

# Pension Schemes Bill

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## RUNNING LIST OF ALL AMENDMENTS ON REPORT

*Tabled up to and including  
6 March 2026*

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*The amendments are listed in accordance with the following Instruction –*

<i>Clauses 1 to 118 Schedule</i>	<i>Clauses 119 to 123 Title</i>
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*[Amendments marked ★ are new or have been altered]*

### **Clause 1**

LORD FULLER

Clause 1, page 2, line 39, leave out paragraph (b)

#### ***Member's explanatory statement***

*This amendment seeks to allow pension funds to participate in more than one asset pool so that, if one pool develops a particular specialism in an asset class (for example, for infrastructure investment) it can be open to multiple schemes to join.*

### **After Clause 7**

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

After Clause 7, insert the following new Clause –

#### **“Benchmarking of Local Government Pension Scheme liabilities**

- (1) For each actuarial valuation relating to a scheme for local government workers which has pension funds, an administering authority must obtain and publish –
  - (a) the primary valuation used for funding purposes, and
  - (b) one or more benchmark valuations of scheme liabilities based on –
    - (i) prevailing bulk annuity pricing, and
    - (ii) a gilt-based discount rate.

- (2) The valuations published under subsection (1) must be published at the same time as the funding strategy statement, and alongside the employer contribution rates arising from the funding valuation.
- (3) Where the funding valuation is materially more prudent than the benchmark valuations, the administering authority must publish a statement explaining—
  - (a) the risks being guarded against,
  - (b) why those risks justify a higher degree of prudence than that reflected in insurer pricing, and
  - (c) the impact on employer contribution rates.
- (4) The funding strategy statement must include appendices explaining the valuation assumptions, benchmarks, and their effect on contribution rates in a form that is reasonably accessible to a person who is not a qualified actuary.
- (5) The statement must be communicated to the relevant local authority and made publicly available.
- (6) The documents published under this section must be made available in a manner that enables meaningful consultation by scheme employers and scheme members.
- (7) In this section—
 

“administering authority” has the same meaning as in Regulation 2 of the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356)

“funding strategy statement” has the same meaning as in Regulation 58 of the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356)”

***Member's explanatory statement***

*This amendment requires Local Government Pension Scheme valuations to be benchmarked against insurer pricing and gilt-based discount rates, with explanations where significantly greater prudence is applied. It also requires those benchmarks, the funding strategy statement, and employer contribution rates to be published together, with accessible explanatory material to support meaningful consultation.*

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) The review must include information on—
  - (a) the number of admitted bodies leaving the Scheme in each year,
  - (b) the reasons given for such bodies leaving the Scheme, and the extent to which those reasons relate to the cost of participation for employers,

- (c) any decisions relating to the pooling of Scheme assets, and the impact of those decisions on costs borne by Scheme employers,
  - (d) any changes to where responsibility for investment decision-making lies, and the effect of those changes on employer contribution rates and funding costs, and
  - (e) whether, and to what extent, the provisions of this Act have improved the cost and sustainability of the Scheme for employers.
- (4) 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. It also requires the review to publish information on admitted bodies leaving the Scheme, decisions on pooling and investment governance, and whether the reforms in this Act have improved the Scheme's cost and sustainability.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

After Clause 7, insert the following new Clause –

**“Independent inquiry into actuarial methodology and oversight of Local Government Pension Scheme valuations**

- (1) The Secretary of State must appoint an independent person or body to conduct an inquiry into the actuarial methodologies used in valuations of the Local Government Pension Scheme.
- (2) The inquiry must, in particular, consider –
  - (a) the actuarial assumptions and methodologies used by Scheme actuaries in assessing liabilities,
  - (b) the extent to which those methodologies apply a level of prudence in excess of that implied by gilt-based discount rates,
  - (c) the reasons given for applying such additional prudence, and
  - (d) the impact of those approaches on employer contribution rates and the long-term cost of participation in the Scheme.
- (3) Where a local government reorganisation takes place and assets and liabilities of the Scheme are apportioned or transferred, an independent assessment must be obtained of –
  - (a) the basis on which assets and liabilities are allocated,
  - (b) the consistency and fairness of that allocation between affected funds and employers, and
  - (c) the implications of the allocation for future employer contribution rates.
- (4) The purpose of the independent assessment under subsection (3) is to provide oversight of the valuation and apportionment process, including the role of the administering authority and its actuary.

- (5) A report of the inquiry, including findings and any recommendations, 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 establish an independent inquiry into the actuarial methodologies used in Local Government Pension Scheme valuations, including the application of prudence beyond gilt-based valuation and the impact on employer costs. It also requires independent assessment and oversight of the allocation of assets and liabilities following local government reorganisation, to ensure consistency, fairness, and transparency across funds.*

**Clause 10**

VISCOUNT THURSO

Clause 10, page 11, line 12, insert –

- “(2AA) Without prejudice to the generality of subsection (2A), regulations made under that subsection must include provision that takes into account the particular circumstances of occupational pension schemes established before the coming into force of the Pensions Act 1995 which, prior to that Act, possessed or were understood to possess a power to pay surplus to an employer.”

***Member's explanatory statement***

*This amendment would allow schemes where people are affected by pre-1997 arrangements to offer discretionary indexation where funding allows, with appropriate regulatory oversight.*

BARONESS ALTMANN

Clause 10, page 11, line 22, at end insert –

- “(ca) requiring trustees to have received relevant actuarial advice about the impact of surplus distribution on scheme funding and future member or employer benefits, and the risks and benefits of alternative approaches to surplus payment, including –
- (i) reducing or pausing contributions,
  - (ii) transferring to a superfund,
  - (iii) running the scheme on, and
  - (iv) buying annuities, and”

***Member's explanatory statement***

*This amendment seeks to ensure that, before any surplus is returned to employers, the trustees have properly considered actuarial reports covering the alternative possibilities of pension contribution reductions or holidays, scheme run-on, transferring to a superfund, buying annuities or distributing some surplus.*

## VISCOUNT THURSO

Clause 10, page 11, line 23, after “notified” insert “and consulted”

## VISCOUNT THURSO

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

- “(e) requiring that the trustees are satisfied that it is in the interests of the members that the power to pay surplus is exercised in the manner proposed in relation to a payment before it is made.”

***Member's explanatory statement***

*This amendment seeks to retain the requirement in section 37(3)(d) of the Pensions Act 1995 for trustees to be satisfied that it is in the interests of the members that the power to pay surplus is exercised in the manner proposed, which would be repealed by clause 10(3) of this Bill.*

## VISCOUNT THURSO

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

- “(e) requiring that the trustees have taken full account of the extent to which inflation has eroded the value of members’ pensions (as measured by the method prescribed in the applicable trust scheme) in considering whether to make any payment to the employer.”

***Member's explanatory statement***

*This amendment would require trustees to give full consideration to the impact of inflation on the value of members' pensions before making any payment of surplus to the employer.*

## 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 (consultation by employers: occupational pension schemes);”

***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 as a “prescribed decision” for the purposes of section 259 of the Pensions Act 2004 (consultation by employers: occupational pension schemes).*

## LORD PALMER OF CHILDS HILL

Clause 10, page 11, line 38, at end insert –

- “(e) about the proportion of any surplus that may be allocated, or the manner in which it may be determined, for the purpose of contributing to the provision of free, impartial pension advice and guidance services for scheme members.”

*Member's explanatory statement*

*This amendment enables a proportion of surplus funds to be used to fund free pension advice.*

**After Clause 10**

## VISCOUNT THURSO

After Clause 10, insert the following new Clause –

**“Report on fiduciary duty and discretionary indexation of pre-1997 benefits**

- (1) The Secretary of State must, within 12 months of day on which this Act is passed, publish a report on whether the fiduciary duties of trustees of occupational pension schemes should be amended to permit discretionary indexation of pre-1997 accrued rights, where scheme funding allows.
- (2) The report must consider –
  - (a) the impact of current fiduciary obligations on trustees’ ability to award discretionary increases to pre-1997 pension benefits;
  - (b) the potential benefits of permitting such discretionary indexation for affected pensioners;
  - (c) the funding conditions and thresholds under which discretionary indexation could be considered sustainable;
  - (d) the appropriate level of regulatory oversight and guidance required to ensure that discretionary increases are granted in a fair, transparent, and financially responsible manner;
  - (e) international approaches to indexation of legacy pension benefits;
  - (f) the legal and actuarial implications of amending fiduciary duties in this context.
- (3) In preparing the report, the Secretary of State must consult –
  - (a) the Pensions Regulator,
  - (b) the Financial Conduct Authority,
  - (c) representatives of pension scheme trustees, members, and sponsoring employers, and
  - (d) such other experts or bodies as the Secretary of State considers appropriate.
- (4) The Secretary of State must lay a copy of the report before both Houses of Parliament.”

**Member's explanatory statement**

*This new clause requires the Secretary of State to report on whether the fiduciary duties of trustees of occupational pension schemes should be amended to permit discretionary indexation of pre-1997 accrued rights, where scheme funding allows.*

## LORD PALMER OF CHILDS HILL

After Clause 10, insert the following new Clause –

**“Independent review into state deduction in defined benefit 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 the application and impact of state deduction mechanisms in occupational defined benefit pension schemes for banks.
- (2) The Secretary of State must by regulations set out the terms of reference for the review, including the bank or banks to be investigated.
- (3) The regulations in subsection (2) must make provision for the terms of reference to include –
  - (a) the origin, rationale and implementation of state deduction in bank pension schemes,
  - (b) the clarity and adequacy of member communications regarding state deduction from inception to present,
  - (c) the differential impact of state deduction on pensioners with varying salary histories, including an assessment of any disproportionate effects on –
    - (i) lower-paid staff, and
    - (ii) women,
  - (d) comparisons with other occupational pension schemes in the banking and public sectors, and
  - (e) the legal, administrative, and financial feasibility of modifying or removing state deduction provisions, including potential mechanisms for redress.
- (4) The Secretary of State must ensure that the person or body appointed to conduct the review –
  - (a) is independent of the banks investigated and its associated pension schemes,
  - (b) possesses relevant expertise in pensions law, occupational pension scheme administration, and equality and fairness in retirement income, and
  - (c) undertakes appropriate consultation with –
    - (i) affected scheme members,
    - (ii) employee representatives,
    - (iii) pension experts, and
    - (iv) stakeholder organisations.
- (5) The person or body conducting the review must –

- (a) submit a report on its findings to the Secretary of State within 12 months of the date the review is commissioned, and
  - (b) the Secretary of State must lay a copy of the report before Parliament and publish the report in full.
- (6) Within three months of laying the report before Parliament, the Secretary of State must publish a written response setting out the Government’s proposed actions, if any, in response to the report’s findings and recommendations.
- (7) Regulations under this section are subject to the negative procedure.
- (8) For the purposes of this section –
- “state deduction” means any provision within a defined benefit occupational pension scheme that reduces pension entitlements by reference to the member reaching state pension age or by reference to any state pension entitlement;
  - “defined benefit pension scheme” has the meaning given in section 181 of the Pension Schemes Act 1993.”

***Member's explanatory statement***

*This new clause would require the Secretary of State to commission an independent review into clawback provisions in occupational defined benefit pension schemes, for example, the Midland Bank staff pension scheme.*

**Clause 11**

BARONESS ALTMANN

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

- “(14) Value for money regulations must include criteria relating to member service quality, including –
- (a) accuracy of recorded contributions;
  - (b) reliability of valuation data;
  - (c) efficiency of administration;
  - (d) jargon-light communications in plain English;
  - (e) availability of education or guidance for all members;
  - (f) specific support for vulnerable members.”

***Member's explanatory statement***

*This amendment seeks to ensure that value for money assessments consider the quality of member services and communications, as well as data and administrative accuracy.*

**Clause 16**

BARONESS ALTMANN

Clause 16, page 18, line 4, at end insert “of at least 3 consecutive years.”

**Member's explanatory statement**

*This amendment would ensure that a scheme only has to incur the significant extra costs of reporting to the Regulator, employers and members if they have consistently been rated 'intermediate' for at least 3 years, so that schemes which have one or two years of under performance are not penalised too soon, given the long-term nature of pensions.*

**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 formalise the Value for Money framework within 12 months of the day on which this Act is passed.*

**Clause 22**

BARONESS ALTMANN

Clause 22, page 24, line 19, leave out “12” and insert “36”

***Member's explanatory statement***

*This amendment would only classify an unused pension pot as “dormant” if it had been left alone for at least 3 years, not just after one year.*

**Clause 40**

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 38, leave out lines 24 to 28

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 38, line 29, leave out “or 2(b)”

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT  
BARONESS NEVILLE-ROLFE

Clause 40, page 38, line 34, at end insert —

- “(c) able to demonstrate that they deliver investment performance which exceeds that achieved by the average of all Master Trusts which hold an approval under section 28A in respect of a main scale default arrangement.”

***Member's explanatory statement***

*This amendment allows Master Trusts which deliver good investment performance to be excluded from the scale requirements.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 38, line 38, leave out “or Condition 2”

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 39, line 12, leave out “or the conditions for approval under section 28C”

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT  
BARONESS NEVILLE-ROLFE

Clause 40, page 40, line 2, at end insert “or are able to demonstrate that they deliver investment performance which exceeds that achieved by the average of all group personal pension schemes which hold an approval under section 28B in respect of a main scale default arrangement”

***Member's explanatory statement***

*This amendment allows group personal pension plans which deliver good investment performance to be excluded from the scale requirements.*

BARONESS BOWLES OF BERKHAMSTED  
 BARONESS STEDMAN-SCOTT  
 VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
 BARONESS STEDMAN-SCOTT  
 VISCOUNT YOUNGER OF LECKIE

Clause 40, page 40, line 28, leave out “or 2”

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
 BARONESS STEDMAN-SCOTT  
 VISCOUNT YOUNGER OF LECKIE

Clause 40, page 40, line 32, leave out “or 2”

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS ALTMANN

Clause 40, page 40, line 37, after “arrangement” insert “or the total asset value of all member-specific classes of default arrangements offered to members by the MasterTrust”

***Member's explanatory statement***

*This amendment seeks to ensure that this legislation does not exclude MasterTrusts or other pension funds from offering members the chance to be invested in default pension arrangements which are more suited to their own circumstances, including age, retirement intentions, health conditions, plans for future retirement income options and so on.*

## BARONESS ALTMANN

Clause 40, page 40, line 37, after “arrangement” insert “or the total assets of several non-scale default arrangements offered by the RMT provider”

**Member's explanatory statement**

*This amendment, and others in the name of Baroness Altmann, seeks to ensure that the combined value of assets held under several non-scale default arrangements is taken into consideration when the Authority decides whether to approve a Master Trust under section 28A in the Pensions Act 2008 (inserted by clause 40).*

## BARONESS ALTMANN

Clause 40, page 40, line 40, after “arrangement” insert “or the total assets of several non-scale default arrangements offered by the RMT provider”

**Member's explanatory statement**

*This amendment, and others in the name of Baroness Altmann, seeks to ensure that the combined value of assets held under several non-scale default arrangements is taken into consideration when the Authority decides whether to approve a Master Trust under section 28A in the Pensions Act 2008 (inserted by clause 40).*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

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

“(aa) the RMT meets the innovation exemption requirement, and”

**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.*

BARONESS ALTMANN  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 41, line 2, after “arrangement” insert “or the total assets of several non-scale default arrangements offered by the RMT provider”

**Member's explanatory statement**

*This amendment, and others in the name of Baroness Altmann, seeks to ensure that the combined value of assets held under several non-scale default arrangements is taken into consideration when the Authority decides whether to approve a Master Trust under section 28A in the Pensions Act 2008 (inserted by clause 40).*

## BARONESS ALTMANN

Clause 40, page 41, line 5, leave out “£25 billion” and insert “an amount to be specified by affirmative regulations following consultation”

***Member's explanatory statement***

*This amendment seeks to remove the monetary value from the face of the Bill, to allow for flexibility in future, subject to consultation as the pension market develops in the next years.*

## BARONESS ALTMANN

Clause 40, page 41, line 9, after “arrangement” insert “or the total assets of several non-scale default arrangements offered by the RMT provider”

***Member's explanatory statement***

*This amendment, and others in the name of Baroness Altmann, seeks to ensure that the combined value of assets held under several non-scale default arrangements is taken into consideration when the Authority decides whether to approve a Master Trust under section 28A in the Pensions Act 2008 (inserted by clause 40).*

## BARONESS ALTMANN

Clause 40, page 41, leave out line 11

***Member's explanatory statement***

*This amendment is designed to ensure that pension scheme Master Trusts are able to manage assets without being mandated to follow a common investment strategy, both within and across membership groups.*

## BARONESS ALTMANN

Clause 40, page 41, line 15, after “arrangement” insert “or the total assets of several non-scale default arrangements offered by the RMT provider”

***Member's explanatory statement***

*This amendment, and others in the name of Baroness Altmann, seeks to ensure that the combined value of assets held under several non-scale default arrangements is taken into consideration when the Authority decides whether to approve a Master Trust under section 28A in the Pensions Act 2008 (inserted by clause 40).*

## BARONESS ALTMANN

Clause 40, page 41, line 22, after “arrangement” insert “or the total assets of several non-scale default arrangements offered by the RMT provider”

***Member's explanatory statement***

*This amendment, and others in the name of Baroness Altmann, seeks to ensure that the combined value of assets held under several non-scale default arrangements is taken into consideration when*

*the Authority decides whether to approve a Master Trust under section 28A in the Pensions Act 2008 (inserted by clause 40).*

BARONESS ALTMANN

Clause 40, page 41, line 25, at end insert –

- “(d) the total value of assets of the RMT which –
- (i) represent accrued rights of members of those schemes,
  - (ii) are held across several default arrangements, and
  - (iii) are managed under different investment strategies where each default arrangement is specifically designed to suit different categories of member, based on factors such as health status, pension status or retirement expectations.”

BARONESS ALTMANN

Clause 40, page 43, line 25, leave out “£25 billion” and insert “an amount to be specified by affirmative regulations following consultation”

***Member's explanatory statement***

*This amendment seeks to remove the monetary value from the face of the Bill, to allow for flexibility in future, subject to consultation as the pension market develops in the next years.*

BARONESS ALTMANN

Clause 40, page 43, leave out line 31

***Member's explanatory statement***

*This amendment is designed to ensure that pension scheme Master Trusts are able to manage assets without being mandated to follow a common investment strategy, both within and across membership groups.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT  
BARONESS BOWLES OF BERKHAMSTED  
BARONESS NOAKES

Clause 40, page 45, line 31, at end insert –

**“28BA Exemption from scale requirement**

- (1) The Secretary of State may by regulations provide that the Regulator may determine that a relevant Master Trust or a group personal pension scheme is to be treated as meeting the scale requirement in section 28A or 28B if the Regulator is satisfied that the conditions in subsections (2) and (3) are met.

- (2) The first condition is that the scheme has achieved a high value for money rating in at least two consecutive assessments under a prescribed value for money framework.
- (3) The second condition is that the Regulator is satisfied that there is no reasonable evidence that consolidation of the scheme into another arrangement would be likely to improve outcomes for members.
- (4) In determining whether the conditions in subsections (2) and (3) are met, the Regulator must have regard to—
  - (a) net risk-adjusted investment performance;
  - (b) governance quality and operational capability;
  - (c) whether the scheme benefits from integrated, pooled or cross-scheme investment arrangements not reflected solely in the total value of assets counted under section 28A(4) or 28B(4);
  - (d) whether the scheme invests wholly or substantially in a default arrangement operated by another scheme or manager meeting the scale requirement;
  - (e) whether the scheme derives material investment benefit from participation in a wider asset management group of substantial scale.
- (5) Regulations under this section may make provision about—
  - (a) the meaning of “high value for money rating”;
  - (b) the duration, renewal and withdrawal of a determination under subsection (1);
  - (c) reporting and disclosure requirements.”

BARONESS BOWLES OF BERKHAMSTED  
 BARONESS STEDMAN-SCOTT  
 VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED

Clause 40, page 45, line 37, at end insert—

- “(1A) In determining whether a scheme satisfies the asset allocation requirement in subsection (1), the Authority may vary the application of the prescribed percentage in relation to that scheme where it considers that doing so is necessary to ensure that the requirement is—
- (a) proportionate to the size, liquidity profile and maturity of the scheme,  
or

- (b) in the best interests of the members of the scheme.”

***Member's explanatory statement***

*This amendment seeks to allow the Authority to vary the application of the prescribed percentage to take into account the characteristics of the scheme or members' best interests.*

BARONESS ALTMANN

Clause 40, page 45, line 43, at end insert “, or

- (c) each new contribution to the fund, including taxpayer reliefs.”

***Member's explanatory statement***

*This amendment would allow the Government to require a particular percentage of new contributions, which comprise the added taxpayer reliefs, to be invested UK assets to help UK growth.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT  
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, line 1, leave out “made after 31 December 2035” and insert “can only be made before 31 December 2032, and”

***Member's explanatory statement***

*This amendment seeks to bring forward the latest date to make regulations under inserted section 28C which could increase the prescribed percentage.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

Clause 40, page 46, line 1, leave out “2035” and insert “2030”

***Member's explanatory statement***

*This amendment brings forward by five years the date after which regulations may not increase the prescribed percentage of assets required to be held in qualifying assets for default funds.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

Clause 40, page 46, line 2, at end insert –

- “(3A) Regulations under subsection (1) may only be made for the purpose of ensuring effective operation of the money purchase pensions market, and where there is evidence that market conditions are preventing money purchase scheme providers from investing in a way that secures optimal value for scheme members.
- (3B) Regulations under subsection (1) may only be made once the Secretary of State has provided a report on the likely impact of the regulations on effective operation of the money purchase pensions market.”

BARONESS ALTMANN  
BARONESS BOWLES OF BERKHAMSTED  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 46, line 10, at end insert –

- “(e) UK infrastructure,
- (f) UK scale-up capital,
- (g) UK quoted collective investment companies holding relevant qualifying assets, or
- (h) UK unlisted companies and collective investment funds invested in relevant qualifying assets.”

***Member's explanatory statement***

*This amendment seeks to ensure any mandation of investments is focussed on UK growth assets rather than wider overseas assets*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS ALTMANN  
BARONESS STEDMAN-SCOTT

Clause 40, page 46, line 10, at end insert –

- “(e) any assets described in paragraphs (a) to (d) which are held in—
  - (i) closed-ended investment funds listed under chapter 11 of the UK Listing Rules,
  - (ii) closed-ended investment funds admitted to trading on the Specialist Funds Segment of the London Stock Exchange, or

- (iii) unlisted collective investment vehicles including long-term investment funds,”

***Member's explanatory statement***

*This amendment seeks to include (1) closed ended investment funds, and (2) unlisted investment vehicles (including long term investment funds) in the list of exemplary qualifying assets.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 46, line 22 at end insert –

- “(6A) A description prescribed under subsection (4) may not relate to –
- (a) a specific asset, or
  - (b) an asset or class of assets associated with a specific infrastructure project.”

***Member's explanatory statement***

*This amendment seeks to ensure that mandation is general and does apply to a specific asset or infrastructure project.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 46, line 35, at end insert “, which may include reporting of net primary investment and increases in the stock of underlying assets;”

***Member's explanatory statement***

*This amendment seeks to clarify how the Regulator will track new investment.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 47, line 45, at end insert –

- “(11A) Regulations made under this section must ensure that an asset is not treated as a qualifying asset, or otherwise, based on the type of instrument used to invest in it.”

***Member's explanatory statement***

*This amendment seeks to ensure that qualifying assets count toward the prescribed percentage regardless of the type of instrument used to invest in them.*

BARONESS BOWLES OF BERKHAMSTED  
 BARONESS STEDMAN-SCOTT  
 VISCOUNT YOUNGER OF LECKIE

Clause 40, page 48, line 10, at end insert –

“(13A) Before making regulations under this section, the Secretary of State must consult such persons as appear to them to represent the interests of pension scheme members, private markets, public markets, and market infrastructure.”

***Member's explanatory statement***

*This amendment seeks to require consultation of wider representatives of interested parties before regulations about asset allocation can be made.*

VISCOUNT YOUNGER OF LECKIE  
 BARONESS STEDMAN-SCOTT

Clause 40, page 48, line 19, at end insert –

“(16) This section is repealed on 31 December 2035.”

***Member's explanatory statement***

*This amendment provides that the statutory power to impose asset allocation requirements on default pension funds under section 28C of the Pensions Act 2008 expires on 31 December 2035, so that the power, and any targets or requirements made under it, no longer have effect unless renewed by further primary legislation.*

BARONESS NOAKES  
 BARONESS STEDMAN-SCOTT  
 BARONESS NEVILLE-ROLFE

Clause 40, page 50, line 8, at end insert “or to deliver investment performance which exceeds that achieved by the average of schemes which meet those scale requirements”

***Member's explanatory statement***

*This amendment allows pension schemes which could deliver good investment performance to be included within the new entrant pathway relief.*

BARONESS BOWLES OF BERKHAMSTED  
 BARONESS STEDMAN-SCOTT  
 VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

## BARONESS BOWLES OF BERKHAMSTED

Clause 40, page 51, line 1, leave out “cause” and insert “risk”

***Member's explanatory statement***

*This amendment seeks to reduce the likelihood of financial detriment needed for a scheme to be exempted from the asset allocation requirement.*

## BARONESS BOWLES OF BERKHAMSTED

Clause 40, page 51, line 13, at end insert –

- “(e) must provide for an exemption from asset allocations for new schemes for a period not less than three years after they are established.”

***Member's explanatory statement***

*This amendment seeks to ensure that the schemes can be exempted from the asset allocation requirement during their first three years of operation.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 52, line 36, leave out “or (7B)”

**Member's explanatory statement**

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

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

**Member's explanatory statement**

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

Clause 40, page 53, line 35, at end of line 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;”

**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 BOWLES OF BERKHAMSTED

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

- “(ba) the effects of the description of prescribed assets (or any exclusions of assets) on wider markets, pension scheme members, retail investors, private markets, public markets and market infrastructure;”

**Member's explanatory statement**

*This amendment seeks to ensure that the Secretary of State must take the effect of the prescription of assets into account when carrying out a review under inserted section 30A.*

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT  
BARONESS NEVILLE-ROLFE

Clause 40, page 54, line 16, after “regulations)” insert –

“(a) after subsection 1, insert –

“(1A) In making regulations under section 20(1A), 20(1C), 26(7A), 26(7B), 28A, 28B, 28E, 28F and 28J the Secretary of State must have regard to –

- (a) the encouragement of innovation in the design and operation of pension schemes, and
- (b) the benefits of competition among providers of pension schemes.”;

***Member's explanatory statement***

*This amendment would require regulations concerning the operation of the scale provisions in clause 40 to have regard to innovation and competition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 54, line 17, leave out “(7B),”

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT  
BARONESS BOWLES OF BERKHAMSTED

Clause 40, page 54, line 18, after “28B,” insert “28BA,”

***Member's explanatory statement***

*This amendment is connected to another amendment in the name of Viscount Younger to insert new section 28BA into the Pensions Act 2008.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

Clause 40, page 54, line 19, leave out “28G,”

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

**Clause 41**

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

BARONESS BOWLES OF BERKHAMSTED  
BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

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

***Member's explanatory statement***

*This amendment, connected to others in the name of Baroness Bowles of Berkhamsted, seeks to remove provision on the asset allocation condition from Chapter 3, while preserving provision related to the scale condition.*

**Clause 42**

BARONESS ALTMANN

Clause 42, page 56, line 24, leave out “a non-scale default arrangement” and insert “several non-scale regular arrangements”

**Member's explanatory statement**

*This amendment, and another in the name of Baroness Altmann, seeks to ensure pension schemes are not excluded from the market for going beyond 'one-size-fits-all' approaches and can design arrangements for different cohorts of membership. It also seeks to clarify the language used in relation to these arrangements.*

BARONESS ALTMANN

Clause 42, page 57, line 9, at end insert –

“(2A) The Secretary of State has a duty to ensure that pension schemes offering several regular arrangements to their membership are not inadvertently penalised by regulations made under this section.”

**Member's explanatory statement**

*This amendment, and another in the name of Baroness Altmann, seeks to ensure pension schemes are not excluded from the market for going beyond 'one-size-fits-all' approaches and can design arrangements for different cohorts of membership. It also seeks to clarify the language used in relation to these arrangements.*

**Clause 43**

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT  
BARONESS NEVILLE-ROLFE

Clause 43, page 57, line 18, at end insert –

“(aa) the extent to which non-scale default arrangements contribute to innovation in the design and operation of pension schemes and to competition among providers of pension schemes;”

**Member's explanatory statement**

*This amendment would ensure that the review required by Clause 43 considers the impact of non-scale default arrangements and their contribution to innovation and competition.*

**After Clause 44**

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT  
BARONESS NEVILLE-ROLFE

After Clause 44, insert the following new Clause –

**“Innovation and competition**

In making regulations under sections 42 and 44 the appropriate authority must have regard to –

- (a) the encouragement of innovation in the design and operation of pension schemes, and
- (b) the benefits of competition among providers of pension schemes”

***Member's explanatory statement***

*This amendment would require regulations dealing with non-scale default arrangements to have regard to innovation and competition.*

**After Clause 96**

LORD PALMER OF CHILDS HILL

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 108**

BARONESS ALTMANN

★ Clause 108, page 119, line 44, at end insert –

“(2A) After paragraph 28, insert –

“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 ALTMANN

★ Clause 108, page 124, line 36, at end insert –

“(5A) After paragraph 17, insert –

“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 ALTMANN

★ Clause 109, page 129, line 25, at end insert –

“(2A) After paragraph 28, insert –

“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 ALTMANN

★ Clause 109, page 134, line 18, at end insert –

“(5A) After paragraph 17, insert –

“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.*

**After Clause 110**

BARONESS ALTMANN

★ After Clause 110, insert the following new Clause –

**“Lump sum payments for members of the Financial Assistance Scheme**

- (1) 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.
- (2) 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.
- (3) Regulations under subsection (2) must –
  - (a) 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
  - (b) 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 specified in paragraph (a).
- (4) Regulations made 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.*

BARONESS ALTMANN

★ After Clause 110, insert a new following new Clause –

**“Ability to allow members to leave PPF if better benefits are offered by a new employer**

- (1) In section 169 of Pensions Act 2004 (discharge of liabilities in respect of compensation), after subsection (2) insert –
  - “(3) In circumstances where subsection (2)(d) applies, the Secretary of State must by regulations make provision to enable members of pension schemes currently in the Pension Protection Fund to be transferred to an alternative arrangement, in exchange for the payment of a suitable premium by an alternative sponsor.

- (4) The amount paid under subsection (3) must be designed to deliver benefits above the Pension Protection Fund minimum level for all members who transfer.
- (5) The regulations under subsection (3) must stipulate how the required sum is to be calculated and what checks must be conducted to confirm that the sums paid by the Pension Protection Fund will secure benefits better than the Pension Protection Fund over the longer term.”

(2) Subsection (2)(d) of that section comes into force on the day that this Act is passed.”

***Member's explanatory statement***

*This amendment seeks to facilitate the transfer of benefits for members out of the Pensions Protection Fund (PPF), if they are offered, by a reliable alternative sponsor, benefits superior to those paid by the PPF and if a sufficient sum is paid to more than cover their long-term cost to the PPF. It also commences subsection (2)(d) of section 169 of the 2004 Act, thus permitting the payment of a lump sum.*

**After Clause 117**

BARONESS NEVILLE-ROLFE  
LORD MOYNIHAN OF CHELSEA  
BARONESS NOAKES

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 schemes to which subsection (1) applies are –
  - (a) the NHS Pension Scheme,
  - (b) the Teachers' Pension Scheme,
  - (c) the Civil Service Pension Scheme,
  - (d) the Armed Forces Pension Scheme,
  - (e) the Police Pension Scheme,
  - (f) the Firefighters' Pension Scheme, and
  - (g) any other public service pension scheme designated by the Treasury by regulations as operating on an unfunded or pay-as-you-go basis.
- (5) The review must be laid before both Houses of Parliament.
- (6) 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.*

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 day on which this Act is passed, 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 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 day on which the review begins.”

***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

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) Such regulations 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.*

VISCOUNT THURSO

After Clause 117, insert the following new Clause –

**“Review: AEA pension scheme**

- (1) The Secretary of State must, within three months of the day on which this Act is passed, commission an independent review into –
- (a) the pension losses incurred by former employees of AEA Technology who transferred their accrued pension benefits out of the UK Atomic Energy Authority (UKAEA) public service scheme to AEA Technology (AEAT) on privatisation in 1996;
  - (b) the financial losses suffered 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 adequacy of safeguards provided at the time of privatisation,
  - (d) potential mechanisms for redress or compensation, and
  - (e) the estimated financial cost of any such mechanisms.
- (3) The review must provide adequate mechanisms for redress and compensation for affected individuals and their dependents –
- (a) in line with the Third Report of Session 2023-2024, of the House of Commons Work and Pensions Committee;
  - (b) in line with the Fifty-Seventh Report of Session 2022-23, of the Committee of Public Accounts;
- or alternative redress and compensation that may be developed through the process outlined under subsection (2).
- (4) 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.
- (5) The panel must report its findings and recommendations to the Secretary of State and lay a copy of its final report before Parliament within three months of its establishment.
- (6) The Secretary of State must, within three months of the publication of the report under subsection (5), lay before both Houses of Parliament a statement setting out the Secretary of State's response to the report."

***Member's explanatory statement***

*This amendment seeks to require the Secretary of State to commission an independent review into the pension losses incurred by former employees of AEA Technology.*

VISCOUNT THURSO

After Clause 117, insert the following new Clause –

**“Discharge of liabilities in respect of compensation: commencement**

- (1) The Secretary of State must, within three months of the day on which this Act is passed, make regulations to commence the provisions laid out in section 169(2)(d) of the Pensions Act 2004 (discharge of liabilities in respect of compensation: cash sum).
- (2) The regulations under this section are subject to the negative procedure.”

LORD PALMER OF CHILDS HILL

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

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

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.*

LORD SHARKEY

After Clause 117, insert the following new Clause –

**“Fossil fuels and climate risk**

- (1) In section 41B (climate change risk: publication of information) of the Pensions Act 1995, after subsection (2), insert –
- “(2A) Regulations under subsection (1) may allow the Secretary of State to collect information on –
- (a) the amount, and
  - (b) the change in the amount of relevant assets held by the trustees of occupational pension schemes.
- (2B) The Secretary of State must prepare and publish an annual report on the information collected under subsection (2A).
- (2C) The relevant assets in subsection (2A) 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,
  - (c) are developing new mines, new power plants or new infrastructure,
  - (d) have 5GW or more of power generation capacity, or
  - (e) 10% or more of their power generation capacity relies on its combustion.
- (2D) Within two years of the day on which the Pension Schemes Act 2026 is passed, and every three years thereafter, the Secretary of State must consider whether the definition of relevant assets should be extended to include certain forms of issuance by other issuers deriving a certain proportion or amount of revenue from certain other fossil fuel-related activities.
- (2E) The Secretary of State may, by regulations give effect to the outcome of the considerations in subsection (2D).
- (2F) In this section –
- “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.”

- (2) The Financial Conduct Authority must, by general rules made under section 137A of the Financial Services and Markets Act 2000, make provision for the requirement in subsection (3) for pension schemes to which Part 7A of the Financial Services and Markets Act 2000 (inserted by section 48 of this Act) applies.
- (3) The requirement in subsection (2) is that at least annually, the pension scheme must estimate and publicly report –
  - (a) the amount, and
  - (b) the change in the amount of relevant assets held by the trustees of the pension scheme.
- (4) The Secretary of State must by regulations make provision for the requirement in subsection (5) in relation to the Local Government Pension Scheme.
- (5) The requirement in subsection (4) is that at least annually, the Secretary of State must estimate and publicly report –
  - (a) the amount, and
  - (b) the change in the amount of relevant assets held by the Local Government Pension Scheme.
- (6) For the purposes of subsections (3) and (5) –
  - “relevant assets” 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,
    - (c) are developing new mines, new power plants or new infrastructure,
    - (d) have 5GW or more of power generation capacity, or
    - (e) 10% or more of their power generation capacity relies on its combustion;
  - “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.
- (7) Within two years of the day on which this Act is passed, and every three years thereafter, the Secretary of State must consider whether the definition of relevant assets should be extended to include certain forms of issuance by other issuers deriving a certain proportion or amount of revenue from certain other fossil fuel-related activities.
- (8) The Secretary of State may, by regulations give effect to the outcome of the considerations in subsection (7).
- (9) Regulations under this section are subject to the negative procedure.”

***Member's explanatory statement***

*This amendment would require the Secretary of State, on climate risk grounds, to (1) annually monitor and report pension investments in thermal coal, and (2) periodically review whether to expand the monitored investments to other fossil fuel activities. MHCLG and the FCA must make corresponding arrangements for the LGPS and workplace personal schemes.*

BARONESS HAYMAN  
BARONESS PENN  
LORD SHARKEY  
BARONESS GRIFFIN OF PRINCETHORPE

★ After Clause 117, insert the following new Clause –

**“Clarification of pension scheme investment duties**

- (1) In section 36 of the Pensions Act 1995 (choosing investments), after subsection (9) insert –
  - “(10) 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.”
- (2) The Secretary of State must, within six months of the day on which this Act is passed, issue and thereafter maintain statutory guidance for trustees of trust schemes in relation to the discharge of their investment duties.
- (3) The statutory guidance must set out (amongst other matters) the ways in which trustees may, when investing the assets in the best interests of members and beneficiaries, take into account –
  - (a) the risks and opportunities provided by matters such as climate change, environmental and social factors, and
  - (b) members’ and beneficiaries’ standards of living.
- (4) The Secretary of State must issue and thereafter maintain corresponding guidance within the same six-month period for the Local Government Pension Scheme.
- (5) The Financial Conduct Authority must issue and thereafter maintain corresponding guidance within the same six-month period for providers of pension schemes to which Part 7A of the Financial Services and Markets Act 2000 (as inserted by section 48 of this Act) applies.
- (6) Before publishing the statutory guidance for the first time, the Secretary of State must lay the draft guidance before Parliament.
- (7) The Secretary of State must withdraw the draft guidance if, before the end of the 40-day period, either House of Parliament resolves not to approve it.”

***Member's explanatory statement***

*This new clause seeks to ensure that statutory guidance, to which trustees must have regard, is issued within six months of Royal Assent to clarify investment duties of occupational pension schemes, including a range of risks and opportunities and beneficiaries’ standards of living. It also requires the FCA and Secretary of State for Housing, Communities and Local Government to issue corresponding guidance for workplace personal pension schemes and the Local Government Pension Scheme.*

## BARONESS ALTMANN

★ 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), after subsection (6)(f) insert –
  - “(g) as to the confirmation and regular checking of accuracy of pension contributions paid into the 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 the 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), after subsection (1)(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.*

BARONESS STEDMAN-SCOTT  
VISCOUNT YOUNGER OF LECKIE

★ 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, regulation and guidance 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 and targeted support on decumulation options, fund choice, consolidation, and value for money;
  - (c) supporting informed member decision-making and actions without constituting regulated financial advice, through either guidance or targeted support.

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



# Pension Schemes Bill

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RUNNING LIST OF ALL  
AMENDMENTS ON REPORT

*Tabled up to and including*

*6 March 2026*

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*6 March 2026*

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