

Pension Schemes Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

[Supplementary to the Marshalled List]

Amendment
No.

After Clause 57

BARONESS COFFEY

180A★ After Clause 57, insert the following new Clause—

“Review: transfer of the Financial Conduct Authority’s pension regulation functions to the Pensions Regulator

- (1) Within six months of the day on which this Act is passed, the Secretary of State must publish a review to assess the viability of transferring the Financial Conduct Authority’s pension regulation functions to the Pensions Regulator.
- (2) The review under subsection (1) must include an assessment of whether the Pensions Regulator should take on responsibility for the regulation of defined contribution pensions, except for self-invested personal pensions, in place of the Financial Conduct Authority.
- (3) The Secretary of State must lay the report under subsection (1) before Parliament.”

Member's explanatory statement

This probing amendment explores moving to one regulator, the Pension Regulator, for all pensions (both defined contribution and defined benefit) that are not self-invested private pensions (which would stay with the Financial Conduct Authority).

After Clause 117

BARONESS HAYMAN
LORD SHARKEY

218A★ After Clause 117, insert the following new Clause—

“Clarification of pension scheme investment duties

- (1) The Pensions Act 1995 is amended as follows.

(2) In section 36 (choosing investments), after subsection (9), insert –

“(10) Regulations under subsection (1) must provide –

- (a) that when interpreting the best interest or sole interests of members and beneficiaries for the purposes of this section and the regulations, the trustees of a trust scheme may (amongst other matters) take the following into account –

 - (i) system-level considerations,
 - (ii) the reasonably foreseeable impacts over the appropriate time horizon of the assets or organisations in which the trust scheme invests upon prescribed matters, including upon members’ and beneficiaries’ standards of living, and
 - (iii) the views of members and beneficiaries,

- (b) that investment powers or discretions must be exercised in a manner that considers and manages the matters specified in subsection (10)(a)(i) and (ii) where they are financially material, and
- (c) a prescribed definition of the term “appropriate time horizon” for these purposes.

(11) For the purposes of this section, “system-level considerations” means, over the appropriate time horizon, risks and opportunities relevant to the scheme that –

- (a) cannot be fully managed through diversification alone, and
- (b) arise from circumstances at the level of one or more economic sectors, financial markets or economies, including but not limited to those relating to environmental or social matters.

(12) Regulations under subsection (1) must come into force no more than one year after the day on which the Pension Schemes Act 2026 is passed.

(13) In complying with requirements imposed by this section and regulations, a trustee or manager must have regard to guidance prepared from time to time by the Secretary of State.”

(3) 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.

(4) The Secretary of State must make regulations with effects corresponding to the provisions of subsection (1) for the Local Government Pension Scheme.

(5) The rules and regulations under subsections (3) and (4) must come into force no later than the date on which regulations pursuant to section 36(10) of the Pensions Act 1995 (as amended by this Act) come into force.”

Member's explanatory statement

This new clause gives the Secretary of State a duty to make regulations clarifying investment duties of occupational pension schemes, including system-level considerations and other matters including impacts of investee firms, beneficiaries’ standards of living and views. It also imposes

duties on the FCA and the Secretary of State to make corresponding rules and regulations for workplace personal pension schemes and the Local Government Pension Scheme respectively.

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12 January 2026
