards for actuarial transparency under paragraph (5).
- (7) Administering authorities must have regard to guidance issued under paragraph (6)(a).
- (8) The Secretary of State must publish the guidance within six months of the day on which this Act is passed and keep it under review.””

Member's explanatory statement

This new Clause aims to strengthens Regulation 64A of the Local Government Pension Scheme Regulations 2013 to make interim reviews of employer contribution rates more accessible and transparent.

Clause 6

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ *The above-named Lords give notice of their intention to oppose the Question that Clause 6 stand part of the Bill.*

Member's explanatory statement

This amendment seeks to probe the process that the Secretary of State will be required to follow in order for a compulsory merger to take place, and the wider considerations that will be applied in deciding whether such a merger is appropriate.

After Clause 7

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 7, insert the following new Clause—

“Review of the cost and sustainability of the Local Government Pension Scheme

- (1) The Secretary of State must conduct a review of the long-term cost and sustainability of the Local Government Pension Scheme.

- (2) The review must give particular consideration to admitted bodies, including housing associations.
- (3) A report must be laid before Parliament within 12 months of the day on which this Act is passed.”

Member's explanatory statement

This amendment requires the Government to review the long-term cost and sustainability of the Local Government Pension Scheme, with particular consideration given to admitted bodies such as housing associations, and to report its findings to Parliament.

Clause 8

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

- ★ Clause 8, page 9, line 30, at end insert –

“(h) ensuring activities follow the relevant laws and regulatory rules;”

Member's explanatory statement

This is a probing amendment. It expands the definition of “management” of local government pension scheme funds and assets to test whether the Bill adequately reflects the full range of responsibilities involved in administering pension assets and seeks clarification from Ministers as to whether the Bill as drafted sufficiently captures these aspects.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

- ★ Clause 8, page 9, line 30, at end insert –

“(h) handling risks, including how they are identified, assessed, and kept under review;”

Member's explanatory statement

This is a probing amendment. It expands the definition of “management” of local government pension scheme funds and assets to test whether the Bill adequately reflects the full range of responsibilities involved in administering pension assets and seeks clarification from Ministers as to whether the Bill as drafted sufficiently captures these aspects.

Clause 9

LORD DAVIES OF BRIXTON

- ★ Clause 9, page 10, line 20, at end insert “, in order to allow any excess in the funds held for the purposes of the scheme to be shared between the members of the scheme and the employer.”

Member's explanatory statement

This is a probing amendment that seeks to explore the way in which the new power might be exercised.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 9, page 10, leave out lines 37 to 39

Member's explanatory statement

This is a probing amendment which seeks to determine what other situations – apart from the scheme entering into wind-up – would be considered unsuitable for surplus release.

Clause 10

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 10, page 11, leave out lines 11 to 38

Member's explanatory statement

This is a probing amendment which seeks to determine why the Secretary of State is permitted to change the conditions for paying surplus using the negative procedure after the initial conditions are first set using the affirmative procedure and to question the extent and scope of the Secretary of State's regulatory power in setting the conditions for surplus release.

LORD DAVIES OF BRIXTON

★ Clause 10, page 11, line 24, leave out “in relation to a payment before it is made” and insert “at least three months before any decision is made by the trustees to exercise the power referred to in subsection (1)(a)”

Member's explanatory statement

This amendment requires members of the scheme to be given prior notice of a decision by the trustees to exercise their powers under this section.

LORD DAVIES OF BRIXTON

★ Clause 10, page 11, line 24, at end insert –

“(e) requiring any trade union representing members of the scheme to be notified at least three months before any decision is made by the trustees to exercise the power referred to in subsection (1)(a).”

Member's explanatory statement

This amendment requires trade unions representing members of the scheme to be given prior notice of a decision by the trustees to exercise their powers under this section.

LORD DAVIES OF BRIXTON

★ Clause 10, page 11, line 32, at end insert –

- “(ca) requiring a decision on consent by an employer under paragraph (c) to be regarded as a prescribed decision for the purposes of regulations made under Section 259 of the Pensions Act 2004;”

Member's explanatory statement

This amendment provides that regulations may be made that would include the decision by an employer whether or not to give its consent to a payment to be treated a "prescribed decision" for the purposes of Section 259 of the Pensions Act 2004 (Consultation by employers: occupational pension schemes).

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 10, page 12, line 11, leave out subsection (7)

Member's explanatory statement

This is a probing amendment to test why defined benefit surplus extraction are not subject to the affirmative procedure all times they were made rather than just after first use.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ *The above-named Lords give notice of their intention to oppose the Question that Clause 10 stand part of the Bill.*

Member's explanatory statement

This is a probing amendment which seeks to determine why the power to release surplus, the scope of these powers, and the conditions attached to them are all left to regulations rather than set out on the face of the Bill.

Clause 11

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 11, page 14, line 7, at end insert –

- “(14) VFM regulations must also require the publication of the fees-to-returns ratio of each private pension provider of relevant pension schemes (“regulated VFM schemes”).”

Member's explanatory statement

This probing amendment seeks to require VFM regulations to include the fees-to-returns ratio for each private pension provider operating relevant pension schemes, ensuring greater transparency for members.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 11, page 14, line 7, at end insert—

“(14) VFM regulations must include criteria relating to service quality, including administration accuracy, timeliness, member communication and support for vulnerable members.”

Member's explanatory statement

This probing amendment seeks to ensure that value for money assessments consider service quality as well as financial performance, with the intention of recognising that scheme administration and member engagement are important components of member outcomes.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 11, page 14, line 7, at end insert—

“(14) VFM regulations must include requirements for a consistent benchmarking framework to compare scheme performance against appropriate reference portfolios.”

Member's explanatory statement

This probing amendment seeks to require that VFM regulations establish a standard benchmarking approach, ensuring that performance comparisons are meaningful and reducing the risk of schemes selecting benchmarks that present an unrepresentative picture of value.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 11, page 14, line 7, at end insert—

“(14) VFM regulations must include requirements for full transparency of all fees and transaction costs, including performance fees, administration fees, and all underlying investment charges.”

Member's explanatory statement

This probing amendment seeks to require VFM regulations to mandate full disclosure of all layers of fees, helping members understand the true cost of their scheme and addressing concerns about hidden or opaque charging structures.

Clause 13

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ *The above-named Lords give notice of their intention to oppose the Question that Clause 13 stand part of the Bill.*

Member's explanatory statement

This is a probing amendment, tabled to better understand how Parliament will be able to scrutinise the way in which the Pensions Regulator and the Secretary of State exercise their powers to make regulations concerning the detailed processes that trustees or managers must follow when undertaking value-for-money (VFM) assessments.

Clause 14

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 14, page 16, line 9, at end insert –

- “(e) require responsible trustees or managers to take reasonable steps to reach disengaged, digitally-excluded, or vulnerable members when issuing forms under paragraph (a);
- (f) require responsible trustees or managers to annually publish an aggregated analysis of survey data across all relevant schemes and report on emerging trends in member satisfaction.”

Member's explanatory statement

This amendment would ensure that member satisfaction surveys reach a representative cross-section of scheme members, including those who are disengaged, digitally-excluded or vulnerable. It would also require the relevant authority to publish an annual aggregated analysis of survey findings across schemes, identifying emerging trends in member satisfaction. The purpose is to strengthen the value of survey data, improve transparency, and support better outcomes for members.

Clause 15

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 15, page 16, line 35, leave out sub-paragraph (ii)

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 15, page 16, line 37, leave out subsection (2)

Member's explanatory statement

This probing amendment would leave out subsection (2) in order to challenge and clarify the key definitions used in this section, including the terms “reasonable period” and “relevant period”. The intention is to understand how these definitions will operate in practice and how they may affect the implementation of value-for-money requirements.

Clause 18

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 18, page 20, line 38, leave out subsection (5)

Member's explanatory statement

This probing amendment would leave out subsection (5) in order to understand the rationale for the penalty levels set out in that subsection. The intention is to explore how these figures have been determined and whether they are appropriate and proportionate within the wider enforcement regime

After Clause 19

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 19, insert the following new Clause—

“Duty to formalise the Value for Money framework

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, lay before Parliament regulations establishing the Value for Money (“VFM”) framework for relevant pension schemes.
- (2) The regulations laid under subsection (1) must set out—
 - (a) how relevant pension schemes will be assessed under the VFM framework;
 - (b) the standards and requirements that relevant pension schemes must comply with, including but not limited to—
 - (i) performance reporting,
 - (ii) disclosure of fees and costs,
 - (iii) risk management and service quality metrics, and
 - (iv) governance and stewardship expectations;
 - (c) the processes by which schemes will be held to account, including circumstances in which the regulator may intervene where schemes fail to demonstrate value for money;
 - (d) the consequences for relevant pension schemes that fail to meet the standards set by the VFM framework.
- (3) Before making regulations under this section, the Secretary of State must consult such persons they consider appropriate and lay a statement before Parliament on the outcome of such consultation.
- (4) Regulations under this section are subject to the affirmative procedure.
- (5) For the purposes of this section, “relevant pension schemes” has the meaning given in section 10.”

Member's explanatory statement

This amendment seeks to strengthen Regulation 64A of the LGPS Regulations 2013 by making interim employer contribution reviews clearer, more accessible and transparent. It clarifies review triggers, requires published fund policies and deadline and mandates greater actuarial transparency.

Clause 22

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

- ★ Clause 22, page 24, line 19, leave out “12” and insert “18”

Member's explanatory statement

This probing amendment would replace the 12-month dormancy period with an 18-month period in order to test the rationale for the Government's chosen timeframe.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

- ★ Clause 22, page 24, line 20, leave out paragraph (b)

Member's explanatory statement

This probing amendment would leave out subsection (b) in order to examine more closely what is meant by “prescribed exceptions” in relation to member actions and expectations. The intention is to test how the Government envisage defining circumstances in which a pot should not be treated as dormant, how such exceptions will operate in practice, and whether they adequately reflect real-world member behaviour.

VISCOUNT YOUNGER OF LECKIE

- ★ Clause 22, page 24, line 26, leave out from “procedure” to end of line 33

Member's explanatory statement

This amendment would make all regulations on consolidation of small dormant pots in DC schemes to the affirmative procedure all times they were made rather than just after first use.

Clause 24

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

- ★ Clause 24, page 26, line 27, at end insert –

- “(6) Transfer notices must be clear, concise, and accessible to all members, including those with low financial literacy or limited digital access.”
- “(7) Transfer notices must also be provided in prescribed alternative formats for digitally-excluded, visually-impaired, or otherwise vulnerable members.”

Member's explanatory statement

This amendment ensures transfer notices are easy to understand and available in alternative formats so that all members, including vulnerable or digitally-excluded individuals, can engage meaningfully with transfer decisions.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 24, page 26, line 27, at end insert –

“(6) Small pots regulations must require the Secretary of State to record and report annually on the number of transfer notices issued, and the outcomes arising from those notices.”

Member's explanatory statement

This amendment places a duty on the Secretary of State to monitor and report annually on the volume and outcomes of transfer notices. Its purpose is to ensure ministerial oversight and allow Parliament to assess progress and effectiveness under this clause.

Clause 31

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ *The above-named Lords give notice of their intention to oppose the Question that Clause 31 stand part of the Bill.*

Member's explanatory statement

This probing amendment seeks to examine the extent, scope and competence of the small pots regulations enabled by this clause, with particular focus on the powers conferred on the Pensions Regulator to levy fees. The intention is to understand how these powers will operate in practice and the safeguards governing their use.

Clause 32

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 32, page 32, line 10, leave out subsection (2)

Member's explanatory statement

This probing amendment seeks to examine the proposed expansion of regulatory powers conferred on the Pensions Regulator by this subsection. In particular, it aims to explore why the Regulator requires further powers in this area, how those powers will be used, and what safeguards will apply.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 32, page 32, line 27, leave out subsection (4)

Member's explanatory statement

This probing amendment seeks to examine the rationale behind the penalty limits set out in this subsection. Its purpose is to explore how these figures have been determined, whether they are appropriate and proportionate, and what considerations informed the Government's decision.

Clause 40

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 38, line 9, leave out subsection (4)

Member's explanatory statement

This amendment seeks to scrutinise the scale of the Secretary of State's powers to exempt schemes from Conditions 1 and 2 set out in subsection (4), and to probe whether these exemption powers are intended to apply to Collective Defined Contribution (CDC) schemes.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 38, leave out lines 26 and 27

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 39, line 12, leave out "or the conditions for approval under section 28C."

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 39, leave out lines 31 to 33

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 40, line 19, leave out “or the conditions for approval under section 28C.”

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 40, line 40, at end insert –

“(aa) the RMT meets the innovation exemption requirement.”

Member's explanatory statement

This amendment provides that a Master Trust is not required to meet the scale requirement under section 28B where it meets an innovation exemption, recognising that some smaller schemes deliver specialist or innovative pension services that may not depend on scale.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 41, line 5, at end insert –

“(3A) The RMT meets the innovation exemption requirement if the Trust can demonstrate that it provides specialist or innovative services.

(3B) The Secretary of State may by regulations provide for a definition of “specialist or innovative services” for the purposes of this section.”

Member's explanatory statement

This amendment defines the innovation exemption for Master Trusts by allowing schemes to demonstrate that they provide specialist or innovative services, and enables the Secretary of State to set out a formal definition of such services in regulations.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 41, leave out lines 37 to 39

Member's explanatory statement

This probing amendment seeks to understand how the Secretary of State intends to determine the method for calculating total assets under this clause, and what criteria or methodology will underpin that determination.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 41, line 40, leave out from beginning to end of line 5 on page 42

Member's explanatory statement

This probing amendment aims to clarify how the Government intend to define a “common investment strategy” for the purposes of this clause, and invites that definition to be set out prior to Royal Assent.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 43, line 19, at end of line insert –

“(aa) the relevant GPP meets the innovation exemption requirement.”

Member's explanatory statement

This amendment applies the innovation exemption to relevant Group Personal Pension (GPP) schemes, so that schemes offering specialist or innovative services are not automatically required to meet the scale requirement.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 43, line 25, at end insert –

“(3A) A relevant GPP meets the innovation exemption requirement if the Trust can demonstrate that it provides specialist or innovative services.

(3B) The Secretary of State may by regulations provide for a definition of “specialist or innovative services” for the purposes of this section.”

Member's explanatory statement

This amendment allows for the innovation exemption for Group Personal Pension schemes and allows the Secretary of State to specify, through regulations, what constitutes specialist or innovative services for the purposes of the scale requirement.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 45, line 32, leave out from beginning to end of line 19 on page 48

Member's explanatory statement

This amendment removes the Government's broad mandation power.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 45, line 32, leave out from beginning to end of line 29 on page 48

LORD SHARKEY

★ Clause 40, page 45, line 32, leave out from beginning to end of line 36 on page 53

Member's explanatory statement

This amendment, and other amendments in the name of Lord Sharkey, seek to remove mandatory asset allocation from the Bill.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 45, line 43, at end insert—

“(2A) The percentages prescribed under subsection (2) may not—
(a) exceed a total of 10% of the assets by reference to which the percentage is prescribed, and
(b) for a geographical location, exceed a total of 5% of the assets by reference to which the percentage is prescribed.”

Member's explanatory statement

This amendment seeks introduce a cap to the mandatory asset allocation at (1) 10% of the assets, and (2) 5% of the assets in a geographical location (such as the UK).

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 46, leave out lines 1 and 2

Member's explanatory statement

This amendment probes the reasons behind the provision allowing the Secretary of State until 2035 to exercise the mandation power.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 46, leave out lines 5 to 16

Member's explanatory statement

This amendment probes the power that allows regulations made under subsection 28C(4) to include assets of various classes falling under the broad heading of “private assets”, and to provide for the potential inclusion of other asset classes.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 46, leave out lines 11 to 16

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 46, leave out lines 17 to 22

Member's explanatory statement

This amendment removes the provision allowing assets to be defined as qualifying assets on the basis of their presence in the UK, or other factors linking the asset to economic activity within the UK.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 48, line 7, at end insert—

- “(ba) the functioning of the market for Master Trusts and group personal pension schemes, and what effects the proposed measures could be expected to have on that market;
- (bb) what effects the proposed measures could be expected to have on the market for qualifying assets;
- (bc) how the effects under paragraphs (a) to (bb) would differ as a result of alternative measures to the proposed measures;
- (bd) the effects to date, and expected future effects, of collective agreements by pension providers and schemes;
- (be) the availability of qualifying assets in the preceding 5 years, and the expected availability of qualifying assets in the subsequent 5 years;
- (bf) whether all reasonable policy and regulatory measures to enable investment in qualifying assets have been delivered;”

Member's explanatory statement

The Bill requires that the Secretary of State publishes a report before asset allocation regulations are made. This amendment seeks to specify further items to be included in that report.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 48, leave out line 35

Member's explanatory statement

This amendment, connected with another in the name of Baroness McIntosh of Pickering, seeks to narrow the conditions which must be satisfied to qualify for transition pathway relief.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 49, leave out line 7

Member's explanatory statement

This amendment, connected with another in the name of Baroness McIntosh of Pickering, seeks to narrow the conditions which must be satisfied to qualify for transition pathway relief.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 50, line 28, leave out from beginning to end of line 16 on page 51

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 50, line 32, leave out “, for a period specified by the Authority,”

Member's explanatory statement

This amendment seeks to remove the time limit for savers' interest exemptions to the asset allocation requirements that would be set by the Authority.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 51, line 13, at end insert—

- “(e) must not require the provider to change its asset allocation until the Authority has made its determination or they have received the outcome of the referral to the Upper Tribunal;
- (f) must provide for the Authority's determination to include reasons for reaching that decision;
- (g) must allow for relevant schemes to apply for the savers' interest test for up to three consecutive years, while demonstrating a credible pathway to meeting the prescribed asset allocation under section 28C at each application.”

Member's explanatory statement

This amendment seeks to (1) provide more certainty in relation to the savers' interest test for exemptions to the asset allocation requirements, and (2) ensure that providers are not required to

alter their asset allocation until the Authority has made its determination or they have received outcome of the referral to the Upper Tribunal.

BARONESS BOWLES OF BERKHAMSTED

- ★ Clause 40, page 51, line 24, leave out “or 28C”

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

BARONESS BOWLES OF BERKHAMSTED

- ★ Clause 40, page 52, line 29, leave out “or 28C”

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 52, line 40, leave out from beginning to end of line 5 on page 53

Member's explanatory statement

This is a probing amendment intended to test whether a maximum penalty of £100,000, subject to regulations, for failure to meet mandation requirements is proportionate.

BARONESS BOWLES OF BERKHAMSTED

- ★ Clause 40, page 53, line 18, at end insert—

“28K Fiduciary duty reinforcement

Nothing in this chapter overrides or diminishes the fiduciary duty of trustees to act in the best financial interests of scheme members.”

Member's explanatory statement

This amendment seeks to ensure that fiduciary duty remains the overriding principle of pension governance.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 53, line 18, at end insert –

“28K Safe harbour regime: trustees

Trustees who act –

- (a) in good faith,
- (b) on the basis of professional advice, and
- (c) in accordance with their fiduciary duty,

must not be subject to penalties or adverse consequences under this chapter for failing to meet mandated or promoted investment quotas, provided they can demonstrate reasonable consideration of scheme members' best interests.”

Member's explanatory statement

This amendment seeks to create a safe harbour regime for trustees, protecting them from adverse consequences under the Bill if they are discharging their fiduciary duties.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 53, line 18, at end insert –

“28K Systemic risk integration: trustee duty

- (1) Trustees must, in the exercise of their fiduciary duties under this chapter, have regard to systemic risks including economic resilience and climate change, and other factors materially affecting long-term pension outcomes.
- (2) This duty does not mandate investment in any specific vehicle.”

Member's explanatory statement

This amendment seeks to confer a duty on trustees to consider systemic risks when discharging their fiduciary duties.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 53, line 18, at end insert –

“28K Structural discrimination

- (1) This chapter does not exclude listed investment funds (including investment companies and trusts) from eligibility as qualifying assets for pension scheme investment.
- (2) The funds in subsection (1) must be treated under this Act on an equivalent basis to other collective investment structures where they support economically useful assets.”

Member's explanatory statement

This amendment seeks to ensure that listed investment funds are treated by this Act on equal basis to other collective investment structures.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 53, line 18, at end insert –

“28K Herding risk

- (1) When exercising their powers under this chapter, the Secretary of State must avoid mandating or promoting investment in specific vehicles or categories in a manner that risks regulatory herding.
- (2) In this section “regulatory heading” means inducing overly similar investment behaviour due to impact of regulation
- (3) Any guidance issued under or in connection with this chapter must –
 - (a) emphasise the importance of diversification and risk management;
 - (b) take account of past problems for the pensions sector caused by hearing risk.”

Member's explanatory statement

This amendment seeks to ensure that the Secretary of State acts in a manner that reduces the risk of ‘herding behaviour’ created by a regulatory or statutory regime.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 53, line 19, leave out subsection (13)

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government’s broad mandation power.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 53, leave out lines 26 to 28

Member's explanatory statement

This is a probing amendment intended to test why the Government considers a five-year period to be an appropriate timeline for regulations to come into force, and why an earlier commencement has not been proposed.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 53, line 27, leave out “the period of” and insert “both the periods of 2 and”

Member's explanatory statement

This amendment seeks ensure that a review of the asset allocation mandation powers must take place within at least two years, in addition to within at least five years.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 40, page 53, line 35, at end insert –

- “(ba) the extent to which mandated investment requirements risk becoming misaligned with prevailing economic conditions or market realities;
- (bb) whether the timing and rigidity of any mandated investment allocations may reduce their effectiveness in supporting economic or fiscal objectives;
- (bc) the risk of asset price inflation, market distortion, or crowding effects arising from multiple schemes being required to invest in the same asset classes;
- (bd) whether mandated investment signals could lead to speculative behaviour or unintended amplification of asset price movements; and”

Member's explanatory statement

This amendment ensures the review considers whether mandated investment requirements risk becoming misaligned with economic conditions and whether directing multiple schemes into the same assets could cause market distortion or asset price inflation.

BARONESS MCINTOSH OF PICKERING

★ Clause 40, page 53, line 35, at end insert –

- “(ba) the functioning of the market for Master Trusts and group personal pension schemes, and what effects the measures have had on that market;
- (bb) what effects the measures have had on the markets for qualifying assets;
- (bc) the availability of qualifying assets in the preceding 5 years, and the expected availability of qualifying assets in the subsequent 5 years;
- (bd) whether all reasonable policy and regulatory measures to enable investment in qualifying assets have been delivered;
- (be) whether the regulations are still needed or should be repealed;”

Member's explanatory statement

The Bill requires that the Secretary of State review the effect of asset allocation regulations. This amendment seeks to specify further things which they must take into account when carrying out the review.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 53, line 36, at end insert—

- “(4) A review under subsection (1) must include—
 - (a) publication of evidence considered,
 - (b) disclosure of lobbying activity relevant to the investment categories, and
 - (c) an assessment of whether the mandation or promotion continue to serve the best interests of scheme members.”

Member's explanatory statement

This amendment seeks to increase transparency for the Secretary of State's mandatory review into asset allocation.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 40, page 54, line 18, leave out “28C (other than subsection (10)(f)),”

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

LORD SHARKEY

★ Clause 40, page 54, line 18, leave out “28E, 28F, 28G, 28I, 28J”

Member's explanatory statement

This amendment, and other amendments in the name of Lord Sharkey, seek to remove mandatory asset allocation from the Bill.

LORD SHARKEY

★ Clause 40, page 54, line 26, leave out paragraphs (c) and (d)

Member's explanatory statement

This amendment, and other amendments in the name of Lord Sharkey, seek to remove mandatory asset allocation from the Bill.

Clause 41

BARONESS BOWLES OF BERKHAMSTED

★ Clause 41, page 55, line 3, leave out “or the asset allocation requirement in section 28C”

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

BARONESS BOWLES OF BERKHAMSTED

★ Clause 41, page 55, line 7, leave out “or the asset allocation requirement in section 28C”

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 41, page 56, line 16, leave out “first”

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 41, page 56, leave out lines 18 and 19

Member's explanatory statement

This amendment probes why subsequent regulations determining how the Pensions Regulator assesses the scale requirement should be subject to the negative rather than the affirmative resolution procedure, given their potential impact on scheme structure and market outcomes.

LORD SHARKEY

★ *Lord Sharkey gives notice of his intention to oppose the Question that Clause 41 stand part of the Bill.*

Clause 45VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ *The above-named Lords give notice of their intention to oppose the Question that Clause 45 stand part of the Bill.*

Member's explanatory statement

This is a probing amendment which seeks to understand the effect of the changes made by Clause 45 to the Financial Services and Markets Act 2000, particularly in light of wider and ongoing amendments to that Act arising from the consolidation and reform of assimilated EU law, and the implications for the FCA's role and supervisory remit.

After Clause 45

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 45, insert the following new Clause—

“Member notification and fund comparison prior to mandation

- (1) Before a pension scheme's automatic enrolment default fund is subject to mandation under this Act, the scheme must—
 - (a) notify affected members in writing;
 - (b) clearly explain the nature and effect of the mandation;
 - (c) present all alternative funds available within the scheme.
- (2) All funds presented under subsection (1)(c) must be accompanied by comparable Value for Money metrics, including but not limited to net returns, charges, risk profile, and long-term performance.”

Member's explanatory statement

This amendment requires pension scheme members to be informed before their automatic enrolment default fund is subject to mandation, and to be presented with alternative funds alongside comparable Value for Money information, in order to support transparency and informed member choice.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 45, insert the following new Clause—

“Condition precedent: Value for Money framework

- (1) No mandation power under this Act may be exercised until a Value for Money framework has—
 - (a) been formally published, and
 - (b) been approved by resolution of each House of Parliament under the affirmative procedure.
- (2) The framework must provide clear, standardised and transparent metrics capable of comparison across pension schemes.”

Member's explanatory statement

This amendment provides that mandation powers may not be exercised until a Value for Money framework has been published and approved by Parliament, ensuring that any intervention is based on clear, standardised and transparent metrics.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 45, insert the following new Clause—

“Review of scope of mandation powers

- (1) The Secretary of State must publish an explanation within six months of Royal Assent as to why mandation powers under this Act apply only to automatic enrolment default funds.
- (2) The explanation must consider whether selecting solely automatic enrolment funds risks unintended market distortion or reduced member choice.”

Member's explanatory statement

This amendment requires the Government to explain why mandation powers apply only to automatic enrolment default funds, and to consider whether this approach risks unintended market distortion or a reduction in member choice.

Clause 48

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ Clause 48, page 60, leave out lines 26 to 29 and insert “that the scheme in question demonstrates strong potential for growth and an ability to innovate.”

Member's explanatory statement

This amendment would revert the text of section 28F(2) on the eligibility conditions for new entrant pathway relief to its form in the Bill as introduced.

After Clause 117

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause—

“Pension investment in social bonds: framework, value for money and market enablement

- (1) The Secretary of State must, within 12 months of the passing of this Act, prepare and publish an assessment of whether a pension-specific framework should be established to support trustees of occupational pension schemes who wish to

invest, where they consider it appropriate, in social bonds and other forms of social infrastructure investment.

- (2) The assessment must consider the extent to which such a framework could—
 - (a) provide clarity on the application of trustees' fiduciary duties in relation to social bonds,
 - (b) set out principles for assessing risk, return, liquidity, duration and transparency of such investments, having regard to the long-term nature of pension liabilities,
 - (c) support consistency and comparability in the evaluation of social bonds across schemes, and
 - (d) facilitate trustee confidence and member understanding of such investments.
- (3) In particular, the Secretary of State must consider whether, and how, the social and economic outcomes associated with social bonds could be reflected within the value for money framework applicable to occupational pension schemes, including—
 - (a) the relevance of long-term economic impacts to member outcomes,
 - (b) the extent to which such investments may mitigate systemic or economy-wide risks material to pension savings, and
 - (c) the presentation of information to members in a clear and proportionate manner.
- (4) The assessment must also consider how a pension-specific framework could support the development of a credible and investable pipeline of social bond opportunities, including—
 - (a) how public bodies, local authorities, social enterprises or other issuers might bring forward proposals in a form suitable for consideration by pension schemes,
 - (b) the role of standardisation, intermediaries or aggregation vehicles in reducing transaction costs and improving investability, and
 - (c) how such proposals could be assessed on a consistent basis without imposing any obligation on pension schemes to invest.
- (5) In developing the assessment, the Secretary of State must consider what metrics and evidential standards would be required to ensure that any framework for social bonds is pension-specific, including—
 - (a) metrics relating to long-term risk-adjusted financial performance,
 - (b) alignment with the duration and cash flow characteristics of pension liabilities,
 - (c) the financial materiality of social and economic outcomes to pension savers over time, and
 - (d) the avoidance of reliance on generic or non-financial impact measures not relevant to pension scheme decision-making.
- (6) Following the assessment, the Secretary of State must—
 - (a) publish the conclusions of the assessment, and

- (b) where the Secretary of State considers it appropriate, issue statutory guidance or make regulations establishing a pension-specific framework for the prudent assessment, reporting and communication of investments in social bonds.

(7) Nothing in this section –

- (a) requires trustees to invest in social bonds or any other asset class, or
- (b) alters the requirement that trustees act in the best financial interests of scheme members.”

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause –

“Review of pension awareness and saving among young people

- (1) The Secretary of State must, within 12 months of this Act being passed, carry out a review into –
 - (a) levels of pension awareness and understanding among young people, and
 - (b) the effectiveness of existing measures to support young people to begin saving into a pension.
- (2) The review must consider –
 - (a) barriers to pension saving faced by young people, including low earnings, insecure work, and gaps in financial education,
 - (b) the impact of the automatic enrolment age and earnings thresholds, and
 - (c) options to improve engagement, participation, and long-term retirement outcomes for younger savers.
- (3) The Secretary of State must lay a report of the review before Parliament.”

Member's explanatory statement

This amendment requires the Government to review pension awareness among young people and to consider how existing policy could better support earlier engagement and saving into pensions.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause –

“Guidance on the roles of the Financial Conduct Authority and the Pensions Regulator

- (1) The Secretary of State must establish a joint protocol outlining the roles and responsibilities of the Financial Conduct Authority and the Pensions Regulator regarding their regulatory responsibility of the pension industry.
- (2) A protocol established under subsection (1) must include –
 - (a) an overview of the coordination mechanisms between the two bodies;

- (b) a published framework for oversight of hybrid or work-based personal pension schemes;
- (c) a requirement for regular joint communications from both bodies to clarify regulatory boundaries for industry stakeholders.”

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause –

“Review of impact of this Act on retirement incomes

- (1) The Secretary of State must, within five years of the passing of this Act, carry out a review of the impact of the provisions of this Act on actual and projected retirement incomes.
- (2) Further reviews must be carried out at intervals of not more than five years thereafter.
- (3) Each review must consider –
 - (a) the impact of the provisions of this Act on actual and projected retirement incomes, and
 - (b) whether additional measures are required to ensure that pension scheme members receive an adequate income in retirement.
- (4) The Secretary of State must prepare a report of each review and lay a copy of that report before Parliament.”

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause –

“Review of pension communications and financial promotion rules

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, conduct a review of all legislation and regulatory rules governing marketing, financial promotion and member communications in relation to occupational and personal pension schemes.
- (2) The review must consider whether existing rules unduly restrict pension providers from –
 - (a) communicating risks, warnings, and comparative information to scheme members;
 - (b) providing guidance on fund choice, consolidation, and value for money;
 - (c) supporting informed member decision-making without constituting regulated financial advice.
- (3) The Secretary of State must lay a report of the review before both Houses of Parliament.”

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause—

“Review of barriers to UK investment by pension and investment funds

- (1) Within three months of the day on which this Act is passed, the Secretary of State must launch a review into barriers preventing pension and investment funds from investing in the United Kingdom.
- (2) The review must consider—
 - (a) fixed and regulatory costs of investing in the UK;
 - (b) the UK tax regime;
 - (c) legal and fiduciary constraints.
- (3) The Secretary of State must consult—
 - (a) investment managers;
 - (b) pension providers;
 - (c) pension lawyers;
 - (d) insurers operating in the pensions market;
 - (e) such other persons as the Secretary of State considers appropriate.
- (4) A report must be laid before Parliament within nine months of the launch of the review.”

Member's explanatory statement

This amendment requires the Government to review barriers that may prevent pension and investment funds from investing in the United Kingdom, including regulatory, tax, and fiduciary constraints, and to report its findings to Parliament.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause—

“Ministerial support for employer pension decision-making

- (1) The Secretary of State must take such steps as the Secretary of State considers appropriate to support employers in making informed decisions about the pension arrangements they offer to workers.
- (2) Support under subsection (1) may include—
 - (a) the publication of guidance on the comparative operation, costs and benefits of different workplace pension arrangements, including automatic enrolment schemes, salary sacrifice arrangements, and occupational pension schemes;
 - (b) the development and provision of publicly available tools to assist employers in assessing the financial, administrative, and regulatory implications of different pension arrangements;

- (c) the facilitation of information for employers on how to implement changes to workplace pension arrangements in compliance with statutory requirements;
- (d) the issuing of best-practice principles to assist small and medium-sized enterprises in understanding options available to them.

(3) Guidance or tools published under this section—

- (a) may be directed at employers generally or at particular descriptions of employers;
- (b) may be revised from time to time.

(4) In exercising functions under this section, the Secretary of State must consult such persons as the Secretary of State considers appropriate, which may include—

- (a) the Pensions Regulator;
- (b) the Financial Conduct Authority;
- (c) the Pensions Advisory Service;
- (d) representatives of employers and employees.

(5) Nothing in this section requires an employer to adopt any particular form of pension arrangement.”

Member's explanatory statement

This new clause creates a permissive power for Ministers to help employers understand and navigate the different pension options available to them, including the choice between salary sacrifice and ordinary contributions.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT



After Clause 117, insert the following new Clause—

“Comprehensive review of the differential treatment of pension contributions

- (1) The Secretary of State must conduct a comprehensive review of the legislative, fiscal and regulatory framework governing the treatment of employee pension contributions and employer pension contributions.
- (2) The review under subsection (1) must consider—
 - (a) the reasons for the current differential treatment of employee and employer pension contributions in relation to income tax and National Insurance contributions;
 - (b) the impact of this differential treatment on take-home pay, employer labour costs, pension participation, and long-term retirement outcomes;
 - (c) the interaction of employee contributions, employer contributions and salary sacrifice arrangements with the rules on automatic enrolment;
 - (d) whether the existing framework creates distortions, unintended incentives, or barriers for employees or employers;
 - (e) the implications of any changes to the treatment of contributions for the public finances, the pensions industry, and employers of different sizes.

- (3) In conducting the review, the Secretary of State must consult—
 - (a) HM Treasury;
 - (b) the Pensions Regulator;
 - (c) the Financial Conduct Authority;
 - (d) representatives of employers, employees, and pension providers;
 - (e) such other persons as the Secretary of State considers appropriate.
- (4) The Secretary of State must lay before Parliament a report setting out—
 - (a) the findings of the review, and
 - (b) any recommendations for legislative or regulatory change arising from the review.
- (5) The report under subsection (4) must be laid before Parliament within 12 months of the passing of this Act.”

Member's explanatory statement

This new clause requires Ministers to undertake a full and transparent review of why employee and employer pension contributions are treated differently for income tax and National Insurance purposes.

LORD SHARKEY

★ After Clause 117 insert the following new Clause—

“Fossil fuels and climate change risk

- (1) The Pensions Act 1995 is amended as follows.
- (2) In section 41A (Climate change risk), after subsection (6) insert—
 - “(6A) Regulations under subsection (1) must, within 1 year of the Pension Schemes Act 2025 receiving Royal Assent, prohibit the trustees or managers of schemes of a prescribed description from holding relevant assets.
 - (6B) The relevant assets in subsection (6A) are issuance by issuers which, in relation to thermal coal—
 - (a) derive 10% or more of annual revenue from its production, transport or combustion,
 - (b) produce annually 10 million tonnes or more, or
 - (c) have 5GW or more of power generation capacity.
 - (6C) Within 2 years of the Pensions Act 2025 receiving Royal Assent, and every 3 years thereafter, the Secretary of State must carry out and publish a review on whether the definition of relevant assets should be extended to include—
 - (a) issuance by issuers which, in relation to thermal coal, derive a smaller proportion of revenue, produce a smaller amount or have a smaller amount of power generation capacity than the proportion and amounts specified in (6B),

- (b) some or all new issuance by issuers of a prescribed description deriving a prescribed proportion or amount of their revenue from the extraction, transport, trading or combustion of prescribed fossil fuels, or
- (c) some or all new or existing issuance by issuers of a prescribed description investing a prescribed proportion or amount in exploring for, or expanding the extraction of, prescribed fossil fuels.

(6D) Regulations under subsection (1) may implement the conclusions of the review referred to in (6C)."

(3) In subsection (8), at end insert –

““thermal coal” means coal and lignite used in the generation of electricity and in providing heat for industrial or residential purposes; “issuance” means all investable assets, including equity and debt.”

- (4) The Financial Conduct Authority must make general rules with effects corresponding to the provisions of subsection (1) for providers of pension schemes to which Part 7A of the Financial Services and Markets Act 2000 (inserted by section 48 of this Act) applies.
- (5) The Secretary of State must make regulations with effects corresponding to the provisions of subsection (1) for scheme managers of the Local Government Pension Scheme.
- (6) The rules and regulations under subsections (4) and (5) must come into force no later than the date on which regulations pursuant to section 41A(6A) of the Pensions Act 1995 (as amended by this Act) come into force.”

Member's explanatory statement

This new clause would require Government and the FCA to make regulations and rules on climate risk grounds restricting exposure of some occupational and workplace personal schemes to thermal coal investments and to regularly review whether the restrictions should be extended to other fossil fuel investments.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT



After Clause 117, insert the following new Clause –

“Review of employment rates and pension adequacy

- (1) The Secretary of State must conduct a review into the relationship between employment rates, earnings patterns and pension adequacy.
- (2) The review must consider –
 - (a) the pension adequacy of workers who are
 - (i) in part-time or insecure work, and
 - (ii) on career breaks, and
 - (b) the impact of regional labour market disparities on pension adequacy.

(3) The Secretary of State must lay a report before Parliament within 12 months of the passing of this Act.”

Sch the Schedule

BARONESS BOWLES OF BERKHAMSTED

★ The Schedule, page 158, line 19, leave out “or the asset allocation requirement in section 28C”

Member's explanatory statement

This amendment, linked to others in the name of Baroness Bowles of Berkhamsted, is consequential on an amendment leaving out the inserted section 28C from Clause 40. That amendment removes the Government's broad mandation power.

Pension Schemes Bill

RUNNING LIST OF ALL AMENDMENTS IN GRAND COMMITTEE

Tabled up to and including

22 December 2025

22 December 2025

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