

Pension Schemes Bill

SEVENTH MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

The amendments have been marshalled in accordance with the Instruction of 18th December 2025, as follows –

Clauses 1 to 118	Clauses 119 to 123
Schedule	Title

[Amendments marked ★ are new or have been altered]

Amendment No.	After Clause 96
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LORD PALMER OF CHILDS HILL

184 After Clause 96, insert the following new Clause –

“Report on the impact of pension market consolidation

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, publish a report on the impact of consolidation in the occupational pensions market.
- (2) The report must include an assessment of –
 - (a) the level of market concentration among pension scheme providers, including trends in the number and size of schemes;
 - (b) the effects of consolidation on competition, innovation, and consumer choice in the pensions market;
 - (c) the potential barriers to entry and growth for small and medium-sized pension providers;
 - (d) the adequacy of existing regulatory and competition safeguards in preventing anti-competitive behaviour regarding –
 - (i) exclusivity arrangements,
 - (ii) exit charges, and
 - (iii) pricing structures;
 - (e) the role of The Pensions Regulator and the Competition and Markets Authority in monitoring and responding to market concentration;

(f) the merits of policy or regulatory measures to support new market entrants.

(3) The Secretary of State must lay a copy of the report before both Houses of Parliament.”

Member's explanatory statement

This new clause would require the Government to report on the impact of market consolidation on competition and new market entrants.

Clause 100

BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN

185 [Withdrawn]

Clause 108

BARONESS SHERLOCK

186 Clause 108, page 116, line 20, at end insert “, or

(iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the compensation is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 28 of Schedule 7 to the Pensions Act 2004 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the pension compensation is payable.

BARONESS ALTMANN

186A Clause 108, page 119, line 38, at end insert—

“(2A) After paragraph 28, insert—

“*Lump sum compensation*

28A(1) In all cases which qualify for an increase in periodic compensation under paragraph 28(2A) to (2I), the person may also qualify for a lump sum payment or payments, the amount of which must be—

(a) related to the loss of inflation protection on pre-1997 pension benefits, and

(b) paid by the Pension Protection Fund out of excess reserves, in recognition of the years of pension increases that were unpaid since the failure of the pension scheme.

- (2) The Secretary of State may issue guidance about lump sum payments under this paragraph.””

Member's explanatory statement

This amendment seeks to make provision for lump sum payments from the Pension Protection Fund to persons who qualify for an increase in periodic compensation for pre-1997 service to compensate for unpaid increases in the years since the failure of the pension scheme.

BARONESS SHERLOCK

187 Clause 108, page 121, line 10, at end insert “, or

- (iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the transferor’s PPF compensation is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 17 of Schedule 5 to the Pensions Act 2008 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the pension compensation is payable.

BARONESS ALTMANN

187A Clause 108, page 124, line 25, at end insert –

“(5A) After paragraph 17, insert –

“*Lump sum compensation*

- 17A(1) In all cases which qualify for an increase in periodic compensation under paragraph 17(2A) to (2H), the person may also qualify for a lump sum payment or payments, the amount of which must be –
 - (a) related to the loss of inflation protection on pre-1997 pension benefits, and
 - (b) paid by the Pension Protection Fund out of excess reserves, in recognition of the years of pension increases that were unpaid since the failure of the pension scheme.
- (2) The Secretary of State may issue guidance about lump sum payments under this paragraph.””

Member's explanatory statement

This amendment seeks to make provision for lump sum payments from the Pension Protection Fund to persons who qualify for an increase in periodic compensation for pre-1997 service to compensate for unpaid increases in the years since the failure of the pension scheme.

Clause 109

BARONESS SHERLOCK

188 Clause 109, page 125, line 37, at end insert “, or

- (iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the compensation is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 28 of Schedule 6 to the Pensions (Northern Ireland) Order 2005 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the pension compensation is payable.

BARONESS ALTMANN

188A Clause 109, page 129, line 13, at end insert –

“(2A) After paragraph 28, insert –

“*Lump sum compensation*

- 28A(1) In all cases which qualify for an increase in periodic compensation under paragraph 28(2A) to (2I), the person may also qualify for a lump sum payment or payments, the amount of which must be –
 - (a) related to the loss of inflation protection on pre-1997 pension benefits, and
 - (b) paid by the Pension Protection Fund out of excess reserves, in recognition of the years of pension increases that were unpaid since the failure of the pension scheme.
- (2) The Secretary of State may issue guidance about lump sum payments under this paragraph.””

Member's explanatory statement

This amendment seeks to make provision for lump sum payments from the Pension Protection Fund to persons who qualify for an increase in periodic compensation for pre-1997 service in Northern Ireland to compensate for unpaid increases in the years since the failure of the pension scheme.

BARONESS SHERLOCK

189 Clause 109, page 130, line 30, at end insert “, or

- (iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the transferor's PPF compensation is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 17 of Schedule 4 to the Pensions (No.2) Act (Northern Ireland) 2008 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the pension compensation is payable.

BARONESS ALTMANN

189A Clause 109, page 133, line 45, at end insert –

“(5A) After paragraph 17, insert –

“*Lump sum compensation*

- 17A(1) In all cases which qualify for an increase in periodic compensation under paragraph 17(2A) to (2H), the person may also qualify for a lump sum payment or payments, the amount of which must be –
 - (a) related to the loss of inflation protection on pre-1997 pension benefits, and
 - (b) paid by the Pension Protection Fund out of excess reserves, in recognition of the years of pension increases that were unpaid since the failure of the pension scheme.
- (2) The Secretary of State may issue guidance about lump sum payments under this paragraph.””

Member's explanatory statement

This amendment seeks to make provision for lump sum payments from the Pension Protection Fund to persons who qualify for an increase in periodic compensation for pre-1997 service in Northern Ireland to compensate for unpaid increases in the years since the failure of the pension scheme.

Clause 110

BARONESS SHERLOCK

190 Clause 110, page 135, line 31, at end insert “, or

- (iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the annual payment is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 9 of Schedule 2 to the Financial Assistance Scheme Regulations 2005 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the financial assistance is payable.

BARONESS SHERLOCK

191 Clause 110, page 138, line 3, at end insert “, or

- (iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the ill health payment is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 9 of Schedule 2A to the Financial Assistance Scheme Regulations 2005 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the financial assistance is payable.

BARONESS SHERLOCK

192 Clause 110, page 141, line 3, at end insert “, or

- (iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the annual payment is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 6 of Schedule 3 to the Financial Assistance Scheme Regulations 2005 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the financial assistance is payable.

BARONESS SHERLOCK

193 Clause 110, page 144, line 3, at end insert “, or

- (iii) included such a requirement but that requirement did not apply in relation to pre-1997 service in respect of which the ill health payment is payable.”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) of paragraph 6 of Schedule 5 to the Financial Assistance Scheme Regulations 2005 (inserted by this clause) applies also to a case where a pension scheme required pre-1997 indexation but that requirement did not apply in relation to pre-1997 service in respect of which the financial assistance is payable.

After Clause 110

BARONESS SHERLOCK

194 After Clause 110, insert the following new Clause—

“CHAPTER 2A

AWE PENSION SCHEME

*New public pension schemes***Establishment of new public schemes and transfer of rights**

- (1) The Secretary of State may by regulations establish one or more schemes (“new public schemes”) which provide for pensions or other benefits to be payable to or in respect of persons who are or have been members of the AWE Pension Scheme (“qualifying persons”).
- (2) The Secretary of State may by regulations make provision for the transfer of qualifying accrued rights to a new public scheme (without the need for any approval or consent of the trustee company or AWE PLC, or any other person, to the transfer).
- (3) Regulations under subsection (2) may include provision for the discharge of liabilities in respect of qualifying accrued rights that are transferred.
- (4) In this Chapter—
“qualifying accrued rights” means—
 - (a) any right to future benefits under the AWE Pension Scheme which, at the qualifying time, has accrued to or in respect of a qualifying person,
 - (b) any entitlement under the AWE Pension Scheme to the present payment of a pension or other benefit which a qualifying person has at the qualifying time, or
 - (c) any entitlement to benefits, or right to future benefits, under the AWE Pension Scheme which a survivor of a qualifying person has at the qualifying time in respect of the qualifying person;
“the qualifying time” means the time immediately before the date specified or described in regulations.
- (5) For the purposes of the definition of “qualifying accrued rights”—
 - (a) references to pensions or other benefits (including future benefits) includes money purchase benefits, and
 - (b) references to a right include a pension credit right.
- (6) Regulations under subsection (4) specifying or describing a date for the purposes of the definition of “the qualifying time” may make provision for the purposes of transfers of qualifying accrued rights generally, transfers of a particular description or a particular transfer.”

Member's explanatory statement

This new clause provides for the pension scheme of AWE PLC (a wholly owned government company) to be transferred to a new public sector pension scheme, while preserving existing rights of scheme members. It will be the first clause of a new Chapter in Part 4 of the Bill.

BARONESS SHERLOCK

195 After Clause 110, insert the following new Clause—

“New public schemes: further provision

- (1) A new public scheme may include provision—
 - (a) for pensions or other benefits to be payable to or in respect of some or all persons described in section (*Establishment of new public schemes and transfer of rights*)(1);
 - (b) for the provision of money purchase benefits or benefits that are not money purchase benefits (or both);
 - (c) for increasing in particular circumstances the amounts payable in respect of qualifying accrued rights;
 - (d) for the payment or receipt of transfer values or other lump sum payments for the purpose of creating rights to benefits under a new public scheme or otherwise;
 - (e) in relation to any persons who are active members of the AWE Pension Scheme which differs from the provision made in relation to persons who are deferred members of the AWE Pension Scheme, other than provision in relation to qualifying accrued rights.
- (2) Regulations under section (*Establishment of new public schemes and transfer of rights*)(1) may—
 - (a) provide for a new public scheme to be treated as an occupational pension scheme, a previously contracted-out scheme or another type of occupational pension scheme for the purposes of an enactment specified or described in the regulations;
 - (b) provide for the enactment to apply in relation to a new public scheme subject to modifications specified in the regulations.
- (3) Regulations under section (*Establishment of new public schemes and transfer of rights*)(1) amending a new public scheme may make retrospective provision.
- (4) Regulations under section (*Establishment of new public schemes and transfer of rights*)(1) may—
 - (a) confer functions on the Secretary of State or another person;
 - (b) provide for a person to exercise a discretion in dealing with a matter.
- (5) The Secretary of State may—
 - (a) make arrangements for a new public scheme to be administered by any person;

- (b) delegate to any person a function exercisable by the Secretary of State under a new public scheme.
- (6) In this section, a “previously contracted-out scheme” means a scheme that before 6 April 2016 was a salary related contracted-out scheme within the meaning of Part 3 of the Pension Schemes Act 1993.”

Member's explanatory statement

This new clause contains further provision about the transfer of the AWE Pension Scheme. It will be the second clause of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

BARONESS SHERLOCK

196 After Clause 110, insert the following new Clause—

“Protection against adverse treatment: transfer of rights

- (1) When making regulations under section (*Establishment of new public schemes and transfer of rights*) which transfer qualifying accrued rights to a new public scheme, the Secretary of State must ensure that the following requirements are met in respect of each person whose qualifying accrued rights are transferred—
 - (a) the general scheme requirement (see subsection (2)), and
 - (b) where the qualifying accrued rights transferred are a person’s rights or entitlements to money purchase benefits other than pensions in payment, the money purchase requirement (see subsection (3)).
- (2) The general scheme requirement is that, so far as relevant to the qualifying accrued rights transferred by the regulations, the provision in the new public scheme immediately after the regulations are made is in all material respects at least as good as the provision in the AWE Pension Scheme immediately before that time.
- (3) The money purchase requirement is that the value of the rights or entitlements to money purchase benefits, other than pensions in payment, that a person has under the new public scheme immediately after, and as a result of, the transfer is at least equivalent to the value of the qualifying accrued rights of the person that are transferred.
- (4) The Secretary of State may by regulations make provision about the determination of the value of rights or entitlements for the purposes of subsection (3).
- (5) Regulations under subsection (4) may, among other things—
 - (a) make provision about the person by whom, and the manner in which, the value of rights or entitlements is to be determined,
 - (b) make provision about the date or period by reference to which the value of the qualifying accrued rights transferred is to be determined (subject to subsection (6)), and
 - (c) make provision that applies generally or only for a specific purpose (for example, in relation to a particular transfer).

- (6) Regulations under subsection (4) may not make provision for the value of the qualifying accrued rights transferred to be determined by reference to a date which falls, or a period which ends, more than three months before the transfer.
- (7) Subsection (1) does not require provision to be included in a new public scheme if the Secretary of State is of the opinion that the provision would be incompatible with an enactment (including an enactment applying as a result of any provision made by or under this Chapter).
- (8) Nothing in subsections (1) to (3) is to be read as—
 - (a) requiring particular provisions of a new public scheme to take a particular form,
 - (b) requiring a new public scheme to be established in a particular way,
 - (c) requiring any power or duty conferred or imposed by a new public scheme to be exercised or performed in a particular way, or
 - (d) affecting any power of any person to amend a new public scheme.”

Member's explanatory statement

This new clause contains provision about the protection of existing rights of members of the AWE Pension Scheme. It will be the third clause of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

BARONESS SHERLOCK

197

After Clause 110, insert the following new Clause—

“Protection against adverse treatment: amendment of new public schemes

- (1) The Secretary of State may not make regulations under section (*Establishment of new public schemes and transfer of rights*) amending a new public scheme unless—
 - (a) in a case where the amendment, on coming into force, would or might adversely affect subsisting rights at that time, the consent requirements or the procedure requirements are satisfied in relation to the amendment, or
 - (b) in any other case, the consultation requirements are satisfied in relation to the amendment.
- (2) The consent requirements are requirements specified or described in regulations made by the Secretary of State for the purpose of obtaining the consent of interested persons, or their representatives, to amendment of a new public scheme.
- (3) The consultation requirements are requirements specified or described in regulations made by the Secretary of State for the purpose of consulting interested persons, or their representatives, about amendment of a new public scheme.
- (4) The procedure requirements are requirements which—
 - (a) are specified or described in regulations made by the Secretary of State for steps to be taken before amending a new public scheme, and

- (b) are not requirements for the purpose of obtaining the consent of, or consulting, interested persons or their representatives.

(5) In this section, “subsisting rights”, in relation to any time, means—

- (a) any right to future benefits under a new public scheme which, at that time, has accrued to or in respect of a member of the scheme,
- (b) any entitlement under a new public scheme to the present payment of a pension or other benefit which a member of the scheme has at that time, or
- (c) any entitlement to benefits, or rights to future benefits, under a new public scheme which a survivor of a member of the scheme has at that time in respect of the member.

(6) For the purposes of the definition of “subsisting rights”—

- (a) references to pensions or other benefits (including future benefits) include money purchase benefits, and
- (b) references to a right include a pension credit right.

(7) In this section, “interested persons”, in relation to an amendment of a scheme, means persons who appear to the Secretary of State to be likely to be affected by the amendment.”

Member's explanatory statement

This new clause contains further provision about the protection of existing rights of members of the AWE Pension Scheme. It will be the fourth clause of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

BARONESS SHERLOCK

198

After Clause 110, insert the following new Clause—

“Transfer of assets and liabilities

- (1) The Secretary of State may by regulations provide for the transfer of assets or liabilities of the AWE Pension Scheme (without the need for any approval or consent of the trustee company or AWE PLC, or any other person, to the transfer) to—
 - (a) the Secretary of State,
 - (b) a nominee of the Secretary of State or the Treasury, or
 - (c) a company established by the Secretary of State or the Treasury for the purpose of holding the assets or the liabilities pending their disposal or discharge.
- (2) Where any assets of the AWE Pension Scheme are transferred before regulations under section (Establishment of new public schemes and transfer of rights)(2) are made, regulations under this section must make provision for the purposes of—
 - (a) securing the ability of the trustee company to meet any liability it has, or may have, or

- (b) securing that any such liability is to be met by the Secretary of State or the Treasury.
- (3) The regulations may in connection with those purposes, or otherwise in connection with a transfer of assets or liabilities under the regulations—
 - (a) make provision for the Secretary of State or the Treasury to give directions to the trustee company or AWE PLC;
 - (b) exempt the trustee company, or AWE PLC, from liability in connection with acts or omissions pursuant to any such directions;
 - (c) disapply (to such extent as is specified) any specified statutory provision or rule of law;
 - (d) provide for any specified statutory provision to apply (whether or not it would otherwise apply) with specified modifications;
 - (e) impose a moratorium on the commencement or continuation of proceedings or other legal processes of any specified description.
- (4) “Specified” means specified in the regulations.
- (5) Regulations under this section may include provision for the making of payments into the Consolidated Fund.”

Member's explanatory statement

This new clause contains provision about transfer of assets and liabilities of the AWE Pension Scheme and provision securing scheme liabilities are met after assets are transferred. It will be the fifth clause of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

BARONESS SHERLOCK

199

After Clause 110, insert the following new Clause—

“Supplementary

Taxation

- (1) The Treasury may by regulations make provision for varying the way in which any relevant tax would, apart from the regulations, have effect in relation to—
 - (a) a new public scheme;
 - (b) members of a new public scheme;
 - (c) persons who have survived a member of a new public scheme and who have an entitlement to benefits, or a right to future benefits, under the scheme in respect of the member;
 - (d) a person within section (*Transfer of assets and liabilities*)(1)(a) or (b).
- (2) Regulations under subsection (1) may include provision for treating a new public scheme as a registered pension scheme.
- (3) The Treasury may by regulations make provision for varying the way in which any relevant tax would, apart from the regulations, have effect in relation to, or

in connection with, anything done by or under, or in consequence of, regulations made under this Chapter in relation to—

- (a) the AWE Pension Scheme;
- (b) the trustee company;
- (c) AWE PLC;
- (d) the Secretary of State;
- (e) a qualifying person;
- (f) a person who has survived a qualifying person and who has an entitlement to benefits, or a right to future benefits, under the scheme in respect of the qualifying person.

(4) Regulations under subsection (1) or (3) may include provision for any of the following—

- (a) a tax provision not to apply or to apply with modifications;
- (b) anything done to have or not to have a specified consequence for the purposes of a tax provision;
- (c) the withdrawal of relief and the charging of a relevant tax.

(5) Provision made by regulations under subsection (1) or (3), other than provision withdrawing a relief or charging a relevant tax, may make retrospective provision.

(6) In this section—

“relevant tax” means—

- (a) income tax;
- (b) capital gains tax;
- (c) corporation tax;
- (d) inheritance tax;
- (e) stamp duty and stamp duty reserve tax;
- (f) stamp duty land tax;

“registered pension scheme” has the meaning given in Part 4 of the Finance Act 2004;

“tax provision” means any provision made by or under an enactment relating to a relevant tax.”

Member's explanatory statement

This new clause contains provision to secure the right tax treatment in relation to the transfer of the scheme (for example, to avoid tax becoming due on any transfer). It will be the sixth clause of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

BARONESS SHERLOCK

200 After Clause 110, insert the following new Clause –

“Information

- (1) The Secretary of State may by regulations make provision requiring a person specified or described in the regulations to give the Secretary of State a document or other information specified or described in the regulations.
- (2) Regulations under subsection (1) may only make provision in respect of documents or other information which the Secretary of State reasonably requires for the purposes of –
 - (a) making regulations under this Chapter, or
 - (b) establishing or administering a new public scheme, including transferring qualifying accrued rights to such a scheme.
- (3) Regulations under subsection (1) may, among other things, include –
 - (a) provision about the time when the document or other information must be given;
 - (b) provision about the form and manner in which it must be given;
 - (c) provision for the imposition of a financial penalty on a person who, without reasonable excuse, fails to comply with a requirement imposed by the regulations (including provision for appeals to a court or tribunal).
- (4) For the purposes of facilitating the establishment or administration of a new public scheme, including the transfer of qualifying accrued rights to such a scheme, information described in subsection (5) may be shared among the following persons –
 - (a) the Secretary of State;
 - (b) the Treasury;
 - (c) a trustee company of the AWE Pension Scheme;
 - (d) a person who exercises functions under the AWE Pension Scheme;
 - (e) AWE PLC;
 - (f) a person who administers, or exercises functions under, a new public scheme.
- (5) The information is information relating to –
 - (a) rights or entitlements to pensions or other benefits under the AWE Pension Scheme;
 - (b) the administration of the AWE Pension Scheme;
 - (c) rights or entitlements to pensions or other benefits under a new public scheme, so far as they are rights or entitlements of, or in respect of, qualifying persons;
 - (d) the administration of a new public scheme.
- (6) The disclosure of information in accordance with this section, or regulations made under this section, does not breach –

- (a) any obligation of confidence owed by a person in relation to that information, or
- (b) any other restriction on the disclosure of information (however imposed).”

Member's explanatory statement

This new clause contains provision about powers to require information or to share information in connection with the transfer of the AWE Pension Scheme. It will be the seventh clause of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

BARONESS SHERLOCK

201 After Clause 110, insert the following new Clause –

“Regulations

- (1) The Secretary of State must consult the trustee company before making –
 - (a) regulations under section (*Establishment of new public schemes and transfer of rights*) which establish a new public scheme or transfer qualifying accrued rights to a new public scheme, or
 - (b) regulations under section (*Transfer of assets and liabilities*) which make provision for the transfer of assets or liabilities.
- (2) The Secretary of State may not make regulations under any provision of this Chapter, other than under section (*Information*)(1), unless the Treasury have consented to the making of the regulations.
- (3) Regulations under section (*Establishment of new public schemes and transfer of rights*) are subject to the affirmative procedure if –
 - (a) the making of the regulations is subject to the consent requirements (see section (*Protection against adverse treatment: amendment of new public schemes*)), or
 - (b) the regulations make provision which has retrospective effect.
- (4) Regulations under section (*Transfer of assets and liabilities*) are subject to the affirmative procedure if they make provision falling with subsection (3)(c), (d) or (e) of that section.
- (5) Regulations under section (*Information*)(1) are subject to the affirmative procedure if they make provision about the amount of a financial penalty.
- (6) A statutory instrument containing regulations under section (*Taxation*) is subject to annulment in pursuance of a resolution of the House of Commons.
- (7) Any other regulations under this Chapter are subject to the negative procedure.”

Member's explanatory statement

This new clause contains provision about consultation and parliamentary scrutiny of regulations about the transfer of the AWE Pension Scheme. It will be the eighth clause of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

BARONESS SHERLOCK

202 After Clause 110, insert the following new Clause –

“Interpretation

In this Chapter –

“active member” has the meaning given by section 124(1) of the Pensions Act 1995;

“deferred member” has the meaning given by section 124(1) of the Pensions Act 1995;

“enactment” includes –

- (a) an enactment comprised in subordinate legislation (within the meaning given by section 21 of the Interpretation Act 1978),
- (b) an enactment comprised in, or in an instrument made under, a Measure or Act of Senedd Cymru,
- (c) an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament,
- (d) an enactment comprised in, or in an instrument made under, Northern Ireland legislation;

“member” has the meaning given by section 124(1) of the Pensions Act 1995;

“money purchase benefits” has the meaning given by section 181 of the Pension Schemes Act 1993;

“new public scheme” has the meaning given by section (*Establishment of new public schemes and transfer of rights*)(1);

“occupational pension scheme” has the meaning given by section 1 of the Pension Schemes Act 1993;

“pension credit right” has the meaning given by section 124(1) of the Pensions Act 1995;

“qualifying person” has the meaning given by section (*Establishment of new public schemes and transfer of rights*)(1);

“the trustee company” means AWE Pension Trustees Ltd.”

Member's explanatory statement

This new clause contains definitions for the purposes of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”. It will be the ninth clause of that Chapter.

LORD DAVIES OF BRIXTON
BARONESS BENNETT OF MANOR CASTLE
LORD WIGLEY

203 After Clause 110, insert the following new Clause –

“Indexation of pre-1997 pensions

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

(2) In Section 51 (annual increase in rate of pension) –

- omit subsections (1)(b) and (1)(c)(ii);
- in subsection (2) –
 - omit “on or after April 1997”;
 - omit “to payments in respect of employment carried on or after April 1997”;
 - omit “or, as the case may be, to payments in respect of employment carried on or after April 1997”;
- in subsection (4ZE), omit “or, as the case may be, to payments in respect of employment carried on or after April 1997”;
- in subsection (5)(a), omit “6 April 1997 or”;
- in subsection (8)(a) and (b), omit “at any time on or after 6 April 1997.”

Member's explanatory statement

This new clause would remove references to 6 April 1997 from section 51 of the Pensions Act 1995 in order to require that annual increases to pension payments in line with CPI and RPI apply to pensionable service both before and after 6 April 1997.

BARONESS ALTMANN

203ZA After Clause 110, insert the following new Clause –

“Lump sum payments for members of the Financial Assistance Scheme

- Any member of the Financial Assistance Scheme, or their survivor or surviving dependent if the member is deceased, who would qualify for an increased Financial Assistance Payment after 2027 as a result of changes made to the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986) by section 110 of this Act, may also receive a lump sum payment or payments in recognition of the years of pension increases that were unpaid since the failure of the pension scheme.
- The Secretary of State must, by regulations, determine the amount of the lump sum payments to be made under subsection (1) within one year of the day on which this Act is passed.
- Regulations under subsection (2) must –
 - specify, in consultation with the Pension Protection Fund, the calculation methodology for the lump sum payments to be made in connection with the loss of inflation protection on pre-1997 pension benefits, and
 - require Ministers, in consultation with the Pension Protection Fund, to lay appropriate regulations to identify the resources to be used for the lump sum payments.
- Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

This amendment seeks to make provision for lump sum payments to members of the Financial Assistance Scheme who qualify for an increase in periodic compensation for pre-1997 service to compensate for unpaid increases in the years since the failure of the pension scheme.

LORD DAVIES OF BRIXTON
BARONESS ALTMANN

203ZB After Clause 110, insert the following new Clause—

“Indexation of pre-1997 pensions over the period up to 2027

- (1) The Secretary of State must by regulations make provision in respect of pre-1997 rights for members of the Pension Protection Fund and the Financial Assistance Scheme.
- (2) Those regulations must specify that—
 - (a) where a PPF member has pensionable service prior to 6 April 1997 and is entitled to benefits under Schedule 7 of the Pensions Act 2004 the scheme manager must—
 - (i) determine the increase in the pension by the appropriate percentage that would be attributable to that service for the period between the assessment date and the date on which increases under sections 108 and 109 of this Act are first payable, and
 - (ii) increase the pension otherwise payable under the Pensions Act 2004 by the amount determined under sub-paragraph (i),
 - (b) where a FAS member has pensionable service prior to 6 April 1997 and is entitled to benefits under the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986) the Secretary of State must—
 - (i) determine the increase attributable to that service for the period between the calculation date and the date on which increases under section 110 of this Act are first payable, and
 - (ii) increase the pension otherwise payable under the Regulations by the amount determined under sub-paragraph (i), and
 - (c) the increased payments provided by paragraphs (a) and (b) must also apply to transferee members, to ill health payments and to payments to surviving dependents.
- (3) Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

This new clause would require the Secretary of State to provide, through regulations, for indexation on PPF and FAS compensation in respect of pre-1997 rights over the period prior to the implementation of clause 108, 109 and 110.

Clause 113

BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN

203A Clause 113, page 147, line 25, leave out lines 25 to 28 and insert—

- “(b) may impose a scheme-based pension protection levy in respect of a description of eligible scheme (or in respect of all eligible schemes) or may impose both a risk-based pension protection levy and a

scheme-based pension protection levy in respect of a description of eligible scheme (or in respect of all eligible schemes)."

Member's explanatory statement

If the Pension Protection Fund (PPF) needs to raise a pension protection levy in future, this amendment would give the PPF more flexibility as to how to raise a levy and to decide at the relevant time whether to raise a risk-based levy, a scheme-based levy, or both (as well as the appropriate proportions between them).

BARONESS BOWLES OF BERKHAMSTED

203B Clause 113, page 148, line 37, leave out “, (2) and (3)” and insert “and (2)”

Member's explanatory statement

This is an amendment that follows on from an associated proposed amendment to remove subsection (3) in section 177 of the Pensions Act 2004.

BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN

203C Clause 113, page 148, line 38, at end insert –

“(ba) omit subsection (3);”

Member's explanatory statement

This amendment removes the requirement that at least 80% of the pension protection levies imposed for a financial year must come from the risk-based pension protection levy.

After Clause 117

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

204 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

205 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
BARONESS ALTMANN

206 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

207 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

208 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

209 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.

BARONESS ALTMANN

As an amendment to Amendment 209

209A In subsection (3), after paragraph (d) insert—

“(da) pension scheme members;”

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

210 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

211

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
 BARONESS HAYMAN
 BARONESS GRIFFIN OF PRINCETHORPE
 BARONESS BENNETT OF MANOR CASTLE

212 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 2026 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 2026 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

213 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.”

LORD PALMER OF CHILDS HILL

214 After Clause 117, insert the following new Clause—

“Universal Pension Advice Entitlement

- (1) The Secretary of State must by regulations establish a system to ensure that every individual has a right to receive free, impartial pension advice at prescribed times.
- (2) Regulations under subsection (1) must provide for individuals to be offered advice—
 - (a) at or around the age of 40, and
 - (b) at a prescribed age, not more than six years before the individual's expected retirement age.
- (3) The regulations must make provision about—
 - (a) the content and scope of the free, impartial pension advice, which may include, but is not limited to, guidance on—
 - (i) pension types (including both defined contribution and defined benefit schemes),
 - (ii) investment strategies,
 - (iii) charges,
 - (iv) consolidation of pension pots, and
 - (v) retirement income options;
 - (b) the qualifications, independence, and impartiality requirements for any person or body providing advice;
 - (c) the means by which individuals are notified of their entitlement to receive the advice and how they may access it;
 - (d) the roles and responsibilities of pension scheme trustees, managers, and providers in facilitating access to advice;

- (e) the sharing of member information with prescribed persons or bodies subject to appropriate data protection safeguards.

(4) Regulations under this section may—

- (a) make different provision for different descriptions of pension schemes or different descriptions of individuals;
- (b) confer functions in connection with the provision or oversight of the advice on—
 - (i) the Pensions Regulator,
 - (ii) the Financial Conduct Authority,
 - (iii) the Money and Pensions Service, or
 - (iv) other prescribed bodies;
- (c) require the provision of funding for the advice service from prescribed sources.

(5) Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

This new clause makes provision by regulations for everyone to receive free, impartial pension advice at age 40 and again around five years before their expected retirement.

LORD PALMER OF CHILDS HILL

215

After Clause 117, insert the following new Clause—

“Independent review of forfeiture of survivor pensions in police pension schemes

- (1) The Secretary of State must commission an independent review into the impact and fairness of provisions within police pension schemes that result in the forfeiture, reduction, or suspension of survivor pensions on the grounds of—
 - (a) remarriage or entry into a civil partnership by the surviving partner of a deceased scheme member, or
 - (b) cohabitation with another person as if married or in a civil partnership.
- (2) The review must examine—
 - (a) the legal and policy basis for such provisions;
 - (b) the financial, social, and emotional impact on affected individuals and families;
 - (c) consistency with other public sector pension schemes, including schemes for—
 - (i) the Armed Forces,
 - (ii) the NHS, and
 - (iii) the civil service;
 - (d) potential options for reform, including retrospective reinstatement of pensions;
 - (e) any other matters the Secretary of State considers relevant.
- (3) The Secretary of State must—

- (a) appoint an independent person or panel with relevant legal, pensions, and public policy expertise to conduct the review, and
- (b) publish the terms of reference no later than three months after this Act is passed.

(4) The person or panel appointed under subsection (3) must—

- (a) consult with relevant stakeholders, including—
 - (i) the National Association of Retired Police Officers (NARPO),
 - (ii) survivor pension recipients,
 - (iii) police staff associations, and
 - (iv) pensions experts,
- (b) consider written and oral evidence submitted by affected individuals, and
- (c) publish a report of its findings and recommendations within 12 months of appointment.

(5) The Secretary of State must lay the report under subsection (4)(c) before both Houses of Parliament as soon as practicable after receiving it.”

Member's explanatory statement

This new clause would require the Secretary of State to commission an independent review into the impact and fairness of provisions within police pension schemes that result in the forfeiture, reduction, or suspension of survivor pensions.

LORD PALMER OF CHILDS HILL

216 After Clause 117, insert the following new Clause—

“Independent review into injustices in occupational pension schemes

- (1) The Secretary of State must, within three months of the day on which this Act is passed, commission an independent review into injustices experienced by members of occupational pension schemes as a result of the actions or omissions of employers, scheme sponsors, or scheme administrators.
- (2) The review must examine, in particular—
 - (a) cases where employers or scheme sponsors failed to adequately support, inform, or protect members in relation to their pension rights or entitlements;
 - (b) the adequacy, accuracy, and timeliness of information provided to scheme members, including information relating to—
 - (i) scheme changes,
 - (ii) benefit reductions or losses,
 - (iii) transfers, mergers, or scheme restructurings, and
 - (iv) risks to accrued pension benefits;
 - (c) the extent to which regulatory oversight, governance arrangements, or fiduciary duties failed to prevent detriment to members;
 - (d) the impact of such failures on affected members, including financial loss, inequality, and hardship in retirement;

- (e) whether particular groups of members were disproportionately affected, including—
 - (i) lower-paid workers,
 - (ii) women,
 - (iii) disabled people, and
 - (iv) those with non-standard or interrupted working patterns;
- (f) the effectiveness of existing routes to redress, including complaints procedures, the Pensions Ombudsman, and the courts;
- (g) potential options for remedy or redress, including—
 - (i) changes to legislation or regulation,
 - (ii) improvements to governance or communication standards, and
 - (iii) mechanisms for compensation or restoration of benefits, together with an assessment of the likely financial implications.

(3) The review must be conducted by an independent person or panel appointed by the Secretary of State with relevant expertise in—

- (a) pensions law and administration,
- (b) public policy and regulation, and
- (c) administrative justice and consumer protection.

(4) In conducting the review, the person or panel must—

- (a) consult with affected scheme members and pensioner groups;
- (b) invite and consider written and oral evidence from stakeholders, including—
 - (i) trade unions,
 - (ii) employer and industry bodies,
 - (iii) pensions experts, and
 - (iv) relevant regulatory and advisory bodies;
- (c) have regard to relevant findings of Parliamentary committees and public bodies.

(5) The person or panel appointed under subsection (3) must submit a report of its findings and recommendations to the Secretary of State within 12 months of the date on which the review is commissioned.

(6) The Secretary of State must—

- (a) lay the report before both Houses of Parliament as soon as reasonably practicable after receiving it;
- (b) within six months of laying the report, publish a statement setting out the Government's response to the review and any actions it proposes to take.”

Member's explanatory statement

This new clause would require the Secretary of State to commission an independent review into injustices experienced by members of occupational pension schemes where employers or scheme sponsors have failed to properly support, inform, or protect members, and to consider options for reform or redress.

BARONESS NEVILLE-ROLFE
BARONESS NOAKES

217 After Clause 117, insert the following new Clause—

“Review of public service pension schemes

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, conduct and publish a review of the long-term affordability, intergenerational fairness, fiscal sustainability, and accounting treatment of public service pension schemes.
- (2) In conducting the review under subsection (1), the Secretary of State must have regard to—
 - (a) the current and projected cost to the Exchequer of such schemes,
 - (b) their affordability in the context of long-term public finances,
 - (c) the impact of such schemes on different generations of taxpayers and scheme members,
 - (d) the implications of demographic change, including longevity and workforce participation, for the sustainability of such schemes, and
 - (e) the manner in which the liabilities associated with such schemes are recorded, disclosed, and accounted for within the public sector balance sheet and related fiscal reporting frameworks.
- (3) In preparing the review, the Secretary of State must consult—
 - (a) the Office for Budget Responsibility,
 - (b) the National Audit Office,
 - (c) His Majesty’s Treasury, and
 - (d) such other persons or bodies as the Secretary of State considers appropriate.
- (4) The Secretary of State must by regulations set out the schemes to which subsection (1) applies.
- (5) Regulations under subsection (4) are subject to the negative procedure.
- (6) The review must be laid before both Houses of Parliament.
- (7) Nothing in this section affects any pension entitlement accrued in respect of service.”

Member's explanatory statement

This new clause would require the Secretary of State to conduct and publish a review of the long-term affordability, intergenerational fairness, fiscal sustainability, and accounting treatment of public service pension schemes. These could include the NHS Pension Scheme, the Teachers' Pension Scheme, the Civil Service Pension Scheme, the Armed Forces Pension Scheme, the Police Pension Scheme, and the Firefighters' Pension Scheme.

LORD PALMER OF CHILDS HILL
BARONESS ALTMANN
VISCOUNT THURSO

218 After Clause 117, insert the following new Clause –

“Independent review into pension losses incurred by former employees of AEA Technology

- (1) The Secretary of State must, within three months of the day on which this Act is passed, commission an independent review into the pension losses incurred by former employees of AEA Technology who –
 - (a) transferred their accrued pension benefits out of the UK Atomic Energy Authority (UKAEA) public service scheme to AEA Technology (AEAT) on privatisation in 1996, and
 - (b) suffered financial losses when AEA Technology went into administration in 2012 and the pension scheme entered the Pension Protection Fund (PPF).
- (2) The review must examine –
 - (a) the extent and causes of pension losses incurred by affected individuals,
 - (b) the role of Government policy and representations in the transfer of pensions during the privatisation of AEA Technology,
 - (c) the findings of the Public Accounts Committee and the Work and Pensions Select Committee,
 - (d) the adequacy of safeguards provided at the time of privatisation,
 - (e) potential mechanisms for redress or compensation, and
 - (f) the estimated financial cost of any such mechanisms.
- (3) The review must be –
 - (a) conducted by an independent panel appointed by the Secretary of State, with relevant expertise in pensions, public policy, and administrative justice, and
 - (b) transparent and consultative, including engagement with affected pensioners and their representatives.
- (4) The panel must report its findings and recommendations to the Secretary of State and lay a copy of its final report before Parliament within 12 months of its establishment.
- (5) The Secretary of State must, within six months of the publication of the report under subsection (4), lay before both Houses of Parliament a statement setting out the Secretary of State’s response to that outcome.”

Member's explanatory statement

This new clause would require the Secretary of State to commission an independent review into the pension losses incurred by former employees of AEA Technology.

BARONESS HAYMAN
LORD SHARKEY
BARONESS PENN
BARONESS GRIFFIN OF PRINCETHORPE

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.

BARONESS BENNETT OF MANOR CASTLE

218B After Clause 117, insert the following new Clause—

“Review pension schemes’ social impact

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, carry out a review of the social impact of all forms of pensions schemes.
- (2) The review must include an assessment of—
 - (a) the efficacy of investment strategies in delivering social good, and
 - (b) the potential impact of increasing investment in—
 - (i) social housing, and
 - (ii) green technology.
- (3) In this section, “social good” means something which benefits society as a whole, and “green technology” means the use of technology and science to create environmentally-friendly products and services.
- (4) The Secretary of State must prepare a report of the review and lay a copy of that report before Parliament.”

Member's explanatory statement

This new clause would require the Secretary of State to review the efficacy of investment in terms of delivering social good and the benefits of directing more investment towards social housing and green technology.

LORD HENDY
BARONESS JANKE

218C After Clause 117, insert the following new Clause—

“Pension scheme funds and assets: compatibility with human rights and international law

- (1) The Secretary of State must by regulations make provision to ensure that—

- (a) the funds or other assets for which a scheme manager is responsible (other than money needed for making payments under the scheme from the pension fund maintained by that scheme manager) are invested in a manner consistent with those provisions of human rights and international law which have been ratified by the UK;
- (b) scheme managers take appropriate steps to identify, prevent and mitigate the risks that investments may contribute to adverse human rights impacts, including by terminating investments in companies involved in serious breaches of human rights and international law which have been ratified by the UK, where other forms of leverage have not brought an end to such involvement.

(2) Regulations under this section are subject to the affirmative procedure."

Member's explanatory statement

This amendment seeks to ensure that pension scheme assets are not used incompatibly with the UK's obligations in respect of human rights and international law.

BARONESS COFFEY

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

“Pensions dashboards

- (1) Within six months of the day on which this Act is passed, the Financial Conduct Authority must make rules to enable private sector pension dashboards to receive data and operate.
- (2) In the Pensions Dashboards Regulations 2022 (S.I. 2022/1220), in Regulation 4, omit paragraph (3)."

Member's explanatory statement

This probing amendment seeks to require the Financial Conduct Authority to open up data to private sector-run pension dashboards within six months. It also repeals the requirement for the Secretary of State to give notice specifying the “Dashboards Available Point” at least six months in advance of that point.

BARONESS COFFEY

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

“Biodiversity risk

- (1) The Pensions Act 1995 is amended as follows.
- (2) After section 41C insert—

“41D Biodiversity risk

- (1) Regulations may impose requirements on the trustees or managers of an occupational pension scheme of a prescribed description with a view to

securing that there is effective governance of the scheme with respect to the effects of biodiversity risk.

- (2) The effects of biodiversity risk in relation to which provision may be made under subsection (1) include, in particular—
 - (a) risks arising from steps taken because of biodiversity change (whether by governments or otherwise), and
 - (b) opportunities relating to biodiversity change.
- (3) The requirements which may be imposed by the regulations include, in particular, requirements about—
 - (a) reviewing the exposure of the scheme to risks of a prescribed description;
 - (b) assessing the assets of the scheme in a prescribed manner;
 - (c) determining, reviewing and (if necessary) revising a strategy for managing the scheme's exposure to risks of a prescribed description;
 - (d) determining, reviewing and (if necessary) revising targets relating to the scheme's exposure to risks of a prescribed description;
 - (e) measuring performance against such targets;
 - (f) preparing documents containing information of a prescribed description.
- (4) Regulations under subsection (3)(b) may, in particular, require—
 - (a) that assets are assessed by reference to their exposure to risks of a prescribed description, and
 - (b) that an assessment includes determining the contribution of the assets of the scheme to biodiversity change.
- (5) The regulations may require the trustees or managers of the scheme to take into account—
 - (a) different ways in which biodiversity may change, and
 - (b) different steps that might be taken because of biodiversity loss.
- (6) Regulations under subsection (5) may require the trustees or managers of the scheme to adopt prescribed assumptions as to future events, including assumptions about—
 - (a) the steps that might be taken for the purpose of achieving the Kunming-Montreal Global Biodiversity Framework goals or other biodiversity goal;
 - (b) the achievement of the Kunming-Montreal Global Biodiversity Framework goals or other biodiversity goal.
- (7) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Secretary of State.
- (8) In this section “the Kunming-Montreal Global Biodiversity Framework goals” means the four goals to protect and restore nature, to prosper with nature, to share benefits of nature fairly, and to invest and collaborate in

nature, as referred to in Section G of the Convention on Biological Diversity agreement done at Montreal on 19 December 2022.

41E Biodiversity risk: publication of information

- (1) Regulations may require the trustees or managers of an occupational pension scheme of a prescribed description to publish information of a prescribed description relating to the effects of biodiversity change on the scheme (which may include information about matters to which regulations under section 41D may relate).
- (2) Regulations under subsection (1) may, among other things—
 - (a) require the trustees or managers to publish a document of a prescribed description;
 - (b) require information or a document to be made available free of charge;
 - (c) require information or a document to be provided in a form that is or by means that are prescribed or of a prescribed description.
- (3) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Secretary of State.

41F Sections 41D and 41E: compliance

- (1) Regulations may make provision with a view to ensuring compliance with a provision of regulations under section 41D or 41E.
- (2) The regulations may in particular—
 - (a) provide for the Authority to issue a notice (a “compliance notice”) to a person with a view to ensuring the person’s compliance with a provision of regulations under section 41D or 41E;
 - (b) provide for the Authority to issue a notice (a “third party compliance notice”) to a person with a view to ensuring another person’s compliance with a provision of regulations under section 41D or 41E;
 - (c) provide for the Authority to issue a notice (a “penalty notice”) imposing a penalty on a person where the Authority are of the opinion that the person—
 - (i) has failed to comply with a compliance notice or third party compliance notice, or
 - (ii) has contravened a provision of regulations under section 41D or 41E;
 - (d) provide for the making of a reference to the First-tier Tribunal or Upper Tribunal in respect of the issue of a penalty notice or the amount of a penalty;
 - (e) confer other functions on the Authority.

- (3) The regulations may make provision for determining the amount, or the maximum amount, of a penalty in respect of a failure or contravention.
- (4) But the amount of a penalty imposed under the regulations in respect of a failure or contravention must not exceed—
 - (a) £5,000, in the case of an individual, and
 - (b) £50,000, in any other case.”
- (3) In section 116 (breach of regulations), in subsection (3)(b), after “41C” insert “or section 41F”.
- (4) In section 175 (Parliamentary control of orders and regulations)—
 - (a) in subsection (1), after “(2A)” insert “, (2B)”;
 - (b) after subsection (2A) insert—
 - “(2B) A statutory instrument which contains the first regulations made by virtue of section 41D or 41F must not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.””

Member's explanatory statement

This amendment replicates the introduction of sections 41A, 41B and 41C into the Pensions Act 1995 which considered climate change and the Paris Agreement, instead considering the risk of biodiversity loss and the goals agreed at the Kunming-Montreal Biodiversity Framework in 2022.

BARONESS ALTMANN

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

“Data accuracy checking

- (1) The Pensions Act 2008 is amended as follows.
- (2) In section 28 (certification that quality requirement or alternative requirement is satisfied), in subsection (6), after paragraph (f), insert—
 - “(g) as to the confirmation and regular checking of accuracy of pension contributions paid into a scheme and reported to members.”
- (3) In section 33 (deduction of contributions), after subsection (2) insert—
 - “(3) Regulations made under this section must require employers to obtain confirmation from the trustees or managers of the scheme that the amounts of money paid into a scheme on behalf of members are regularly checked for accuracy and any errors are recorded and corrected as quickly as possible.”
- (4) In section 60 (requirement to keep records), in subsection (1), after paragraph (c), insert—
 - “(d) to provide confirmation that regular data accuracy checks to verify contribution amounts, including any tax and National Insurance reliefs, are correctly recorded and reported to members.””

Member's explanatory statement

This amendment aims to require regular data accuracy checks to verify that amounts paid in for members are correctly recorded and reported.

The Schedule

BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN

219 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.

After Clause 119

BARONESS ALTMANN

219A After Clause 119, insert the following new Clause –

“Alignment of regulations with Technical Actuarial Standards

The Secretary of State has a duty to ensure that regulations under this Act align with Technical Actuarial Standards issued by Financial Reporting Council, requiring trustees to compare bulk annuity, superfunds and run-on strategies for defined benefit pension schemes before making irreversible decisions about scheme assets.”

Member's explanatory statement

This amendment seeks to ensure a joint approach between Government departments and their related regulators including the PRA, FCA and TPR, to help align their respective responsibilities for solvency, consumer interest, member protection and promoting growth.

Clause 120

LORD SHARKEY

220 [Withdrawn]

LORD SHARKEY

221 Clause 120, page 153, line 12, at end insert –

“(4) Any provision that may be made by regulations under this Act subject to the affirmative procedure may by resolution of either House be made according to the “super affirmative” procedure.”

Member's explanatory statement

This amendment would enable Parliament to insist on the use of the super-affirmative procedure to provide increased scrutiny of statutory instruments.

After Clause 120

LORD SHARKEY

222 After Clause 120, insert the following new Clause –

“Super-affirmative procedure

- (1) For the purposes of this Act, the “super-affirmative procedure” is as follows.
- (2) The Secretary of State must lay before Parliament –
 - (a) a draft of the regulations, and
 - (b) a document which explains the draft regulations.
- (3) Where a draft of the regulations is laid before Parliament under subsection (2), no statutory instrument containing the regulations is to be laid before Parliament until after the expiry of a the 30-day period.
- (4) The Secretary of State must request a committee of either House whose remit includes pension matters or related issues to report on the draft regulations within the 30-day period.
- (5) In preparing a draft statutory instrument containing the regulations, the Secretary of State must take account of –
 - (a) any representations,
 - (b) any resolution of either House of Parliament, and
 - (c) any recommendations of a committee under subsection (4), made within the 30-day period with regard to the draft regulations.
- (6) If, after the 30-day period, the Secretary of State wishes to make regulations in the terms of the draft or a revised draft, the Secretary of State must lay before Parliament a statement –
 - (a) stating whether any representations, resolutions or recommendations were made under subsection (5),
 - (b) giving details of any representations, resolutions or recommendations so made, and
 - (c) explaining any changes made in any revised draft of the regulations.

- (7) The Secretary of State may make a statutory instrument containing the regulations (whether or not revised) if, after the laying of the statement required under subsection (6), a draft of the instrument is laid before and approved by a resolution of each House of Parliament.
- (8) In this section, references to “the 30-day period” in relation to any draft regulations is to the period of 30 days beginning with the day on which the original draft regulations were laid before Parliament.
- (9) For the purposes of subsection (8) no account is to be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned for more than four days.”

Member's explanatory statement

This amendment would enable Parliament to insist on the use of the super-affirmative procedure to provide increased scrutiny of statutory instruments.

Clause 121

BARONESS SHERLOCK

223 Clause 121, page 153, line 15, at end insert—

- “(2A) Chapter 2A of Part 4 extends to England and Wales, Scotland and Northern Ireland.”

Member's explanatory statement

This amendment provides for the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights” to have UK extent (as the AWE Pension Scheme may have members living across the United Kingdom).

Clause 122

BARONESS SHERLOCK

224 Clause 122, page 154, line 23, at end insert—

- “(9A) Chapter 2A of Part 4 comes into force on the day on which this Act is passed (to the extent this is not already the case as a result of subsection (1)).”

Member's explanatory statement

This amendment provides for commencement of the new Chapter referred to in the explanatory statement for the amendment in the name of Baroness Sherlock to insert the new clause “Establishment of new public schemes and transfer of rights”.

Pension Schemes Bill

SEVENTH MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

4 February 2026

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